

PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: PIDA70434

Project Name	Livestock Development Project (P154908)
Region	AFRICA
Country	Cameroon
Lending Instrument	Investment Project Financing
Project ID	P154908
Borrower(s)	Ministry of Economy, Planning and Regional Development
Implementing Agency	Ministry of Livestock (MINEPIA)
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	25-Aug-2016
Date PID Approved/Disclosed	25-Aug-2016
Estimated Date of Appraisal Completion	15-Sep-2016
Estimated Date of Board Approval	27-Oct-2016
Appraisal Review Decision (from Decision Note)	"The chair congratulated the team for a job well done and, contingent upon the completion and public disclosure of the safeguard documents prior to appraisal, authorized to proceed with the Appraisal and Negotiation mission, tentatively planned to take place from August 22 ➤ (September 07, 2016."

I. Project Context

Country Context

Cameroon is a lower-middle income country, but continues to be typified by lagging social indicators and persistently high levels of poverty. The country has shown relatively strong macroeconomic performance in recent years with growth reaching 4.6 per cent in 2012, and estimated at between 5.6 to 5.9 per cent between 2013 and 2015 (SCD, 2015), and GDP per capita per year estimated at US\$1,429 in 2014. The pace of economic growth over the last decade has been too slow to lead to sustainable development and significant poverty reduction and shared prosperity. The pattern of growth between 2001 and 2014 was such that the poorest 40 percent of households got worse-off, while the top 60 percent got better off. Cameroon has only achieved a few Millennium Development Goals, which is evidenced by the country's relatively low ranking in the 2014 Human Development Index (HDI), where it stands at 153rd out of the 188 countries tracked, explained by a de facto deterioration in its HDI scores over the last two decades..

Given its abundant natural resources and a relatively educated work force, Cameroon has great development potential which remains largely unrealized. Challenges related to weak governance, inadequate infrastructure, and an unfavorable business climate continue to thwart economic activity and make it hard to reach the growth rates required to reduce poverty in a sustainable manner. After

a significant decrease in poverty rates in the 1990s, the poverty rate has barely shifted between 2000 and 2007. Since 2001, it is estimated that around 40 percent of the population lives below the poverty line and chronic poverty stands at about 26 percent. Using the national poverty line, poverty incidence was 38 percent in 2014. Poverty is prevalent in the rural areas, where poverty incidence is much higher than in urban areas (57 versus 10 percent). These averages are high compared to other countries in the region with similar socio-economic characteristics.

Poverty is increasingly concentrated in the northern parts of the country. The number of poor in the North and Far North regions has increased between 2001 and 2014 from 2.1 million to 4.5 million, representing respectively 34 and 56 percent of all poor in the country. Northern Cameroon is affected by multiple poverty traps associated with insecurity, high rates of population growth, environmental degradation, malnutrition, isolation and low levels of productivity. The prevalence of acute malnutrition is particularly alarming in the North and Far North regions, where levels exceed the threshold of 10 percent indicating a serious nutrition emergency. The rate of malnutrition stands at 45 percent in the Far North region, whereas for Yaoundé and Douala it is about 13 percent. To reverse the food and nutrition situation of the people, programs will have to be devised that are able to increase agro-pastoral productivity, lower post-harvest losses, improve storage and market infrastructure, implement standards and quality control, improve connectivity (rural roads) of production areas with markets, and promote nutritional education and the health safety of food.

The high level of poverty in the northern part of the country is aggravated by prevailing high levels of insecurity. The 2016 WB-AFD fragility assessment states that Cameroon continues to experience significant external pressures, mainly related to the worsening security situation in the neighboring Central African Republic (CAR) and the increasing presence and activity of the violent extremist group Boko Haram in Cameroon's Far North Region. This is further exacerbated by internal stress factors, such as growing inequality, increasing tensions around land tenure, social fragmentation, and weakening conflict-resolution mechanisms. These internal and external challenges are increasingly putting pressure on the Government, leaving important segments of the population disgruntled regarding state performance and service delivery.

Cameroon has long sought for ways to diversify its economy away from the reliance on extractive industries (e.g. oil, timber) to foster broad based economic growth. The Government has targeted agriculture and livestock as priority sectors in poverty reduction and food security as about half the population live in rural areas and relies on the agricultural sector for their livelihoods. The livestock sector is relatively unexploited but recognized as an increasingly dynamic part of the agricultural economy. The potential to expand the sector's contribution to economic growth is high given its natural resource and favorable market prospects to drive the diversification agenda (cfr. sectoral context). The livestock sector has also a strong bearing on poverty-stricken communities, either directly through the provision of produce and services such as animal draught power and transport or indirectly through the provision of employment and wealth creation.

Sectoral and institutional Context

The agriculture sector (crops, livestock, fisheries, and forestry) plays a significant role in Cameroon's socio-economic development, as a food and feed provider, employer and income earner. Cameroon's agriculture contributes about 20 percent to GDP and employs about 60 percent of the active population. Agriculture accounts for 40 per cent of total exports, excluding oil. Food crops contribute 64 percent to the agricultural GDP, followed by livestock (13 percent),

forestry (9 per cent), industrial and export crops (8 percent), and fisheries (6 percent). The country is endowed with abundant natural resources suitable for producing a wide array of agricultural commodities within its diverse agro-ecological landscapes (sudano-sahelian, high savanna, highlands, mono-modal humid forest, and bi-modal humid forest).

Livestock accounts for 13% of agriculture GDP and employs 30 percent of the rural population. In Cameroon, one third of households operate in the livestock sector partitioned between poultry breeding (85.9 per cent), goats (55.1 per cent), sheep (27.2 per cent), pork (23.3 per cent) and cattle (meat and milk) (17.9 per cent). Cattle, poultry, pig and small ruminants are a source of cash income, nutrition, food security, and enhance the social standing of households in the rural communities. Poultry, pig and dairy farming have certain specific advantage over crops, fisheries and forestry. They require less land, are least influenced by seasonal change, and the supply of food from animal origin is low compared to the existing high demand. Livestock systems are very much interlinked in the integrated farming systems in Cameroon. Livestock also plays a role in household savings and contributes to crop production through the provision of manure and animal-draught power.

Three main categories of livestock production systems co-exist in Cameroon: pastoral systems (extensive small and large ruminants), mixed crop-livestock systems (sedentary, village-based, traditional), and commercial systems (mainly semi-intensive peri-urban ventures). According to 2014 statistics from MINEPIA, the composition of the livestock herds in Cameroon is as follows : 5,805,297 heads of cattle: 2,952,624 sheep, 6,298,059 goats, 3,112,973 pigs, over 70 million chickens (cf. Maps in Annex 8). The main players in livestock production are smallholder livestock farms (95%), and small livestock operators and enterprises (5%), most of which headed by men (80, 60 and 90.6 per cent respectively) whose education level does not exceed primary or secondary education. The Western region has the highest proportion of households headed by women (34.4 per cent). There are more than 120,000 grassroots Producer Organisations: 115,581 Common Initiative Groups (CIGs), 3647 unions of CIGs, and 59 federations of CIG unions; 1853 production co-operatives and 1,575 credit unions, 67 unions of co-operatives and 11 federations of co-operatives. POs include the producers that operate in a particular value chain (pork, milk, poultry, small and large ruminants, and other non-conventional farms) or on a territorial basis (town, county, and region). The most important are the Association Nationale des Eleveurs et Engraisseurs de Porcs du Cameroun for the pig sector which comprises a total of 3,440 grassroots organizations under ten regional umbrella organizations (Cooperatives Confederation, Federation and Associations), and the National Confederation of Cattle Breeders of Cameroon for cattle breeders. The majority of pastoral family production units are not affiliated with any farmer organization.

The domestic demand exceeds the national production and the gap will continue to increase . The overall annual meat production is 265,816 tons (poultry: 45 percent, cattle: 35 percent, small ruminants: 7 percent, pigs: 13 percent). Milk production was estimated at 235,779 tons in 2013. Egg and honey production in 2013 was estimated at 65,116 tons and 2,815,800 liters respectively. Despite the large size of its herds, the country's livestock sub-sector's production does not meet national consumption requirements, and the domestic demand gap has increased from 2008 to 2015: milk and dairy products (42,252-83,380 tons), poultry (38,063-64,867 tons); beef (26,396-56,697 tons); pork (7,286-15,547 tons). Only egg production seems to be meeting, and at times exceeding, national demand. The discrepancy between national production and the demand for key animal products (Annex 8) shows that besides eggs, which production is able to meet domestic needs, all the other animal industry sectors experience shortages. Gaps may continue

increasing due to population growth, urbanization trends, and rapid growth of the middle class.

Livestock in Cameroon has the potential to significantly contribute towards economic growth, alleviation of food insecurity and malnutrition, and job creation. However, the potential for rapid economic transformation in agriculture and livestock has not been realized to date: total factor productivity does not contribute to growth and employment remains confined to the informal sector (Annex 8). Transitioning the mostly subsistence oriented livestock sector towards more commercial practices offers opportunities to better integrate livestock farmers within the value chains. Better developed value chains for products important to poor farmers will be instrumental to reducing transaction costs and improving market access for livestock farmers. This will require, inter alia, improved breeds, grading services, storage, auctions, extension, price information, transport and logistics.

Despite the country's clear potential to develop the livestock sector, a series of constraints have led to low productivity and low production among livestock subsistence producers in Cameroon. According to the Livestock Master Plan 2009 and the 2012 pastoral survey, the main constraints to all value chains are (i) limited education and lack of training for livestock farmers, (ii) health and sanitary constraints (prevalence of parasites and infectious diseases that affect 70 per cent of herds), (iii) low productivity of local breeds and poor livestock feeding management (limited access to inputs, degradation of pasture lands e.g. invasion by non-palatable species like *Chromola odorata* and *Mimosa* sp., limited water points for herds, limited access to pastures and other feed resources), (iv) weak advisory services that hinders access to innovative techniques by farmers, (v) low adoption rate of improved animal husbandry practices including sustainable range management and supplemental feeding that leads to low productivity, (vi) limited access to credit/rural finance (limited capacity of farmers to present viable projects for financing, high cost of financing; and absence of specific financial services/instruments for this segment), and (vii) limited access to post-harvest infrastructure that minimize value-added for livestock farmers.

Moreover, the livestock sector is inherently complex, with challenging characteristics that cannot be easily simplified; especially in a country like Cameroon where the diversity of agro-ecological zones enables a wide range of production systems (see Maps in Annex 8). In sum, raising ruminants (cattle, sheep and goats) is mostly done in semi-arid agro-pastoral areas (Adamaoua, Northern, Extreme-Northern and Eastern provinces) and relies on rangelands health (availability and accessibility of grazing lands and water), while raising short cycle species (e.g. pigs and poultry) is done all over the country (with a higher density in Southern, Western, North-Western, Littoral and Central provinces) and requires more access to inputs (feed, breeding) and habitat. This said, it is the very complexity of these animal production systems that also offers some of the greatest opportunities for economic development and poverty alleviation. In order to exploit these opportunities, a comprehensive and integrated approach would be required, as proposed through this project. This approach combines both technical and institutional interventions tailored towards these different livestock production systems across their respective value chains.

The sector is also subject to Climate Change related threats in terms of gradual depletion of water sources and water points (reduction of water resources to about 33 per cent in the Far North region over the last two decades); infestation of animals and pastures by vectors causing diseases such as trypanosomosis, African swine fever; and natural disasters such as floods and drought, more likely in the North region. Livestock production has also frequently been cited as harmful to the environment, and livestock farmers have been blamed for causing deforestation, desertification, pollution, and of contributing toward global warming through ruminants' emissions of

greenhouse gases. However, recent evidence suggests that such broad assumptions are simplistic and misleading, as environmental damage by livestock is more a reflection of the way people manage their animals. Indeed, the integration of animals, crops, and trees in agro-pastoral systems represent an essential prerequisite for sustainable land use and diversification of farm produce and a means for improving food security and rural livelihoods, whilst sustaining ecosystem health.

There is an important gender dimension to agriculture in Cameroon. The role of women in consolidating and ensuring food security in rural households as an important aspect to socioeconomic development and beyond is crucial. According to the Government's 2011-2020 Document of National Gender Policy (Document de Politique Nationale Genre), women-headed households are increasing in rural areas (from 21 percent in 2004 to 25 percent in 2010). Women are more engaged on small livestock (poultry, sheep and goats, etc.) while men mainly operate in cattle sub-sector. Women are mostly engaged on the informal sector (42% in 1987 to 63% in 1996 and 77.5% in 2001) than men and on all sorts of profit or income-generating activities to address their financial and economic families. In addition, the livestock value chain analysis carried out by the Government in 2016 showed that women operate in milk production (19.4%) and in breeding of short cycle species in general (30% for small ruminants, 23% for pork and 27% poultry meat). Overall, women operate significantly in the processing of animal products such as milk (25%), as well as in the marketing of milk (39.6%), honey (31.7%), poultry (23%) and eggs (17%). Challenges faced by women in Cameroon's agriculture include holding fewer agricultural assets such as farm tools and equipment, as well as having to split their time between farming and household chores. The livestock sector is influenced by a patriarchal organization that excludes women from possession of factors of production (land, pasture resources). It presents one of the major obstacles to the mortgage and guarantee necessary for the expansion of women's agricultural activities. Women's ability to produce enough food is exacerbated by the physically exhausting labor and drudgery associated with farming practices that have remained unchanged for a long period. Therefore, supporting technologies that promote timesaving tasks as well as nutrition-sensitive activities performed by women is crucial for increasing agricultural production and improving maternal and child nutrition. The Project will support activities geared towards women.

The 2014-2020 National Agricultural Investment Program (NAIP) aims at transforming agriculture into a core economic drive that creates decent jobs and wealth to meet domestic and foreign demand, through the improvement of food and nutrition security in a sustainable development context. NAIP targets a rural growth standing over 10 per cent in 2020 and a livestock growth of 9.3 per cent between 2010 and 2020 while the growth of the sector has increased from 2.6 per cent in 2010 to 5.7 per cent in 2014 (National Institute of Statistics 2013 and 2015). NAIP-identified investments in livestock include: (i) inputs and equipment; (ii) production, processing and conservation infrastructure; (iii) health system; and (iv) diversification of animal production.

The Government's priorities for the agriculture and livestock sectors are to improve productivity and competitiveness of the different segments of the sector, have the sector undergo a more pronounced commercialization process, secure farm- and pastureland, and create agriculture and livestock growth poles to attract young entrepreneurs. The Government endeavors to increase its investment in the sector to position agriculture and livestock as a major engine for economic growth and job creation. Improving the sector performance would also require a substantial improvement of the quality of expenditure planning, allocation, and implementation, as well as an increase of the

national budget outlays directed towards the sector, which remains well below the 10 percent the Government pledged to attain in the 2003 Maputo declaration, in line with the CAADP framework. Specifically, the portion of state expenditures on agriculture represented only 4.5 percent of total planned expenditures in 2012 and 2013. Indeed, the reallocation of resources from and to agriculture, the adoption of new technologies, and the development of new production areas are sources of growth within the primary sector with immediate positive consequences for poverty reduction. Poor farmers benefit from productivity gains while non-farmers in rural areas benefit from spillover gains. At the same time, the urban poor will likely benefit from lower food prices.

Particular attention needs to be paid to strengthening the institutional capacities to spur development of the livestock sector. The Ministry of Livestock, Fisheries and Animal Industries (MINEPIA) is responsible for planning and implementing all livestock and fisheries development activities. The central staff of the Ministry is distributed mainly among four technical directorates (Animal Health; Animal Production and Industries; Pastures, Livestock Infrastructure and Animal Feed; and Studies, Planning, Cooperation and Statistics), supported by a Directorate of General Administration (Secrétariat Général). These directorates will be strengthened under the project to address key institutional weaknesses as government institutions are hampered by staff inexperience, staff shortages, lack of resources, and limited mobility. The fragmentation of the public institutions serving the agriculture and the livestock sector, especially at district level, is not efficient in delivering services. The mandates, responsibilities and relationships among the MINEPIA departments will be re-examined through an institutional analysis to be carried out under the project in order to improve efficiencies of utilization of available human resources. MINEPIA's organization chart is shown in Annex 3.

The quality and quantity of livestock services provided at farmers' level needs to be improved. The field level of MINEPIA (or Livestock Services) are divided among Regional, Departmental, and District Livestock Delegations (LDs), in addition to various animal health and livestock centers (centres zootechniques et vétérinaires). The main responsibilities of the Livestock Services are preventive animal health care, food inspection, and animal production extension. The Livestock Services also carry out the main vaccination campaigns. However, they lack a systematic approach for extension and lack the resources to ensure adequate supervision of its field staff. Although the animal health system in Cameroon is relatively well organized, the epidemiological surveillance network is facing significant constraints such as: (i) lack of specialized staff in surveillance and diseases control; (ii) limited budget and logistical means; and (iii) low capacity of laboratories for diagnosis. MINEPIA's extension services also suffer a shortage of personnel on the ground. In addition, the lack of coordination in the interventions of the various ministries of the rural development is a major constraint for the rational development of the livestock sector. As a result of the lack of funding for recurrent expenditures, contacts between producers and field staff are limited to those during the vaccination campaigns, and transfer of technology to the producer is almost nonexistent. The introduction of improved extension methods, targeted Technical Assistance, and sustained capacity building efforts are necessary to reactivate the Livestock Services and will be sought under the project.

Given the multi-faceted nature of the issues hampering the development of the sector, the project proposes a two-pronged approach to reduce the national deficit in livestock products and increase the contribution of the livestock sector to overall agricultural production and broad-based socio-economic development. First, a gradual improvement of traditional production systems needs to be

pursued. The reduction of mortality and morbidity, the sustainable use of range land resources, and the development of a closer integration of crops and livestock would be important avenues to develop the traditional sector and reduce the drudgery of farm labor. Second, the emerging semi-intensive production systems need to be actively supported. Such production has a fast growth potential and fits well with available entrepreneurial skills. Poultry and other short-cycle species such as pigs, could therefore make an important contribution to meeting the growing demand. This project builds on major agriculture and livestock development initiatives currently underway in Cameroon, and will also draw from promising environmental and social programs developed by local communities with the support of Non-Governmental Organizations (NGOs).

II. Proposed Development Objectives

The Project Development Objective (PDO) is to improve productivity of selected livestock production systems and the commercialization of their products for the targeted beneficiaries, and provide immediate and effective response in the event of an eligible livestock crisis or emergency.

III. Project Description

Component Name

Improving Livestock services access and delivery

Comments (optional)

Component Name

Improving pastoral productivity, access to markets, and resilience of pastoral communities

Comments (optional)

Component Name

Support to livestock value chains development

Comments (optional)

Component Name

Project Coordination, Management, Communication and Monitoring

Comments (optional)

IV. Financing (in USD Million)

Total Project Cost:	136.00	Total Bank Financing:	100.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			12.00
International Development Association (IDA)			100.00
Borrowing Country's Fin. Intermediary/ies			17.50
Municipalities of Borrowing Country			0.50
LOCAL BENEFICIARIES			6.00

Total	136.00
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V. Implementation

The Project implementation mechanism will comprise: (i) a Project Steering Committee (PSC); (ii) a National Project Coordination Unit (PCU) based in Yaoundé; (iii) Three Regional Coordination Units (RCU) covering the five agro-ecological zones; and (iv) Ten (10) Regional Pre-Selection Committees (RPSCs) responsible for detailed screening of business plans developed within the project zones covered by RCUs. The three RCUs will respectively cover the regions of: (i) Far-North/North/Adamaoua; (ii) Center/South/East and (iii) Littoral/South-West/West/North-West. At the national level, an Environmental and Social Expert will be hired with three regional Environmental and Social Experts. In addition, RCUs will involve Regional Focal Points of the Ministries in charge of Environment (MINEPDED) and Social Affairs (MINAS) in facilitating the implementation of environmental and social activities of the Project. Fifty eight divisional focal points from decentralized MINEPIA services will work alongside technical service providers to provide outreach organizational development and technical advisory services to beneficiary councils, producer organizations and livestock entrepreneurs. Specific implementation arrangements are developed for the various components/subcomponents under the overall oversight of the NCU. The implementation mechanisms are described in Annex 3 of the PAD and in more detail in the Project Implementation Manual (PIM).

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36	x	
Pest Management OP 4.09	x	
Physical Cultural Resources OP/BP 4.11	x	
Indigenous Peoples OP/BP 4.10	x	
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

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