Document: EB 2007/91/R.10

Agenda: 8(a)(ii)

Date: 21 August 2007

Distribution: Public

Original: English



The Republic of Cameroon

Country strategic opportunities programme

Executive Board — Ninety-first Session Rome, 11-12 September 2007

For: Review

Note to Executive Board Directors

This document is submitted for review by the Executive Board.

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Abbreviations and acronyms

AFD Agence française de développement

COSOP Country strategic opportunities programme

ECAM Cameroon household survey (Enquête Camerounaise auprès des

Ménages)

FO farmer organization
M&E monitoring and evaluation

MINADER Ministry of Agriculture and Rural Development PADC Community Development Support Project PBAS performance-based allocation system

PNDRT Roots and Tubers Market-Driven Development Programme

PPMF National Microfinance Programme Support Project

PRSP poverty reduction strategy paper RSDS rural sector development strategy

SWAp sector-wide approach

Map of IFAD operations in the country



Source: IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Summary of country strategy

- 1. As part of the Millennium Development Goals, Cameroon pledged to cut the country's poverty rate from 53.3 per cent in 1990 to about 25 per cent by 2015. The incidence of income poverty was estimated at 40.2 per cent of the population in 2001. This rate constitutes, however, a marked improvement over the 1990 poverty level. This improvement benefited chiefly urban populations, among which the incidence of poverty stands at 22 per cent, compared with nearly 50 per cent in rural areas. The poverty reduction strategy paper and the accompanying rural sector development strategy have focused on rural poverty.
- 2. The present country strategic opportunities programme for Cameroon is fully consistent with the poverty reduction strategy paper. It aims to support the implementation of the rural sector development strategy and the IFAD Strategic Framework 2007-2012. It is articulated around two distinct, but closely linked strategic objectives. Strategic objective 1: Strengthen the organizational capacity and bargaining power of the rural poor and their organizations. This strategic objective aims to train rural communities to organize themselves, manage their organizations and voice their concerns to public- and private-sector policymakers. It aims also to promote improved accountability and transparency in the mobilization and management of public resources. It seeks to support local communities in managing their natural resources (land, pasture and water) more effectively in order to improve soil fertility and prevent and resolve conflicts. Moreover, it is designed to train these communities in the maintenance of rural infrastructure (rural roads, boreholes, schools, health centers and community centers) and assist them in raising funds for the regular maintenance of this infrastructure. Finally, it aims to strengthen the bargaining power of smallholder farmers, particularly women and youth, relative to traders. Strategic objective 2: Enhance sustainable on- and off-farm income-generating opportunities among the rural poor, particularly women and youth. This strategic objective aims to foster the incomes of the rural poor by (i) improving soil fertility and water management; (ii) enhancing agricultural and livestock productivity and supply in a sustainable manner so as to meet the increasing demand for food in the country and the region (Economic and Monetary Community of Central Africa) by improving access to agricultural technologies and services; (iii) improving access to competitive input and output markets by enhancing communication and information infrastructure so as to lower transaction costs; (iv) focusing on value chains that show significant market potential; (v) promoting small off-farm businesses and microenterprises such as processing units and petty trade; and (vi) supporting the emergence of efficient rural financial services to foster investments in productive activities.
- 3. Achieving these strategic objectives will require the strengthening of partnerships with the Government, donors, NGOs, farmer organizations, the private sector and academic and research organizations. In addition, IFAD will work with its partners to develop a common approach in thematic areas where IFAD has a history of involvement and enjoys a comparative advantage.

The Republic of Cameroon

Country strategic opportunities programme

I. Introduction

1. This country strategic opportunities programme (COSOP) formulates a strategic framework for IFAD's assistance to Cameroon for the period 2007-2012. This COSOP aims to contribute to the achievement of the Millennium Development Goals and the implementation of Cameroon's poverty reduction strategy, more specifically, the rural sector development strategy (RSDS). It reflects the IFAD Strategic Framework 2007-2010 and builds on the participatory portfolio review completed in October 2005. To ensure ownership, the draft COSOP was discussed extensively with a broad range of rural development stakeholders, including the Government, farmer organizations (FOs) and NGOs, as well as bilateral and multilateral donors (see appendix I, COSOP Consultation Process). Following the consultations during the workshop held in Yaoundé on 30-31 May 2006, many of the views of stakeholders were incorporated into this version of the COSOP, which is being presented to the ninety-first session of IFAD's Executive Board.

II. Country context

A. Economic, agricultural and rural poverty context Country economic background

- 2. Cameroon has a land area of 475,400 square kilometres. Its total population, growing at 1.9 per cent per annum, was estimated at 16.3 million in 2005. With a per capita gross national income of about US\$1,000 in 2004, Cameroon fares well relative to the average per capita gross national income in sub-Saharan Africa. However, the country's human development index is low.² Cameroon's primary sector which includes forestry, livestock and fisheries accounted for nearly 41 per cent of GDP in 2005 and employs almost two thirds of the economically active population (see appendix II, Country Economic Background).
- After experiencing a high average growth rate of 7 per cent from the 1970s to the mid-1980s, Cameroon underwent a severe economic crisis starting in the mid-1980s. The overvalued exchange rate of the CFA franc, coupled with dwindling commodity prices and macroeconomic mismanagement, resulted in a dramatic fall in Government revenues that precipitated a contraction in public spending on education, health and infrastructure. In addition, this led to a decline in per capita income by nearly 50 per cent between 1986 and 1993, prompting the Government to initiate a series of economic reforms aimed at improving macroeconomic stability and restoring export competitiveness. Key among the reforms was the 1994 nominal devaluation of the CFA franc, which brought about a positive growth rate. Nevertheless, the Government's cash flows were insufficient in meeting domestic obligations and servicing external debt. As a result, the Government initiated additional reforms in 1997 by adopting a three-year enhanced structural adjustment facility with the International Monetary Fund. The successful completion of the initiative in 2000, along with the well-managed poverty reduction and growth facility worked out with the World Bank, made it possible for Cameroon to become eligible for the enhanced Debt Initiative for Heavily Indebted Poor Countries. Thanks to these reforms, real GDP growth averaged 4 per cent per annum between 2001 and

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¹ The COSOP design team included Mr Hamed Haidara (Country Programme Manager and mission leader), Mr Alec Bouchitté (agricultural economist and first mission chief), Mr Mohsen Boulares (agricultural economist and second mission chief at revision), Mr Félix Moukoko-Ndoumbé (agricultural economist) and Mr Prosper Ngoma (rural sociologist). Mr Abdoul W. Barry (Country Programme Manager) took over from Mr Haidara in April 2006.

² United Nations Development Programme, *Human Development Report 2005*.

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- 2004, despite a decline in oil revenues. It is within this framework that the Government formulated the poverty reduction strategy paper (PRSP) that has been guiding its actions and setting the principles of engagement with the donor community.
- 4. In 2005 and early 2006, the Government moved to correct fiscal slippage by restoring macroeconomic stability and improving governance. Thanks to its improved performance, Cameroon reached completion point in April 2006 under the Debt Initiative for Heavily Indebted Poor Countries and received additional debt relief under the Multilateral Debt Relief Initiative. In June 2006, Paris Club creditors agreed to cancel nearly 100 per cent of their outstanding claims against Cameroon, providing substantial public resources that the Government could invest in the economic and social development of the country. Despite these developments, Cameroon faces great challenges, including entrenching macroeconomic stability and fiscal sustainability, while expanding priority spending, improving governance and physical infrastructure and reforming public enterprises.

Agriculture and rural poverty

- 5. **Poverty in Cameroon**: Under the Millennium Development Goals, Cameroon pledged to halve its poverty rate from 53.3 per cent in 1990 to about 25 per cent by 2015. According to available data, this objective is far from being achieved. The incidence of income poverty defined as the percentage of the population with annual expenditure below the spending necessary to meet minimal food and nonfood needs was estimated at 40.2 per cent of the population in 2001 based on the second Cameroon household survey [Enquête Camerounaise Auprès des Ménages] (ECAM II). This rate constitutes, however, a marked improvement over the 1996 poverty level, estimated at 53.3 per cent of the population (ECAM I).³
- 6. The results of the analysis carried out in ECAM II show that there exists a noteworthy difference in poverty levels between urban and rural areas; poverty increased from 22 per cent in cities to nearly 50 per cent in rural areas. In addition, poverty incidence is higher among farmers (57 per cent) and informal rural sector operators (54 per cent) than among unemployed people in urban areas (40 per cent). Together, farmers and agricultural wage earners account for over 80 per cent of the poor in Cameroon. The results also indicate that income distribution remains skewed; the wealthiest 20 per cent of the population spends eight times more than the poorest 20 per cent. Inequality also has a regional dimension: Far North, North and North-west Provinces show a poverty incidence of around 50 per cent, which is far higher than the incidence in Coastal and South Provinces (35.5 and 31.5 per cent, respectively), Yaoundé (13.3 per cent) and Douala (10.9 per cent).
- 7. The participatory consultations on the perceptions of the poor about poverty carried out between April 2000 and January 2002 reveal that the population perceives poverty as primarily a condition of material deprivation. The key factors identified as the causes of poverty by the respondents include (i) lack of employment opportunities, (ii) poor access to physical infrastructure (water, roads and electricity), (iii) lack of access to social services (health and education), and (iv) corruption and poor management of public resources. In addition to these factors, poor populations in rural areas blame high input prices, unfair commodity pricing, lack of access to credit and training, inadequate farming practices and the unequal distribution of profits given the living conditions.
- 8. **Rural poverty**: Poverty is high in rural areas because these areas are the least well provided with Government services and show the poorest access to infrastructure. Access to drinking water is one of the most pressing needs in rural areas because 46 per cent of the population lack clean drinking water. It is estimated that the lack of roads, combined with poor storage facilities, results in the loss of about 40 per cent

³ ECAM I and ECAM II represent the Cameroon household surveys carried out in 1996 and 2001, respectively.

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of agricultural output. Rural areas have the poorest access to communications and information technologies. Rural access to electricity is also limited. Among the various segments of the population, traditional farmers are the most affected by poverty. The prevalence rate among this group is estimated at 57 per cent. Traditional farmers are generally subsistence farmers who cultivate bananas, cassava, millet, sorghum and maize.

- 9. **Poverty and gender**: Although women account for 51 per cent of the total population, this proportion is higher in rural areas because men often migrate to urban centers in search of work. Women's activities are concentrated in the informal sector and are characterized by low productivity. Women are responsible for more than 90 per cent of food crop production and play a major role in manufacturing (textiles and clothing), in the processing of agricultural products and in small-scale marketing. Despite their major role in society, women face many problems and receive insufficient Government support. Illiteracy among women is estimated at over 50 per cent. Girls are underrepresented in the educational system. Women encounter socio-psychological and cultural barriers (e.g. early marriage), have difficulties gaining access to land and credit, are underrepresented in decision-making in private and public bodies, have little access to new technologies and face difficulties in obtaining jobs. The HIV/AIDS rate for women is 30 per cent higher than for men.
- 10. **The agricultural sector and poverty**: The agricultural sector is vital to the country's economy. In 2005, it accounted for nearly 41 per cent of GDP and provided employment to roughly two thirds of the labour force. An estimated 95 per cent of the country's food needs are covered by domestic production. Cameroon supplies various food commodities (roots, tubers, cereals and animal products) to neighbouring countries, particularly the countries of the Economic and Monetary Community of Central Africa. The increased demand for food commodities resulting from high population growth in this part of Africa provides a substantial opportunity for Cameroonian farmers, particularly smallholders, to expand their incomes if a host of constraints are addressed.
- 11. Despite the country's abundant natural resources, the productivity of smallholder farmers is low. This is caused by several factors: the limited use of modern inputs (fertilizers and veterinary supplies) in the production of crop and livestock commodities due to high input prices and low output returns; the poor quality of seeds and chemical inputs resulting from the lack of quality controls, disorganized input markets; the lack of credit for the purchase of inputs; the lack of animal feed; insufficient water points; lack of extension services to train farmers in productivity-enhancing technologies; poor linkage between research and extension; and limited access to output markets due to poor rural roads. As a result of these constraints, most smallholder farmers resort to subsistence production and are trapped in poverty.
- 12. **Agricultural marketing**: There are increasing opportunities for agricultural products in the domestic, regional and export commodity markets. Farmers have not been able to take full advantage of these market opportunities owing to numerous inefficiencies. These inefficiencies have resulted from various factors, including high collection costs due to scattered supply sources and the poor organizational skills of farmers; high transport costs between the production zones and consumer markets because of the poor quality of roads and numerous roadblocks erected by some officials; limited access to market information, which tends to benefit traders at the expense of farmers; and non-tariff barriers between Cameroon and some of its neighbours such as Gabon and Equatorial Guinea. In addition, smallholders are constrained by the lack of storage facilities and related techniques, which cause the loss of nearly 40 per cent of their production. As a result, they tend to sell the bulk

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⁴ According to World Bank data.

- of their production soon after harvest when prices are at the lowest, thereby depressing the returns to their production activities.
- 13. Rural producer organizations: FOs are a long-standing phenomenon in Cameroon dating back to the colonial era. They became widespread at the end of the 1980s following price liberalization and the disengagement of the State from productive activities. They were supposed to be a means for farmers to influence rural development policies, improve service provision, acquire inputs and negotiate prices. The increased number of FOs led the Government, starting in the 1990s, to adopt several laws to help FOs play this role. Despite the increased number of FOs and the new legal environment, FOs have not been able to defend the interests of their members. Key among the constraints faced by FOs are weak leadership and insufficient human capital, weak managerial skills and weak capacity to mobilize financial resources. These constraints have prevented FOs from influencing not only agricultural markets, but also rural development policies at both the provincial and national levels.

B. Policy, strategy and institutional context National institutional context

- 14. Four major ministries are officially involved in implementing the RSDS, which stems from the poverty reduction strategy described below. These ministries, namely, the Ministry of Agriculture and Rural Development (MINADER), the Ministry of Livestock, Fisheries and Animal Industries; the Ministry of Planning, Development and Territorial Administration, and the Ministry of Environment and Nature Conservation, would be IFAD's main partner institutions in COSOP implementation. As the lead ministry in the rural sector, MINADER is responsible for the formulation and general oversight of the implementation of the RSDS, as well as the implementation of part of the strategy (see key file 2, Organization Matrix).
- 15. Though a steering committee made up of key members of the four RSDS ministries has been set up, the implementation of RSDS policies and strategies has been hampered by insufficient consultation and coordination among the committee members. The ministries need to build capacity in policy analysis and formulation and develop greater consensus by involving other rural development stakeholders such as FOs and NGOs in RSDS formulation, implementation and monitoring.

National rural poverty reduction strategy

- 16. Cameroon's current development policy is laid out in the PRSP, which was completed in April 2003 after ample civil society participation. The PRSP is the instrument that coordinates and links the Government's macroeconomic and structural reform programmes, which are outlined in this section, and the Government's sectoral strategies (rural development, education, health, infrastructure, etc.).
- 17. The PRSP calls for accelerated poverty reduction through pro-poor economic growth, human development and improved governance. It is articulated around seven main objectives: (i) Promote a stable macroeconomic environment; (ii) Strengthen growth through economic diversification; (iii) Stimulate the private sector as a growth engine and partner in the provision of social services; (iv) Develop basic infrastructure, natural resources and environmental conservation; (v) Increase the pace of regional integration through the Economic and Monetary Community of Central Africa; (vi) Strengthen human resources and the social sector and include underprivileged groups in economic life; and (vii) Strengthen the institutional framework, administrative management and governance.
- 18. Because the agricultural and rural sector is considered central to poverty reduction, the Government revised the RSDS in 2005, with assistance from the Agence française de développement (AFD) and IFAD, so as to align it with the PRSP. The revised RSDS is built around the following strategic objectives: (i) Develop agricultural production and supply in a sustainable manner; (ii) Promote sustainable

- natural resource management; (iii) Promote local and community development; (iv) Develop appropriate financing mechanisms; (v) Develop employment and professional agricultural training; (vi) Address the risk of food insecurity; and (vii) Develop the institutional framework. These objectives are closely aligned with the IFAD Strategic Framework and are aimed at ensuring that poor rural men and women have greater and more sustainable access to natural resources, improved agricultural and effective productive services, a broad range of financial services, transparent and competitive agricultural input and output markets and opportunities for rural off-farm employment and enterprise development.
- 19. In Cameroon, no formal structure exists for coordination and collaboration among donors in agricultural and rural development. However, some donors meet occasionally to discuss issues involved in their ongoing or future programmes. One of the issues discussed in these informal meetings has been the design of a sector-wide approach (SWAp). For this SWAp, MINADER has set up a national steering committee that is composed of various public-sector stakeholders in the rural sector who are to oversee the SWAp process. The SWAp is planned for 2009 if the conditions are appropriate for implementation. In the meantime, some donors and the Government have joined forces to undertake a study on the rural business climate and selected value chains in order to identify constraints and propose measures to address the constraints. IFAD will contribute to the value chains, while the European Union will finance a study on the main structure of the SWAp.
- 20. IFAD views the PRSP and RSDS as the guiding framework for its efforts to contribute to poverty reduction in Cameroon through this COSOP. IFAD will work at two levels during the COSOP period: (i) the national policy level and (ii) the field implementation level. At the national policy level, IFAD will continue to be an active partner in the PRSP process, working with the donor community to strengthen the capacity of FOs so as to help them participate meaningfully in agricultural and rural policy dialogue.
- 21. At the implementation level, IFAD will continue to work with other partners to develop a common approach, through the SWAp or other appropriate instruments, in thematic areas where IFAD has a history of involvement and comparative advantage, namely, root and tuber development; community-driven development in the context of decentralization; rural microfinance; and poverty targeting, especially of women and youth. IFAD will also explore opportunities to cofinance programmes with other donors.

III. Lessons from IFAD's experience in the country

A. Past results, impact and performance

- 22. Since 1980, IFAD has funded eight projects in Cameroon. Of these projects, one was cancelled, and five have closed. The performance of the closed projects was generally disappointing owing to long suspensions, averaging over three years, because of loan arrears during the 1990s. The most notable achievements of the Western Province Rural Development Project (Phases I and II) carried out during the 1980s and 1990s were the improvement in the quality of coffee beans, the streamlining of the "fully washed" process, the construction of four depulping centers and 23 mini-centers, the provision of improved seeds to farmers for the production of food crops, the provision and sales of pesticides to cooperatives, the exploitation of bottomlands, the organization of a diversification programme for the production of vegetables, and assistance for member cooperatives in financial management and the monitoring and evaluation (M&E) of markets. These achievements were, unfortunately, not quantified, and the impact of the project was not analysed clearly in the project completion reports.
- 23. Sustained cooperation between the Government and IFAD started in early 2000 during the implementation of the National Agricultural Research and Extension

Programmes Support Project. Started in June 1999, the project closed in June 2003 partly because of poor performance. The most visible project results involved helping villages prepare diagnostic plans for the analysis of their development needs and providing support for the implementation of at least half the plans. The implemented plans covered improvements in the supply of potable water, the rehabilitation of schools and the provision of school equipment, the rehabilitation or construction of sanitary infrastructure and other issues. This approach was replicated in the IFAD-funded Community Development Support Project (PADC).

- 24. The National Microfinance Programme Support Project (PPMF), PADC and the Roots and Tubers Market-Driven Development Programme (PNDRT) are ongoing. Because these projects are still being implemented, it is too early to assess the impact. However, some results may be highlighted. PPMF, which was designed to increase and extend microfinance outreach to the rural poor, has performed poorly. Because of difficulties at the onset of project implementation, PPMF was redesigned to focus activities on the two provinces (Far North and Centre) covered by PADC. Despite the redesign, the performance has been undermined by institutional problems and governance problems. The disbursement rate has been very low (30 per cent). Notable results achieved by PPMF have included (i) the design of a handbook on microfinance regulations to spread awareness among microfinance institutions on existing rules, (ii) the merging of two professional microfinance associations to form a single, better-organized institution, and (iii) the creation of a platform to facilitate consultations among stakeholders in microfinance. Despite the poor performance. some lessons have been learned; these will be used to improve the design and implementation of future microfinance activities.
- 25. Launched in 2003, PADC aims to promote the sustainable socio-economic development of the poorest segments of the population through empowerment and income-generating activities. Village development plans designed to identify village investment priorities within community infrastructure are used as a means to empower rural communities. To date, 151 such plans have been completed, and 104 plans have been implemented. Thanks to these plans, PADC has built and maintained 339 items of physical infrastructure (health centers, community centers, schools, boreholes equipped with pumps, modern basic sanitation facilities, playing fields, storage facilities and markets). Thanks also to PADC, villagers have saved the equivalent of nearly US\$64,000, which has enabled them to borrow about US\$88,500 to invest in income-generating activities (animal husbandry, fishery, processing, etc).
- 26. Started in 2005, PNDRT was designed to enhance the food security and incomes of the rural poor through agricultural and marketing development. A total of 250 village committees have been formed to provide the foundations of strong producer associations in production and marketing activities. Despite the short life of PNDRT so far, some 1.5 million improved cassava cuttings were produced in 2006 alone. PNDRT has trained 7,300 farmers in improved production techniques for cassava production. For the 30 per cent of these farmers who have adopted the techniques, on-farm yields have improved from nearly 6 to at least 18 tons per hectare. To market the cassava products resulting from surpluses, PNDRT is venturing into the promotion of new processing technologies.

B. Lessons learned

- 27. IFAD, through the country portfolio review undertaken at the end of 2004 and the mid-term reviews of the ongoing projects, has learned useful lessons from the experience in Cameroon. These important lessons may be summarized as follows:
 - When rural communities are empowered, through training in planning and participatory approaches, to identify their rural development priorities, they tend to take charge of local infrastructure (water supply, health centers, schools and small-scale irrigation systems) to the point

where this infrastructure is built and maintained more appropriately, thereby rendering development activities more sustainable. This empowerment of rural communities, particularly FOs, becomes a substantial means to structure and articulate the demand for support services and contributes to improving the efficiency of the delivery of these services. It also contributes to improved governance and natural resource management.

- Given the increased attention of the Government to rural poverty reduction, IFAD-funded projects should work with the leadership of the ministry responsible for agriculture (broadly speaking) and rural development. IFAD has maintained a permanent dialogue with this ministry so as to take corrective measures promptly when projects drift from objectives. In addition, IFAD should maintain close contact with the Ministry of Finance to help secure counterpart funds; these have been irregular and insufficient.
- Some IFAD-funded projects have covered an extensive geographical area in Cameroon, meaning that it is difficult to maximize project impact. To make visible progress in addressing rural poverty, IFAD should focus its activities on a limited geographical area agreed on by IFAD and local stakeholders. Project impact would be greater if IFAD could develop greater synergy in target areas among the projects it funds.
- Because the commodities produced by smallholder farmers face a string of constraints ranging from low productivity at the farm level to competitive access to markets, IFAD should adopt a holistic approach to addressing these constraints and focus on commodities that have been identified by rural development stakeholders and that show market potential so as to foster profitability. It is important to link on-farm activities and off-farm employment opportunities in order to increase income.

IV. IFAD country strategic framework

A. IFAD's comparative advantage at the country level

28. IFAD has built up expertise in several thematic areas. These areas may be divided into the following: (i) building the capacity of rural communities, FOs and NGOs to help identify and address development needs in rural areas and (ii) enabling the rural poor to gain equitable access to agricultural technology, input and output markets and rural financial services to foster on-farm productivity and commodity supply in a competitive manner with a view to increasing the incomes of the rural poor.

B. Strategic objectives

29. Cameroonian policymakers have recognized that growth is an important means to reduce poverty and that the current pace of growth is not sufficient to wage an effective fight against poverty. It is therefore essential to accelerate growth, which must be equitable, by guarantying that as much of the population as possible has access to (i) opportunities to earn income or secure a job, (ii) basic infrastructure, and (iii) basic social services. Accordingly, IFAD's strategy will be in line with and support the PRSP and RSDS in order to maximize the potential impact of growth on poverty. The strategic objectives of the COSOP are also in line with the IFAD Strategic Framework. IFAD's country programme in Cameroon will revolve around the following two closely interconnected strategic objectives: (i) Strengthen the organizational capacity and bargaining power of the rural poor and their organizations and (ii) Enhance sustainable on- and off-farm income-generating opportunities among the rural poor, particularly women and youth. These two strategic objectives are designed to help the rural poor become part of the country's

economic and social fabric so as to enhance their incomes and improve their living conditions.

Strategic objective 1: Strengthen the organizational capacity and bargaining power of the rural poor and their organizations.

- 30. This strategic objective would support the implementation of PRSP objectives (iv) develop basic infrastructure, natural resources and environmental conservation; (vi) strengthen human resources and the social sector and include marginalized groups in economic life; and (vii) strengthen the institutional framework, administrative management and governance. It would also support RSDS objectives (ii) promote sustainable natural resource management; and (iii) promote local and community development. This strategic objective aims to strengthen the capacity of the rural poor and their organizations to (i) participate in rural development policy formulation and M&E so as to ensure adequate Government responsiveness to their needs, (ii) promote improved governance through increased accountability and transparency in the mobilization and management of public resources, (iii) improve the management of natural resource management in a sustainable manner, (iv) maintain social and economic infrastructure in rural areas, and (v) foster their bargaining power vis-à-vis traders and other business ventures.
- 31. The rural poor will be trained in effective ways to organize themselves, manage their organizations and voice their concerns to public- and private-sector policymakers. Their voice in local, departmental, provincial and national debates will be heard only if their organizations are genuine and built from the bottom up with a view to identifying common interests and engaging in policy dialogue to influence outcomes. This strengthening of organizational capacity can give impetus to the decentralization process, which is designed to transfer power and resources to local communities. When the SWAp is implemented after favourable conditions have emerged, rural organizations and FOs are bound to become a true expression of their members in influencing budget allocations and investments in selected public goods and services.
- 32. Though Cameroonian policymakers have deployed significant efforts to enhance the management of public resources, there is still room for improvement in governance at the local and national levels. The pace and quality of this improvement will depend on the strength of countervailing forces faced by policymakers. It is unlikely that public resources at the local level will be managed more effectively if local communities are not adequately organized to demand transparency and accountability in the mobilization and use of these resources.
- 33. Working with local communities and their organizations within the decentralization process, IFAD will continue to support local natural resource management relative to land, pasture and water. Such natural resource management is particularly important for marginalized groups, including youth, women and pastoralists, because it determines the access to and security of these resources. Through these actions, IFAD seeks not only to prevent and resolve conflicts, but also to improve soil fertility through community and individual investments.
- 34. This strategic objective involves an effort to train rural communities to participate meaningfully in the maintenance of rural infrastructure such as rural roads, boreholes, schools, health centers and community centers. IFAD will assist such communities in raising funds for the regular maintenance of this infrastructure. Too often, rural infrastructure is built without putting in place appropriate mechanisms and defining clear responsibilities to maintain the infrastructure, leading to deterioration within a short time. IFAD will also work with relevant public agencies to ensure the maintenance of crucial infrastructure so that rural communities will not perceive themselves as poor and isolated.
- 35. IFAD will deploy all possible efforts to provide training in leadership, management, finance, marketing, administration and other skill areas necessary for the operation

of successful organizations and business ventures. This strategic objective will strive to strengthen the bargaining power of smallholder farmers, particularly women and youth, vis-à-vis traders who are well informed on market conditions and dictate market rules. IFAD will work in collaboration with other donors, such as AFD, the African Development Bank, the German Agency for Technical Cooperation, the United Nations Development Programme and the World Bank) and ongoing community-driven development projects such as PNDP.

Strategic objective 2: Enhance sustainable on- and off-farm incomegenerating opportunities among the rural poor, particularly women and youth.

- 36. This strategic objective seeks to support the implementation of PRSP objectives (ii) strengthen growth through economic diversification; and (iii) stimulate the private sector as a growth engine and partner in the provision of social services. It would also support RSDS objectives (i) develop agricultural production and supply in a sustainable manner; (ii) promote sustainable natural resource management, (iv) develop appropriate financing mechanisms; and (v) develop employment and professional agricultural training. It aims to facilitate and foster the participation of the rural poor in markets with a view to increasing income-generating opportunities and rural incomes. The appropriate policies and incentives put in place under strategic objective 1 will foster an enabling environment for strategic objective 2.
- 37. Aiming to meet the increasing demand for food crops within the country and in the region (through the Economic and Monetary Community of Central Africa), as well as export commodities for the international market, strategic objective 2 will be achieved by (i) improving soil fertility and water management; (ii) enhancing agricultural and livestock productivity and supply in a sustainable manner to meet the increasing demand for food by improving access to agricultural technologies and services; (iii) enhancing the access to competitive input and output markets by improving communication and information infrastructure so as to lower transaction costs, while conforming to regional policies; (iv) focusing on value chains with significant market potential in a holistic manner; (v) promoting small off-farm business and microenterprises such as processing units and petty trade; and (vi) supporting the emergence of efficient rural financial services that focus on savings, credit and the use of positive real market interest rates so as to foster investments in productive activities. This strategic objective will draw important lessons from the experience of the National Agricultural Research and Extension Programmes Support Project funded by the African Development Bank, IFAD and the World Bank. It will also build on the activities of ongoing IFAD-funded projects, particularly PNDRT and PPMF. Given the complexity of the activities arising from this strategic objective, IFAD will enhance its partnership with other donors in order to draw lessons from their experience and cofinance programmes when opportunities arise.

C. Opportunities for innovation

- 38. Building on its experience and in line with the above strategic objectives, IFAD will promote innovation to foster the effectiveness of its actions and remain at the vanguard in rural poverty reduction.
- 39. **Strategic objective 1**: Activities undertaken through the National Agricultural Research and Extension Programmes Support Project and PADC in regard to development plans to articulate village-level needs appear to be an important innovation that may be scaled up or replicated. IFAD will continue to work to improve the process of preparing village development plans so that these plans may be fully owned by the poorest segments of rural populations. Combining loans and grants, IFAD will support the strengthening of FOs at the local and national levels through training so as to enable them to influence the outcomes of rural development policies. Through these actions, the rural poor will, collectively, gain

- access to and influence the quality of support services and participate actively in input and output markets. Given the new challenges created by climate change, IFAD will partner with other organizations working on environmental and energy issues to promote affordable, renewable energy technologies, such as wind- and solar-induced energy, adapted to the needs of the rural poor.
- 40. **Strategic objective 2**: IFAD will focus on public-private partnerships and consultations among market participants, including smallholders, to identify the missing links in value chains and strengthen the backward and forward linkages. IFAD will also build on the tree domestication grant provided by the World Agroforestry Centre to diversify and increase rural incomes. The tree domestication is being carried out by researchers, with the full participation of the farmers who drive the entire process. The research is based on local species and materials known to these farmers. The results of this endeavour will be replicated and scaled up through existing and future IFAD-funded programmes.

D. Targeting strategy

41. Using the results of the second Cameroon household survey (ECAM II) and in line with the 2006 targeting strategy, IFAD will strive to reach out to the poorest sections of the rural population. IFAD will rely, first, on geographical targeting given that ECAM II has clearly identified the poorest Cameroonian provinces, namely, Far North Province, which accounts for 25 per cent of the poor in the country, North-west Province, where 15 per cent of the poor are living, and North Province, which accounts for 9 per cent of the poor. IFAD will primarily target these provinces, particularly Far North Province. Through this geographical targeting, it is possible to identify poor target populations that, according to ECAM II, are involved in agricultural activities. Particularly vulnerable within this group of the poor are smallholder farmers, especially women and youth. Specific measures to address the needs of these vulnerable segments of the population include (i) helping them to organize and strengthen their organizations so as to enable them to participate in the decision-making process and benefit from support services; (ii) helping create an enabling environment for these groups so that they may realize the potential benefits of profitable value chains; (iii) assisting them in improving their productivity; and (iv) enabling them to gain access to natural resources and product and financial markets. These measures will target especially women, who are generally excluded from decision-making processes, but bear the brunt of the effort in food production and marketing.

E. Policy linkages

- 42. The latest policy review, which was carried out in 2005, during the preparation of the performance-based allocation system (PBAS), identified key issues, including access to land and water for agriculture; access of farmers to agricultural research and extension services; access of farmers to input and output markets; allocation and management of public resources for rural development; and accountability, transparency and corruption in rural areas. IFAD will focus on the empowerment of rural communities and access to input and output markets.
- 43. **Strategic objective 1**: The principal policy change will involve ensuring that rural organizations are empowered and strengthened through training so that they are equipped to participate in policy dialogue in an informed and efficient manner. The main challenge facing IFAD is to strengthen the capacity of these organizations quickly so that they may influence the review of the PRSP and the accompanying RSDS, as well as the implementation of these initiatives. IFAD will address this challenge by providing continued support to MINADER through participatory studies to be financed through grants, if requested, and through projects and by working closely with other donors. M&E, periodic reviews among beneficiaries and donors, support by specialists as needed, and workshops with stakeholders will be among the instruments IFAD will use to achieve these policy objectives. The degree of the

- strength of rural organizations will also determine how the numerous support services (e.g. technology, marketing) needed by smallholder farmers are provided.
- 44. **Strategic objective 2**: Because the Government has clearly identified the private sector as the engine of growth and poverty reduction, IFAD will assist the Government in achieving its objective by promoting public-private partnerships. The principle policy linkage would involve ensuring suitable harmonization with other donors that are striving to promote the private sector. IFAD will therefore work with the Government and other donors to eliminate the major impediments to trade flows and market access because these contribute to the increases in transport costs between production zones and consumer markets. Steps will be taken to render this endeavour consistent with regional policies. Moreover, IFAD will support the SWAp concept put forward by the Government and some donors, provided that the conditions meet IFAD Policy on Sector-wide Approaches for Agriculture and Rural Development.

V. Programme management

A. COSOP management

45. IFAD and the Government will monitor and evaluate the progress in COSOP implementation through the following steps. (i) They will undertake an annual COSOP review that will center on the COSOP results management framework (see appendix III) and rely on the aggregate Results and Impact Management System reports from projects, the country programme issue sheets, the project status reports, and the PBAS narrative summary and scores. In due course, IFAD will engage in discussions with relevant Government officials and development partners to ensure consistency among the selected Results Framework indicators, the data expected from the Results and Impact Management System surveys and the set of indicators produced through the national monitoring system. Because no national system exists that is deemed adequate to mainstream the annual review of COSOP, a window will be created in the PRSP process to provide assistance to the Government within the context of IFAD's support through the International Food Policy Research Institute grant. The results of the annual review will be discussed during a gathering involving IFAD representatives, Government representatives, FOs, the private sector, NGOs, cooperating institutions, co-financing institutions, key donors and IFAD-funded project coordinators. The gathering will assess progress and provide insights into the best methods to improve performance. (ii) They will conduct a mid-term review of COSOP in mid-2009 and discuss the findings with the stakeholders listed above. (iii) They will carry out a COSOP completion report in 2012. As part of the efforts aimed at empowering the poor, regional and local representatives of the poor will be consulted extensively and invited to participate in the workshops that will be held to discuss the results of the mid-term review and the completion report. The activities undertaken with respect to (i), (ii) and (iii) will be an integral part of knowledge management activities.

B. Country programme management

46. Field presence, the country programme management team and supervision: Currently, there is no formal country programme management team. However, steps have been taken to create a unified steering committee for IFAD-funded projects in order to facilitate both synergy among projects and dialogue with the Government. Some members of this committee, along with the country programme manager, the Office of the Controller, the Office of the General Counsel, the Communications Division, the cooperating institution, IFAD-funded project coordinators, service providers (NGOs), FOs and some key research institutions will form the country programme management team to support COSOP implementation. This team will be strengthened by national and international consultants as the need arises.

- 47. The United Nations Office for Project Services has been the main cooperating institution in Cameroon, and IFAD will strengthen its partnership with that organization. Other supervision arrangements are being sought to maximize the impact of the country programme. These arrangements include direct supervision by IFAD and supervision by other international organizations, private institutions and NGOs.
- 48. **Project-at-risk ratings and project governance**: The portfolio review revealed the key areas where improvements are needed in project governance and performance. Because these areas influence the project-at-risk ratings and the annual PBAS score, the following recommended actions will be taken during the COSOP cycle:
 - **Project governance**: Increase the role of the steering committee in monitoring project implementation and effectively executing the annual work plans and budgets.
 - **Participation** of beneficiaries is essential in all steps. Synergy needs to be enhanced among existing IFAD projects, as well as between these projects and other donor-financed projects, to improve performance and avoid duplication.
 - Financial management: (i) Cost out projects as accurately as possible during the project design phase. (ii) Empower project beneficiaries by informing them about expected project investments and the rates that should be paid. (iii) Build capacities among the project management units through training at the project, regional and local levels to foster higher-quality financial statements and more rapid response to outstanding audit observations. It is envisaged that a tight monitoring system will be developed involving three or four yearly reviews of project accounts, expenditures and procurements to reduce risks and delays of one year between audits so as to identify problems.
 - **M&E** and gender: Because M&E has been weak, there is a need to build effective systems that are operational during the early stages of projects and rely on pre-project baseline data. IFAD will assist MINADER in establishing a programme M&E system that will focus, first, on IFAD-funded projects and, then, be expanded to all programmes under MINADER's leadership. This M&E system will aim to guide programme implementation, promote synergy among programmes and feed into the PRSP process. In addition, gender and youth inequality should be addressed in project design and implementation. It is essential that beneficiaries participate in all aspects of M&E.

C. Partnerships

- 49. One of IFAD's most important instruments in Cameroon has been and will continue to be the development of partnerships to assist in the delivery of its strategic objectives. Within the Government, MINADER, which is responsible for leading the design and implementation of the RSDS, will be IFAD's main partner in the implementation of the strategic objectives. IFAD will also work with the Ministry of Livestock, Fisheries and Animal Industries to formulate pro-poor policies. Using grant and loan activities, IFAD will also assist MINADER and the Ministry of Livestock, Fisheries and Animal Industries in strengthening the capacity of FOs so that they are able to play an active role in policy dialogue. Moreover, IFAD will collaborate with the Ministry of Women's Affairs to influence the relevant policies that have a bearing on women. Finally, IFAD will maintain close contact with the Ministry of Economy and Finance to secure resources for programme and RSDS implementation.
- 50. **Donors: strategic objective 1**: Efforts to harmonize the local development and decentralization approach applied in PADC (funded by IFAD) and PNDP (financed by

the World Bank and AFD) will continue. The possible joint financing of a new and similar programme with these same donors is being explored. Harmonization will be sought with projects funded by the African Development Bank that address local development issues. IFAD, AFD and the Food and Agriculture Organization of the United Nations have joined in plans to strengthen the capacity of FOs and create a national platform to influence policies. In these efforts, which will be pursued in the future, IFAD will focus on grass-roots organizations to ensure genuine representation, while other donors will target higher-level organizations. IFAD will also work with the donor community to (i) improve donor dialogue, coordination and harmonization articulated around Government priorities and in conformity with the Paris Declaration on Aid Effectiveness and (ii) foster synergy among ongoing and future programmes. IFAD will collaborate with AFD, which will be assisting the Government in RSDS implementation through a loan to strengthen the collection and analysis of agricultural statistics, putting in place a M&E system for crop and livestock programmes and training and equipping stakeholders in rural development.

- 51. Strategic objective 2: This will require careful coordination and harmonization between IFAD and other donors. Key among the donors is AFD, which will finance a programme to improve the competitiveness of smallholder farmers in crops and livestock. The programme will focus on (i) improving support services to foster productivity, (ii) implementing small projects by FOs, and (iii) assisting FOs in providing more effective input and output marketing services to their members. AFD will also implement a training programme directed at public-sector agents and farmers, particularly youth. This programme will complement not only strategic objective 2, but also strategic objective 1. IFAD's partnership and coordination with the World Bank are important because this donor is seeking to improve the competitiveness of some value chains. The preliminary studies on these value chains are under way. IFAD will work with the Food and Agriculture Organization to improve seed production and marketing. Investments by the African Development Bank and the Islamic Development Bank are also important for IFAD programmes because they will be undertaken in infrastructure development, particularly rural roads, which are essential in promoting market access.
- 52. **NGOs**: NGOs have played an important role in IFAD-funded projects, particularly since the participatory approach built around the "faire-faire" approach (outsourcing), which relies on NGOs, has been adopted. NGOs have come to play an integral role as service providers for technical support, microfinance, literacy and capacity-building activities. This partnership will continue to be developed because many NGOs are endowed with useful skills and expertise, and they use innovative approaches to bring their influence to bear to benefit the rural poor. Nonetheless, many NGOs with high potential still require additional training in selected areas. IFAD will work with NGOs to advance strategic objective 1. This partnership with NGOs will be undertaken in conjunction with other donors.
- 53. **The private sector**: The private sector will assume a growing role in providing services and addressing the needs of smallholder farmers, the most important actors in this sector. For the implementation of strategic objective 2, IFAD will continue to seek opportunities to enhance this partnership in order to improve the competitiveness of the private sector through training in technology generation and adoption, as well as marketing. This partnership has been tested in roots and tubers, including, recently, with the Bill and Melinda Gates Foundation and a French technology-processing firm. It will be developed with these crops and other commodities. IFAD will also work with local and international buyers to help establish durable marketing channels for smallholders and their organizations.
- 54. **Academic and research organizations**: For the implementation of strategic objective 2, IFAD will deploy considerable effort to forge ties with academic and research organizations with a view to adapting existing technologies to local conditions and testing new technologies in the many agroecological regions covered

- by existing and future projects. It will work closely with the World Agroforestry Centre to scale up tree domestication, as well as with the International Centre for Soil Fertility and Agricultural Development in the area of soil fertility and productivity, along with national research institutions such as the Institute of Agricultural Research for Development.
- 55. IFAD-funded programmes in Cameroon will join in the various networks initiated by the IFAD Western and Central Africa Division. These networks revolve around cassava, community-driven development and microfinance. IFAD will work closely with the United Nations Capital Development Fund to advance the microfinance programme.

D. Knowledge management and communication

- 56. In partnership with key stakeholders, IFAD will prepare a knowledge management and communication strategy by the end of the first year of COSOP implementation to capture, synthesize, share and disseminate systematically the learning, innovative experiences and good practice emerging from community development, microfinance and value chains. The lessons and experiences will be shared with the country programme management team and other IFAD staff members, as well as regional and international partners active in the country and relying on, among others, FIDAFRIQUE. Project M&E systems will be improved and adjusted to facilitate learning and sharing and to feed knowledge management.
- 57. The knowledge management and communication strategy will be based on an audience analysis and knowledge audit, and it will identify knowledge needs and dissemination methods. These are expected to include project newsletters, brochures and newspaper articles and use Internet-based media such as the Western and Central Africa regional network, FIDAFRIQUE, the IFAD website and the Rural Poverty Portal (www.ruralpovertyportal.org). Efforts are under way to work closely with other IFAD-funded projects in the region to capitalize on the knowledge gained during project implementation. Contributions and learning from projects on various thematic areas such as technology transfer and agricultural marketing will be captured using knowledge management methodologies, reproduced in different formats and distributed through various communication channels, such as the Cameroon United Nations International Computing Centre, radio, the print media, web-based communication channels such as the Rural Poverty Portal, and low-tech solutions such as compact disks. The knowledge management and communication strategy will support the M&E process.
- 58. The target audience for knowledge management activities will include Government policymakers, regional and local government officials, poor smallholders, members of FOs, NGOs and donors, as well as IFAD and project staff.

E. PBAS financing framework

59. The PBAS has yielded a country score of 3.42 on a scale of 5. This score has resulted in an indicative commitment of US\$14.5 million for the first three years of COSOP (2007-2012). The PBAS, which is reviewed annually, is analysed under the various scenarios displayed in the table.

Relationship between performance indicators and the country score

Financing scenario	Project-at-risk rating (+/- 1)	Rural sector performance score (+/- 0.3)	Percentage change in PBAS country score from base scenario
Hypothetical low case	3	3.12	-25
Base case	4	3.42	0
Hypothetical high case	5	3.72	29

F. Risks and risk management

- 60. The risks faced by COSOP and the proposed means of managing them are as follows:
- 61. **Strategic objectives 1**: The principle risk faced by strategic objective 1 is the Government's unwillingness to consider FOs as partners in the policymaking process. Given that these organizations are often weak and not experienced in policy dialogue and that they have been neglected for years, it may take a long time to build their capacity and make them true partners. Helping these organizations to make constructive contributions to the policy process is a challenge for IFAD. IFAD will strive to create trust between the Government and FOs through regular meetings and open discussions involving other donor agencies that have considerable influence.
- 62. Strategic objective 2: The risk associated with strategic objective 2 is the suboptimal project management. This has a bearing on the success or failure of IFAD's actions in achieving objectives. PPMF encountered this risk at the onset of implementation, and remedial actions were taken to put the project back on course. Another risk strategic objective 2 may face is insufficient geographical focus, which causes projects to become spread out too thinly. To address this risk, IFAD will ensure that projects concentrate activities in limited geographical areas where they will be able to work in synergy to maximize impacts. A third risk faced by strategic objective 2, as well as strategic objective 1, is the Government's inability to provide needed counterpart funding. IFAD will explore limiting the contribution of the Government to covering the taxes and duties in project financing. A fourth risk faced by strategic objective 2 is the relatively high HIV/AIDS rate, which may affect project beneficiaries and staff. A mitigating measure against this risk would involve the integrate of HIV/AIDS awareness campaigns into IFAD-funded activities. A final risk faced by strategic objective 2 is the effects of drought and predator attacks as a result of climate change. This risk will be addressed through adaptive measures such as early warning systems and drought contingency plans.

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COSOP consultation process

Introduction

As required in the new guidelines, the preparation of the COSOP followed a large consultation process, which started in 2004. During a first mission in 2004, a first consultation took place with Government officials, farmers' organizations, NGOs and donor community. In May 2006, a second consultation was held during the COSOP validation workshop attended by the above-mentioned stakeholders. The COSOP preparation process was as follows:

- COSOP preparation mission was held from 29 November to 16 December 2004;
- Government commented on the aide-mémoire and comments were sent to IFAD on 8 January 2005;
- The first draft of the COSOP was submitted in early 2006 to the Government which sent comments to IFAD at the beginning of May 2006;
- A consultative workshop designed to validate the draft COSOP was held in Yaoundé on 30 and 31 May 2006.

COSOP preparation mission

The first step of the preparation of the new COSOP consisted of a participatory elaboration mission in December 2004, which involved rural sector ministries (MINADER, MINEPIA and MINPLADAT), as well as other stakeholders. This mission aimed to identify and clarify the opportunities and intervention strategies in order to strengthen the cooperation between the Republic of Cameroon and IFAD. The following tasks, among others, were achieved during this first mission: (i) a portfolio review was conducted; (ii) the poverty figures in Cameroon were analysed and IFAD's potential targeting strategies were identified; (iii) current and future donor interventions in rural development were reviewed in order to identify development partners which can play an active role in the COSOP preparation exercise.

Some recommendations were made in the portfolio review: (i) IFAD's projects should work under the leadership of the ministry responsible for rural development because IFAD maintains a permanent dialogue with it and mitigation measures can be taken promptly when projects drift away from objectives; (ii) targeting strategy should be deepened and fine-tuned; and (iii) cooperation with other projects and programmes, as well as partnerships with civil society organizations, should be fostered. The mission produced a first draft of the COSOP, which was submitted to Government in January 2005 for comments.

Consultation workshop

A large consultation with nearly 70 rural development stakeholders was held in Yaoundé in May 2006. These stakeholders included representatives of farmer's organizations, Government officials from various ministries (MINADER, MINEPIA, MINPLADAT, MINEFI, MINRESI, MINEP and MINOF), private sector, universities, donor agencies and media.

Objectives of the workshop. This workshop aimed at validating the draft COSOP with rural development stakeholders. It represented a crucial step in the COSOP design insofar as it helped to verify the relevance of the COSOP objectives, their coherence with Cameroon's Rural Sector Development Strategy, and the relevance of the proposed innovations. The workshop was articulated around three main events: (i) a presentation of the document followed by a discussion with the participants in a plenary session; (ii) an in depth analysis of IFAD's proposed interventions and opportunities in working groups; and (iii) a presentation of the findings of the working groups to yield a coherent document.

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Findings. Following a fruitful exchange among stakeholders, the workshop endorsed the strategic objectives proposed by the COSOP and recommended that IFAD focus its actions on the following key areas: (i) strengthening farmers' organizations and institutions; (ii) improving access to agricultural input and product market; (iii) land tenure and natural resources management; and (iv) rural finance. This COSOP reflects these recommendations.

Consultation with Government authorities, farmers' organizations and the donor community

Government officials. Government officials were fully involved in the COSOP process including the consultation workshop. They commented on the aide-mémoire of the COSOP preparation mission undertaken in January 2005 and on the first draft of the COSOP in early 2006. Their comments were taken into account before the draft COSOP was discussed with the other rural development stakeholders. These officials underlined that the COSOP was fully in line with the priorities identified by Government in RSDS. They stressed the need to: (i) develop farms held by smallholders through investment projects; (ii) enhance productivity by strengthening research and extension services; (iii) foster commodity supply and improve agricultural marketing through building the capacity of farmer's organizations; and (iv) provide support to commodity chain development. Government also made additional comments on the most recent version of the COSOP in July 2007 and concurred with the strategic objectives outlined in the document.

Donor representatives. The COSOP preparation mission paid a visit to the donor community including AFD, AfDB, EU, FAO, GTZ, UNDP and World Bank to review and understand their interventions in the rural sector. The review enabled the team to identify potential partnerships in the following areas: (i) community development and decentralisation; (ii) structuring of the rural sector; (iii) qualification of field operators; (iv) road infrastructure and better access to roads; and (v) agricultural research and extension. The donor community was fully involved in the COSOP preparation and consultation process. The consultation workshop held in May 2006 enabled the donor community to see the need to harmonize the various rural sector interventions and strategies. Donors made comments on the COSOP draft before its presentation to PDMT in June 2007 and approved the strategic objectives provided in the document.

Farmers' organizations. Farmers' organizations participated actively in the consultation process. They underlined their interest in working closely with IFAD in order to ensure the sustainability of project activities after project completion. They expressed their need for capacity strengthening, with the view to playing a significant role in policy dialogue and be true partners of the public sector.

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Country economic background

CAMEROON

Land area (km² thousand) 2005 1/ Total population (million) 2005 1/ Population density (people per km²) 2005 1/ Local currency CFA Franc	465 16.32 35 Beac (XAF)	GNI per capita (USD) 2005 1/ GDP per capita growth (annual %) 2005 1/ Inflation, consumer prices (annual %) 2005 1/ Exchange rate: USD 1 =XAF 478.236	1 000 0 2
Social Indicators			
Population (average annual population growth rate) 1999-2005 1/	1.9	Economic Indicators GDP (USD million) 2005 1/	16 875
Crude birth rate (per thousand people) 2005 1/	34	GDP growth (annual %) 1/	4.2
Crude death rate (per thousand people) 2005 1/ Infant mortality rate (per thousand live births) 2005 1/	17 87	2000 2005	4.2 2.0
Life expectancy at birth (years) 2005 1/	46	Sectoral distribution of GDP 2005 1/ % agriculture	41
Number of rural poor (million) (approximate) 1/	n/a	% industry	14
Poor as % of total rural population 1/	n/a	% manufacturing	7
Total labour force (million) 2005 1/	6.29	% services	45
Female labour force as % of total 2005 1/	40		
		Consumption 2005 1/	10
Education	447	General government final consumption expenditure (as % of GDP)	10
School enrolment, primary (% gross) 2005 1/ Adult illiteracy rate (% age 15 and above) 2005 1/	117 n/a	Household final consumption expenditure, etc. (as	71
Addit filiteracy rate (76 age 13 and above) 2003 17	11/ a	% of GDP)	, ,
Nutrition		Gross domestic savings (as % of GDP)	19
Daily calorie supply per capita	n/a	Data and CD and the (UCD and UC)	
Malnutrition prevalence, height for age (% of	32	Balance of Payments (USD million) Merchandise exports 2005 1/	2 829
children under 5) 2004 2/	18	Merchandise exports 2005 1/	2 885
Malnutrition prevalence, weight for age (% of children under 5) 2004 2/	10	Balance of merchandise trade	-56
Health		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2005 1/	5 a/	before official transfers 2005 1/	-880 a/
Physicians (per thousand people)	0 a/	after official transfers 2005 1/	-675 a/
Population using improved water sources (%) 2002	66	Foreign direct investment, net 2005 1/	215 a/
Population with access to essential drugs (%) 2/	n/a	Government Finance	
Population using adequate sanitation facilities (%)	51	Cash surplus/deficit (as % of GDP) 2005 1/	n/a
2002 2/		Total expenditure (% of GDP) 2005 1/	n/a
		Total external debt (USD million) 2005 1/	7 151
Agriculture and Food		Present value of debt (as % of GNI) 2005 1/	15 5
Food imports (% of merchandise imports) 2005 1/	18 59 a/	Total debt service (% of GNI) 2005 1/	ວ
Fertilizer consumption (hundreds of grams per ha of arable land) 2005 1/	39 a/	Lending interest rate (%) 2005 1/	18
Food production index (1999-01=100) 2005 1/	105 a/	Deposit interest rate (%) 2005 1/	5
Cereal yield (kg per ha) 2005 1/	1 727		
Land Use			
Arable land as % of land area 2005 1/	13 a/		
Forest area as % of total land area 2005 1/	46		
Irrigated land as % of cropland 2005 1/	0 a/		

a/ Data are for years or periods other than those specified.

^{1/} World Bank, *World Development Indicators* database CD ROM 2007 2/ UNDP, *Human Development Report*, 2006

Appendix III

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COSOP results management framework

Country strategic alignment	Key results		Institutional/Policy objectives	7000	
Poverty reduction strategy and targets	Strategic objectives	Outcome that IFAD expects to influence	Milestone indicators	Policy dialogue agenda	
PRS and RDS Objective: Accelerated					
poverty reduction through pro-poor					
economic growth, human development					
and improved governance					
Decrease the incidence of poverty in rural					
areas from 49.9% in 2001 (ECAM II)	60.4.0	0.401 - 6.41			
Increase long-term average growth to 6.8 %,	SO 1 Capacity building	2/3 ¹ of the priorities expressed in rural			
with annual growth rising from 4%to 6 % in the medium term	Strengthen the organizational	communities local	At least 50% of rural communities	Public/private partnership is	
Develop basic infrastructure, natural	capacity and bargaining	development plan are	have their own local development plan	institutionalised and	
resources and environmental management	power of the rural poor, in	achieved in IFAD's target	in IFAD project areas at mid-term	attended by rural	
Strengthen institutional framework,	particular women and youth	areas	in trab project areas at mid term	development stakeholders	
administrative management and	and their organizations	a. sas		including Government,	
governance	3	Smallholder farmers	Participation of farmer organizations in	smallholder farmers	
Strengthen human resources, social sector		influence the revision of the			
and include underprivileged groups in		next PRSP so that it	represented by their organizations in		
economic life		promotes smallholder	the validation of the PRSP and the		
Promote local and communal development		agriculture development	accompanying RSDS		
Strengthen growth through economic	SO 2 Income generation	Increase income per capita	Increased profitability at farm level		Ī
diversification		in IFAD's project areas by			
Stimulate private sector as growth engine	Enhance sustainable on and	5% per annum	Increased commercial and business		
and partner for providing social services	off-farm income-generating		relations between rural poor producers		
Develop agricultural production and supply	opportunities for the rural		and commercial entrepreneurs		
in a sustainable mannerDevelop appropriate financial mechanisms	poor, particularly women and youth		including traders and processors		
 Develop appropriate infancial mechanisms Develop employment and professional 	youtii		Market information system is set up		
agricultural training			and operational		
agricultural training		Increase on-farm yields by	and operational		
Baseline data		25% for value chain	Smallholder adopt yields enhancing	Increase national resources	
Proportion of population living below the		commodities in which IFAD	technologies	devoted to research and	
poverty line: 40.2% in 2001 (DSCN/ECAM II,		is involved (rice, onions,		extension	
UNDP Cameroon)		roots and tubers)			
Proportion of poor population living in rural			Increase number of MFI with a wide		Ι.
areas: 47.8% in 2005		Increase by 25% the	range of financial services in rural	Enforcement of the	
GNI per capita: US\$1,000 in 2005 (World		number of beneficiaries	areas	regulatory framework for	
Bank, World development indicators)		including women and youth		savings and loans	
Target Proportion of population living below the		who have access to rural financial services in IFAD		mechanisms	
Proportion of population living below the poverty line: 25.2% in 2015		funded projects			
¹ Baseline data will be available in light of on-g		, ,			J

¹Baseline data will be available in light of on-going national poverty assessment (ECAM III) which should be available by the end of 2007

Previous COSOP results management framework

	STATUS AT COSOP DESIGN	STATUS AT COMPLETION	LESSONS LEARNED
A. Country strategic goal Contribute to poverty alleviation and food security Contribute to create the necessary enabling conditions in institutional, technical and logistical terms for small resource users to respond efficiently to market signals, by lifting constraints related to technology transfer, rural finance and socio-economic infrastructure	Economy GDP per capita (1998) US\$897 External debt: 126,8% of GNI (1995) ⁵ Inflation, consumer prices 3.9% Contribution of agriculture to GDP 25% (1998) Agricultural employment: 50,7% (1996) Poverty (1996) National poverty: 53.3% Rural poverty: 59.6% Urban poverty: 41.4% Extreme poverty: 40.2%	Economy GDP per capita (2005) US\$1,000 GDP per capita annual growth rate (1990-2004): 0.5% External debt: 76,8% of GNI (2003) Inflation, consumer prices 2% Contribution of agriculture to GDP 44.2% (2005) Agricultural employment: 56% (2005) Poverty (2001) National poverty: 40.2% Rural poverty: 49% Urban poverty: 22% Population living below US\$1 a day (2001): 17%	
B. COSOP Strategic Objectives Strategic objective 1 Strengthening rural institutions involved in resources management, rural finance, agro processing and market expansion	Implementation of the projects was plagued by shortage of Government counterpart financing, suspension of IFAD funds disbursement since 1991 due to non-repayment of debt service on previous loans The credit components of previous projects were over-dimensioned and were hampered by absence of an appropriate agency for its implementation Multi-sectoral designs of projects were too complex in the past	PADC: 14487 beneficiaries (7044 women) PNDRT: 30% of farmers in 10 provinces	 Need to strengthen the capacities of elected officials, and staff of local banks and MFIs in this area; Lack of commercial banks in rural areas and the limited savings and loan systems; IFAD has to take a holistic approach to addressing commodity constraints; Lack of input and output market access that hampers the capacity of smallholders to sell profitably their produce and raise incomes. Smallholder farmers need to meet the requirements of national, regional, and international commodity markets in order to sell their goods; Non-agricultural rural activities are becoming increasingly important for

⁵ Development Data, World Bank 2006

Specific objective 2 Promoting sustainable partnerships between Government services, private sector and civil society organizations including NGOs and Community based organizations.	Need to keep public sector involvement in operations to a minimum required under the new liberalisation policy Need to enhanced private sector and NGO role Need to use NGO on contractual basis, as relay organizations for reaching out the individual farmers and community based organizations		Strengthen monitoring and evaluation systems by involving project beneficiaries. The rural poor need to be organised in a systematic and efficient manner to play a meaningful role; Rural organizations need to work closely with other rural development stakeholders to set rural policies; Local communities need to be empowered through training and organization to strengthen their planning, budget management, procurement and
			technical support capacities; The strengthening of farmers' organization is a powerful means to structure the demand for support services in a context of decentralized service supply;
			 Maximise impact instead of embracing a broad target area that forces project to spread itself thin;
			 IFAD needs to promote better natural resource management with special emphasis on soil fertility in order to achieve higher agricultural productivity;
			Development and introduce productivity- enhancing and time-saving technologies based on local know-how and focus on profitable and competitive commodities.
C. IFAD Operations	STATUS AT COSOP DESIGN	STATUS AT COMPLETION	LESSONS LEARNED
or while operations	No on-going operationsProposed:National Agricultural Research and	Closed: National Agricultural Research and Extension Programmes Support Project (PNVRA)	
	Extension Programmes Support Project (PNVRA) (1999-2003)	On-going.	
	Froject (Fillyka) (1777-2003)	- National Microfinance Programme	
		Support Project (PPMF)	
		- Community Development Support	
		Project (PADC) - Roots and Tubers Market-Driven	
		Development Project (PNDRT).	
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D. IFAD Performance			
Policy dialogue	Government has made policy and structural reforms but institutional inefficiencies remain IFAD took part to the policy dialogue between the Government and other development partners Create enabling environment for efficient use of natural resources	Policies have been put in place but not enforced because of a lack of resources and incentives	IFAD should increase its country presence so it can participate more actively in policy dialogue in consultation with other donors Rural organizations are too weak to participate meaningfully in policy dialogue
Partnerships	Strengthen partnerships with other donors to facilitate rigorous supervision and avoid duplication of efforts and communication gaps Co-financing arrangements with other donors in the sub sector	IFAD has collaborated with various donors including AFD, GTZ, FAO, OECD	IFAD should continue to work closely with other donors to maximize impact
Portfolio performance	Void IFAD portfolio	Out of three on-going projects 2 are performing well (PADC and PNDRT) PPMF encountered implementation difficulties and was classified Amber at the 2006 PPR	

Key file 1: Rural poverty and agricultural/rural sector issues

Priority Area	Major Issues	Actions Needed
Rural poverty	Cameroon ranks 144 on Human development Index. Poverty is mainly rural: 49 percent of rural people live below the poverty line (versus 22 percent of urban dwellers). Depth of rural poverty is also greater. Participatory surveys cite causes of rural poverty as insufficient job opportunities, declining incomes and poor road infrastructure	Participatory surveys set the following priority actions: job creation, improved accessibility, access to education/information, stability of food prices, access to medical care and access to water and credit.
Poverty and gender	Women are over-represented in the rural poor, relative to their share of the population Women are responsible for more than 90% of food crop production and play a major role in the manufacturing industry (textiles and clothing), the processing of agricultural products and small-scale trading. Factors causing female poverty include: high illiteracy rate (more than 50%), under-representation of girls in the education system, numerous social and cultural barriers (early marriage, circumcision in some regions), socio-psychological obstacles, lack of juridical protection (difficult access to land and credit.	Targeted interventions in income-generating activities, marketing and processing, and credit.
Agriculture	The sector accounts for 44.2 percent of GDP and nearly 75 percent of employment in 2004. Recent decreases in yields due to poor soil use, reduced soil fertility, poor quality of seed and plant material, harvest losses due to pests and climate Cameroon has three types of farm: (i) agro-industry owned farms (growing palm oil, rubber, sugar cane, tea and bananas on about 170 000 ha); (ii) medium-size farms; and (iii) family farms that have adopted either an extensive or a semi-intensive type of farming Subsistence farms are often small (less than 5 ha), are worked basically by family members and have low productivity. Despite self-sufficiency in major food crops, household food insecurity persists in poorer households, and among vulnerable groups such as women and the young.	Strengthen capacity of public, NGO and rural service delivery agencies to provide knowledge and inputs to small farmers. Continue to build farmer organization capacity to gain access to inputs and market agricultural products.

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Natural resource management	In forest zones, timber companies have over-exploited forest resources leading to dramatic disappearance of forest cover. In semi-arid north, livestock over-grazing and unreliable rainfall have led to serious NR degradation. Insecure land tenure contributes to under-investment in NRM. Many prefer to rent rather than own land.	·
Agricultural marketing	Small farms production systems are more geared toward subsistence than sales. About 40 percent of agricultural produce is lost due to poor roads and storage facilities. Marketing performance of small farmers hampered by inadequate village level organization, poor road infrastructure, low access to credit, and insufficient market information.	Increase investment in sustainable road maintenance systems. Invest in market information systems, including cell phone technology. Increase village-level capacity to organize marketing, storage, and processing activities.
Social infrastructure	Rural access to clean water is inadequate (only about 46 percent), due to lack of equipment and local capacity to maintain it. Information/communications and electricity infrastructure overall access is poor, and especially in rural areas.	Strengthen local capacity to manage all forms of social infrastructure Through PRSP budget implementation process, increase fiscal resources going to rural social infrastructure provision, as rural investment will make the greatest impact on national poverty alleviation and MDG achievement.
Rural decentralization	Progress in policy formulation has been hesitant and unclear. At the regional level, decentralized services from various ministries are the only institutions providing training to producers, but they have very limited resources. Decentralization process is being backed up by various local development initiatives essentially with the help of IFAD, AFD and the World Bank.	Need to further clarify roles of relevant actors and local institutions. Support from IFAD and others to decentralization policy dialogue and localized community development programs should continue.
HIV/AIDS	Overall incidence increased from 0.5 percent in 1987 to 11.8 percent in 2002. Young people are the most affected by the virus, with almost 43% of sieropositive individuals being between 15 and 35 years. Women are more affected than men, with a ratio of two men to three women. HIV infection is rampant in rural areas.	More effectively integrate AIDS awareness campaigns into rural development programs.

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

Organization	Strengths/Assets	Weaknesses	Opportunities	Observations
Ministry of Agriculture and Rural Development (MI NADER)	Reform of MINADER's structures ongoing: widespread and clarified competencies, coordinating role confirmed. Qualified staff and agents present throughout the country and working down to village and producer levels. Diversified experience encompassing technical issues, as well as those related to community and local development.	Limited operational capacity of structures due to the lack of operating resources Insufficient allocation of resources to MINADER's public investment budget and accomplishments often less than forecasts. Work and extension methods sometimes incompatible with the participatory approach. Limited coordination capacity	Existence of 196 technical and economic documents designed by PNVRA. Transfer of competencies, power, and means to decentralized communities (regions and communes). Good perspectives for donors to increase financial commitments with regards to PRSP and RSDS	Implementation of the decentralization law in the best timeframe is very important. Need to increase significantly and make counterpart funds available timely since the rural sector is considered as a priority. As public investment in rural sector stems primarily from external sources, it is important to implement the Paris Declaration on the increase of aid effectiveness.
Ministry of Livestock, Fisheries and Animal Industries (MINEPIA)	Qualified staff and agents present throughout the country and working down to district levels. Experienced officials and agents.	Limited operational capacity of organizations due to the lack of operating resources. The participative approach is not completely implemented.	Good knowledge of technical themes. Transfer of competencies, power and resources to decentralized communities (regions and communes) Important potential for enhancing capacity	Implementation of the decentralization law in the best timeframe is very important. Need to significantly augment and timely make available compensation funds since the rural sector is being considered as a priority. Importance of implementing the Paris Declaration on the increase of aid effectiveness
Ministry of Forestry and Wildlife	Appropriate network of staff throughout the country Technical staff with good field experience and knowledge Large pool of experienced and qualified staff.	Limited operational capacity of organizations due to the lack of operating resources Little experience in formulating and steering the sub-sectorial strategy	The forest component of the Sectoral Forest Environment Programme supporting the forest reform and the government programme for the evaluation and preservation of natural resources for the wildlife is a way to improve capacities and methodological innovations to manage forest and wildlife in a sustainable manner.	Need to improve the capacities of local populations for participatory forest and wildlife management in partnership with communities and donors Local populations should participate in the design of development strategies and policies

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Microfinance	There is an important MFI	Potential for growth is sometimes	Political will to support MFIs	Farmers' organizations are well suited to be
Institutions	network in Cameroon,	limited.	(with reason, IFAD has made	IFAD's preferred partners in local
(MFI)	especially with COPEC and	Uneven distribution within the	this matter its priority).	development, in synergy with communes
	external support.	country, particularly in rural	Farmers' organizations want to	and other actors.
	PPMF	areas.	become the natural link between	
		Imbalance between services	the IMF and those whose access	
		supplied and needs, especially	to financial services is difficult.	
		those related to medium-term		
		investments.		

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Key file 3: Complementary donor initiative/partnership potential

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
World Bank	Macroeconomic reform Agriculture and rural development Community development and decentralization	Country Assistance Strategy (CAS)	Collaboration on PRSP and HIPC implementation Continued collaboration between IFAD-supported PADC and Bank- supported National Participatory Development Program (PNDP)
International Monetary Fund	Macroeconomic stabilization and adjustment	Poverty Reduction and Growth Facility (PRGF)	Collaboration on PRSP and HIPC implementation in the context of the PRGF
African Development Bank (AfDB)	Agriculture and rural development Decentralization and local development		Collaborate with PADC on common approaches to local and community development
Food and Agriculture Organization (FAO)	Agriculture and rural development		Collaboration on RSDS implementation with emphasis on producer organization capacity strengthening
France	Agriculture and rural development Decentralization		Continued support to revision and implementation of Rural Development Strategy in context of initiative to support African agriculture Support to capacity strengthening to producer organizations Continued collaboration between IFAD-supported PADC and France-supported PNDP
Germany (GTZ)	Decentralization and local development		Collaborate with PADC on common approaches to local and community development, with emphasis on training of local service providers
Organization for Economic Cooperation and Development (OECD)			Continued support to revision and implementation of Rural Development Strategy in context of initiative to support African agriculture
International Institute for Tropical Agriculture (IITA)	Agricultural research and technology dissemination		Collaboration between IFAD-funded TAG for yam development and PNDRT
Institute for Conservation and Research on Agro-Forestry (ICRAF)	Agro-forestry research and technology dissemination		Collaboration between PADC and IFAD-supported TAG on domestication of forest tree species and marketing of forest products

Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Level And Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
Subsistence and semi- subsistence small farmers	among small farmers Incidence ranges from 56.7% in savannah zones to 63.8% in forest zones and 66% in highland zones. Factors explaining poverty include: the small sizes of farms, difficulties over accessing	Most farmers produce food crops (groundnut, corn, millet, etc.) and consume about 70% of their harvest. Migration and petty trade also used to supplement earnings.	Greater access to improved planting materials and other inputs Improved road access for marketing More secure land tenure Improved access to credit provision Farmer organization strengthening		Agricultural production, processing. And marketing support from PNDRT. Farmer organization capacity building under PNDRT, PADV and future grant financing Road rehabilitation under PADC.
Rural women	the rural poor, relative to their share of the population Factors causing female poverty include: high illiteracy rate (more than 50%), underrepresentation of girls in the education system, numerous social and cultural barriers	Women are responsible for more than 90% of food crop production and play a major role in the processing of agricultural products and small-scale trading.	Improve female access to primary education and health services. Build and encourage decision-making capacity and ability to organize at grassroots level. Social awareness campaigns, including AIDS prevention. Targeted interventions in income generation, agricultural production, marketing, processing, and provision of microfinance.		Income generation activities and literacy training under PADC Food production, processing and marketing support from PNDRT Micro-finance support from PPMF AIDS awareness campaigns under various programs
Youth (between ages of about 15 to 35)		Coping strategies include migration to	Income earning opportunities in rural		Income generation activities of PADC

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	AIDS incidence most heavily concentrated in this age group (about 43 percent of al those infected)	cities, petty trade, and living on hand- outs from family members	areas Access to micro-credit	Food production, processing and marketing support from PNDRT Micro-finance support from PPMF AIDS awareness campaigns from various projects Female-targeted income generation activities listed above Nutrition programs
Children	Percent of moderately and seriously under-weight children exceeds 20 percent overall, with rural share even higher Stunting rate of 35 percent	Where women have greater access to resources and household decision- making, children's health status tends to be better	Income generation activities targeted to women Health and nutrition programs targeted to vulnerable women and children	Income generation and food security activities targeted to women listed above. Nutrition and health programs under PADC, as well as building linkages with existing programs provided by others in project zones.