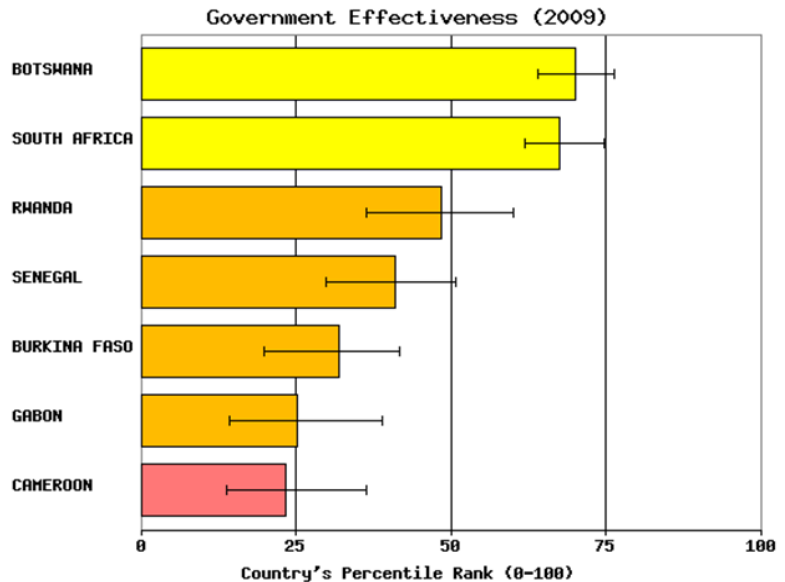




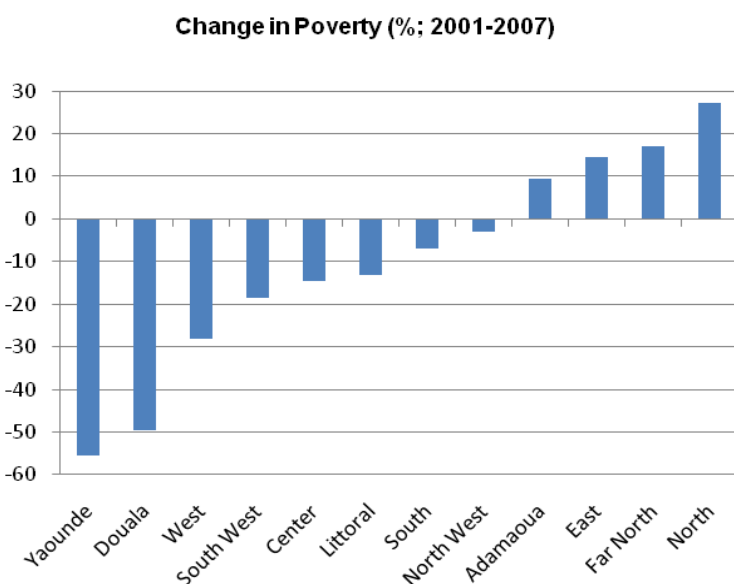
Governance is a major challenge to Cameroon's development. The pervasiveness of bad governance affects most economic transactions and hampers delivery and quality of services rendered. Over the past decade, Cameroon has been ranked in the bottom 25th percentile for all governance indicators used by Kaufmann & Kraay, significantly lagging behind its regional peers. While the country's macroeconomic performance has strengthened in recent years, GDP per capita over the 1980 to 2009 period was low compared to other lower and middle-income countries. Growth—estimated at 3.2% in 2010—has also been weak and too slow to assure sustainable development. At the possible exception of universal primary education and gender equality, Cameroon is unlikely to meet the Millennium Development Goals (MDGs) by 2015.



Source: Worldwide Governance Indicators, World Bank, 2009

Based on Cameroon's strategic directions for development—as expressed in the 2035 Vision and the 2009 Growth and Employment Strategy, the World Bank sets out a program of support in Cameroon in its 2010 - 2013 Country Assistance Strategy (CAS). Inclusive growth is the main objective for World Bank engagement during the CAS period—to be supported by infrastructure investments to strengthen competitiveness and improvements in service delivery. Governance serves as a cross-cutting theme in the CAS and across all World Bank operations in Cameroon.

To support the governance agenda in Cameroon, the World Bank has mobilized funds through the Governance Partnership Facility (GPF). The main objectives of this program are to strengthen sector governance and stimulate demand-side governance.



Source: Cameroon Economic Update, Issue No2, World Bank, 2011

It aims to clarify the *de jure* and *de facto* 'rules of the game' and assess their impact on service delivery. GPF resources have been used to undertake World Bank-executed analytical work, convene discussion forums, and provide small grants to civil society organizations.

Analytical works undertaken have provided comprehensive analysis of governance issues and constraints in Cameroon and enabled the design of tailor-made responses in further World Bank activities. It has also led to the establishment of a frank and constructive dialogue around governance issues with and between various stakeholders, including representatives from civil society, private sector, development partners and authorities. From analysis and related inclusive dialogues, pragmatic, country and sector-specific actions have been identified and engaged in by the stakeholders themselves.



First Year of Activities - 2010/2011

ANALYTICAL WORK & GOVERNANCE DIALOGUES

Analytical work financed under the GPF program seeks to produce detailed, field-based findings that will lead to increased understanding of sector-specific governance impediments to development. Conclusions are usually discussed openly with stakeholders—to identify and agree upon concrete measures that aim to address the identified issues. This is expected to contribute to improved transparency, accountability, and integrity at sector levels.

TELECOMMUNICATIONS

Political Economy Study (Dec.-10)

The study provided information to the World Bank team regarding the main players and their prevailing incentives and interests in the telecommunications sector in Cameroon.

Output: Political Economy Report on the Telecommunications sector in Cameroon (for internal World Bank use).

Outcomes:

- World Bank team better informed, prepared and responsive to GoC policy changes relating to the Central Africa Backbone project
- Contributed to the drafting of "Time for the Lion to Wake Up?" An Economic Update on Cameroon with a focus on Telecommunications.

FORESTRY

National Workshop on Forest Control (Nov.-10)

A public workshop, co-organized with the Ministry of Forest and Fauna (MINFOF), the European Union and the Independent Observer (IO), aimed at taking stock of 10 years of reform in the forestry sector, identifying current governance challenges and propose concrete solutions to address these.

Output: Workshop report.

Outcomes:

- A number of recommendations integrated into subsequent 2011 IO activities with MINFOF.
- MINFOF suspension of nearly all 'small titles' (March 2011)
- Recommendations to feed into the 2012 Forest Law revision process.

Policy Dialogue on Taxation in the Forestry Sector (June-10)

A closed-door dialogue with the relevant public institutions was held on the issue of tax leakages in the forestry sector - a result of poor control and coordination between MINFOF and the Ministry of Finance (MINFI). The objective was to initiate a constructive dialogue between key actors and identify and agree on solutions to be implemented in the short and long-term.

Output:

- Minutes and presentation shared with participants.
- Policy Note taking stock of past literature on Tax in the Forestry sector in Cameroon shared with MINFOF and MINFI.

Outcomes:

- IO study on regulation of 'Small Titles'.
- Re-invigoration - by MINFI - of the inter-ministerial agency charged with collection and control of forest-related taxes.

MINING

Political Economy Study of the Mining Sector (Mar.-11)

The study aimed at providing information about the major players and identifying the informal rules determining operations in the mining sector in Cameroon. It used a value chain approach, with a focus on transparency, accountability, and participation.

Output: Report on the Political Economy of the Mining sector in Cameroon (for internal World Bank use).

Outcomes: The study contributed to the preparation of a technical assistance operation in the mining sector (forthcoming). It highlighted in particular the importance of a multi-stakeholder approach—leading to the integration of a multi-stakeholders accountability platform in the design of the operation.

Dialogue: Governance Challenges in Mining Sector (May-11)

A draft report on governance challenges in the mining sector was produced and discussed behind closed doors with Government institutions, mining companies, and civil society representatives.

Output: Draft report on Governance Challenges in Cameroon's mining sector, a series of presentations tailored to each audience.

Outcomes:

- A number of key stakeholders have put mining-sector governance challenges on their agenda.
- World Bank to organize a 2012 Mining Forum - to launch the new mining sector operation and contribute to improved multi-stakeholder policy dialogue.

CORRUPTION

Perceptions on Governance and Corruption (May.-11)

Using unexploited data collected in a 2007 national household survey (2007), the National Institute of Statistics (NIS) analyzed households' perceptions on service delivery and corruption—in general as related to key sectors (basic education, health...). Findings were discussed by a panel of national experts from government, civil society and development partners, which issued recommendations on methodology & ways to mitigate corruption.

Output:

- Publication of the report "Perceptions on Governance and Integrity in Cameroon - 2001-2007".
- Panel's Recommendations integrated in the Annex of the report

Outcomes:

- NIS will integrate recommendations made to improve the next national household survey (planned for 2012).
- the National Commission Against Corruption uses the report.

PUBLIC FINANCIAL MANAGEMENT

Fiscal Decentralization Study (Jul.-11)

The study assessed the current state of fiscal decentralization in Cameroon, looking at (i) the legal framework; (ii) spending responsibilities; (iii) revenue assignments, incl. own-source revenues; (iv) shared revenues, including transfer design; (v) tax administration; (vi) budgeting, stabilization, and cash management; and (vii) debt management and local liabilities incl. arrears. The work serves as a base for policy discussion with the government with regards to the on-going decentralization process.

Output:

- Draft report, including a background paper on Cameroon's forestry revenue-sharing experience, discussed with GoC.
- "Towards better service delivery: An Economic Update On Cameroon with a focus on Fiscal Decentralization".
- Summary of main findings in the Poverty Reduction and Economic Management Blog.
- Panel discussion with main counterparts during a July 2011 Governance Forum.

Performance Contracts at the Douala Customs (Jan.-11)

After six months of implementation, the Trade Facilitation Facility-funded pilot project of individual performance contracts at the Douala customs showed tangible results: significant reductions in delays and fraud; improved revenue collection; improved ethics and governance in the work of customs agents. This successful experience was presented to representatives from government, development partners, civil society, the private sector, and the media.

Output:

- Strong support expressed by the Ministry of Finance to the Customs direction.
- Ministry of Finance willing to see the concept extending to other departments within the Ministry.

EDUCATION

Qualitative Analysis of Governance in the Cameroonian Education System (Jan.-11)

The study aimed at identifying governance challenges that impact the performance and outcomes of primary and secondary education in Cameroon. The study suggested areas for potential improvements and proposed concrete measures to overcome the identified issues.

Output: Report "Governance and Management in Cameroon's Education system".

Outcome: Inclusive dialogues around the main findings in the report.

Dialogues on Governance in the Cameroonian Education System (Feb.-11)

Regional roundtables were organized to discuss the findings of the report and define an action plan for addressing the identified governance issues. The findings and the Action Plan were then discussed with national stakeholders, including the Minister of Basic Education (MINEDUB), the Minister of Secondary Education (MINESEC), and representatives from civil society, teachers' union, Parents Teachers Association, and the media.

Output: Action Plan integrated in the final report.

Outcomes:

- Public commitment by MINEDUB and MINESEC to use the action plan to improve performance in the education sector.
- Activities identified in the action plan integrated into the World Bank Education Development Capacity Building Project.
- Additional tools to improve management and governance in the education sector are under development by MINEDUB, incl. Score Cards.

DEMAND-SIDE GOVERNANCE: DEVELOPMENT MARKETPLACE

Organized for the first time in Central Africa, the July 2011 Cameroon Development Marketplace (DM) aimed selecting and funding innovative grassroots projects with high potential development impact. It also aimed at sharing knowledge and ideas, and stimulating public debate around community-driven solutions to governance issues. The 2011 Cameroon DM focused on strengthening community participation for better local governance in education, health, and forestry, with Catholic Relief Services Cameroon (CRS) serving as the implementing partner.

The DM finale also served as a debate forum, where high-ranking public officials, civil society, the private sector, media, donors, and the public engaged in frank and constructive discussions around local governance issues.

Output:

- 15 projects selected for funding—totaling US\$320,000.
- various debates around local governance issues.

Outcomes:

- MINEDUB expressed interest in funding some of the non-funded finalists.
- CHOC project ('Change Habits, Oppose Corruption') will provide additional support to one DM winner to assure larger scale project implementation.



**TURNING IDEAS
INTO ACTION**

PERSPECTIVES - 2011/2012

DEMAND-SIDE GOVERNANCE

Development Marketplace—follow-up (Sept.-11 - Sept.-12)

The World Bank and CRS Cameroon will monitor the implementation of the 15 Civil Society projects selected for funding under the DM. A public restitution of the results and impact from the projects will be held in Sept. 2012.

PUBLIC FINANCE

Fiscal Decentralization—follow-up (Nov.-11- Sept.-12)

The World Bank will continue the dialogue with the authorities and finalize and disseminate a Fiscal Decentralization Report..

Stock-taking of civil society-led Budget Tracking (Oct.-11)

In view of the current accelerated decentralization process in Cameroon, GIZ and the World Bank will co-organize a workshop with national Civil Society Organizations engaged in Citizens' Budget Tracking to take stock of recent such experiences.

HEALTH

Governance diagnosis of local health service delivery (Nov.-11 - Feb.-12)

This qualitative study aims at assessing formal and informal rules of the game at the health center and district level that affect service delivery. The report will enable stakeholders to better understand governance challenges faced with & identify space for change.

FORESTRY

Institutional and Stakeholders Analysis of forested land use in Cameroon (Dec.-11 - Mar.-12)

The study will inform World Bank strategy in the sector by providing an analysis of how and why decisions to allocate and secure land for permanent forestry purposes vis-a-vis competing economic uses (e.g. mining, agriculture) are made and enforced. It will also explore opportunities and barriers to better alignment of practice with the evolving legal and planning frameworks.

SOCIAL

Qualitative study: Political Economy of Reforming Universal Subsidies (Oct.-11 - Jan.-12)

The study will, through a stakeholder mapping and assessment of citizens' perceptions, assess the political economy of reforming universal energy subsidies in Cameroon. This study will complement a quantitative study on social safety nets and inform the ongoing World Bank dialogue with the government for more pro-poor social subsidy system. It is jointly prepared with HDNSP (Labor and Social Protection Anchor).

AGRICULTURE

Public Expenditures review in Agriculture sector (Jan. - Jun.-12)

A review of public expenditures in the Agriculture sector is being considered. This would serve to stimulate the policy dialogue.

INFRASTRUCTURE

Unit Cost study (Jan. - Jun.-12)

A study on the unit cost of infrastructure construction in the different regions of Cameroon is considered to stimulate public scrutiny and public debate, and contribute in changes optimizing the public investment budget.

COMMUNICATION

Continuous Communication (Oct.-12)

Outputs from analytical work and governance dialogues will continue to be disseminated internally and externally through various communication channels and tools (mailing-list, country website, social media, briefs, dialogue forums, and short videos).

EVALUATION

Evaluation of the GPF-funded program (Sept. - Oct.-12)

An evaluation will be undertaken at the end of the program to assess the impact of the approach and the activities undertaken.

PROGRAM DEVELOPMENT AND IMPLEMENTATION

Governance Council

This Governance Council acts as a steering committee for the program. It is composed of seven members - representatives from the World Bank (2), donors (2), civil society (2), and the CHOC Project (1). The Council's mandate is to review progress and outcomes associated with the implementation of planned activities, including approving the annual work program, budget, and semi-annual progress reports of GPF-funded activities. The council has met three times since the start of the project.

World Bank Team

The Cameroon GPF project has been implemented from the World Bank Country Office in Yaoundé. The team is made up of:

- Daniel Murphy, TTL (until Sept 2011) - dmunphy@worldbank.org
- Cia Sjetnan, TTL (from Sept 2011) - csjetnan@worldbank.org
- Raju Singh, TTL (Fiscal Decentralization) - rsingh9@worldbank.org
- Abel Bove, Governance Specialist - above@worldbank.org
- Victoire Ngounoue, Communications Sp. vngounoue@worldbank.org
- Sylvie Munchep Ndze, Team Assistant - sndze@worldbank.org