

Document of
The World Bank
FOR OFFICIAL USE ONLY

FILE COPY

Report No. P-3460-CM

REPORT AND RECOMMENDATION
OF THE
PRESIDENT OF THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
TO THE
EXECUTIVE DIRECTORS
ON A
PROPOSED LOAN
IN AN AMOUNT EQUIVALENT TO US\$20.0 MILLION
TO THE
UNITED REPUBLIC OF CAMEROON
FOR THE
URBAN DEVELOPMENT PROJECT

February 16, 1983

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

Currency Unit	=	CFA Franc (CFAF)
US\$1	=	CFAF 270 ^{a/}
CFAF 1 million	=	US\$3,704

ABBREVIATIONS

ARAN	-	Agence de Restructuration et d'Aménagement de Nylon
BCD	-	Banque Camerounaise de Développement
CAPME	-	Centre d'Assistance aux Petites et Moyennes Entreprises
CFC	-	Credit Foncier du Cameroun
CPN	-	Caisse Populaire de Nylon
FÉICOM	-	Fonds Special d'Équipement et d'Intervention Intercommunal
MAETUR	-	Mission d'Aménagement et d'Équipement des Terrains Urbains et Ruraux
MINUH	-	Ministère de l'Urbanisme et de l'Habitat
PME	-	Petites et Moyennes Entreprises
SIC	-	Société Immobilière du Cameroun
SNEC	-	Société Nationale des Eaux du Cameroun
SONEL	-	Société Nationale d'Électricité
UCPY	-	Union des Caisses Populaires de Yaounde
USAID	-	United States Agency for International Development

FISCAL YEAR

(Government, CFC and MAETUR)

July 1 to June 30

^{a/} Floating exchange rate. The CFA Franc (CFAF) is tied to the French Franc (FF) at the ratio of FF1 to CFAF 50.

UNITED REPUBLIC OF CAMEROON

URBAN DEVELOPMENT PROJECT

LOAN AND PROJECT SUMMARY

Borrower: United Republic of Cameroon

Beneficiaries: Ministry of Urban Development and Housing (MINUH)/Credit Foncier du Cameroun (CFC)/Mission d'Aménagement et d'Équipement des Terrains Urbains et Ruraux (MAETUR)

Amount: US\$20.0 million including capitalized front end fee

Terms: Twenty years including a five-year grace period, at an annual interest rate of 11.6 percent.

Co-Financing: Government of Switzerland

Project

Description: The first Bank Group-financed urban project in Cameroon is designed mainly to provide basic infrastructure, school and health facilities and improved shelter to lower urban income groups at appropriate standards and reasonable cost in the country's two largest cities and economic centers. The project would introduce the concept of slum upgrading in the Government's urban development program, strengthen existing institutions, and provide site-specific assistance to artisans to increase productivity. The infrastructure and building credits to be provided by the project are expected to be an important incentive to private sector and self-help house construction. The project, to be implemented over a 6-year period, would consist of the following main components:

- (i) Development of Douala-Nylon, the city's least developed squatter area, by: (a) providing basic infrastructure (roads, drainage, water supply, street lighting, refuse points) for 90,000 residents, as well as community facilities, pilot health education program, a retail market and technical assistance to artisans; and (b) carrying out a complete slum upgrading program for 13,000 inhabitants, including housing loans and land tenure;
- (ii) Community facilities in Yaounde-Northwest, one of the city's least developed areas, such as schools, health centers, markets and artisan center; and
- (iii) Technical assistance, training and studies for project execution, preparation of follow-up projects and urban investment planning.

Benefits

and Risks:

Direct quantifiable benefits would be better sanitary and infrastructure conditions, particularly for the poorer segments of the population in the country's two largest economic centers. Indirect benefits include improvements in the beneficiaries' health status, generation of unskilled construction employment and incentives for house construction. The project would support private sector initiatives and activities, and would help strengthen institutions and policies. A major risk relates to the innovative nature of the country's first slum upgrading operation. To minimize the risk, technical assistance will be provided to the executing agencies, particularly during the start-off period, to reinforce coordination of project activities and improve the training of counterparts.

Estimated Costs:

	US\$ million		
	<u>Foreign</u>	<u>Local</u>	<u>Total</u>
1. Development of Nylon	14.1	12.7	26.8
2. Community facilities, Yaounde N.W.	1.4	1.4	2.8
3. Technical assistance, training, studies	<u>3.7</u>	<u>3.1</u>	<u>6.8</u>
Total base cost	19.2	17.2	36.4
Physical contingencies	2.8	2.4	5.2
Price contingencies	5.8	7.3	13.1
Total cost (incl. taxes)	<u>27.8</u>	<u>26.9</u>	<u>54.7</u>
Taxes	-	9.5	9.5
Cost net of taxes	<u>27.8</u>	<u>17.4</u>	<u>45.2</u>
Total Cost (inc. taxes)	27.8	26.9	54.7
Front end fee on Bank loan	<u>0.3</u>	-	<u>0.3</u>
Total financing required (incl. taxes)	<u>28.1</u>	<u>26.9</u>	<u>55.0</u>

Financing Plan:

	<u>Foreign</u>	<u>Local</u>	<u>Total</u>
IBRD	20.0	-	20.0
Switzerland	3.5	2.0	5.5
Cameroon	<u>4.6</u>	<u>24.9</u>	<u>29.5</u>
	<u>28.1</u>	<u>26.9</u>	<u>55.0</u>

Estimated Disbursements:

	US\$ Million					
	<u>FY83</u>	<u>FY84</u>	<u>FY85</u>	<u>FY86</u>	<u>FY87</u>	<u>FY88</u>
Annual	0.3	3.4	7.9	5.4	2.4	0.6
Cumulative	0.3	3.7	11.6	17.0	19.4	20.0

Rate of Return: 18 percent (on about 70 percent of project costs for which benefits have been quantified).

Staff Appraisal Report: Report No. 3455-CM, dated February 16, 1983.

Maps: No. 15292R-Douala, Project Locations
No. 15293R-Yaounde, Project Locations

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

REPORT AND RECOMMENDATION OF THE PRESIDENT
TO THE EXECUTIVE DIRECTORS ON A PROPOSED LOAN
TO THE UNITED REPUBLIC OF CAMEROON FOR
AN URBAN DEVELOPMENT PROJECT

1. I submit the following report and recommendation on a proposed loan to the United Republic of Cameroon for the equivalent of US\$20 million to help finance an urban development project. The loan would have a term of 20 years, including a five-year grace period, at an annual interest rate of 11.6 percent. The Swiss Government has agreed to participate in the financing of the project with a loan of US\$5.5 million equivalent, on terms similar to IDA's.

PART I - THE ECONOMY

2. A report entitled "United Republic of Cameroon--Economic Memorandum" (No. 2877-CM), was distributed to the Executive Directors on April 30, 1980. Since then, three economic missions, as well as a number of sector missions, have visited Cameroon. Their major findings are incorporated in the following paragraphs. Annex I provides basic country data.

Background

3. Cameroon has a population of 8.9 million and covers an area of 475,000 km². It is one of Africa's most diverse countries, with a wide range of climatic zones, ecological conditions, population densities, ethnic groups and traditional cultures. Its main opportunities for development lie in the expansion of agricultural, livestock, and forestry production; the exploitation of energy and mineral resources; and the processing of agricultural, forestry and mineral products for domestic consumption and export. Cameroon became an oil producer in 1978 and is estimated to have produced some 6 million tons of crude petroleum in 1982. In 1981, Cameroon began producing refined petroleum products.

4. Cameroon's main economic centers are separated by large areas of low population density, and the country's port facilities and transport network also serve landlocked Chad and the Central African Republic. Adequate port and trunk transportation systems are essential for promoting agriculture, forestry and industry, and for strengthening internal and external communications. With the growth of manufacturing industry, government, transport, construction and services, Cameroon is becoming increasingly urban. About 35 percent of the population now live in towns, with the heaviest concentrations in Douala, the major port and industrial center, and Yaounde, the capital.

5. Cameroon subscribes to a philosophy of "planned liberalism" and the country's economic development has been pursued within a five-year investment planning framework. The Fourth Plan period ended in June, 1981, and the Fifth Plan (1981-86) is now in effect. Cameroon's macro-economic policies have been cautious and the Government has concentrated on fostering a sense of national unity among the different regions of the country. Thus, while until the second half of the 70's growth was comparatively moderate, the country has enjoyed exceptional economic and social stability.

6. Growth. Over the past fifteen years, Cameroon has experienced accelerating output and population growth. Real annual GDP growth during the Second Plan Period (1966-71) averaged 4.2 percent; in the Third (1971-76), 4.5 percent; and in the Fourth (1976-81), an estimated 7 to 8 percent. Population growth in the three periods was, respectively, about 1.8, 1.9 and 2.3 percent a year. Per capita GNP rose between 1966 and 1980 at an annual rate of about 3.1 percent.

7. Investment and Savings. Underlying the longer term rise in GDP growth have been rising proportions of investment. The investment/GDP ratio averaged over 15 percent during the Second Plan, close to 20 percent during the Third, and about 23 percent during the Fourth. Despite rising investment/GDP ratios, the mobilization of domestic savings more than kept pace, due largely to increased public savings. Gross domestic savings rose from about 84 percent of total investment under the Second and Third Plans to about 94 percent during the Fourth Plan. After allowing for net factor service and current transfers and the amortization of foreign loans, reliance on foreign financing fell from about 33 percent of total investment during 1966-71 to about 30 percent during 1976-79.

8. Public Finance. Budgetary revenues amounted to about 15 percent of GDP during the Second and Third Plans but increased to close to 17 percent during the Fourth Plan. Public savings after debt service declined from about 39 percent of total public investment during the Second Plan to about 36 percent during the Third; however, they rebounded to 55 percent during 1976-79, thanks to substantial contributions from the agricultural export stabilization funds.

9. Balance of Payments. Overall, the balance of payments has not posed particular problems, apart from some short-term deterioration during the 1974-76 period. In 1977-80, exports rose substantially (at an average annual rate of 26 percent), but imports also increased (at an average annual rate of 20 percent) because of more rapid economic growth and higher investment. International reserves were rebuilt in 1976-80, rising in 1980 to a gross level equivalent to about seven weeks of imports. This was low by international standards, although still acceptable given Cameroon's membership in the Central African Monetary Union. Since late 1980, Cameroon's official reserve position has fluctuated, reflecting variations in short-term capital transactions.

Development Prospects and Issues

10. Short- and Medium-term Developments. Oil production is having a significant impact on the Cameroonian economy. Historically, Cameroon has been dependent on the export of agricultural products for the bulk (72 percent in 1978) of its export earnings. Cocoa and coffee alone accounted for 53 percent of the value of 1978 exports. However, oil exports, which represented about 1 percent of total exports in 1978, had risen to an estimated 63 percent in 1982, with the share of agricultural products as a result dropping to about 28 percent. Exports of oil have continued to rise in 1983, further reducing the proportional importance of agricultural exports. The structure of output is also changing, with production of the agricultural sector falling from 32 to 26 percent of GDP between 1978-1981, and oil production rising from less than a half to over 11 percent.

11. The Government is nonetheless projecting significantly rising agricultural production in the years ahead. Its targets for the Fifth Plan period are based on 3 percent annual increases in cocoa output; 5 percent for robusta coffee; and 7 percent for arabica coffee; increased production of food and other crops, as well as livestock; and expansion of forestry production. An impact on the structure of the economy is expected from the Fifth Plan under which the proposed investment/GDP ratio is 23 percent. The Plan stresses increased support to agriculture and expansion of the supply of technical and professional manpower, while energy, mining and industry are to receive diminished emphasis. However, apart from appearing ambitious, the Government's targets, especially for agricultural production and investment, are not based on explicit identification of the probable patterns of hydrocarbons development and oil revenue-use and are, therefore, subject to more than the usual margin of uncertainty. The projected annual GDP growth rate of 7 percent over the Fifth Plan period is in line with estimated recent growth in the 7 to 8 percent range and appears comfortably attainable.

12. Longer-Term Developments. Cameroon's promising potential in areas outside agriculture implies a longer-term structural shift towards a more diverse industrial base, with expanded mining, manufacturing, power and service sectors. Agriculture will probably play a still critical but less dominant socio-economic role; within agriculture, a gradual shift in the composition of output towards increased food production for the growing urban population appears likely.

External Borrowing and Creditworthiness

13. Total public external debt outstanding and disbursed rose from US\$514 million at the end of 1976 to US\$2.0 billion at the end of 1981. Debt service payments rose from US\$39 million in 1976 to US\$200 million in 1981, while exports increased from US\$770 million to about US\$2.2 billion during the same period. Notwithstanding a hardening of average loan terms in the 1970s, Cameroon's debt service ratio was still about 9.1 percent in 1981 and is projected to stay in the 12 to 14 percent range throughout this decade.

Borrowing on non-concessionary terms is expected to account for about two-thirds of total new commitments and average terms are expected to harden during the period. Because of higher debt service payments, projected net disbursements will probably be less than in the past but, with Cameroon's favorable export and savings prospects, are expected to be sufficient to allow an investment rate above 25 percent of GDP, as well as the maintenance of a strong foreign reserve position.

PART II - BANK GROUP OPERATIONS IN CAMEROON

14. Bank and IDA commitments in Cameroon as of September 30, 1982, amounted to US\$746.2 million and covered 41 projects: 19 in agriculture, 12 in transportation, 3 in education, 3 in public utilities, 2 small- and medium-scale enterprise projects and 2 technical assistance projects. Transport and agriculture each account for about 40 percent of these commitments. IFC has invested in five enterprises, with total net loan and equity commitments of US\$12.7 million. Annex II contains a summary statement of Bank loans, IDA credits and IFC investments as of September 30, 1982, including notes on the execution of ongoing projects.

15. Although implementation delays and setbacks have occasionally been encountered, the Government has consistently shown willingness to collaborate with the Bank in finding solutions. In the past, Cameroon's disbursement rate compared very favorably with that of most other countries. Recently, however, performance has deteriorated somewhat, apparently partly symptomatic of administrative difficulties, notably in the central procurement agency. Several steps, including the provision of technical support to expedite procurement procedures, are underway to improve the situation.

16. The Bank's initial investment strategy in Cameroon was to support the Government's development efforts in three main directions: (i) strengthening and extending the road and rail trunk systems and improving the Port of Douala; (ii) raising agricultural output and exports; and (iii) improving education. Through 1975, apart from one water supply project, Bank lending was concentrated entirely in the transport, agriculture and education sectors. Since 1975, the Bank has diversified its lending, extending it into other areas, including forestry, small- and medium-scale industry, and technical assistance.

17. For the future, projects are being prepared in agriculture, to extend rural development efforts and strengthen agricultural research, and in transport, to rehabilitate or expand the road system. Additional education/manpower and technical assistance projects are also planned, as well as further port, small- and medium-scale industry, urban, and water supply/sewerage projects. The Bank has carried out sector studies in energy, industry, telecommunications and health, and additional projects have been tentatively identified in these areas. The Bank's lending strategy is essentially determined by the country's growing need for project-related assistance,

its evident creditworthiness, and the need for the Bank to maintain an adequate overall and sectoral presence in order to remain a major source of macro-economic and sector policy advice. Thus, the trend towards further sectoral diversification of Bank lending, reflecting the growing complexity of Cameroon's development, will continue and the overall volume of lending will rise.

18. The Government's main current need is to convert the transient windfall of oil-augmented revenues into a permanent enhancement of national productivity and income. This will call for a strengthening of the Government's policy-formulating capabilities, the identification of economically sound development options, and the evolution and adoption of an explicit oil-revenue-use strategy to guide decision-making throughout the economy. Of particular importance will be sound decisions concerning the size and composition of the domestic investment program and the identification and removal of the major development bottlenecks.

19. In response to Cameroon's changing needs, the Bank's economic and sector work program is now emphasizing a broadening of the macro-economic and sectoral policy dialogue with the Government and the implementation of an integrated program of technical assistance to the central and technical ministries. With regard to short- and medium-term policy options, the dialogue is expected to include: the pace and pattern of oil and gas development; the size and composition of the public investment program; improvements in resource allocation; the roles of the private and public sectors; technical and other skilled manpower constraints and needs; and Government administrative reform. The dialogue on longer-term issues will probably cover basic agricultural and industrial policy options and related manpower development needs. A study on agricultural policy options is nearing completion and will be discussed with the Government shortly. The Bank earlier completed a basic study of industrialization and incentives leading to the provision of technical assistance to strengthen the Government's capacity to analyze and reformulate industrial policies. Studies and dialogue on the role of the public sector in industrial development and on the framework of industrial, agricultural and housing financial intermediation are also planned.

Donor Activities

20. Disbursements of official development assistance during the second half of the 1960s amounted to about US\$45.0 million a year, mostly in the form of grants. France provided most of the assistance. In the 1970s, foreign aid increased to about US\$90 million a year, with only one-fifth in the form of grants. Bank and IDA financing amounted to about 23 percent of total disbursements and the Bank Group became the major public donor. Bank Group lending to Cameroon has been closely coordinated with that of other donors; in 20 of the 41 Bank projects, joint or parallel financing was arranged and expanded cofinancing is being actively sought for several projects under consideration.

21. Cameroon is now borrowing increasingly from private sources; such borrowing rose to over 40 percent of external financing in 1975-79, from only 11 percent in 1967-69. Public external debt outstanding and disbursed as of

December 31, 1981, amounted to US\$2.0 billion, 8.2 percent of which was in the form of Bank loans and 8.5 percent in IDA credits. Bank loans in 1981 accounted for 7.8 percent of public external debt service and IDA credits for 3.2 percent. By 1985, Bank loans and IDA credits are projected to account for about 26 percent of debt outstanding and about 14 percent of debt service.

PART III - THE URBAN SECTOR

Stage of Urbanization

22. With an estimated 3.1 million urban residents out of a total population of 8.9 million in 1982, Cameroon is the fourth most urbanized country in West Africa after Congo, Ghana, and Ivory Coast. The high growth rate of 10 percent is expected to decrease to about 5 percent by the year 2000 when Cameroon's estimated 9 million urban residents will represent 65 percent of total population versus 35 percent in 1982.

23. Cameroon divides roughly into three principal economic regions, corresponding roughly to the main ethnic groupings. Douala, the country's main port and largest city (some 600,000 inhabitants), is also the economic center of the western region. The second largest city, Yaounde (some 400,000 citizens), is the economic center of the southern and eastern regions as well as the nation's capital. The secondary towns of Garoua and Maroua serve as economic centers of the sparsely populated northern savannah lands.

24. Even though Cameroon is still a predominantly rural society, the country's changing economic structure--illustrated by growing petroleum production and an expanding industrial sector--will have important repercussions on the urban sector in the years to come. Current and projected urban needs are substantial, in particular basic infrastructure, land registration and tenure, and development of new areas. Almost half of all urban residents lack access to piped water, and existing standpipe systems are mostly sub-standard. Less than 10 percent of urban residents hold registered land titles. The needs for improvement were particularly felt in the two largest cities, and the Government's initial efforts to define and implement a more systematic urban policy were, therefore, concentrated on these two centers.

Principal cities: Douala and Yaounde

25. More than one million people live in the two largest cities or about 12 percent of the total population. An estimated 150,000 people or 25 percent of Douala's population live below the absolute poverty level in Douala of approximately US\$290 per capita. In Yaounde, some 100,000 residents--or 25 percent of total population--have an estimated annual per capita income of less than US\$320 which is considered to be the poverty income threshold there. In squatter areas, however, the proportion of the population below the absolute poverty level is much higher than the 25 percent average share for

both cities indicates: in Douala-Nylon the principal project area, the share is 55 percent, and in Yaounde's squatter areas, the share is 33 percent. Urban infrastructure and services in both cities are seriously deficient, notably in low-income areas. Inadequate drainage, insufficient water supply and solid waste disposal, limited road access and lack of basic health and education facilities pose severe socio-economic problems, including reduced labor productivity and sub-standard sanitation and health conditions.

26. Urban conditions are particularly poor in Douala-Nylon which is mostly composed of Bamileke migrants from the western part of the country who are noted for their cohesive social structure. Nylon's area of some 600 ha houses about 90,000 people who represent about 15 percent of Douala's population, about one third of the city's poor. Nylon's inhabitants contribute significantly to rapidly expanding informal sector activities and the growing urban labor market in Douala. Demand for urban services is specially acute because previous development plans called for Nylon's transformation into a reserve or green belt, and virtually no infrastructure or urban services were provided for a prolonged period of time. By the mid 1970s, however, Nylon was selected as a priority area for upgrading in the framework of the Government's evolving urban program. Until very recently there were no public schools in Nylon, and there are currently no public health facilities or organized local market facilities at all. In the past, Nylon's minimum basic infrastructure was essentially provided through considerable self-help by 13 neighborhood action committees and organized work groups of its inhabitants.

Institutions and Policies

27. The Ministry of Urban Development and Housing (MINUH) has overall responsibility for the Government's urban development program and policies including land registration and management and regional planning. Several specialized semi-public agencies carry out most of the day-to-day operations: SIC constructs and manages houses primarily for higher income residents; MAETUR implements land development programs; CFC is primarily in charge of housing finance; and FEICOM finances municipal infrastructure investments and local training programs.

28. Other Ministries such as Ministries of Education, Health and Social Affairs and some semi-public agencies participate in urban development programs. The municipalities of Yaounde and Douala have traditionally only limited responsibilities for urban development. The bulk of their relatively small budgets, funded mainly by centrally collected taxes, are principally earmarked for basic urban services such as street lighting and garbage collection.

29. Recognizing the expanding needs for urban infrastructure and housing, the Government started to develop a more systematic program during the second half of the 1970s. Earlier, some of the most pressing needs were addressed by projects with selected urban components including projects financed by the Bank Group. Parallel to the evolving urban policies, new institutions were established to help implement the expanding development programs. At the

Government's request, the Bank has played an active role in developing appropriate policies through project preparation and sector work, provision of technical assistance and funding of feasibility studies under the First Technical Cooperation project. The Government has generally been receptive to Bank advice and has indicated its intention to continue to seek the Bank's assistance. Areas of future priorities include provision of basic infrastructure, land development and upgrading, housing finance, strengthening of institutions, and streamlining of procedures. Private initiative and self-help should support and complement public programs both in larger cities and secondary centers.

PART IV - THE PROJECT

30. The proposed project would be the first Bank-financed urban development project in Cameroon, expanding and complementing ongoing Bank Group projects with selected urban-related components in water supply, transport, small-scale enterprise and technical assistance projects. Following identification in 1978, a feasibility study was initiated under the First Technical Cooperation Project and completed in September 1980. Appraisal took place in November 1980 with brief follow-up missions during 1981 to firm up institutional arrangements. Negotiations were held in Washington from February 24 to March 4, 1982. The Cameroonian delegation was led by the Minister of Urban Development and Housing. While project implementation began as envisaged in 1982, final Government agreement was delayed. In February 1983, the Government agreed to the project as negotiated (including a fixed interest rate of 11.6 percent, reflecting the financial terms in effect at the time of negotiations). The Staff Appraisal Report No. 3455-CM is being circulated separately.

Project Objectives and Description

31. The proposed project is designed mainly to provide infrastructure, community facilities and improved shelter to lower urban income groups at appropriate standards and reasonable cost in Douala and Yaounde. The project would introduce the concept of slum upgrading in the Government's urban development program, would strengthen the institutional framework for a continuing upgrading and low-cost housing programs, and would provide site-specific assistance to artisans to increase their productivity. The infrastructure and building credits to be provided by the project are expected to be an important incentive to private sector and self-help construction.

32. The project, to be implemented over a 6-year period, would consist of the following main components:

- (i) Development of Douala-Nylon, the city's least developed squatter area, by:

- (a) providing a primary network of basic infrastructure (roads, water, drainage, street lighting, refuse collection) for 90,000 residents on the entire 600 ha area as well as community facilities, pilot health education program, a retail market and technical assistance to artisans; and
 - (b) carrying out a more complete slum upgrading program through provision of secondary and tertiary infrastructure for 13,000 inhabitants in a 50 ha pilot zone, including housing loans and land tenure.
- (ii) Community facilities in Yaounde-Northwest, one of the city's least developed areas, such as schools, health centers, markets and artisan center; and
 - (iii) Technical assistance, training and studies for project execution, preparation of follow-up projects, and urban investment planning.

33. Development of Douala-Nylon. Major roads, drainage, refuse bins, street lighting and water will be provided to the entire 600 ha area to ensure basic access, to solve the major drainage and garbage removal problems and to increase the availability of potable water. The drainage system in Nylon, which is the largest single component in the project, also serves a significant portion of the city of Douala outside Nylon. The project includes financing to dredge and straighten the Mgoua river, main drain of the Nylon watershed. As a first phase of long-term complete slum upgrading, a first tranche of 50 ha (13,000 residents in one of the oldest and best organized of Nylon's 13 neighborhoods) has been chosen, and upgrading here would serve as a model for other neighborhoods. On-site infrastructure would be installed in order to demonstrate how full upgrading, including delivery of tenure, should be carried out. In addition, 600 loans will be granted for plot purchase and home improvement, with an average loan amount of about US\$2,400.

34. The project will also help finance two primary schools, Nylon's first public health facility, and a health and nutrition education program. Five community centers will be built and equipped by residents using materials financed under the project, and a retail market will be constructed. Site-specific technical assistance to artisans and small entrepreneurs will be provided through CAPME and CPN, to be complemented by an US\$1 million line of credit through BCD financed by the ongoing Second SME Project.

35. Community Facilities in Northwest Yaounde. Upgrading of Northwest Yaounde was considered in the feasibility study but implementation was postponed because of financial constraints and lack of appropriate resettlement and land tenure arrangements. However, a component consisting of community facilities such as primary school classrooms, health, dispensary and youth centers, as well as a market and artisan center, was retained for this first project. Further assistance to artisans will be provided through CAPME and UCPY.

36. Technical Assistance, Training and Studies. A total of 20.5 staff-years of consultant support will be provided to assist in project implementation, to promote institution-building, and to increase sector knowledge and prepare follow-up projects. Technical assistance to facilitate project implementation will be provided to MAETUR (3 staff-years) and MINUH (5 staff-years). 12.5 staff-years of technical assistance have been earmarked for project preparation, including feasibility studies for possible follow-up projects and for urgently needed studies in urban investment and financial planning.

Cost and Financing

37. Project cost is estimated at US\$54.7 million of which US\$27.8 million (51 percent) represent foreign exchange cost. Government taxes amount to US\$9.5 million. Project costs are based on December 1981 prices. Physical contingencies are estimated at 15 percent on civil works and construction, and 10 percent on other project components. Price contingencies are estimated at 15 percent per year for local purchases of domestic and foreign goods and services and between 8.0 percent and 12.6 percent per year for direct foreign procurement. The proposed loan would provide for a total of 20.5 staff-years of technical assistance at an average monthly cost of US\$11,000 per expert. The unit costs are in line with prevailing and projected billing rates of consulting firms operating in Cameroon.

38. The proposed loan of US\$20.0 million would finance 44 percent of project cost net of taxes and 72 percent of foreign exchange cost of the project. Swiss cofinancing would provide US\$5.5 million or 10 percent of total project cost. Thus, together with the proposed Bank loan of US\$20.0 million, external financing would cover 85 percent of the project's foreign cost or 47 percent of total cost including taxes.

Financial Arrangements

39. On-lending arrangements are as follows: US\$1.0 million of the loan would be on-lent through CFC to MAETUR for slum upgrading in Douala-Nylon at 5.5 percent p.a. for four years including two years of grace. US\$18.7 million for primary infrastructure, community facilities and technical assistance will be channeled to the executing agencies through budgetary allocations of the Cameroonian Government.

40. Agreement has been reached on the on-lending arrangements of the loan to the financial intermediaries and executing agencies on terms satisfactory to the Bank. This would include that CFC would recycle the loan proceeds repaid by MAETUR by making further loans to it for urban projects. CFC would also make available purchase and house construction/improvement loans for all plots provided under this project (Sections 3.02 and Schedule 6 of the draft Loan Agreement).

41. Cost Recovery. The project will introduce the slum upgrading concept in Cameroon and at the same time the recovery of costs from beneficiaries in upgraded areas through plot sales with full title. The project will also introduce municipal participation in the financing of improved conditions for the urban poor. In terms of affordability, the project will reach to the 5th to 10th percentile of the income spectrum for final beneficiaries of the upgrading component. Thus the project would have a substantial poverty impact. To ensure replicability, the project will rely essentially on existing institutions and will strengthen them through technical assistance.

42. 85 percent of project costs which includes primary roads, major drainage, other non-allocable infrastructure, and community facilities would be charged to the central government. Small amounts for street lighting, standpipes and garbage disposal would be charged to the municipality of Douala. The relatively large central government share reflects the substantial drainage expenditures associated with this project because Nylon is a swampy area through which drainage for a large part of the city of Douala passes. The whole city, therefore, benefits from expenditures on the primary network.

43. 15 percent of project costs would be recovered. Costs of market facilities (ten percent) would be fully charged to the beneficiaries in the small business community. The remaining five percent of project costs would be recovered from beneficiaries in upgraded areas through plot sales with full title. In addition to attributable infrastructure and land costs, beneficiaries will be charged costs of housing construction financed by the project as well as interest during the construction period. Financing for plot purchase and house construction would be consolidated in a single loan from CFC to each final beneficiary to be repaid over 15 years including one year of grace, at an average annual interest rate of 4.5 percent and with a required ten percent downpayment.

44. The interest rate charged to final beneficiaries appears low in relation to past and anticipated inflation rates of approximately ten percent. However, the housing credits from CFC would be financed entirely through a para-fiscal mechanism involving a housing tax levied by the Government on all salaried employees. These tax revenues are channeled through CFC exclusively for social housing. Thus CFC's sources of funding for housing credits is the salaried workforce which is also a target group of its lending operations. To the extent that borrowers--who will be closely monitored by CFC--are low-income or unsalaried, this para-fiscal system results in a cross-subsidy benefitting low-income target groups.

45. The existing financing system permits CFC to cover its operating costs and a margin for risks and profit. If in future, however, CFC, due to increased demand for housing credits requires to borrow funds, then the need to adjust interest rates will become more urgent to maintain CFC's financial viability. The Bank discussed these issues with Government, and assurances were obtained that CFC would apply lending terms that would

preserve CFC's sound financial position. In addition, a five year investment program for CFC was agreed which defines housing development programs in terms of currently known resources. The Government has indicated its intention to review lending conditions including interest rates based on an ongoing study of CFC's financial policies, and to discuss future actions with the Bank. The Bank will continue to encourage Government to adjust interest rates and other lending terms in a manner compatible with sound management of financial intermediaries, and in line with prevailing economic and financial conditions in the country.

Project Execution and Management

46. The proposed project makes maximum use of existing agencies and procedures with modifications, as appropriate, to help increase efficiency. Project execution responsibilities can be summarized as follows: (i) MINUH for general project coordination and overall supervision; and for studies, technical assistance and training; (ii) MAETUR/ARAN for Nylon slum upgrading; and community facilities in Yaounde NW; (iii) CFC for housing loans for slum upgrading; and (iv) CAPME for technical assistance to artisans.

47. MINUH. MINUH will create a Project Office and appoint a qualified Project Coordinator who will be responsible in particular for monitoring the execution of the project and the preparation of progress reports (Section 3.04 (a) of the draft Loan Agreement). He will also focus on replicability and affordability and will initiate corrective measures, if necessary, during project execution. The Project Office will also be responsible for overall supervision and coordination. Assurances have been obtained that appropriate monitoring responsibilities for the project will be set up (Section 3.07(b) of the draft Loan Agreement).

48. MAETUR/ARAN. MAETUR management and staff are considered competent. USAID provided technical assistance for project planning and development for several years. Further technical assistance will be provided under the proposed project. MAETUR created recently the Nylon upgrading unit ARAN tailored to the specific needs of the first complete upgrading operation in the country--to implement infrastructure upgrading works, to sell plots, and to assist in house improvements. ARAN's activities will initially be limited to Nylon, however, if this arrangement proves to be successful, ARAN's activities could be extended to other upgrading activities elsewhere in the country. ARAN will be managed by a Cameroonian director assisted by a Steering Committee consisting of representatives of urban development institutions and two representatives of the Nylon residents. This broad representation will ensure the widest possible participation of all parties concerned.

49. CFC. It is well managed and has had no major default in its mortgage portfolio; technical assistance is being provided by Credit Foncier of France. CFC's revenues from housing tax proceeds amounted to about US\$21 million in FY 79/80. By mid-1980 CFC made about 150 housing loans totalling nearly US\$2 million, and lent US\$16 million to MAETUR and SIC for some 1,700

plots or houses. CFC's new management recently decided to start general savings operations, and is considering mobilizing external financing to blend with housing tax proceeds to expand CFC's future operations. CFC would on-lend proceeds of the proposed loan to MAETUR for infrastructure works, and would provide loans to individual beneficiaries for plot purchase and house construction and improvement. The house construction loans are included in the project but are not financed from the proceeds of the loan.

50. Other Participating Agencies. Other participating agencies such as SNEC, SONEL, CAPME, CPN and UCPY will collaborate with MINUH and other executing agencies in project implementation in their specific fields of activity. The neighborhood action committees in Nylon will be involved in pilot upgrading and the construction of community centers. These committees have proven to be very effective in mobilizing local resources, channelling them into community development activities, and coordinating community projects.

Procurement

51. Contracts for an aggregate value of US\$16.7 million base cost for procurement associated with major civil works and equipment would be awarded on the basis of international competitive bidding. If possible, contracts would be grouped to permit bulk procurement and to meet targets. For bid evaluation, a preferential margin of 15 percent or the value of the applicable customs duties, whichever is lower, would be allowed for products made in Cameroon.

52. Small contracts totalling US\$6.4 million not likely to attract foreign suppliers would be awarded after competitive bidding advertised locally but open also to bidders without local representation. These would include small supplies for ARAN and the land registry offices, the Swiss-financed market and facilities in Nylon, and the civil works of pilot upgrading except for the drainage works to be carried out by force account by the Nylon neighborhood action committee. Small items totalling no more than US\$1 million could be purchased locally based on at least three quotations. Consultant services totalling US\$7.6 million would be procured according to Bank Group's guidelines. Dredging of the Mgoua river requires special equipment which is already in place for the Douala port dredging. Since it would prove more expensive to bring in other equipment for this operation only, a contract of US\$1.6 million was negotiated directly with the contractor based on competitive rates obtained for the ongoing port contract. An extension of this contract of US\$0.9 million with similar unit costs has been negotiated.

Disbursements

53. The loan proceeds would be disbursed within 6 years to cover the following expenditures: (i) 50 percent of total expenditure for civil works for the upgrading component; (ii) 60 percent of total expenditure for material and equipment for project executing agencies and for technical assistance; and (iii) 70 percent of total expenditure for consultant services and studies.

All disbursements would be fully documented except for local expenditure (US\$0.2 million) for force account work to be done by the Nylon neighborhood action committee to be supervised by MAETUR/ARAN.

Reports and Auditing

54. Separate project accounts will be maintained by each executing agency; comprehensive project accounts will be kept by the Project Coordinator who will prepare quarterly progress reports to be sent to the Bank. Assurances have been obtained that no later than six months after the close of the fiscal year, financial statements of CFC and MAETUR would be submitted to the Bank (Section 3.07(b) of the draft Loan Agreement and Section 4.02 of the draft CFC Project Agreement and Section 4.02 of the MAETUR Project Agreement). These financial statements would be audited by an independent auditor acceptable to the Bank, and would be submitted to the Bank no later than 12 months after the close of the financial year.

Benefits and Justification

55. Direct quantifiable benefits of the project would be better sanitary and infrastructure conditions for the poorer segments of the population in the two largest cities. Some 90,000 residents would benefit from the provision of basic infrastructure in Douala-Nylon, and 13,000 inhabitants from a first complete slum upgrading operation in a 50 ha pilot zone where residential infrastructure would be provided on a non-subsidized basis. Other improvements would include some 10,000 new primary school places, market facilities and workshops for artisans. Indirect benefits include improvements in the beneficiaries' health status, generation of unskilled construction employment, and incentives for house consolidation. The project would have a substantial poverty impact; about half of total project cost is estimated to create direct benefits to some 50,000 residents of the urban poverty group. This project would introduce the concept of slum upgrading in the country's urban development program, would support private sector initiatives and activities, and would help strengthen institutions and policies.

56. Economic rate of return computations were made separately for individual project components. An overall rate of return of 18 percent was obtained on about 70 percent of project costs for which benefits have been quantified. Sensitivity analyses show that the overall rate of return did not fall below 14 percent in any of the sensitivity tests.

Risks

57. A major risk relates to the innovative nature of the country's first upgrading operation. Also, the varied nature of project components involved will require careful coordination and supervision. To minimize these risks, appropriate technical assistance will be provided to the executing agencies, particularly during the startoff period, to reinforce MINUH's control and coordinating functions, and to train Cameroonian counterparts.

PART V - LEGAL INSTRUMENTS AND AUTHORITY

58. The draft Loan Agreement between the United Republic of Cameroon and the Bank, the draft Project Agreements between the Bank and CFC and between the Bank and MAETUR, and the Recommendation of the Committee provided for in Article III, Section 4 (iii) of the Articles of Agreement of the Bank are being distributed to the Executive Directors separately.

59. Special conditions of the draft Loan Agreement are listed in Section III of Annex III.

60. Special conditions of effectiveness would be that subsidiary financing agreements are signed between the Government and CFC, and between CFC and MAETUR (Section 6.01 of the draft Loan Agreement).

61. I am satisfied that the proposed Loan would comply with the Articles of Agreement of the Bank.

PART VI - RECOMMENDATION

62. I recommend that the Executive Directors approve the proposed loan.

A. W. Clausen
President

Attachments

Washington D. C.
February 16, 1983

TABLE 3A
CAMEROON - SOCIAL INDICATORS DATA SHEET

AREA (THOUSAND SQ. KM.)	CAMEROON			REFERENCE GROUPS (WEIGHTED AVERAGES - MOST RECENT ESTIMATE) ^a	
			MOST RECENT	MIDDLE INCOME	MIDDLE INCOME
	1960 /b	1970 /b	ESTIMATE /b	AFRICA SOUTH OF SAHARA	NORTH AFRICA & MIDDLE EAST
TOTAL	475.4				
AGRICULTURAL	152.1				
GNP PER CAPITA (US\$)	150.0	250.0	670.0/c	1053.2	1253.6
ENERGY CONSUMPTION PER CAPITA (KILOGRAMS OF COAL EQUIVALENT)	85.2	108.6	142.5	610.1	713.5
POPULATION AND VITAL STATISTICS					
POPULATION, MID-YEAR (THOUSANDS)	5681.0	6781.0	8444.0	.	.
URBAN POPULATION (PERCENT OF TOTAL)	13.9	20.3	34.6	28.3	47.3
POPULATION PROJECTIONS					
POPULATION IN YEAR 2000 (MILLIONS)			14.2	.	.
STATIONARY POPULATION (MILLIONS)			40.8	.	.
YEAR STATIONARY POPULATION IS REACHED			2110	.	.
POPULATION DENSITY					
PER SQ. KM.	11.9	14.3	17.3	54.7	35.8
PER SQ. KM. AGRICULTURAL LAND	38.7	46.8	54.2	129.9	420.9
POPULATION AGE STRUCTURE (PERCENT)					
0-14 YRS.	38.9	40.5	41.3	46.0	44.3
15-64 YRS.	57.0	55.5	54.2	51.1	52.4
65 YRS. AND ABOVE	4.1	4.1	4.4	2.8	3.3
POPULATION GROWTH RATE (PERCENT)					
TOTAL	1.4	1.8	2.2	2.8	2.8
URBAN	4.9	5.6	7.5	5.2	4.6
CRUDE BIRTH RATE (PER THOUSAND)					
CRUDE BIRTH RATE (PER THOUSAND)	42.9	42.0	42.3	47.2	41.2
CRUDE DEATH RATE (PER THOUSAND)	27.1	22.2	18.6	15.7	12.2
GROSS REPRODUCTION RATE	2.8	2.8	2.8	3.2	2.9
FAMILY PLANNING					
ACCEPTORS, ANNUAL (THOUSANDS)	..	..	..	.	.
USERS (PERCENT OF MARRIED WOMEN)	..	..	..	..	..
FOOD AND NUTRITION					
INDEX OF FOOD PRODUCTION PER CAPITA (1969-71=100)					
	89.0	101.0	110.0	90.7	100.4
PER CAPITA SUPPLY OF CALORIES (PERCENT OF REQUIREMENTS)					
	91.3	93.1	106.0/d	93.9	108.5
PROTEINS (GRAMS PER DAY)					
	48.6	52.9	61.8/d	54.8	71.9
OF WHICH ANIMAL AND PULSE					
	11.5	14.3	15.9/d	17.0	18.0
CHILD (AGES 1-4) MORTALITY RATE	36.3	28.0	21.0	23.9	15.1
HEALTH					
LIFE EXPECTANCY AT BIRTH (YEARS)					
	37.2	42.2	47.1	51.0	56.9
INFANT MORTALITY RATE (PER THOUSAND)					
	162.5	133.7	108.8	118.5	104.3
ACCESS TO SAFE WATER (PERCENT OF POPULATION)					
TOTAL	..	..	26.0/e	..	59.1
URBAN	..	..	35.0/e	..	83.1
RURAL	..	..	22.0/e	..	39.8
ACCESS TO EXCRETA DISPOSAL (PERCENT OF POPULATION)					
TOTAL	..	..	..	..	..
URBAN	..	..	..	..	..
RURAL	..	..	..	..	..
POPULATION PER PHYSICIAN					
	48108.3	30137.8	16503.1/d	14185.2	4015.5
POPULATION PER NURSING PERSON					
	3276.4/f,g	2722.2	1154.1/d	2213.2	1802.2
POPULATION PER HOSPITAL BED					
TOTAL	535.7/g	563.0/h	370.1/d	1036.4	641.7
URBAN	505.3/f,g	302.0/h	199.7/d	430.8	538.3
RURAL	527.0/f,g	722.0/h	606.8/d	3678.6	2403.3
ADMISSIONS PER HOSPITAL BED	..	..	..	..	25.5
HOUSING					
AVERAGE SIZE OF HOUSEHOLD					
TOTAL	..	..	5.2/e	..	..
URBAN	..	..	5.1/e	..	..
RURAL	..	..	5.2/e	..	..
AVERAGE NUMBER OF PERSONS PER ROOM					
TOTAL	..	..	..	..	..
URBAN	..	..	..	..	..
RURAL	..	..	..	..	..
ACCESS TO ELECTRICITY (PERCENT OF DWELLINGS)					
TOTAL	..	..	6.7/e	..	..
URBAN	..	..	22.6/e	..	..
RURAL	..	..	0.5/e	..	..

TABLE 3A
CAMEROON - SOCIAL INDICATORS DATA SHEET

CAMEROON				REFERENCE GROUPS (WEIGHTED AVERAGES - MOST RECENT ESTIMATE) ^a		
		MOST RECENT		MIDDLE INCOME	MIDDLE INCOME	
1960	/b	1970	/b ESTIMATE /b	AFRICA SOUTH OF SAHARA	NORTH AFRICA & MIDDLE EAST	
EDUCATION						
ADJUSTED ENROLLMENT RATIOS						
PRIMARY:	TOTAL	65.0	91.0	103.0	83.3	88.7
	MALE	87.0	105.0	113.0	96.1	104.5
	FEMALE	43.0	77.0	93.0	80.4	72.0
SECONDARY:	TOTAL	2.0	8.0	17.0	15.3	39.7
	MALE	4.0	11.0	22.0	19.4	49.3
	FEMALE	1.0	4.0	12.0	11.3	29.0
VOCATIONAL ENROL. (% OF SECONDARY)		23.0	22.8	25.1/d	4.7	10.1
PUPIL-TEACHER RATIO						
PRIMARY		..	47.7	50.0/d	38.6	34.1
SECONDARY		..	23.1/f	26.2/d	23.4	23.7
ADULT LITERACY RATE (PERCENT)		18.9/f	12.0	..	35.6	43.3
CONSUMPTION						
PASSENGER CARS PER THOUSAND						
	POPULATION	1.7	4.9	7.7/e	31.9	17.8
RADIO RECEIVERS PER THOUSAND						
	POPULATION	1.7	31.3	91.0	71.8	131.3
TV RECEIVERS PER THOUSAND						
	POPULATION	..	..	..	17.9	44.1
NEWSPAPER ("DAILY GENERAL INTEREST") CIRCULATION PER THOUSAND POPULATION						
		1.2	2.5	3.4	19.1	31.5
CINEMA ANNUAL ATTENDANCE PER CAPITA						
		0.1	..	1.0/j	0.6	1.7
LABOR FORCE						
TOTAL LABOR FORCE (THOUSANDS)						
		2907.0	3299.0	3833.7	..	..
FEMALE (PERCENT)						
		43.0	42.7	41.7	36.5	10.6
AGRICULTURE (PERCENT)						
		87.0	85.0	83.0	56.5	42.4
INDUSTRY (PERCENT)						
		5.0	6.0	7.0	17.7	27.8
PARTICIPATION RATE (PERCENT)						
TOTAL						
		51.2	48.7	45.4	37.0	26.0
MALE						
		59.9	57.0	53.9	46.9	46.2
FEMALE						
		42.9	40.6	37.2	27.2	5.6
ECONOMIC DEPENDENCY RATIO		0.8	0.9	1.0	1.3	1.9
INCOME DISTRIBUTION						
PERCENT OF PRIVATE INCOME RECEIVED BY						
	HIGHEST 5 PERCENT OF HOUSEHOLDS	..	..	..	..	..
	HIGHEST 20 PERCENT OF HOUSEHOLDS	..	..	..	..	..
	LOWEST 20 PERCENT OF HOUSEHOLDS	..	..	..	..	..
	LOWEST 40 PERCENT OF HOUSEHOLDS	..	..	..	..	..
POVERTY TARGET GROUPS						
ESTIMATED ABSOLUTE POVERTY INCOME LEVEL (US\$ PER CAPITA)						
	URBAN	..	..	238.0	507.0	279.2
	RURAL	..	..	105.0	200.6	178.6
ESTIMATED RELATIVE POVERTY INCOME LEVEL (US\$ PER CAPITA)						
	URBAN	..	..	..	523.9	403.6
	RURAL	..	..	..	203.6	285.6
ESTIMATED POPULATION BELOW ABSOLUTE POVERTY INCOME LEVEL (PERCENT)						
	URBAN	..	..	15.0	..	22.1
	RURAL	..	..	40.0	..	30.9

.. Not available
. Not applicable.

NOTES

/a The group averages for each indicator are population-weighted arithmetic means. Coverage of countries among the indicators depends on availability of data and is not uniform.

/b Unless otherwise noted, data for 1960 refer to any year between 1959 and 1961; for 1970, between 1969 and 1971; and for Most Recent Estimate, between 1978 and 1980.

/c Fiscal year July-June; /d 1977; /e 1976; /f 1962; /g including ex-South Cameroon under British administration; /h 1968; /i 1972; /j 1974.

DEFINITIONS OF SOCIAL INDICATORS

Notes: Although the data are drawn from sources generally judged the most authoritative and reliable, it should also be noted that they may not be internationally comparable because of the lack of standardized definitions and concepts used by different countries in collecting the data. The data are, nonetheless, useful to describe orders of magnitude, indicate trends, and characterize certain major differences between countries.

The reference groups are (1) the same country group of the subject country and (2) a country group with somewhat higher average income than the country group of the subject country (except for "High Income Oil Exporters" group where "Middle Income North Africa and Middle East" is chosen because of stronger socio-cultural affinities). In the reference group data the averages are population weighted arithmetic means for each indicator and shown only when majority of the countries in a group has data for that indicator. Since the coverage of countries among the indicators depends on the availability of data and is not uniform, caution must be exercised in relating averages of one indicator to another. These averages are only useful in comparing the value of one indicator at a time among the country and reference groups.

AREA (thousand sq.km.)

Total - Total surface area comprising land area and inland waters; 1979 data.
Agricultural - Estimate of agricultural area used temporarily or permanently for crops, pastures, market and kitchen gardens or to lie fallow; 1979 data.

GNP PER CAPITA (US\$) - GNP per capita estimates at current market prices, calculated by same conversion method as World Bank Atlas (1978-80 basis); 1960, 1970, and 1980 data.

ENERGY CONSUMPTION PER CAPITA - Annual consumption of commercial energy (coal and lignite, petroleum, natural gas and hydro-, nuclear and geothermal electricity) in kilograms of coal equivalent per capita; 1960, 1970, and 1979 data.

POPULATION AND VITAL STATISTICS

Total Population, Mid-Year (thousands) - As of July 1; 1960, 1970, and 1980 data.

Urban Population (percent of total) - Ratio of urban to total population; different definitions of urban areas may affect comparability of data among countries; 1950, 1970, and 1980 data.

Population Projections

Population in year 2000 - Current population projections are based on 1980 total population by age and sex and their mortality and fertility rates. Projection parameters for mortality rates comprise of three levels assuming life expectancy at birth increasing with country's per capita income level, and female life expectancy stabilizing at 77.5 years. The parameters for fertility rate also have three levels assuming decline in fertility according to income level and past family planning performance. Each country is assigned one of these nine combinations of mortality and fertility trends for projection purposes.

Stationary population - In a stationary population there is no growth since the birth rate is equal to the death rate, and also the age structure remains constant. This is achieved only after fertility rates decline to the replacement level of unit net reproduction rate, when each generation of women replaces itself exactly. The stationary population size was estimated on the basis of the projected characteristics of the population in the year 2000, and the rate of decline of fertility rate to replacement level.

Year stationary population is reached - The year when stationary population size will be reached.

Population Density

Per sq. km. - Mid-year population per square kilometer (100 hectares) of total area; 1960, 1970 and 1979 data.

Per sq. km. agricultural land - Computed as above for agricultural land only; 1960, 1970 and 1979 data.

Population Age Structure (percent) - Children (0-14 years), working-age (15-64 years), and retired (65 years and over) as percentages of mid-year population; 1960, 1970, and 1980 data.

Population Growth Rate (percent) - total - Annual growth rates of total mid-year population for 1950-60, 1960-70, and 1970-80.

Population Growth Rate (percent) - urban - Annual growth rates of urban populations for 1950-60, 1960-70, and 1970-80.

Crude Birth Rate (per thousand) - Annual live births per thousand of mid-year population; 1960, 1970, and 1980 data.

Crude Death Rate (per thousand) - Annual deaths per thousand of mid-year population; 1960, 1970, and 1980 data.

Gross Reproduction Rate - Average number of daughters a woman will bear in her normal reproductive period if she experiences present age-specific fertility rates; usually five-year averages ending in 1960, 1970, and 1980.

Family Planning - Acceptors, Annual (thousands) - Annual number of acceptors of birth-control devices under auspices of national family planning program.

Family Planning - Users (percent of married women) - Percentage of married women of child-bearing age (15-44 years) who use birth-control devices to all married women in same age group.

FOOD AND NUTRITION

Index of Food Production per Capita (1969=100) - Index of per capita annual production of all food commodities. Production excludes seed and feed and is on calendar year basis. Commodities cover primary goods (e.g., sugarcane instead of sugar) which are edible and contain nutrients (e.g., coffee and tea are excluded). Aggregate production of each country is based on national average producer price weights; 1961-65, 1970, and 1980 data.

Per capita supply of calories (percent of requirements) - Computed from energy equivalent of net food supplies available in country per capita per day. Available supplies comprise domestic production, imports less exports, and changes in stock. Net supplies exclude animal feed, seeds, quantities used in food processing, and losses in distribution. Requirements were estimated by FAO based on physiological needs for normal activity and health considering environmental temperature, body weights, age and sex distribution of population, and allowing 10 percent for waste at household level; 1961-65, 1970 and 1977 data.

Per capita supply of protein (grams per day) - Protein content of per capita net supply of food per day. Net supply of food is defined as above. Requirements for all countries established by USDA provide for minimum allowances of 60 grams of total protein per day and 20 grams of animal and pulse protein, of which 10 grams should be animal protein. These standards are lower than those of 75 grams of total protein and 23 grams of animal protein as an average for the world, proposed by FAO in the Third World Food Survey; 1961-65, 1970 and 1977 data.

Per capita protein supply from animal and pulse - Protein supply of food derived from animals and pulses in grams per day; 1961-65, 1970 and 1977 data.

Child (ages 1-4) Deaths (per thousand) - Annual deaths per thousand in age group 1-4 years; to children in this age group, for most developing countries data derived from life tables; 1960, 1970 and 1980 data.

Per capita protein supply from animal and pulse - Protein supply of food derived from animals and pulses in grams per day; 1961-65, 1970 and 1977 data.

Child (ages 1-4) Deaths (per thousand) - Annual deaths per thousand in age group 1-4 years; to children in this age group, for most developing countries data derived from life tables; 1960, 1970 and 1980 data.

Per capita protein supply from animal and pulse - Protein supply of food derived from animals and pulses in grams per day; 1961-65, 1970 and 1977 data.

HEALTH

Life Expectancy at Birth (years) - Average number of years of life remaining at birth; 1960, 1970 and 1980 data.

Infant Mortality Rate (per thousand) - Annual deaths of infants under one year of age per thousand live births; 1960, 1970 and 1980 data.

Access to Safe Water (percent of population) - total, urban, and rural - Number of people (total, urban, and rural) with reasonable access to safe water supply (includes treated surface waters or untreated but uncontaminated water such as that from protected boreholes, springs, and sanitary wells) as percentages of their respective populations. In an urban area a public fountain or standpost located not more than 200 meters from a house may be considered as being within reasonable access of that house. In rural areas reasonable access would imply that the housewife or members of the household do not have to spend a disproportionate part of the day in fetching the family's water needs.

Access to Excreta Disposal (percent of population) - total, urban, and rural - Number of people (total, urban, and rural) served by excreta disposal as percentages of their respective populations. Excreta disposal may include the collection and disposal, with or without treatment, of human excreta and waste-water by water-borne systems or the use of pit privies and similar installations.

Population per Physician - Population divided by number of practicing physicians qualified from a medical school at university level.

Population per Nursing Person - Population divided by number of practicing male and female graduate nurses, assistant nurses, practical nurses and nursing auxiliaries.

Population per Hospital Bed - total, urban, and rural - Population (total, urban, and rural) divided by their respective number of hospital beds available in public and private general and specialized hospital and rehabilitation centers. Hospitals are establishments permanently staffed by at least one physician. Establishments providing principally custodial care are not included. Rural hospitals, however, include health and medical centers not permanently staffed by a physician (but by a medical assistant, nurse, midwife, etc.) which offer in-patient accommodation and provide a limited range of medical facilities. For statistical purposes urban hospitals include WHO's principal/general hospitals, and rural hospitals, local or rural hospitals and medical and maternity centers. Specialized hospitals are included only under total.

Admissions per Hospital Bed - Total number of admissions to or discharges from hospitals divided by the number of beds.

HOUSING

Average Size of Household (persons per household) - total, urban, and rural - A household consists of a group of individuals who share living quarters and their main meals. A boarder or lodger may or may not be included in the household for statistical purposes.

Average number of persons per room - total, urban, and rural - average number of persons per room in all urban, and rural occupied conventional dwellings, respectively. Dwellings exclude non-permanent structures and unoccupied parts.

Access to Electricity (percent of dwellings) - total, urban, and rural - Conventional dwellings with electricity in living quarters as percentage of total, urban, and rural dwellings respectively.

EDUCATION

Adjusted Enrollment Ratios

Primary school - total, male and female - Gross total, male and female enrollment of all ages at the primary level as percentages of respective primary school-age populations; normally includes children aged 6-11 years but adjusted for different lengths of primary education; for countries with universal education enrollment may exceed 100 percent since some pupils are below or above the official school age.

Secondary school - total, male and female - Computed as above; secondary education requires at least four years of approved primary instruction; provides general, vocational, or teacher training instructions for pupils usually of 12 to 17 years of age; correspondence courses are generally excluded.

Vocational enrollment (percent of secondary) - Vocational institutions include technical, industrial, or other programs which operate independently or as departments of secondary institutions.

Pupil-teacher ratio - primary, and secondary - Total students enrolled in primary and secondary levels divided by numbers of teachers in the corresponding levels.

Adult literacy rate (percent) - Literate adults (able to read and write) as a percentage of total adult population aged 15 years and over.

CONSUMPTION

Passenger Cars (per thousand population) - Passenger cars comprise motor cars seating less than eight persons; excludes ambulances, hearses and military vehicles.

Radio Receivers (per thousand population) - All types of receivers for radio broadcasts to general public per thousand of population; excludes unlicensed receivers in countries and in years when registration of radio sets was in effect; data for recent years may not be comparable since most countries abolished licensing.

TV Receivers (per thousand population) - TV receivers for broadcast to general public per thousand of population; excludes unlicensed TV receivers in countries and in years when registration of TV sets was in effect.

Newspaper Circulation (per thousand population) - Shows the average circulation of "daily general interest newspaper", defined as a periodical publication devoted primarily to recording general news. It is considered to be "daily" if it appears at least four times a week.

Cinema Annual Attendance per Capita per Year - Based on the number of tickets sold during the year, including admissions to drive-in cinemas and mobile units.

LABOR FORCE

Total Labor Force (thousands) - Economically active persons, including armed forces and unemployed but excluding housewives, students, etc., covering population of all ages. Definitions in various countries are not comparable; 1960, 1970 and 1980 data.

Female (percent) - Female labor force as percentage of total labor force.

Agriculture (percent) - Labor force in farming, forestry, hunting and fishing as percentage of total labor force; 1960, 1970 and 1980 data.

Industry (percent) - Labor force in mining, construction, manufacturing and electricity, water and gas as percentage of total labor force; 1960, 1970 and 1980 data.

Participation Rate (percent) - total, male, and female - Participation or activity rates are computed as total, male, and female labor force as percentages of total, male and female population of all ages respectively; 1960, 1970, and 1980 data. These are based on ILO's participation rates reflecting age-sex structure of the population, and long time trend. A few estimates are from national sources.

Economic Dependency Ratio - Ratio of population under 15 and 65 and over to the total labor force.

INCOME DISTRIBUTION

Percentage of Private Income (both in cash and kind) - Received by richest 5 percent, richest 20 percent, poorest 20 percent, and poorest 40 percent of households.

POVERTY TARGET GROUPS

The following estimates are very approximate measures of poverty levels, and should be interpreted with considerable caution.

Estimated Absolute Poverty Income Level (US\$ per capita) - urban and rural - Agriculture (percent) - Labor force in farming, forestry, hunting and fishing as percentage of total labor force; 1960, 1970 and 1980 data.

Estimated Relative Poverty Income Level (US\$ per capita) - urban and rural - Rural relative poverty income level is one-third of average per capita personal income of the country. Urban level is derived from the rural level with adjustment for higher cost of living in urban areas.

Estimated Population Below Absolute Poverty Income Level (percent) - urban and rural - Percent of population (urban and rural) who are "absolute poor".

Population: 8.7 million (mid-1981)
GNP per capita: US\$790 (1981)

UNITED REPUBLIC OF CAMEROON
ECONOMIC INDICATORS(1) /a

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
NATIONAL ACCOUNTS (IN CURRENT CFAF BILLIONS)										
GDP at Market Prices	355.9	400.5	492.6	579.9	657.3	789.9	945.8	1,135.4	1,390.3	1,703.7
Gross Domestic Savings	45.3	59.6	109.8	85.9	104.2	158.9	222.9	231.5	291.9	373.8
Gross National Savings	38.8	52.8	96.0	72.6	93.7	151.7	211.7	214.2	268.4	341.1
Current Account Balance	-24.0	-17.8	0.3	-30.8	-27.1	-23.4	-11.1	-58.0	-39.9	-25.1
Exports of Goods and NFS	80.9	90.6	132.6	138.9	156.8	209.0	296.0	313.3	410.8	538.8
Imports of Goods and NFS	-98.5	-101.7	-118.4	-156.4	-189.5	-231.9	-295.9	-355.6	-427.2	-526.2
(As % of GDP at Market Price)										
GDP at Market Prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross Domestic Savings	12.7	14.9	22.3	14.8	15.9	20.1	23.6	20.4	21.1	21.9
Gross National Savings	10.9	13.2	19.5	12.5	14.3	19.2	22.4	18.9	19.4	20.0
Current Account Balance	-6.8	-4.5	0.1	-5.3	-4.1	-3.0	-1.2	-5.1	-2.9	-1.5
Exports of Goods and NFS	22.7	22.6	26.9	24.0	23.8	26.5	31.3	27.6	29.8	31.6
Imports of Goods and NFS	-27.7	-25.4	-24.0	-27.0	-28.8	-29.4	-31.3	-31.3	-30.9	-30.9
(Annual Real Rates of Growth)										
GDP at Market Prices	2.6	5.5	11.1	-1.7	5.0	8.0	7.3	8.5	6.0	7.0
GROSS VALUE ADDED BY SECTOR (In Current CFAF Millions)										
Agriculture incl. Livestock etc	111.7	126.7	154.7	193.7	220.8	259.7	305.4	359.2	404.4	444.9
Minings	0.8	1.2	1.8	2.3	2.0	3.2	5.2	23.2	76.7	196.7
Manufacturings	38.3	40.4	45.6	56.2	67.5	74.7	87.4	101.9	123.0	145.0
Construction	13.7	15.9	19.4	21.6	28.6	42.2	50.6	68.0	84.4	102.0
Electricity, Gas, Water	4.8	4.8	5.3	5.7	6.7	10.1	11.7	14.3	16.8	20.0
Transport and Communications	26.4	31.9	40.1	49.3	55.1	57.7	66.9	77.6	90.0	103.0
Trade	77.3	81.0	88.1	93.9	107.1	126.9	154.1	183.5	202.3	240.0
Public Administration	32.6	33.0	34.4	43.6	45.1	56.3	70.4	81.3	100.1	120.0
Other Services	37.6	51.9	84.7	85.3	91.5	115.9	140.3	159.0	206.1	252.1
Import Duties	12.7	13.7	18.5	28.3	32.9	43.2	53.8	64.4	76.5	80.0
(As % of Total)										
Agriculture incl. Livestock etc	31.4	31.6	31.4	33.4	33.6	32.9	32.3	31.6	29.3	26.1
Minings	0.2	0.3	0.4	0.4	0.3	0.4	0.5	2.0	5.6	11.5
Manufacturings	10.8	10.1	9.3	9.7	10.3	9.5	9.2	9.0	8.9	8.5
Construction	3.8	4.0	3.9	3.7	4.4	5.3	5.3	6.0	6.1	6.0
Electricity, Gas and Water	1.3	1.2	1.1	1.0	1.0	1.3	1.2	1.3	1.2	1.2
Transport and Communications	7.4	8.0	8.1	8.5	8.4	7.3	7.1	6.8	6.5	6.0
Trade	21.7	20.2	17.9	16.2	16.3	16.1	16.3	16.2	14.7	14.1
Public Administration	9.2	8.2	7.0	7.5	6.9	7.1	7.4	7.4	7.3	7.0
Other Services	10.6	13.0	17.2	14.7	13.9	14.7	14.8	14.0	14.9	14.8
Import Duties	3.6	3.4	3.8	4.9	5.0	5.5	5.7	5.7	5.5	4.7
US \$1.00= CFAF (Period Average)	264.8	241.0	230.1	222.4	225.1	247.8	238.6	216.6	209.2	235.3

SOURCE: Data supplied by the Cameroonian authorities with reclassification by Staff.
/a Fiscal Year (July 1- June 30) is used with End Year shown in the table.

Population: 8.7 million (mid-1981)
GNP per capita: US\$790 (1981)

UNITED REPUBLIC OF CAMEROON
ECONOMIC INDICATORS(2)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
GOVERNMENT FINANCE SUMMARY /a (In CFAF Millions)										
Current Receipts	56,500	59,308	67,895	83,370	98,763	120,901	162,331	200,761	219,260	314,399
Current Expenditure	49,400	50,590	58,600	70,898	78,872	95,132	118,902	128,749	163,394	200,147
Current Surplus with adjustments	7,100	8,718	9,295	12,472	19,891	25,769	43,429	57,954	76,519	100,900
Capital Expenditure	13,100	12,951	14,293	18,929	26,246	32,343	45,275	53,846	58,481	68,400
External Assistance (Net)	0	900	481	-993	-2,305	12,022	2,997	-5,774	17,227	8,984
(As Percentage of GDP)										
Current Receipts	15.9	14.8	13.8	14.4	15.0	15.3	17.2	17.7	15.9	18.5
Current Expenditure	13.9	12.6	11.9	12.2	12.0	12.0	12.6	11.3	11.8	11.7
Current Surplus (or deficit)	2.0	2.2	1.9	2.2	3.0	3.3	4.6	5.1	5.5	5.9
Capital Expenditure	3.7	3.2	2.9	3.3	4.0	4.1	4.8	4.7	4.2	4.0
External Assistance (net)	0.0	0.2	0.1	-0.2	-0.4	1.5	0.3	-0.5	1.2	0.5
MONEY, CREDIT AND PRICES /a (In CFAF Millions-end Period)										
Money and Quasi-money	0	59,530	78,550	94,720	117,780	155,420	194,808	221,831	288,391	362,700
Bank Credit to Government	0	3,470	3,860	5,510	6,551	9,853	14,149	16,731	21,149	28,500
Bank Credit to the Economy	0	60,760	78,930	101,510	119,970	169,740	236,502	297,918	361,647	479,400
Percentages or Index Numbers										
Money & Quasi-money as % of GDP /b	0.0	14.9	15.9	16.3	17.9	19.7	20.6	19.5	20.9	21.3
Yaounde Consumer Price Index /a (1970=100)	116.3	124.8	143.3	168.5	185.0	206.8	237.4	259.1	279.1	306.6
Annual Percentage Changes in:										
Yaounde Consumer Price Index	6.9	7.3	14.8	17.6	9.9	11.8	14.8	9.1	7.7	9.9
Bank Credit to Government	0.0	0.0	11.2	42.7	18.9	50.4	43.6	18.2	26.4	31.8
Bank Credit to the Economy	0.0	0.0	29.9	28.6	18.2	41.5	39.3	26.0	21.4	32.6

SOURCE: Data supplied by Cameroonian Authorities with Bank Staff estimates and reclassification.

/a Fiscal Year (July 1-June 30) is used. Year indicates the end year for each fiscal year.

/b GDP is for Fiscal Year.

Population: 8.7 million (mid-1981)
GNP per capita: US\$790 (1981)

UNITED REPUBLIC OF CAMEROON
ECONOMIC INDICATORS(3)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
BALANCE OF PAYMENTS										
(IN MILLIONS CFAF)										
Exports of Goods and NFS	80,915	90,606	132,563	138,946	156,750	209,000	296,007	313,300	410,764	538,800
Imports of Goods and NFS	-98,464	-101,687	-118,440	-156,383	-189,482	-231,900	-295,937	-355,549	-427,173	-526,200
Resource Gap (deficit = -)	-17,550	-11,080	14,123	-17,437	-32,732	-22,900	70	-40,753	-16,409	12,600
Interest Payments (net)	-1,905	-2,279	-5,835	-8,572	-10,196	-9,292	-12,819	-18,584	-21,824	-31,300
Workers' Remittances	123	165	607	2,160	1,993	2,557	3,254	4,675	4,665	2,400
Other Factor Payments (net)	-6,919	-7,498	-10,120	-9,766	-9,374	-9,266	-6,510	-6,366	-7,010	-13,800
Net Transfers	2,219	2,857	1,503	2,848	7,103	8,761	4,858	3,011	692	5,000
Balance of Current Account	-24,032	-17,836	277	-30,766	-27,074	-23,360	-11,148	-58,017	-39,885	-25,100
Net Direct Foreign Investment	2,604	-1,804	3,487	5,443	5,709	1,503	3,091	9,755	21,261	36,000
Total Net Medium and Long-Term Borrowings	13,657	21,552	9,188	13,978	28,613	32,016	24,773	35,928	58,634	77,800
: Disbursements	16,351	25,071	13,749	20,988	36,458	43,093	51,575	58,180	80,239	100,900
: Amortization	-2,694	-3,519	-4,561	-7,010	-7,845	-11,078	-26,802	-22,252	-21,604	-23,100
Trade Credit (net)	-706	-37	2,343	3,768	2,290	-3,532	2,991	610	3,006	2,700
Other Short Term Capital	1,218	-54	-4,751	-4,984	-1,200	-2,287	-2,789	-11,225	-10,070	-9,350
Other Capital n.e.i.	-494	-1,176	2,772	-3,755	-5,677	-3,365	-1,828	-215	-443	-670
Gross Official International Reserves	12,578	11,196	20,522	11,116	11,706	13,798	25,358	18,235	40,322	13,000
Net Foreign Assets	10,400	9,970	18,760	8,110	6,680	-160	14,890	-9,300	22,770	10,040
US \$1.00= CFAF (Period Average)	264.8	241.0	230.1	222.4	225.1	247.8	238.6	216.6	209.2	235.3
SDR 1.00= CFAF (Period Average)	276.5	272.1	277.5	271.4	263.4	286.3	286.1	277.6	272.2	294.5

SOURCE: Data supplied by the Cameroonian authorities with Bank Staff reclassification and estimates. Fiscal Year (July 1- June 30) is used with End Year shown in the table.

WEST AFRICA CP2B
02/07/83

Population: 8.7 million (mid-1981)
GNP per Capita: US\$790 (1981)

UNITED REPUBLIC OF CAMEROON

ECONOMIC INDICATORS (4)

(millions US\$ at current prices)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
<u>EXTERNAL CAPITAL AND DEBT</u> ^{a/}							
Gross disbursements							
Official grants	20	24	23	11	18	n.a.	n.a.
Concessional loans	45	55	122	133	174	128	267
DAC	17	32	40	53	83	70	--
OPEC	6	3	13	6	20	24	--
IDA	16	18	21	19	20	19	32
Other	6	2	48	55	51	15	--
Non-concessional loans	81	123	183	174	348	442	104
Official export credits	1	9	19	12	75	82	--
IBRD	21	8	15	37	30	28	19
Other multilateral	4	1	3	21	10	18	--
Private	55	105	146	104	232	314	--
External Debt							
Debt outstanding and disbursed	372	514	823	1133	1632	1997	2034
Official	293	346	508	722	1014	1186	--
of which: IBRD	50	58	72	102	130	152	167
IDA	50	68	88	108	127	146	173
Private	79	168	315	411	618	816	--
Undisbursed debt	321	497	543	786	1071	607	550
Debt Service							
Total service payments	36	39	57	103	132	182	200
Interest	15	19	28	42	60	103	115
Payments as % of exports	5.6	5.6	6.9	8.3	9.1	9.3	10.1
Average interest rate on new loans (%)							
Official	4.5	6.3	5.6	6.8	9.2	6.2	6.7
Private	9.2	7.6	7.5	10.3	12.5	16.3	8.4
Average maturity of new loans (years)							
Official	25.3	17.0	17.6	21.5	16.2	24.0	19.4
Private	32.0	32.5	23.0	28.9	21.0	26.6	25.0
Private	10.0	9.0	6.9	11.1	10.6	8.3	6.0

As % of Debt Outstanding
at End of Most Recent
Year (1980)

Maturity structure of debt outstanding
 Maturities due within 5 years
 Maturities due within 10 years

77.0
136.1

Interest structure of debt outstanding
 Interest due within first year

7.3

^{a/} End-of-period figures are shown.
West Africa CP2B
2/2/83

THE STATUS OF BANK GROUP OPERATIONS
IN THE UNITED REPUBLIC OF CAMEROON

A. Statement of Bank Loans and IDA Credit (as of September 30, 1982)

Loan or Credit Number	Year	Borrower	Purpose	US\$ million		
				Amount (less cancellations) Bank	IDA/4	Undisbursed
Eleven Credits and thirteen Loans have been fully disbursed				120.34	127.4	-
320-CM	1972	Cameroon	Education II		9.0	1.62
575-CM	1975	Cameroon	Small- and Medium-Scale Enterprises		3.0	0.22
1245T-CM	1976	Cameroon	Education III	17.0		6.07
673-CM	1977	Cameroon	Technical Assistance		4.5	1.36
723-CM	1977	Cameroon	Rural Development Fund		7.0	3.87
1392-CM	1977	Cameroon	SOCAPALM II	18.0		0.08
749-CM	1977	Cameroon	Feeder Roads		6.5	0.95
1494-CM	1977	Cameroon	Feeder Roads	4.6		4.60
1508-CM	1977	Cameroon	CAMDEV II	15.0		2.41
776-CM	1978	Cameroon	Zapi East Integrated Agriculture		8.5	2.83
784-CM	1978	Cameroon	Western Highlands Rural Development		13.0	4.89
1512-CM	1978	Cameroon	SEMYR Rice II	14.5		0.10
1515-CM	1978	Cameroon	Highway III	16.5		0.23
1723-CM	1979	Cameroon	Highway IV	38.0		33.28
936-CM	1979	Cameroon	Railway IV		20.0	0.00 ^{1/}
1734-CM	1979	Regifercam	Railway IV	27.0		23.76
1753-CM	1979	Cameroon	Second Water Supply	21.0		20.76
975-CM	1980	Cameroon	Hevecam II		15.0	1.86
1791-CM	1980	Cameroon	Hevecam II	16.5		16.50
1010-CM	1980	Cameroon	Livestock II		16.0	13.43
1919-CM	1981	Cameroon	Northern Province Rural Development	25.0		25.00
1920-CM	1981	Cameroon	Small- and Medium-Scale Enterprises II	15.0		15.00
1075-CM	1981	Cameroon	Northern Province Rural Development		12.5	6.76
1168-CM	1981	Cameroon	Technical Cooperation II		10.0	10.0
2073-CM	1981	Cameroon	Post and Telecommunication Assistance	7.50		7.50
2092-CM ^{3/}	1981	Cameroon	Forestry	17.00		17.00
2160-CM ^{2/}	1981	Cameroon	Oil Palm/Rubber Consolidation	50.8		50.8
2180-CM ^{2/}	1981	Cameroon	Highway V	70.0		70.0
TOTAL				493.74	252.40	340.89
of which has been repaid				23.33	6.37	
TOTAL now outstanding				470.41	246.03	
Amount sold				7.72		
of which has been repaid				7.72	-	
TOTAL now held by Bank and IDA ^{4/}				470.41	246.03	
TOTAL UNDISBURSED				293.09	47.80	340.89

^{1/} Balance of \$67.35.

^{2/} Signed on July 26, 1982, but not yet effective.

^{3/} Approved but not yet signed.

^{4/} Prior to exchange adjustment.

B. Statement of IFC Investments (as of September 30, 1982)

<u>Investment Number</u>	<u>Fiscal Year</u>	<u>Obligor</u>	<u>Type of Business</u>	<u>Amount in US\$ millions</u>		
				<u>Loan</u>	<u>Equity</u>	<u>Total</u>
311-CM	1975	BATA	Shoe Factory	-	0.38	0.38
355-CM	1977	SAFACAM I	Rubber Plantation	-	0.81	0.81
430-CM	1979	SAFACAM II	Rubber Plantation	-	0.41	0.41
452-CM	1979	ALUCAM	Non-ferrous metal	7.00	0.93	7.93
551-CM	1981	SCM	Food and Food Processing	1.12	0.20	1.32
578-CM	1981	SOCAVER	Glass Bottle Factory	1.70	0.18	1.88
579-CM	1981	SAFACAM III	Rubber Plantation	-	0.25	0.25
633-CM	1982	SOSUCAM	Food and Food Processing	1.38	-	1.38
Total gross commitments				11.20	3.16	14.36
Less cancellations, terminations, repayments and sales				-	0.26	0.26
Total commitments now held by IFC				11.20	2.90	14.10
Total undisbursed				3.08	0.22	3.30

C. Status of Projects in Execution (as of September 30, 1982) 1/

Loan No. 1734 Fourth Railway Project: US\$27 million Loan of
Cr. No. 936 August 23, 1979; Effectiveness Date: January 22, 1980;
Closing Date: June 30, 1983; and US\$20 million Credit of
same date; Effectiveness Date: January 22, 1980; Closing
Date: December 31, 1982.

All contracts have been awarded except for the maintenance facilities near Yaoundé, the engineering studies for which have been delayed by Consultants. Civil works in Douala Station are nearing completion and the works in the workshops (Phase I, Part I), are progressing well. Procurement of all equipment, including training equipment, is nearly completed. Remaining contracts for workshop remodeling (Phase I, Part II) are likely to be awarded early 1983. Technical Assistance for designing training programs is being organized. Due to the excessive staffing and investments, the financial situation of the Regie continues to be serious, but due to 12 percent traffic increase in FY 82, it has recently improved. Regifercam's management is still weak, but improvements are expected through technical assistance, to be provided under the project, and to be discussed early 1983.

1/ These notes are designed to inform the Executive Directors regarding the progress of projects in execution, and in particular to report any problems which are being encountered, and the action taken to remedy them. They should be read in this sense, and with the understanding that they do not purport to present a balanced evaluation of strengths and weaknesses in project execution.

Loan No. 1245-T-CM Third Education Project: US\$17 million Loan of July 2, 1976; Effectiveness Date: December 31, 1976; Closing Date: December 31, 1982.

Project implementation is about two years behind schedule because of weak management and problems in dealing with a 34 percent cost overrun in civil works, now covered by Government budgetary provisions and the US dollar rise. Construction is completed or underway at 11 of 12 institutions, and the contract for the 12th is being approved. Equipment procurement is completed at one school; for all others, most contracts have been approved or awarded, and the few remaining tender documents are being prepared. The technical assistance program is mostly completed; some essential services are being prolonged under Government financing. Two schools are in operation, six are expected to open in early 1983, and the remaining four later in 1983. The Project Unit has improved its performance and recruited three specialists, a condition which we had set up to finance the proposed fourth project preparation from Third Project funds. Last year, we agreed to extend the Closing Date by one year to December 31, 1982, and to consider a further one year extension if good progress was made toward a revised implementation schedule. However, one more year would be necessary to complete disbursements for the preparation of the proposed fourth project. Since the main issues have been resolved and significant progress has been made, an extension of the Closing Date is under consideration.

Cr. No. 673 Technical Assistance Project: US\$4.5 million Credit of June 15, 1977; Effectiveness Date: November 14, 1977; Closing Date: December 31, 1982.

Project's funds have been fully committed and most pre-investment studies financed by it--largely in agriculture, transport and planning--have been completed. Long-term advisory consultants are continuing to assist Cameroonian staff to improve project generation and supervision capacity, which is being supplemented by on-the-job training and formal training courses.

Cr. No. 723 Rural Development Fund Project: US\$7 million Credit of August 4, 1977; Effectiveness Date: January 30, 1978; Closing Date: December 31, 1982.

The project's organization and progress continues to accelerate and to consolidate; construction standards of all but one sub-project are good, as are their planning, budgeting and accounting. It is expected that with the available funds about 60 percent of overall objectives will be achieved at completion. However, implementation has been slow, and Government has asked that the closing date be extended for an additional year to make full use of the remaining funds. A follow-up project is under consideration.

closing date has been extended by one year to allow further disbursements related to the vegetable oil marketing study and the management reorganization study, both considered essential preconditions for the Oil Palm and Rubber Consolidation Project (Loan 2160-CM).

Cr. No. 784 Western Highlands Project: US\$13 million Credit of April 17, 1978; Effectiveness Date: December 8, 1978; Closing Date: June 30, 1983.

The project is achieving its objectives and technical and financial management is good. Although physical execution was lagging behind appraisal schedules, owing to organizational problems encountered during the first project year, improvements have been made in all components with corresponding increases in procurement and disbursement rates. Government's contributions to project financing continue to be regular, and liquidity problems due to delays in preparation of withdrawal applications have been partly rectified. Government has requested Bank group assistance for a follow-up project extending coverage to the entire Western Province and the project has been appraised.

Ln. No. 776 ZAPI East Integrated Rural Development Project: US\$8.5 million Credit of April 17, 1978; Effectiveness Date: October 4, 1978; Closing Date: June 30, 1984.

Project execution has deteriorated significantly since January 1983, for a number of reasons which result from an over-ambitious and very complex design, and a less-than-full support from some Government departments. This has led to poor production and financial performance. Major problems now include: (i) lack of efficient, cost-effective management and staffing, whereas the range and complexity of operations involved would require strong staffing and control; (ii) structural deficiencies in ZAPI's marketing and credit operations, exacerbated by inadequate and untimely Government financial support; (iii) generally insufficient and uncoordinated support from agencies providing the needed overall support services for agriculture, such as input supply, marketing and crop protection services. In view of this, a detailed Aide-Memoire has been sent to the Government requesting specific corrective actions to the problems. Additionally, the Bank recommended and drafted TOR for an in-depth study focussing on an assessment of viable options for ZAPI in the future. Government has responded positively to these requests, has appointed a new ZAPI director and has accepted the principle of the study.

Cr. No. 926
Ln. No. 1723 Fourth Highway Project: US\$10 million Credit of August 23, 1979; Effectiveness Date: November 15, 1979; Closing Date: June 30, 1986; and US\$38 million Loan of same date; Effectiveness Date: November 15, 1979; Closing Date: June 30, 1986.

The project comprises training of staff and workers for road maintenance, maintenance of about 17,000 km of roads and rehabilitation of 1,700 km through force account and domestic contractors, technical assistance to the domestic construction industry, two permanent weighing stations, and pre-investment studies for the proposed project and forestry evacuation roads.

Implementation of the Fourth Highway Project has started after initial difficulties with recruiting consultants, equipment procurements, setting up the training brigade and the training center. Equipment has been delivered to three regions and road maintenance operations have started.

Cr. No. 975 Second HEVECAM Project: US\$15 million Credit of
Ln. No. 1791 April 18, 1980; Date: September 16, 1980; Closing Date:
December 31, 1985; and US\$16.5 million Loan of same date;
Effectiveness Date: September 16, 1980; Closing Date:
January 30, 1985.

As of June 30, 1982, total plantings amount to 9,429 ha against an appraisal target of 9,650 ha with a cost overrun of 18 percent mainly due to higher than expected salary increases (annual average of 15 percent against appraisal estimate of 10 percent) and costs associated with social programs not included in the SAR. Growth and upkeep are of acceptable standards, the management team is good and HEVECAM's financial situation is sound and disbursements are 97 percent of appraisal estimates.

Ln. No. 1753 Second Water Supply Project: US\$21 million Loan of
December 11, 1979; Effectiveness Date: May 12, 1981;
Closing Date: June 30, 1984.

The aims of the project are to improve and extend water supply systems in 13 secondary centers and two major cities, Douala and Yaoundé; lay the groundwork for organizing urban development planning for Douala and Yaoundé; initiate a pilot public health educational project; and strengthen the organization of the water supply sector. Engineering studies and bidding documents are completed. Contracts for Douala and Yaoundé have been awarded. However, procurement problems are being encountered with award of contracts for the 13 centers.

Cr. No. 1010 Second Livestock Development Project: US\$16 million Credit
of June 20, 1980; Effectiveness Date: May 12, 1981;
Closing Date: December 31, 1984.

The project faces a number of moderate managerial and technical problems. Parastatal ranches are under improved supervision which has detected considerable animal losses threatening the ranches' financial viability. A review of possible measures to be taken in dealing with the ranches is underway. One of two slaughterhouses has begun operations. Management and technical problems continue to make the tse-tse fly eradication program less than fully successful and corrective measures are being discussed with Government. The credit component has not become effective owing to difficulties in making co-financing effective. However, restructuring of animal health services is proceeding satisfactorily in the Adamoua Plateau Zone.

Ln. No. 1919 Northern Province Rural Development Project: US\$25
Cr. No. 1075 million Loan of January 27, 1981; Effectiveness Date:
June 1, 1981; Closing Date: June 30, 1986; and US\$12.5
million Credit of same date; Effectiveness Date: June 1,
1981; Closing Date: June 30, 1984.

Since effectiveness on June 1, 1981, this project has achieved remarkable results. Despite lower than normal rainfall during 1981, seed cotton production with 95 percent of the buying campaign completed, is expected to reach 47,000 tons or about 85 percent of the SAR target of 56,000 tons for PY1. Food crop production during the first year was negligible, for 1982/83, however, the project estimates to plant about 1,200 ha and 250 ha, respectively, of improved maize and groundnuts. The project accounts are kept by computer and the system developed permits the Financial Controller monthly balances and comparison with annual budgets for each project component. Moreover, reimbursement applications are produced on a monthly basis by means of a simple program established by the project's Financial Controller. Key local personnel and expatriates have largely been recruited.

Cr. No. 1168 Second Technical Cooperation Project: US\$10 million Credit
of November 5, 1981; Effectiveness Date: June 16, 1982;
Closing Date: December 31, 1985.

The project aims at improving Government capacity to execute the Fifth Development Plan. It is expected to strengthen existing national planning and external debt management systems, to help define better policies and investment programs in key sectors, and to generate sound projects by stressing the training of Cameroonian experts. Recruitment of 10 experts in various sectors is underway and further subprojects (procurement and legal advice) are being prepared.

Ln. No. 2073 Post and Telecommunications Technical Assistance Project:
US\$7.5 million loan of March 19, 1982; Effectiveness
Date: July 21, 1982; Closing Date: December 31, 1985.

The purpose of the project is to reorganize and strengthen the Post and Telecommunications entity so as to improve its financial situation and the quality of service and to pave the way for a sound long term development of the sector. It provides for establishment of a new operating entity, preparation of an investment program and improved technical training. The consultants have submitted their diagnosis and proposals for a new entity (Part I of the Project) which are being reviewed by Government. A decision on a follow-up course of action (Part II of the Project) is expected shortly.

Ln. No. 2092 Forestry Project: US\$17 million loan, not yet signed. Not
yet effective.

The project's objectives are to strengthen the contribution of the forestry sector to the economy through the establishment of plantations for fuelwood and pulp industry raw material. It is also expected to increase the capacity of Government agencies to continue the regeneration of forests and to control the logging operations of forestry concessions. Signing has not taken

place yet because Government changed the legal status of the Project's executing agency.

Ln. No. 1920 Second Small- and Medium-Scale Enterprise Project: US\$15 million Loan of September 30, 1981; Effectiveness Date: October 29, 1982.

The project's objectives are to expand the provision of financial and technical assistance to artisans and small- and medium-scale enterprises and to further strengthen institutions responsible for the promotion of the small enterprise sector.

Ln. No. 2160 Oil Palm and Rubber Consolidation Project: US\$50.8 million Loan of July 26, 1982; Not yet effective.

The project aims at consolidating investments made under previous Bank Group-assisted projects. It will help strengthen the financial situation of SOCAPALM and CAMDEV and will allow the structural improvements needed for oil palm and rubber development. The project also includes provision for technical assistance, training and studies and continued support to small-holder schemes.

Ln. No. 2180 Fifth Highway Project: US\$70 million Loan of July 26, 1982; Not yet effective.

The purpose of the project is to assist the Government in the construction of the Edea-Yaoundé section of the Douala-Yaoundé road. It also provides for technical assistance to improve the management of the transport sector, and to help prepare a national transport plan and future projects. Implementation of the project is so far on schedule with the exception of the civil works for lot 7 of the Douala/Yaoundé road, where a procurement issue has delayed start up of construction works.

UNITED REPUBLIC OF CAMEROON

URBAN DEVELOPMENT PROJECT

SUPPLEMENTARY PROJECT DATA SHEET

Section I. Timetable of Key Events

- (a) Time taken to prepare the project: 12 months
- (b) Project prepared by: consultants financed under the First Technical Assistance Project
- (c) Date of first Bank mission to consider the project: August 1980
- (d) Date of departure of appraisal mission: November 1980 (Modifications by Government of the institutional arrangements in mid-1981 and follow-up mission to review institutional framework)
- (e) Negotiations completed: March 4, 1982
- (f) Planned date of effectiveness: June 1983

Section II. Special Bank Implementation Actions

None

Section III. Special Conditions

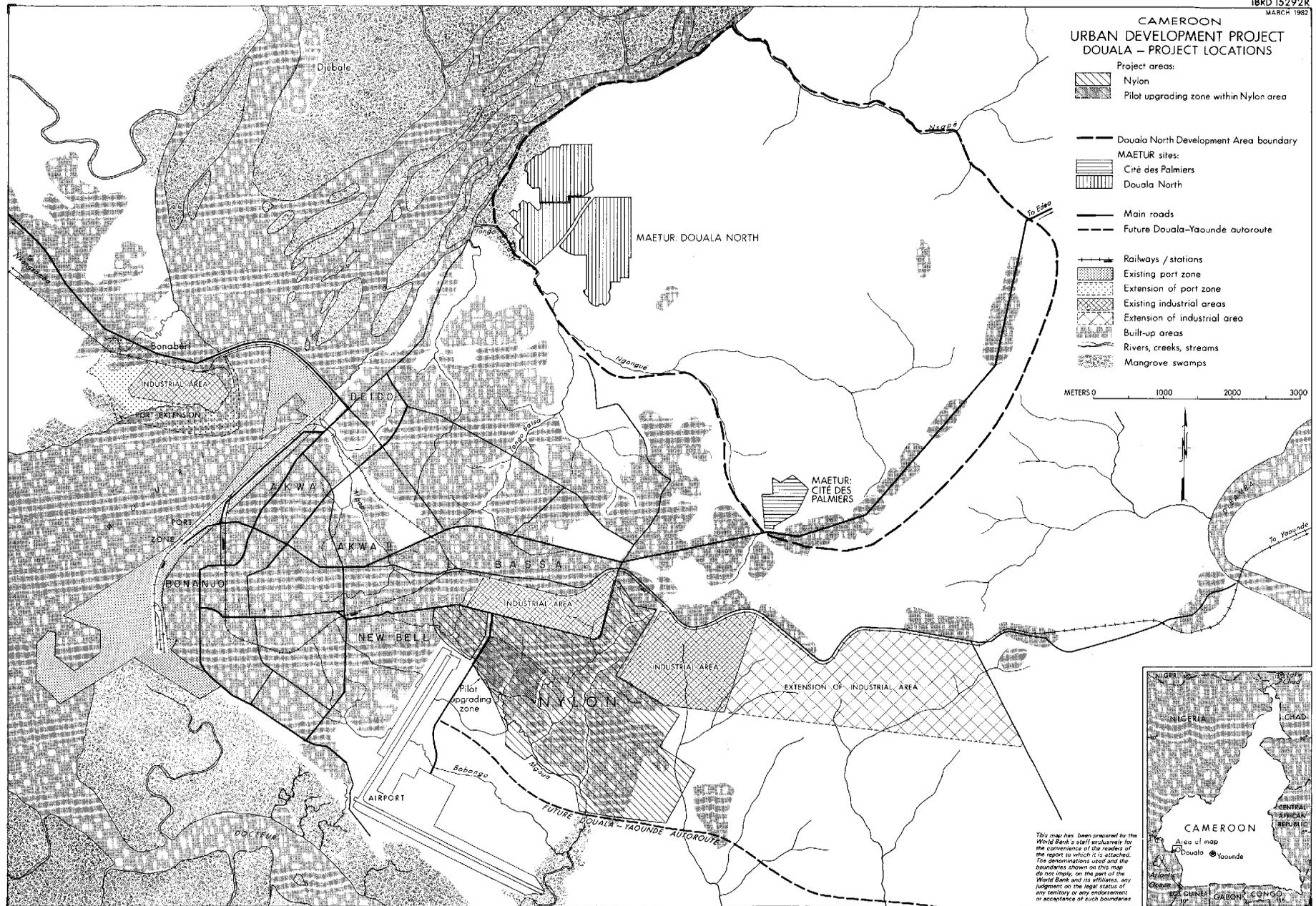
A. The Government would:

- (a) on-lend proceeds of the loan to the financial intermediaries and executing agencies on terms satisfactory to the Bank. This would include that CFC will recycle the credit proceeds repaid by MAETUR for urban projects; CFC would also make available purchase and house construction/improvement loans for all plots provided under this project (paras. 39 and 40);
- (b) nominate a project coordinator acceptable to the Bank within MINUH (para. 47).

B. Special conditions of effectiveness would be that subsidiary financing agreements are signed between the Government and CFC, and between CFC and MAETUR (Section 6.01 of the draft Loan Agreement).

CAMEROON
URBAN DEVELOPMENT PROJECT
DOUALA - PROJECT LOCATIONS

- Project areas:
 Nylon
 Pilot upgrading zone within Nylon area
- Douala North Development Area boundary
- MAETUR sites:
 Cité des Palmiers
 Douala North
- Main roads
 - - - Future Douala-Yaounde autoroute
- Railways / stations
 Existing port zone
 Extension of port zone
 Existing industrial areas
 Extension of industrial area
 Built-up areas
 Rivers, creeks, streams
 Mangrove swamps



This map has been prepared by the World Bank's staff exclusively for the convenience of the readers of the report to which it is attached. The denominations used and the boundaries shown on this map do not imply, on the part of the World Bank and its affiliates, any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries.

