

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: PIDA22429

<b>Project Name</b>	Community Development Program Support Project-Phase III (P144637)
<b>Region</b>	AFRICA
<b>Country</b>	Cameroon
<b>Sector(s)</b>	General agriculture, fishing and forestry sector (35%), General education sector (20%), Health (20%), Water supply (20%), Other social services (5%)
<b>Theme(s)</b>	Rural services and infrastructure (35%), Participation and civic engagement (20%), Municipal governance and institution building (20%), Decentralization (20%), Indigenous peoples (5%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P144637
<b>Borrower(s)</b>	REPUBLIC OF CAMEROON
<b>Implementing Agency</b>	PNDP
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	30-Mar-2015
<b>Date PID Approved/Disclosed</b>	05-May-2015
<b>Estimated Date of Appraisal Completion</b>	24-Apr-2015
<b>Estimated Date of Board Approval</b>	18-May-2015
<b>Appraisal Review Decision (from Decision Note)</b>	

**I. Project Context**

**Country Context**

Cameroon is a lower middle income country, but poverty levels are high and social indicators low. Cameroon has an estimated population of 19.96 million and an average per capita Gross Domestic Product (GDP) of approximately US\$1,160 (2010). The annual population growth rate is 2.7 percent, with 41 percent of the population under 15 years old.

Cameroon has recovered from the adverse effects of the global crisis and has so far not been affected by sovereign debt crisis. After declining in 2009, due to the drop in commodity prices and volumes, Cameroon's exports rebounded in 2010. The recovery of non-oil sectors contributed to an increase in real GDP growth, to 2.9 percent in 2010, from two percent in 2009. This recovery gained momentum in 2011, with an estimated real GDP growth of 4.2 percent, driven by strong activities in agriculture, construction, and telecommunication. In 2013, agriculture represents the

20.6 percent of GDP and gathers the 70 percent of the national employment. Economic growth is expected to increase moderately under current policies, with the International Monetary Fund (IMF) projection real GDP growth to increase gradually to 5.5 percent in 2016. Average inflation increased to 2.9 percent in 2011, compared to 1.3 percent in 2010. This increase primarily reflects a rise in food prices.

Cameroon's debt situation has improved in the last five years. The public debt-to-GDP ratio declined from 52 percent in 2005 to 10 percent in 2008, due to Highly Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative (MDRI) in 2006 and prudent borrowing policies since then. As a result, Cameroon has recently been able to sign several non-concessional loans for high priority national investment projects. The Government of Cameroon (GOC) is discussing with the Bank about its ceiling for non-concessional borrowing for the future.

Despite significant natural resources, Cameroon's economic growth is lagging behind its potential and has not had a lasting impact on poverty. Cameroon is endowed with significant natural resources, including oil, high-value timber species; agricultural product including coffee, cotton, and cocoa; and as yet untapped natural gas, iron, bauxite, and cobalt. Poor infrastructure, an unfavorable business environment, and weak governance all hamper economic activities and make it difficult to reach the growth rates needed to reduce poverty on a sustainable basis. Poverty levels are around 40 percent, with significant regional disparities (some divisions with poverty levels above 70 percent, whereas Douala and Yaoundé, for instance, have poverty levels of between 0 and 10 percent (National Institute of Statistics, 2012). Furthermore, the poverty rate is higher in rural areas. In fact, 55 percent of rural households are poor, as compared to only about 12 percent of urban ones. On its current trajectory, Cameroon is unlikely to meet any of the Millennium Development goals (MDGs), with the possible exception of that of universal primary Education. Ranked 150th out of the 187 countries tracked in the 2011 Human Development Index (HDI), Cameroon is one of a group of countries whose HDI scores have deteriorated in the past two decades.

### **Sectoral and institutional Context**

According to Article 1 of the Constitution Act of 1996, "The Republic of Cameroon is a unitary, decentralized state. The decentralized local governments of the Republic are the regions and municipalities". Although there have been substantial delays, the GoC has shown its firm commitment to implement decentralization in the country. In a bid to fight against poverty, promote local development and implementing the decentralization agenda, the government has adopted community-based approaches, using a participatory procedure to get beneficiaries actively involved in identifying their own development priorities and in planning intervention over the long term. Therefore, on February 20, 2004, the government in collaboration with the World Bank and other development partners prepared the Community Development Program (PNDP-Programme National de Développement Participatif) that is implemented using a Series of Projects (SOP) consisting in three four-year phases. The purpose of this three-phase APL program, as stated in 2004, is to reduce poverty and to promote sustainable rural development in Cameroon by strengthening local governance and empowering communities in rural areas, including marginalized groups. More specifically, it would (i) support the implementation of demand-driven subprojects and (ii) carry out local capacity-building activities. PNDP supports decentralization by strengthening local technical and financial capacity and addressing weaknesses in social capital to improve delivery of basic services, generate economic opportunity, and address poverty and growth.

The program's long-term vision is that communes would collaborate with communities in the planning and control of local development in rural communes by (i) identifying and managing infrastructure and service needs, (ii) managing the resources needed to establish and maintain community infrastructures, and (iii) promoting good governance.

In July 2004, the Government passed a frame law on decentralization, laying down rules and regulations governing the communes and regions. For the Government, the communal development plan is a powerful tool for selecting priority investments and forming a global and shared vision on local development at the communal and community levels. In November 2008, it also approved the decree outlining the administrative organization of Cameroon and the decree on the organization and functioning of decentralized administration "Regions, Divisions and sub-divisions" that also confirmed its commitment to use the communal development plans to improve implementation of its decentralization agenda. During the same year, the Government signed a decree establishing the National Council for Decentralization and the Inter-ministerial Committee for Local Taxes. In 2009, a set of critical laws aimed at improving the legal and regulatory framework for decentralization have been drafted, adopted and promulgated. These included the law on local taxes and financial regime of communes and the decree on the organizational chart and staffing of communes. Implementation of these legal tools is currently accompanied by a transfer of financial and human resources to decentralized territorial communities.

The Government of Cameroon has prepared in 2010 the Cameroon Growth and Employment Strategy Paper (2010-2035). According to this Strategy Paper, decentralization is focused on improving local service delivery, better accountability, generating more equitable distribution of resources leading to a reduction in regional tensions, facilitating a more efficient use of natural resources, and more effective provision for the most vulnerable and marginalized groups. Other objectives include national unity, as well as equity and fostering of growth and development.

To support decentralization and local development, the IDA Credit for the Community Development Program Support Project—Phase I (PNDP I) was approved on March 18, 2004 for an amount of SDR 13.6 (US\$ 20.0 million equivalent), as a contribution to the multidonor-supported Community Development Program (CDP). PNDP I was closed on November 30, 2009. The second phase of that project was approved on June 18, 2009 for an amount of SDR 26.7 million (US\$ 40.0 million equivalent) and closed on November 30, 2013.

## **II. Proposed Development Objectives**

12. The development objective of phase 3 (PNDP III) is to enhance the capacity of targeted communes in the implementation of their communal development plans and to support the extension of the Recipient's decentralization plan to new communes.

## **III. Project Description**

### **Component Name**

Component 1: Local development support

### **Comments (optional)**

### **Component Name**

Component 2: Decentralization support for communes

**Comments (optional)****Component Name**

Component 3: Coordination, management, monitoring and communication

**Comments (optional)****IV. Financing (in USD Million)**

Total Project Cost:	133.00	Total Bank Financing:	70.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
BORROWER/RECIPIENT			56.00
International Development Association (IDA)			70.00
LOCAL BENEFICIARIES			7.00
Total			133.00

**V. Implementation**

Project oversight and supervision. The Ministry of Economy, Planning, and Regional Development (MINEPAT) will have responsibility for the overall oversight of the project. It will harmonize methodological approaches in commune development plans and make them consistent with investment planning at the regional and central levels. In addition, MINEPAT will ensure that commune development maps are aligned with the sustainable regional development master plans and that they serve as the basis for the elaboration of commune development plans. More generally, the ministry will organize periodic coordination meetings with technical and financial partners, National Council for Decentralization (CND), United Councils and Cities of Cameroon (CVUC), and sector ministries.

The Project's National Steering Committee (PNSC), with a broad representation of stakeholders, will be responsible for approving the annual work plans and budgets, as well as examining annual internal auditor report, financial audit report for steering the overall implementation of the project's activities. PNSC would meet twice a year.

At the decentralized level, the Divisional Officer (Prefet), will be in charge of the administrative coordination. He will organize the decentralized technical staff under his or her authority particularly for the planning process into multisectoral teams). After the Municipal Council has processed a CDP, the Divisional Officer will approve it after being satisfied that it meets the required standards as a programming and budgeting tool. The Divisional Officer also makes sure that neighboring communes cooperate and that infrastructure is equitably distributed.

Project Coordination and Management. Pursuant to Order No. 002PM of 9 January 2004, the coordination and management of the project are organized at two levels: The National Coordination Unit (NCU) prepares work and budget plans and monitors and evaluates project activities while the Regional Coordination Units (RCU) prepare work and budget plans, monitor and evaluate the activities and manage the project in their regions. This 2004 Order will be amended to adjust the

composition of the teams at the NCU and RCU levels and to accommodate the transfer of responsibilities to communes. The terms of reference for executive staff will also be fine-tuned to facilitate evaluation of their performance.

Planning and implementation at the commune level. Communes will have the principal responsibility for preparing local development plans, preparing grant applications, and implementing and monitoring subprojects. To ensure sustainability, Municipal Councils extended to Sector (COMES) will continue their missions of deliberation and approval of CDP at the municipal level. Moreover, in addition to participating in deliberations, representatives of decentralized services of sectoral ministries related to project operations will participate more actively in the CDP preparation process so as to assure that subprojects comply with sectoral guidelines. PNDP III will continue to help recruit technical support staff for financial and development planning duties in communes, and provide them with office equipment.

Technical assistance to communes. Under PNDP III, communes will receive technical assistance for planning from TSP (NGOs, consulting firms) and multidisciplinary teams of the decentralized services of technical ministries. Private-sector TSP will help communes identify subprojects, prepare detailed project proposals, and prepare funding applications.

## VI. Safeguard Policies (including public consultation)

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
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)**

## VII. Contact point

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