

**AFRICAN DEVELOPMENT BANK  
AFRICAN DEVELOPMENT FUND**



**CAMEROON**

**COUNTRY GOVERNANCE PROFILE**

**COUNTRY OPERATIONS DEPARTMENT  
CENTRAL AND WEST REGIONS**

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## ACRONYMS AND ABBREVIATIONS

ACAFEJ :	Cameroonian Association of Female Jurists
ACTEL :	Agence Commercial des Télécommunications (Commercial Telecommunications Agency)
ADB :	African Development Bank
ALVF :	Association for the Struggle against Violence towards Women (Association de Lutte contre les Violences Faites aux Femmes)
ARMP	Public Contracts Regulatory Agency
ARSEL :	Electricity Sector Regulatory Agency
ART :	Telecommunications Regulatory Agency (CAMTEL) Association
BD :	Board of Directors
BEAC :	Bank of Central African States
BOO :	Built-Own-Operate
BOT :	Build-Operate-Transfer
CAA :	Autonomous Sinking Fund
CADRE :	State Expenditure and Revenue Subsidiary Accounts
CAH :	Ad Hoc Anti-Corruption Committee
CAMAIR :	Cameroon National Airlines Corporation
CAMRAIL :	Cameroon Railway Corporation
CAMTAINER :	Cameroon National Transporting and Forwarding Company
CAMTEL :	Cameroon Telecommunications Corporation
CCIMA :	Chamber of Commerce, Industry, Mines and Agriculture
CCIMA :	Chamber of Commerce, Industry, Mines and Handicrafts
CCS-HIPC :	HIPC Expenditure Monitoring Committee
CDC :	Cameroon Development Corporation
CEFAM :	Local Government Training Centre
CEMAC :	Central African Economic and Monetary Community
CGP :	Country Governance Programme
CIESP :	Private Sector Expanded Interministerial Committee
COBAC :	Banking Commission of Central Africa
COOPEC :	Savings and Loan Cooperatives
CP :	Payment Appropriations
CPDM :	Cameroon People's Democratic Movement
CSE :	Supreme State Audit
CSM :	Higher Judicial Council
CST :	Technical Monitoring Committee
CSTC :	Cameroon Confederation of Trade Union Workers
CTDC :	Regional and Local Authorities
DEPMI :	Expenditure Management and Information System for Corrective Measures in Tracking Budgetary Operations Nationwide
DFID :	Department for International Development
ECCAS :	Economic Community of Central African States
ECOFI :	Economic and Financial Data
ECOSOC :	Economic and Social Council
EDF :	European Development Fund
ENAM :	National School of Administration and Magistracy
ESAF :	Enhanced Structural Adjustment Facility
FARA :	Administrative Reform Support Fund
FDI :	Foreign Direct Investment
FEICOM :	Special Council Support Fund for Mutual Assistance

FIDEF :	International Federation of Francophone Chartered Accountants (Fédération Internationale des Experts Comptables Francophones)
GDP :	Gross Domestic Product
GICAM :	Groupement Interpatronal du Cameroun 9 Cameroon Employers'
GTZ :	German Cooperation
HABITAT :	United Nations Centre for Human Settlements
HIPC :	Heavily Indebted Poor Countries
HP :	Handicapped Persons
ICTs :	Information and Communication Technologies
IEC :	Information, Education and Communication
IGSJ :	General Inspectorate for Judicial Services
IMF :	International Monetary Fund
INS :	National Institute of Statistics
INTEC :	National Institute of Economics and Accountancy
INTELCAM :	International Telecommunications of Cameroon
INVEST :	Investment
JPO :	Judicial Police Officer
MDG :	Millennium Development Goals
MINDIC :	Ministry of Industrial and Commercial Development
MINEPAT :	Ministry of Economic Affairs, Programming and Regional Development
MINFIB :	Ministry of Finance and the Budget
MREP :	Public Enterprise Rehabilitation Authority
MTEF :	Medium-Term Expenditure Framework
NCHRF :	National Commission on Human Rights and Freedoms
NEO :	National Elections Observatory
NGO :	Non-Governmental Organization
NGP :	National Governance Programme
NOIFZ :	National Office for Industrial Free Zones
NPDP :	National Participatory Development Programme
NPV :	Net Present Value
OAPI :	African Intellectual Property Organization
OHADA :	Organization for the Harmonization of Business Law in Africa
OLC :	Anti-Corruption Observatory
ONECCA :	Cameroon National Organization of Chartered Accountants
ONPC :	Cameroon National Ports Authority
OSP :	Organization and Staffing Plan
PA :	Programme Authorizations
PACDDU :	Regional and Local Development Capacities Support Project
PACDDU :	Urban Development Deconcentrated Capacities Support Project
PADDEL :	Decentralization Support Programme
PAIDER :	Decentralization and Road Maintenance Institutional Support Programme
PDPU :	Participatory Urban Development Programme
PGT :	Central General Treasury (Paierie Générale du Trésor)
PMA :	Administrative Procedures Manual
PPCRP :	Public/Private Partnership for Growth and Poverty Reduction
PPMF :	National Microfinance Programme
PRGF :	Poverty Reduction and Growth Facility
PRSP :	Poverty Reduction Strategy Paper
PST :	Transport Sector Programme
PTMR :	Rural Areas Transport Programme
RF :	Revenue Office
RLA :	Regional and Local Authorities
RMC :	Regional Member Countries
RNCF :	National Railways Authority
SAP :	Structural Adjustment Programme

SCDP :	Cameroon Oil Depot Company
SDF :	Social Democratic Front
SIGEFI :	Integrated Public Finance Management System
SIGIPES :	State Staff and Salaries Integrated Computer Management System
SME :	Small-and Medium-Scale Enterprises
SNEC :	Cameroon National Water Corporation
SNI :	National Investment Corporation
SODECOTON :	Cotton Development Corporation
SPRA :	Permanent Secretariat for Administrative Reform
SRC :	Debt Recovery Corporation
TABORD :	Performance Chart
TG :	Treasurer General
TGI :	High Court
TOFE :	Government Flow of Funds Table
TPI :	Court of First Instance
UDC :	Cameroon Democratic Union
UDEAC :	Customs and Economic Union of Central Africa
UJC :	Union of Cameroonian Journalists
UNDP :	National Union for Democracy and Progress
UNDP :	United Nations Development Program
UNESCO :	United Nations Educational, Scientific and Cultural Organization
UNFPA :	United Nations Population Fund
UPC :	Cameroon People's Union
US :	United States
USLC :	Federation of Cameroonian Trade Unions (Union des Syndicats Libres du Cameroun)
VAT :	Value-Added Tax
WB :	World Bank

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## Executive Summary

1. As for other Bank regional member countries of the Bank, it was decided to prepare a governance profile for Cameroon. At the economic level, the country enjoyed from 1975 to 1985 a long period of prosperity, with average real growth rates of about 7%, jeopardized, from 1985/1986, by a crisis entailing serious repercussions on the economic and social fabric, in spite of the country's assets in terms of its natural resources (oil, coffee, cocoa and cotton). To address this crisis, the Government first conducted an adjustment policy which quickly showed its limits. Then, after satisfactorily implementing an IMF staff-monitored shadow programme during the 1996/1997 fiscal year, the Government succeeded, for the first time, in signing with this institution an agreement under the *Enhanced Structural Adjustment Facility (ESAF)* now the Poverty Reduction and Growth Facility (PRGF). The country's socio-economic situation is also characterized by poverty, as shown by the following indicators : (i) the incidence of poverty at national level was estimated at 40.2% in 2002; (ii) the HIV/AIDS prevalence rate at 11.8% in 2002; and (iii) the sustainable Human Development Index at 0.499 according to the 2003 World Human Development Report which ranked Cameroon 142<sup>nd</sup> on the global poverty scale.

2. Cameroon thus integrated governance into its poverty reduction strategy by formulating in 1996 a National Governance and Anti-Corruption Programme (NGP) approved by the Head of State in 2000. The evaluation of Cameroon's governance situation since the implementation of the NGP, carried out by a Bank mission, covered 5 (five) elements: accountability or the obligation to render account, transparency, stakeholder participation, reform of the legal and judicial framework including the defense of human rights and the fight against corruption. The objective set and the methodology used were to carry out a diagnosis of the situation and make proposals to improve governance in the country through: (i) interviews with several senior-level officials of the Administration, leaders of civil society organizations, political parties including the opposition and employers' organizations and the major bilateral and multilateral donors present in Yaounde; and (ii) collection and review of available documentation in the various areas of governance outlined above. *Accountability in Cameroon* is characterized at the political level by the separation of powers – executive, legislative and judicial. In practice, however, there is a marked pre-eminence of executive power over the other powers. The ruling party has 149 members of parliament out of the 180 in the National Assembly. This predominant majority weighed on the effectiveness of parliamentary control over government action. Administratively, the Constitution and the General Rules and Regulations of the Public Service define accountability by civil servants and other State employees. Such accountability, however, is not fully exercised given the Administration's poor performance. However, many reforms have been undertaken within the framework of implementation of the NGP. They concern improvement of the institutional framework, human resources and procedures.

3. Regarding accountability related to the budget preparation and control process, it should be noted that the present legislative framework is unsuitable because it does not take into consideration the notions of objective and outcome which are more in line with macroeconomic planning. A new legislative framework is being formulated for adoption by Parliament. On the whole, the budget preparation process is carried out properly by the Ministry of Finance and the Budget (MINFIB) in collaboration with the Ministry of Economic Affairs, Programming and Regional Development (MINEPAT). Nevertheless, some lapses relating to weak institutional capacities of the various structures involved somewhat undermine the efficiency of the system. Concerning the investment budget, it is important to point out that the authorities have abandoned the system of management of capital expenditure by multiannual programme authorizations though provided for by the ordinance of 1962.

4. State accounts are kept by a network of 368 graded treasury stations including the Central General Treasury (PGT), Provincial General Treasuries, Divisional Treasuries and Subdivisional and District Sub-treasuries. All balances are thus centralized at the level of the Treasury Department. However, the absence of certain entries in the aggregated balance of the Treasury, such as expenditure relating to external financing of projects and programmes and debt payments managed by the Autonomous Sinking Fund, is a hindrance to the promotion of accountability. In addition, there are some weaknesses in internal auditing carried out by general finance inspectorates and the Supreme State Audit due primarily to weak institutional capacities (lack of initial training of inspectors). External auditing is carried out by Parliament and, theoretically, by the Audit Bench. Concerning the legislative organ, only the National Assembly assumes responsibility with little efficiency, as the Senate has not yet been put in place. Though established by law, the Audit Bench has not yet been put in place. The absence of auditing of accounts of public accountants by an independent auditing body is therefore clear evidence of lack of transparency in the management of public expenditure.

5. Concerning the reform of public enterprises which started in 1990, it is worth noting that the deadlines fixed in agreement with donors (the Bank, World Bank and IMF) were not adhered to. There are still 7 (seven) enterprises to be privatized. With respect to corporate governance in Cameroon, weaknesses are due mainly to lack of independence of some Chairpersons of Boards of Directors and to the incompetence of some directors. Accounting and auditing in the private sector are organized within ONECCA which comprises 150 members including chartered accountants and certified accountants. The latter enjoy the confidence of boards of directors but their independence is sometimes sullied by the type of relations that they maintain with the entity audited. On the whole, the banking sector has been rehabilitated. Only two of the ten banks existing in Cameroon are undercapitalized. COBAC ensures permanent control of the sector to prevent any financial imbalance.

6. Regarding political transparency, weaknesses were noted in the organization of the last presidential and parliamentary elections, despite the efforts made by the Government by inviting national and international observers. Failure to put in place the Constitutional Council provided for by the 1996 Constitution should also be underscored because this institution has a major role to play in the strengthening of democracy and political transparency. As concerns administrative transparency, it should be noted that the needs of users were not adequately taken into account and certain values such as professional conscience, honesty, moral integrity, attendance and punctuality were not sufficiently disseminated. Lack of transparency, in behaviour as well as in the manner of rendering public service, is therefore deplored.

7. In the area of public procurement, Cameroon has instruments that provide for a series of measures capable of guaranteeing transparency. They include the decentralization of tender boards, opening of tenders in the presence of bidders and the institution of independent observers for all contracts of an amount exceeding CFAF 30 million. However, this mechanism still has a few non-transparent practices relating to inadequate advertising of contracts, long procedures and wrong interpretation of direct negotiation by unjustified reference to the notion of urgency.

8. Regarding access to information, it is important to underline that press freedom is guaranteed in Cameroon. Censorship has been abolished but some journalists are still subjected to police harassment and red tape. There are many newspapers and private radio stations in the media set-up but the financial press is a poor relation apart from certain press organs such as “ Le Financier

d’Afrique” and “INVEST” which are published regularly. Moreover, access to administrative information is affected by the failure of ministries to publish annual reports.

9. There has been significant progress in revenue collection thanks to the new tax system, especially with the adoption of a new general tax code in April 2002 and the publication of the decree to set up the Major Enterprises Division within the Taxation Department of the Ministry of Finance and the Budget. Total revenue for 2002 (excluding grants) reached 19.2% of GDP<sup>1</sup>, thus exceeding the goal of 18.9% of GDP. Concerning public expenditure management, it was noted that the distinction between the roles of authorizing officer and accountant is not quite clear, because of the intervention of the General Paymaster during the administrative phase of the expenditure process. Additionally, deconcentration of expenditure at the level of ministries has become a reality even though it has not been entrenched by texts. On the whole, the expenditure chain is being reorganized and controls should be strengthened. With the gradual establishment of the Integrated Public Finance Management System (SIGEFI), Cameroon should have an efficient data-processing tool that will network the various accountability centres of the economic and financial sector and help improve expenditure tracking. Concerning the monitoring and evaluation of public policies, an institutional mechanism has been put in place by the formation of ministerial and interministerial monitoring committees but these committees do not adequately take the participation of non-governmental actors, particularly civil society and the private sector, into account.

10. Participation is not yet the key word in the mobilization of the vital forces of Cameroon. Effective participation should go beyond mere periodic or occasional consultation and be based on actual decentralization of powers which the present organization, which is still too centralized, does not allow. Of course, consultation opportunities at national level are increasing but at local level only projects supported by international cooperation make an effort to implement participatory development.

11. The legal framework governing elections in Cameroon is defined by the Constitution and various national laws. An analysis of the existing instruments shows that territorial administration plays the key role in the preparation and organization of polling operations. However, regarding the control and supervision of electoral operations, the Government has set up a National Elections Observatory which has already gained experience from the 2002 elections and which should take up the challenge of ensuring the transparency of the forthcoming presidential elections scheduled for 2004, on condition that its capacities are strengthened.

12. In the area of economic cooperation and regional integration, Cameroon is signatory to many subregional and regional agreements (ECCAS, CEMAC, OHADA, etc). The institutional bodies put in place are being given a new impetus. The ECCAS “Recovery and Revitalization Programme” has had remarkable outputs in various areas. In collaboration with BEAC, the CEMAC Executive Secretariat ensures *budgetary restraint* and the application of convergence criteria. *At the level of monetary policy*, the Government says that it is determined to contribute towards the creation of a regional government securities and private bonds market. Apart from the existing texts, OHADA is preparing new Uniform Acts for greater legal security in business.

13. A report on the evaluation of Cameroon’s judicial system sets out all the weaknesses of the system. The credibility of justice, which generally does not respect its own ethics, is questioned. The principles that govern its independence are not always respected. The weaknesses of the judicial system are many. Corruption is an established fact. The rules of law are at times

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<sup>1</sup> Source : IMF, Memorandum on the Economic and Financial Policy of Cameroon, 2003.

deliberately ignored. Attachments applied to some enterprises constitute a handicap for the development of private national and foreign investment. Judicial delays disconcert persons awaiting trial and give rise to derogatory remarks about justice. The discretionary suspension of enforcement of court decisions is fraught with consequences. Lastly, the management of human rights gives rise to violations by traditional chiefdoms and military authorities.

14. Concerning private sector development, most sectoral activities (transport, trade, investment, etc.) are today governed by separate laws and regulations, though they are not always enforced. Recently initiated institutional reforms have helped put in place the first private operator consultation and support bodies. The sector is, however, facing a number of constraints. These include the absence of appropriate strategies for its development, the high cost of some factors of production, weak capacities of support structures, in particular the chambers of trade and agriculture, the Competitiveness Committee and employers' organizations and, lastly, the inefficiency of market intermediation.

15. The Government has formulated a strategy under the PRSP and NGP for improving the governance situation. The main objective is to strengthen the macroeconomic framework in order to revive growth, improve the management of public finances, combat corruption, deepen civil service reform, review the legal and judicial framework and strengthen democracy and the promotion of human rights. The Government's programme is backed by bilateral and multilateral donors in all areas of governance, but not all the selected priority actions have been implemented because of delays in implementation. In the area of corruption, public authorities are aware of the gravity of the situation and have taken initiatives by putting in place several structures, notably the National Anti-Corruption Observatory and its units established in ministries. Despite the implementation of many actions to sensitize the populations and State employees, the phenomenon is still worrying. The limited results so far obtained are especially due to the meager resources made available to structures responsible for combating corruption.

16. Cameroon's Governance Profile has revealed that many reforms are being implemented to gradually establish the principles of accountability, transparency, participation, decentralization, rule of law and the fight against corruption. The main recommendation can thus be expressed in terms of strengthening the obligation to render account by improving the institutional framework of the Administration and the skills of State employees. Concerning transparency, improvement of public finance management and access to information should be prioritized. Regarding participation, emphasis should be placed on the strong involvement of nongovernmental stakeholders and women in the decision-making process. It is also through reform of the legal and judicial framework, strengthening of human rights and combating of corruption that governance in Cameroon will make significant progress.

17. The Bank could, under its governance reforms support programme, focus its efforts on the reform of the legal and judicial sector, improvement of economic and financial management, deepening of administrative reform and combating of corruption.

## I. INTRODUCTION

### 1.1. Preamble

1.1.1. The Board of Directors of the Bank Group adopted a good governance policy in December 1996 and issued guidelines in March 2001 with a view to its implementation. Good governance was therefore retained as a key element of its Vision and its Strategic Plan adopted in 1999. Good governance is indispensable for effectiveness of investments made to ensure sustainable development. In its interventions, the Bank thus increasingly places emphasis on practices that foster good governance. It is obvious that an inefficient administration, with long and complex procedures, is incapable of offering quality services to citizens and businesses. Public resources, when poorly controlled and untransparently managed, also lead to significant budget deficits impacting on the balance of macroeconomic aggregates. A State that advocates a centralized, state-controlled economy and that does not hold social dialogue and does not involve civil society and actors who are quite representative of the economic and social sector in the decision-making process has little concern for the principles of democracy, promotion of human rights and, in general, good governance.

1.1.2. The Bank's objective is to integrate good governance into its operations, in accordance with its terms of reference and its present development priorities, namely acceleration of economic growth and reduction of poverty in the regional member countries. To this end, the Bank has embarked upon the preparation of country governance profiles (CGP) in its RMCs with a view to establishing a framework for dialogue with these countries for the promotion of governance. In implementing its good governance programme, the Bank places emphasis on accountability, transparency, participation, rule of law and the fight against corruption. Cameroon's governance profile was prepared taking into account these elements and in keeping with the Bank's policy.

1.1.3. Located in Central Africa in the heart of the Gulf of Guinea, Cameroon covers a surface area of 475 000 km<sup>2</sup> and shares common borders with Chad, Central African Republic, Republic of Congo, Gabon, Equatorial Guinea and Nigeria. Its geographical conditions place it in a favourable situation in Africa, from the standpoint of its export products (oil, forestry resources, coffee, cocoa, cotton, etc.). Forests cover 55% of the territory, or an area of 26 million hectares. Demographically, Cameroon has a population of 15 million and an annual population growth rate of 2.7% on average, with a great concentration of people (74%) on one-third of the territory. *Constitutionally*, Cameroon is a unitary, decentralized, secular, democratic and pluralist State that guarantees public and individual liberties and respect for fundamental rights of citizens. According to the preamble of the Constitution, no person shall be harassed on grounds of his origin, religious, philosophical or political opinions or beliefs, subject to respect for public policy. The country is marked by diversity in unity. In fact, more than 250 national languages or dialects are spoken by the populations in the 10 provinces of the country.

1.1.4. *The economic context between 1975 and 1985* was characterized by a long period of prosperity, with average real growth rates of about 7%. A crisis with serious consequences on the economic and social fabric occurred in 1985/1986 during which the economy recorded a sharp drop in export revenues. The downtrend in economic activity worsened in 1986/1987, because of the persistent drop in the prices of the main export products (oil, coffee, cocoa and cotton). Growth rates thus became negative. To address this crisis, the

Government first implemented an adjustment policy which very quickly showed its limits. The reduction of public spending and the impact of the public sector on the economy indeed proved to be inadequate to check this deep-rooted crisis. Economic indicators continued to deteriorate. The steady decrease in incomes resulted in a 40% fall in per capita consumption between 1985/1986 and 1992/1993. The investment ratio plunged between 1984/1985 and 1992/1993 from 27% to less than 11% of GDP. To address the marked deterioration of the public finance situation, drastic salary cuts were made in the civil service in 1993.

1.1.5. It was in August 1997, after having satisfactorily implemented an IMF staff-monitored shadow programme during the 1996/1997 fiscal year, that the Government succeeded, for the first time, in signing with this institution an agreement under the *Enhanced Structural Adjustment Facility (ESAF)*. The IMF thus backed up the medium-term economic and financial programme covering the period from 1 July 1997 to 30 June 2000 put in place by the authorities. The programme was implemented satisfactorily with the support of the international financial community, notably the IMF under the ESAF, now PRGF, the World Bank with a third structural adjustment credit, the European Union and the African Development Bank. Concerning the external debt, Cameroon reached the decision point of the enhanced HIPC initiative in October 2001 and benefits from debt relief of US\$ 1.2 billion in net present value (NPV). However, it is worth noting that as concerns the Bank, Cameroon reached the 40% debt relief ceiling provided for during the interim period which ended in October 2003 without succeeding in reaching the completion point initially scheduled for this date. Consequently, the Bank suspended relief for Cameroon in October 2003.

1.1.6. The socio-economic context is also characterized by poverty as shown by the following indicators: (i) the incidence of poverty at national level is estimated at 40.2% in 2002; (ii) the HIV/AIDS prevalence rate is estimated at 11.8% in 2002; and (iii) the sustainable Human Development Index is estimated at 0.499 according to the World Human Development Report 2003 which ranked Cameroon 142<sup>nd</sup> on the global poverty scale.

1.1.7. Concerning land tenure, it should be noted that Cameroon, like many other African countries, is characterized by a deep-seated dualism. Two laws coexist, customary law and modern law which is the old colonial law whose principles have been retained. Considering the difficulties of clearly defining the status of land in terms of ownership, the recent household survey which focused on agricultural holdings revealed that six out of ten households have at least one member who uses land mainly for the purpose of crop cultivation or stock farming. The area thus farmed per household averages 3.3 hectares.

1.1.8. Cameroon integrated governance into its poverty reduction strategy by formulating in 1996 a National Governance and Anti-Corruption Programme (NGP) with the support of UNDP. The programme was approved by the Head of State in June 2000. The objectives of the NGP are to: (i) support growth and sustainable development; (ii) reduce poverty; (iii) build the capacities of the major stakeholders (State, private sector, civil society, the media and regional and local authorities); (iv) promote State/private sector/civil society partnership; (v) strengthen the rule of law for a better defense of human rights and reform the justice system; (vi) establish a true culture of accountability in the management of public affairs; and (vii) strengthen transparency in the functioning of the State machinery and the fight against corruption. The evaluation of Cameroon's governance situation from the time of implementation of the NGP, was carried out on the basis of 5 (five) elements: accountability or the obligation to render account, transparency, stakeholder participation,

reform of the legal and judicial framework, including the defense of human rights and the fight against corruption.

1.1.9. During the inaugural summit of the African Union in Durban in July 2002, a declaration on democracy and political, economic and corporate governance was adopted by the Heads of State and Government to serve as a model and benchmark for implementing the various NEPAD plans of action and carrying out a diagnosis in each African State using the key indicators of the African Peer Review Mechanism (APRM). Cameroon is among the African countries which adhered to the APRM and accepted to be assessed by peers on the basis of the following indicators: (i) democracy and good governance; (ii) governance and economic management; (iii) corporate governance; (iv) socio-economic development; and (v) partnership for development. Such an assessment will complement Cameroon's Governance Profile.

## 1.2. Elements of Good Governance According to Bank Policy

*Accountability*, defined as the obligation on an individual or organization, elected or appointed and vested with a public mandate, to render account to the people who vested him/it with such powers for actions and decisions taken in exercising his/its mandate. In the strict sense of the word, "accountability" means especially the obligation to render account of the allocation, use and control of public funds and property, in accordance with legal norms and standards acceptable in budgeting, accounting and auditing. *Transparency*, defined as knowledge by the public of government policies and the confidence that the intentions of national authorities inspire in the public. It requires that public accounts be audited, that the public participates in decisions taken by national authorities and in their implementation and also presupposes that exact and updated data on the economic and trades situation be submitted to the public. *Stakeholder participation*, defined as a process by which stakeholders exercise an impact on decisions of common interest and share in overseeing the resources and institutions that influence their life, which enables them to control the action of public authorities. In the context of governance, participation is focused on citizens, including women, and takes into consideration interaction between civil society, actors and actions of enterprises. *Legal and judicial frameworks*, a legal and judiciary system conducive to governance and development is one in which laws are clearly defined and uniformly enforced by an objective and independent judiciary. Such a system provides for necessary sanctions to forestall and repress any infringement. It ensures that the law is observed, defends the right of citizens and facilitates the movement of private capital. *Fight against corruption*: the term "corruption" is defined as abuse of power or trust of the public for personal benefit. This definition is concise but it encompasses almost all forms of corruption existing in the public and private sectors.

## 1.3. Objectives and Areas Covered by the Governance Profile

In connection with the preparation of Cameroon's governance profile, the elements of good governance defined above served as criteria for the various themes analyzed. For this purpose, the following are the objectives and areas covered by the study: (i) carry out a diagnosis of the present status of governance by identifying its strengths and weaknesses in the light of the Bank's policy and strategy; (ii) present and analyze the Government's national good governance strategy; and (iii) identify priority areas and recommendations for improving governance, outlining donor interventions and identifying potential areas for Bank intervention. The methodological approach adopted consisted,

during a mission to Yaounde from 12 February to 4 March 2004, in: (i) discussing in the form of semi-direct interviews with several high-level officials of the Administration, officials of civil society organizations, political parties (ruling party and opposition) represented at the National Assembly, employers as well as the leading bilateral and multilateral donors present in Yaounde; and (ii) collecting and reviewing documentation available in the various areas of governance.

## II. DIAGNOSIS OF THE GOVERNANCE SITUATION IN CAMEROON

### 2.1. Governance and Accountability

#### 2.1.1. Political Accountability

2.1.1.1. Political accountability in Cameroon is defined essentially by the Constitution of 18 January 1996. According to the constitutional provisions, sovereignty is exercised by the people and state power by the President of the Republic and Parliament. Cameroon therefore has a presidential system proclaiming the separation of the three powers: the executive power, legislative power and judicial power. The President of the Republic is the head of the *executive power*. In this capacity, he defines the policy of the nation<sup>2</sup> and ensures, through his arbitration, the proper functioning of public authorities. He may delegate some of his powers to the Prime Minister, other members of Government and any other senior administrative officials of the State, who shall be accountable before him. The Prime Minister may, after the deliberations of the Council of Ministers, commit the responsibility of the Government before the National Assembly on an economic, financial or social programme or, as the case may be, on a general policy statement. The Court of Impeachment has jurisdiction, in respect of acts committed in the exercise of their functions, to try the President of the Republic for high treason and the Prime Minister, members of Government and persons ranking as such and senior government officials to whom powers have been delegated in pursuance of Articles 10 and 12 of the Constitution for conspiracy against the security of the State. Regarding *legislative power*, it is exercised, on the one hand, by the National Assembly and, on the other hand, by the Senate provided for by the Constitution of 1996 but yet to be put in place. The National Assembly may question the responsibility of the Government through a motion of censure or pass a vote of no confidence. In such cases, the Prime Minister shall tender the resignation of the Government to the President of the Republic. Concerning *judicial power*, it is exercised by the Supreme Court, Courts of Appeal and Tribunals. With respect to accountability, it should be noted that magistrates of the bench are, in the discharge of their duties, governed only by the law and their conscience. The President of the Republic, according to the Constitution<sup>3</sup>, guarantees the independence of judicial power. He appoints members of the bench who shall be accountable before the Higher Judicial Council. In addition, the Constitutional Council provided for by the 1996 Constitution has an important role to play in political accountability and the strengthening of democracy. In fact, it rules on the constitutionality of laws, proclaims the results of presidential and parliamentary elections and settles all disputes arising from the said elections. However, the Council has not yet been put in place.

2.1.1.2. Furthermore, the advent of multi-party politics that has resulted in the existence of 183 political parties, has created the conditions for an opposition which acts as a counterbalance, though most of these parties are not representative. In this connection, it is noteworthy that the

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<sup>2</sup> Article 5 of the Constitution

<sup>3</sup> Article 37 of the Constitution

ruling party (CPDM) is in the majority in the National Assembly with 149 Members of Parliament out of the 180 comprising this institution. The rest of the members of parliament are from 4 (four) other political parties: UPC (3), SDF (22), UNDP (1) and UDC (5). Despite these achievements, there is still a great deal to do to strengthen democracy and accountability as republican and governance values, particularly in the management of public affairs.

2.1.1.3. The organization of institutions thus outlined should enable Cameroon to foster political accountability and even good governance. It is the primary responsibility of the President of the Republic to defend the Constitution and institute accountability and probity. Hence, in his message to the Nation on 31 December 1998, he announced the organization, under the National Governance Programme (NGP), of a vast moralization and anti-corruption drive. This declaration places emphasis on the ethical and moral dimension of accountability in a society where the loss of moral and civil values is deplored by a good many citizens. The cabinet reshuffle of 28 April 2001 in Cameroon punished some ministers summoned to appear in cases of corruption. The ministerial team was called upon by circular of the President of the Republic “to show proof of team spirit and greater responsibility and efficiency, and to give pride of place to the general interest”.

2.1.1.4. *As concerns weaknesses*, it should be pointed out that the executive power hardly holds Councils of Ministers or Cabinet Meetings press releases of which are published to inform the public of important Government decisions. In the same vein, there are few press conferences to inform national and international public opinion on certain important State matters. This lack of communication is not in keeping with the obligation to render account. The National Assembly does not efficiently discharge its responsibilities, particularly as concerns the control of government action. Oral questions and parliamentary inquiries are rare and the reports are not published. This situation could be explained by the crushing majority of the ruling party in Parliament such that party discipline often prevails over the responsibility of the member of Parliament who should quite freely vote for or against issues of national significance, depending on his personal convictions and the interest of electors. It is also important to point out that Cameroon’s National Assembly does not have adequate means and resources to properly fulfill its missions. It does not have skilled professional investigators and researchers, a well equipped library, offices for the members of Parliament and an efficient communication system. Judicial power is not really independent of the executive power. It is the President of the Republic who chairs the Higher Judicial Council before which magistrates of the bench are accountable. The Council has an advisory opinion and it is the President of the Republic who takes decisions not subject to appeal. The consolidation of the rule of law is therefore dependent on the ability of the authorities to submit to the law, to admit their “liability to trial”.

## **2.1.2. Administrative Accountability**

2.1.2.1. In Cameroon Public Administration, accountability and professional ethics are defined by the Constitution and statutory instruments governing staff, namely: (i) General Rules and Regulations of the Public Service and special rules and regulations of the various corps of public servants; (ii) statutory instruments instituting codes of ethics of certain professional associations (physicians and pharmacists); and (iii) the penal code which defines breaches of professional ethics to which a public servant could be liable by infringing the provisions of the penal code (misuse of position, obstruction of civic rights, forgery of official acts, extortion and misappropriation of public property). Accountability and professional ethics, beyond these instruments, can only be guaranteed through an administration with an appropriate organizational and institutional framework, competent

human resources and proper organization of work, and which effectively responds to the needs of users who are increasingly demanding.

2.1.2.2. *The organizational and institutional framework* of Cameroon's public administration is governed by the decree of 24 August 2002 to reorganize the Government. The text fixes the number of ministerial departments at 30 (thirty) and defines the missions of each ministerial department. Overall, the ministries comprise a central administration and a deconcentrated administration with technical services established in the ten provinces, the divisions, the subdivisions and the districts. *Concerning human resources*, it should be noted that following the staff cutback in the nineties, Cameroon's civil service now has about 170 000 workers<sup>4</sup>, excluding the armed forces, police and staff of prisons administration who are not governed by the General Rules and Regulations of the Public Service. Public servants fall into three groups: (i) civil servants (100 000) representing 47 professional corps, hold established posts in one of four categories (A, B, C and D) comprising indices and grades; (ii) contract employees (10 000) who are linked to the administration by a contract of an indefinite period and managed in accordance with the provisions of the labour code ; and (iii) workers recruited on the basis of a decision classified under categories 1 to 6 (60 000). Only civil servants are recruited on the basis of competitive examination or qualifications. After recruitment, and depending on their level of education and training, civil servants, contract employees and workers recruited on the basis of a decision often find themselves in the same jobs and are assessed on the same bases but remunerated on different bases.

2.1.2.3. Cameroon's administration has the advantage of having updated civil service rules and regulations that take account of the new administrative context. The originality of the text resides in the fact that it combines a civil service of positions and a civil service of careers based on rigid corps and hierarchies. The deconcentration of services up to district level is also a means of bringing the administration closer to users. Moreover, the setting up of the Permanent Secretariat for *Administrative Reform*, (SPRA) under the supervisory authority of the Ministry of Public Service and Administrative Reform to advise the Government on matters of organization and administrative reform is an important achievement, provided that this structure is efficient. The key mission of the SPRA is to modernize the Public Administration. In this capacity, it is responsible for: (i) preparing government programmes for the modernization of the State's administrative machinery; (ii) designing and implementing administrative organization and reform projects; (iii) promoting the introduction of organizational changes; and (iv) disseminating government decisions on administrative reform. To this end, organization and staffing (OSP) of ministries were prepared and the new general rules and regulations of the Public Service entrench the concept of position to give workers a greater sense of responsibility. In the same vein, two flagship projects have been formulated and their implementation has started. The projects are the deconcentration of State staff management and salaries, on the one hand, and preparation of manuals of administrative procedures (PMA) on the other hand.

2.1.2.4. The pilot phase of deconcentration of staff management involves four ministries whose staff represent 45% of the overall Public Service staff, namely: the Ministry of Public Service and Administrative Reform, Ministry of Finance, Ministry of National Education and Ministry of Public Health. The objectives of the project are to: (i) give ministerial departments sufficient autonomy in the management of their staff; (ii) raise the level of empowerment and imputability of civil servants and government workers in the performance

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<sup>4</sup> Seminar on the evaluation of public sector performance and development in Cameroon, May 2003

of their duties; and (iii) contribute towards the reduction of costs, improvement of the quality of services rendered to users and reduction of the cost of administrative services. The data medium of the deconcentration of the management of resources is the State Staff and Salaries Integrated Computer Management System (SIGIPES) underpinned by three principles: (i) constitution of a single card index of all State personnel, after a census which helped identify all fictitious or irregular entries; (ii) control of the quality and reliability of staff management data; and (iii) instantaneous entry of all staff management movements after implementation of the staff management deconcentration reform. With regard to the preparation of manuals of administrative procedures (PMA), the project is in its design phase. The objectives of the manuals are: (i) to improve the reception and information of users of public services; (ii) to strengthen the efficiency of the organization and control of administrative work; and (iii) to promote the values of transparency and integrity within government services.

2.1.2.5. Overall, the Cameroonian public administration has certainly made progress in the area of governance but it is still facing bottlenecks which are an obstacle to the promotion of accountability. *The text on civil service rules and regulations should not be in the domain of regulation* (decree) but of law. In the present situation, the executive power is free to amend it whereas its importance warrants that parliament should express its opinion on the accountability of civil servants, their integrity and honesty. It is also necessary to point out *the weak intervention capacity of the technostructure*. In fact, the SPRA, which is in charge of supporting the operational structures in the design and definition of management methods and procedures (technostructure), is the government's advisor. Because of its cross-cutting mission, it should not be attached to the Ministry of Public Service, but rather to the Prime Minister's Office which is responsible for the coordination of government action. The present position does not give it the full authority needed to effectively intervene in the entire public sector without meeting resistance. It is also noteworthy that the SPRA has limited institutional capacities, although it is benefiting from Bank institutional support under the governance support project. *Human resources* are managed on an unequal basis. Disparities in the method of recruitment and management of staff holding the same position do not foster the promotion of accountability in the administration. In fact, differences in methods of recruitment and remuneration encourage a two-tier civil service. Such a situation nurtures a feeling of injustice, jeopardizes the status of most staff and predisposes to corrupt practices and misappropriation of public funds. It should also be noted that State employees deplore the relatively low level of their remuneration which is not indexed to the cost of living following the reduction of salaries in 1993 which was aggravated by a 50% devaluation of the CFA Franc in 1994. Such a situation not only demotivates them but also results in loss of the sense of responsibility and dignity. Lastly, *administrative procedures and formalities*<sup>5</sup> are marked by: existence of parallel channels that conceal the identity of shady and incompetent officials; (ii) delay and complexity which encourage corruption; (iii) absence of standards in the processing of documents; (iv) difficulties of storing data and of access to available information; and (v) poor quality of services rendered to users. Regarding this last point, it is noted that in Cameroon's Public Administration, reception is still an element of poor performance. In most administrative structures, the function "reception of the public" is entrusted to workers who are much more concerned with security than with information and guidance of users.

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<sup>5</sup> Public Administration Diagnosis (National Governance Programme, 1999).

### 2.1.3. Accountability in the Budget Preparation Process

2.1.3.1. *Legal Framework*<sup>6</sup> : Cameroon's budgetary and accounting law is inspired by the former French ordinance of 1959. The 1996 Constitution defines the powers of the Legislature regarding the adoption of the budget. The 1962 ordinance regulates public finance management in Cameroon. This text sets forth the principles of resource and expenditure management and prescribes credit presentation per expenditure type. It outlines the rule of yearly budgeting of credits, with the exception of capital expenditure which is budgeted on a multiannual basis, the rule of budgeting by expenditure type, the rule of universality which prohibits the underwriting of an item of revenue by an item of expenditure and the rule of unity which stipulates the budget, in revenue and expenditure, must be presented in one single document which also includes extra budgetary funds. The ordinance also contains provisions relating to budget execution. It should be pointed out that this text is not adapted to the new economic and administrative realities. In fact, it does not take into account the new budget concept which focuses more on objectives and outcomes than on means. A new text is therefore being prepared and should be adopted very soon. Furthermore, Decree No. 2003/011/PM of 9 January 2003 on budget nomenclature further enriches the public finance legal framework. The new nomenclature, which revolves around major State functions, sectors of activity, beneficiary services and expenditure type, provides much more detailed financial information in the finance law.

2.1.3.2. *Finance Law Preparation Procedure* : It is the Department of Forecasts in the Ministry of Finance and the Budget that prepares the main macroeconomic projections, notably the main growth components of the next fiscal year. On the basis of these projections, the Department of Taxation and the Customs Department make projections on the level of fiscal and customs revenues. These forecasts are then centralized at the level of the Department of Forecasts which validates their results and deduces a ceiling of possible budget expenditure. On the basis of these data, the President of the Republic, on the proposal of the Minister of Finance and the Budget, addresses a budget orientation circular to the Prime Minister and all the members of Government recapitulating the revenue forecasts, policy choices and practical measures to be taken for a proper preparation of the budget. On the basis of this circular, the spending ministers prepare their draft budgets and forward them to the Department of the Budget which reviews them together with the Ministry in charge of investments (MINEPAT) for the "investment" aspects and choice of investment projects (to be included in the list of projects). Afterwards, the Department of the Budget submits to the Prime Minister for signature a letter addressed to ministries informing them of the final budget appropriation granted them, broken down into recurrent and investment credits. After reception of these letters, the Department of the Budget organizes a budget conference to examine the proposals of the ministries with their representatives and to finalize the ceilings already defined in the letters informing them of their final budgets. Concerning MINEPAT, meetings are also organized at provincial level with local development committee stakeholders (elected representatives, civil society, religious and customary authorities and private sector operators) to reach an agreement on the projects to be retained at the level of each locality.

2.1.3.3. On the whole, the macroeconomic guidelines of the budget are correctly presented by the Department of Forecasts of MINFIB which has competent and well trained cadres. Additionally, the present level of centralization guarantees essential fiscal restraint which

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<sup>6</sup> World Bank, Public Finance Management Sectoral Study, June 2002.

should be safeguarded. In fact, it is necessary to avoid substituting the present logic of means for a logic of unrestrained needs. In spite of these efforts, there are still well-known weaknesses in the budget preparation process (weak macroeconomic analysis and forecasts at the level of technical ministries) due essentially to weak institutional capacities of the structures and stakeholders involved.

2.1.3.4. *General Budget Expenditure Forecasts* : The initial evaluation of the overall amount of credits included in the finance law seems to be correct. There is no significant under-estimation of credits in relation to effective expenditure which would have resulted in a slippage of initial balances. In contrast, there is a significant and chronic under-estimation of investment credits as shown by the table below.

**Table 1 : Rate of Public Expenditure Implementation**

	1997/98	1998/99	1999/00	2000/01	2001/02
Staff	108%	94%	99%	103%	102%
Standard equipment	95%	80%	95%	99%	98%
<b>Investment</b>	<b>56%</b>	<b>64%</b>	<b>56%</b>	<b>57%</b>	<b>59%</b>
Public Debt	79%	94%	106%	98%	93%
<b>Annual Average Rate</b>	<b>83%</b>	<b>89%</b>	<b>92%</b>	<b>90%</b>	<b>89%</b>

Source : Public Finance Sectoral Study, June 2002

2.1.3.5 *Management of Investment Credits* : The authorities have abandoned the system of investment credit management by multiannual programme authorizations (PA), in spite of the provisions of the ordinance of 1962 to this effective. These provisions permit the programming of investments over several years through the opening, in the budget, of programme authorizations to cover a complete fraction of works during the entire duration of the works, regardless of the annual budgetary framework. On the other hand, payment credits are entered in the budget each year depending on the annual payment needs. Today, they are managed on a strictly annual basis like recurrent expenditure. It is therefore necessary to re-establish a system of management of investment expenditure on the basis of multiannual programme authorizations.

2.1.3.6. *The putting in place of Medium-Term Expenditure Frameworks (MTEF)* is the beginning of a solution to this problem. An MTEF is a formative financial planning tool which allows for medium-term budget programming by objective, in conformity with national and sectoral priorities in a balanced microeconomic environment. In Cameroon, the experience has been tried in the Ministry of National Education and the Ministry of Public Health. However, the system has three handicaps: (i) inadequate programme design capacity (how to define content and scope, how to set objectives and sub-objectives, etc.); (ii) inadequate capacity to analyze current budget situations due to the absence of output and performance indicators; and (iii) weak budget projections analysis capacity and absence of a modeling tool that integrates all factors of the prevailing economic situation. The putting in place of an MTEF presupposes that the Cameroonian authorities have taken the necessary measures to manage expenditure within a multiannual framework and on the basis of sectoral policy and macroeconomic guidelines.

#### 2.1.4. Cameroonian State Accounting System and Keeping of Documents

2.1.4.1. *State accounts* are kept by a network of 368 graded treasury stations. The duty of each of these stations is to effect public expenditure and receive public revenue: the Central General Treasury (PGT) at the central level, 11 General Treasuries in the provinces, 70 Treasuries (RF) in the divisions and 286 Sub-treasuries in subdivisions and districts. In addition to these stations spread over the national territory, are 36 diplomatic and consular treasury stations in countries where Cameroon has an embassy, treasuries manage operations carried out at the level of divisions and supervise Subtreasuries. The centralization of operations is carried out as follows: (i) Subtreasuries centralize their accounting operations every 10 days directly at the General Treasury of their province; (ii) Treasuries centralize their accounting operations every 10 days at the General Treasury on which they depend; (iii) General Treasuries centralize their operations every 10 days, with the exception of the Yaounde and Douala General Treasuries whose operations are centralized daily.

2.1.4.2. *The State's* accounting plan was modernized in 1997, modeled on the UDEAC<sup>7</sup> accounting plan. It however contains a few shortcomings: (i) the centralization of operations consisting in effecting a simple computer aggregation by the Treasury Department of the monthly balances of General Treasuries, and not an accounting consolidation, which prevents the control of the reciprocity of operations centralized by the General Treasuries of provinces and those appearing in the aggregated balance of TG monthly balances; (ii) the reimbursement of VAT carried out by the Director General of Taxation, without any specific instruction and without any indication in the accounting plan, whereas this ought to be carried out by the General Treasury Paymaster; (iii) the non-exhaustiveness of balances which do not record debt flows nor externally funded investment flows managed by the Autonomous Sinking Fund; (iv) the absence of a management account per treasury station, as each station produces only one balance of accounts transmitted without expenditure and revenue justification; and (v) the non-preparation of an audited budget act. It is also important to point out that some ministries keep their revenue yield to settle by themselves their expenses without the intervention of the public accountant which is not only in contradiction with the universal nature of budgetary procedure but also prevents the entry of the corresponding sums in the accounts of the Treasury.

2.1.4.3. *Debt management is entrusted to the Autonomous Sinking Fund (CAA)*, which is a public financial establishment set up in 1985 and governed by private law. However, Law No. 99/16 of 22 December 1999 governing the general rules and regulations of public establishments and public and semi-public enterprises provides that "administrative establishments belonging to the State shall be managed in accordance with the rules provided for by the State financial system". It appears therefore that there is a contradiction between the two texts. The CAA also manages externally financed projects in liaison with the project officers and accountants. In addition, it manages the internal debt corresponding to the period 1992/1996 which is being transformed into marketable securities ("titrisation"<sup>8</sup>). The absence of a public accountant within this body is causing difficulties relating to the transfer of data to the Treasury and the integration of such data into all State financial operations.

<sup>7</sup> The accounting plan of the Customs and Economic Union of Central Africa is a standard which draws inspiration from the accounting plan of the French State and which serves as a basis for public accounting systems of States of the UDEAC zone. It uses classes 1 "capitalization", 2 "real property", 3 "Relations between accountants", 4 "other debtors and creditors", 5 "financial accounts", 6 "accruals", 7 "income", and 9 "budget accounts".

<sup>8</sup> "Securitization" consists in transforming assets or claims into marketable securities.

The CAA informs the Treasury, on a monthly basis, of its cash needs to honour debt repayments due whereas, in return, it does not systematically transmit the elements relating to loan encashments. Such data are sent to the Treasury via the Department of Planning during the review of the level of implementation of the finance law. Lastly, it should be stated that the CAA's annual accounts are not subjected to independent external auditing. The appointment of auditors, on the one hand, and the impending establishment of the Audit Bench on the other hand, would help remedy this situation which is not in compliance with the obligation to render account.

2.1.4.4. *Weak Absorptive Capacity of Externally Funded Credits*: The rate of absorption of these credits averages about 17%. This weakness is due to many factors which at the moment are not properly controlled. However, lengthy disbursement procedures of the Autonomous Sinking Fund and the delays noted in the physical implementation of activities programmed by projects and programmes seem to be the problem.

## 2.1.5 Public Expenditure Accountability and Auditing

2.1.5.1. Public expenditure auditing comprises internal auditing and external auditing involving parliamentary control and jurisdictional control. *The internal auditing of public expenditure* is carried out within the administration before payment of the expenditure (a priori control) and after payment of the expenditure (a posteriori control). The a priori control is carried out at the central level by the financial controller and by the stores accountant and at the deconcentrated level by special controllers posted to all ministries, provinces, divisions, subdivisions and districts. The Treasury accountant carries out control of the regularity of the expenditure before it is paid. In carrying out their control, financial controllers refer to Decree No. 77/41 of 3 February 1977 which is out of step with the more recent Decree No. 98/217 of 9 September 1998 to organize the Ministry of Finance. The absence of a manual of procedures for financial control is an omission detrimental to accountability especially since workers appointed to this function did not receive initial training and do not benefit from continuing training.

2.1.5.2. *Auditing by the Department of Stores Accounting of the Ministry of Finance and the Budget* focuses on : (i) certification of service rendered as concerns services provided to the State, public establishments and local authorities ; and (ii) verification of the regularity of procurement operations, and handling and disposal of movable tangible property. The control carried out by this structure is ineffective because the workers have not received adequate professional training and maintain difficult relations with authorizing officers and vote-holders. It is a useless link in the control chain which only lengthens the procedure. The establishment of this department is therefore ill-advised. It is necessary to set up a stores accounting service at the level of each administration, in replacement of this department, and to maintain joint orders of equipment at the level of MINFIB. Moreover, it should be noted that unlike Treasury accountants, stores accountants do not prepare management accounts, because there is no regulation to this effect and no auditor to give an opinion on the quality of their work. Staking of their personal and financial liability is therefore very hazardous, because they furnish no security.

2.1.5.3. *A Posteriori Internal Control* : it is carried out, on the one hand, by the control services of MINFIB and MINEPAT and , on the other hand, by the Supreme State Audit. There are five services carrying out a posteriori control within MINFIB. MINEPAT has its own control inspectorate. *The general inspectorates of MINFIB, which are responsible for a*

*posteriori control*, are concerned with administrative services, customs and taxation. They are reserved for cadres of the administration (very often administrative officers) with no specific training. They have weak institutional capacities, both human and material. The activity of general inspectorates is therefore ineffective. There is no coordination between the inspectorates.

2.1.5.4. *The duties of the control brigades of MINEPAT*, as defined by Article 7 of Decree No. 98/70 of 4 May 1998 to organize MINEPAT are as follows: (i) monitoring of the execution of the public investment budget; (ii) control of the rate of consumption of investment credits and preparation of periodic reports on the level of consumption of credits; (iii) permanent evaluation of projects and project update; (iv) consolidation of data on the execution of domestic and external financing of the priority investment programme; and (v) monitoring of public and private micro-projects benefiting from public financing. Article 29 of the same decree stipulates that the sub-department of controls of MINEPAT is responsible for the control of the physical outputs of programmes and projects as well as for the a posteriori auditing and evaluation of public investment operations. It should be noted that controls concern primarily budget execution conditions. They consist in verifying the physical realizations of investments by checking them against detailed descriptions in the order forms. MINEPAT brigades carry out non-repressive controls, whereas it sometimes happens that a project is not physically implemented but the corresponding expenditure has already been made. They have no manual of procedures, which situation can lead to diverse practices, depending on the control mission teams. The department of project and programme control lacks staff and the training of its human resources is inadequate. Lack of vehicles also impacts on the efficiency of its actions on the ground. The internal controllers and general inspectorates transmit their reports to the Supreme State Audit which uses them to also carry out an a posteriori control.

2.1.5.5. *The Supreme State Audit (CSE) was set up in 1962*. It is currently governed by Decrees Nos. 97/47 and 97/48 of 5 March 1997. It is placed under the supervisory authority of the Minister of State, Secretary General of the Presidency of the Republic. In general, it is responsible for: (i) administrative, financial and accounts auditing; (ii) performance auditing; and (iii) evaluation of the environmental impact of projects and programmes. Its scope of intervention is quite wide and covers different sectors. I can thus carry out unexpected on-site and off-site verifications at the level of all public services, local authorities, public enterprises, judiciary administration, the Army, national security services and any other body benefiting from State subsidy or guarantee. The CSE, in its operation, guarantees neither efficiency nor accountability. It does not meet the international norms and standards of a supreme audit institution, since its activity is confidential and the findings of its deliberations are not published. Its reports are intended for the President of the Republic who decides on what to do with them. Its annual programme of work has not been adopted for many years now and the auditors conduct very few missions (17 in 2003 for a staff of 60 State inspectors). In addition, the CSE is the permanent secretariat of the Budget and Finance Disciplinary Council. In case of serious management offence or misappropriation of funds, the perpetrators are brought before the Council, which could result in administrative or penal sanctions. But in practice, rare are authorizing officers or vote-holders who are brought before this disciplinary body. Impunity seems therefore to be the rule and sanction the exception, whereas there are certain shady workers who have no sense of responsibility.

2.1.5.6. *Parliamentary Control* : the external control of public expenditure by Parliament is on the settlement law that allows for the assessment of the manner in which the estimates contained in the initial finance law were effectively executed. The audited budget act is prepared in Cameroon but it is not exhaustively presented with all the accounts of public accountants. It is presented in the form of overall amounts by ministerial department and does not outline the accounts by treasury station. Such a presentation does not make for effective control. In addition, it is submitted together with the finance law. Under these conditions, sufficient time is not devoted to it and parliamentary control thus suffers. It is also important to point out that budget documents are generally deposited 15 days before the opening of the parliamentary session, instead of the 30 days provided for by the Constitution. This delay is due to administrative bottlenecks attributable to the Department of the Budget which is responsible for preparing the documents to be tabled before Parliament. The latter, due to lack of technical capacity (poor skills of some members of Parliament), is not able to effectively play its role of controlling budget execution.

2.1.5.7. *Jurisdictional Control* : according to the Constitution, it is carried out by the Audit Bench which was set up and organized by Law No. 2003/5 of 21 April 2003. However, the putting in place of this institution has been long delayed. It is therefore clear that the auditing of the accounts of public accountants is a gap to be filled as soon as possible, in order to ensure transparency in public finance management. The attachment of the Audit Bench to the Supreme Court may rid the auditors of all independence in the performance of their duties. The magistrates, who are auditors, may face a problem of competence if their initial and continuing training is not correctly ensured. Concerning the duties of this institution, they should not be limited to the auditing of accounts. They should also encompass the assessment of the advisability of expenditure and of the management of authorizing officers and vote-holders.

## **2.1.6. Reform of Public Enterprises**

2.1.6.1. *From the end of 1990 , the State of Cameroon decided to gradually divest itself of the productive and trading sector through an ambitious privatization policy.* Cameroonian public enterprises are governed by Law No. 99/16 of 22 December 1999 to lay down general rules and regulations governing public establishments and public and semi-public establishments which for a long time benefited from State subsidies without, in return, swelling the government treasury. The major objectives of privatization pursued by the Government are: (i) fiscal consolidation; (ii) stimulation of private initiatives and promotion of investments; (iii) restoration of market mechanisms; and (iv) mobilization and direction of national savings towards investments. *At the structural and institutional level* : the public enterprise reform process started by the establishment in June 1986 of the Public Enterprises Rehabilitation Authority (MREP). The Authority comprises a Technical Commission which is the operational structure and an Interministerial Committee which is the decision-making organ. Today, the committee is assisted by a Technical Privatization and Liquidation Commission. The first tasks consisted in preparing the balance sheets of 75 enterprises considered as priority by the Government. On the whole, it was a matter of restructuring or rehabilitating those in difficulties, liquidating those in dire straits and privatizing those with a better “financial status”.

2.1.6.2. *In general, the following are the privatization modalities:* (i) total or partial transfer of shares held by the State and public bodies ; (ii) total or partial transfer of assets of the enterprises to be privatized; (iii) signature of a management contract; and (iv) any other

recognized transfer technique. In addition, the privatization process chosen by Cameroon is based on the following principles: (i) list of enterprises to be privatized determined by presidential decree and published; (ii) prior valuation of the enterprise by a chosen consultant; (iii) competitive bidding; and (iv) publication. According to recent data received from the Privatization and Liquidation Commission, out of the 36 (thirty-six) public enterprises retained for privatization, only 7 (seven) are still to be privatized. They are: Cameroon Cotton Development Corporation (SODECOTON); (ii) Cameroon National Airlines Corporation (CAMAIR); (iii) Cameroon Development Corporation (CDC); (iv) Cameroon Oil Depot Company (SCDP); (v) Container Traffic and Transit Company (CAMTAINER); (vi) Cameroon Telecommunications Corporation (CAMTEL); and (vii) Cameroon National Water Corporation (SNEC).

2.1.6.3. It should be noted that the privatization strategy adopted by Cameroon complies with the principles of accountability and transparency. In fact, with the publication of the list of enterprises to be privatized and the prior valuation of the enterprises by an independent consultant, there is relevant financial information established according to commonly accepted rules. Also, according to available information, forbidden or “bad governance” practices such as misuse of authority, unjustified benefits and/or conflicts of interest have not been reported. However, it should be pointed out that the members of the steering committee for each operation are chosen from among the members of the Technical Privatization and Liquidation Commission Steering and management functions are thus not clearly separated. Additionally, it is noteworthy that the privatization process is slow and does not comply with the deadlines fixed beforehand in agreement with the Bank, the World Bank and the IMF. The absence of audits of the operations already implemented is also an omission which should be corrected for greater accountability and transparency

## **2.1.7. Corporate Governance**

2.1.7.1. *The issue of corporate governance has become a serious concern*, centred on the defense of minority shareholders and stakeholders. An interview with employers and the Cameroon National Association of Chartered Accountants (ONECCA) helped establish that corporate governance rules, though not exhaustive, are connected with: the sovereignty of the enterprise, which means that no external authority, other than the Board of Directors, can interfere with its strategic choices; (ii) the remuneration of managers, merit-based, and that of the chairperson to the executive directors remuneration committee; (iii) the wage strategy, completely merit-based and treated collegially by the management to guarantee equity; (iv) award of share holding dictated by the boards of directors; (v) corporate committee invited periodically to attend board meetings; (vi) choice of executive directors on the basis of competence; and (vii) auditors chosen by the General Meeting of Shareholders on the proposal of the Board of Directors.

2.1.7.2. The interviews reveal that some Cameroonian enterprises are facing problems of ‘*bad governance*’ or ‘*poor governance*’. These are mainly; (i) absence of manuals of administrative and accounting procedures; (ii) incompetence of some executive directors; (iii) non-independent Chairperson; (iv) auditors who are not chosen by the Board of Directors; (v) uncertified financial statements; and (vi) phenomenon of corruption. All these facts point to bad management and do not make it possible to defend the interests of shareholders, particularly minority shareholders. Special note should be taken of the lack of transparency at the level of enterprises whose financial statements are not certified. This logically means that such enterprises do not enlist the services of auditors. Public enterprises

also experience the same governance problems. In fact, most of the executive directors are chosen on subjective bases and do not often have the skills necessary to properly perform their task. Some do not know how to read a balance sheet or an income statement. They are especially attracted by the attendance fees paid after board meetings.

2.1.7.3. The Cameroon Employers' Union (GICAM) actively took part in the deliberations of the corporate governance project which were held in April 2004 under the auspices of the Swiss Organization for Facilitating Investments and on behalf of the International Finance Corporation. GICAM has made progress in the preparation and adoption of better corporate governance practices, by adopting, during its 97<sup>th</sup> Joint General Meeting, the Cameroon Employers Union Governance Code of Ethics which is an essential link in the quest for integrity that is one of the fundamental principles of good governance. GICAM equally took the initiative to bring together a number of bodies and persons to form the Working Group on Corporate Governance. This Working Group is called upon to formulate a code of good practices in the area of corporate governance for all enterprises. Lastly, GICAM intends to create an Institute of Executive Directors as one of the permanent and sustainable support instruments for enterprises in quest of quality governance.

2.1.7.4. Business units in the informal sector do not have the same governance problems as the formal sector. This sector is generally considered as being particularly dynamic. It regroups mainly localized and non-localized economic activities which are neither registered in the trade register nor affiliated to social security. The sector's activities are essentially made up of small-scale industries, services and micro-businesses. This sector has recorded sustained growth particularly with the economic crisis during which its activities assumed growing importance. According to estimates, the sector employs 75% of the urban labour force, and more than 6 households out of 10 derive at least part of their incomes from the informal sector which is trying to provide a response to the economic difficulties of the populations. Although the sector's jobs fetch lower remuneration, they have mitigated the effects of devaluation. In addition, they are fertile ground for the creation of small-and medium-scale enterprises.

2.1.7.5. Though some 3000 enterprises are created each year in Cameroon, very few survive beyond two or three years for want of premises, financing, supervision and accounting. A survey carried out by Cameroonian authorities has established that there are at the moment over 100 000 informal units in the city of Yaounde alone. Over the last few years, the World Bank has been interested in the dynamism of the informal sector and some financing projects have started appearing, the underlying idea being that support to this sector can be a factor of development.

## **2.1.8. Private Sector Accounting and Auditing**

2.1.8.1. *The profession of chartered accountant has been organized in Cameroon since 1970.* This organization draws from sub-regional legislation (Act No. 4/70-UDEAC 133 of 27 November 1970) which governed the whole of the Customs and Economic Union of Central Africa (UDEAC), now CEMAC. It subjected the practice of this profession to an approval granted by decision of the UDEAC Management Committee. It offers foreigners who are not nationals of the sub-region the right to practise the profession, on condition that they are in companies governed by Cameroonian law and are operating in partnership with nationals. The Cameroon National Organization of Chartered Accountants now has 150 members, including 100 chartered accountants and 50 certified accountants. It applies the

OHADA accounting standards and is opening up to the external world. In fact, it is member of the International Federation of Francophone Chartered Accountants (FIDEF) and has forged a partnership with the Paris Institut National des Techniques Economiques et Comptables (INTEC), particularly in the area of information. *The chartered accountant or certified accountant practices the profession under his personal responsibility.*

2.1.8.2. *Accountants and auditors outside Cameroon are generally listened to and respected by boards of directors of enterprises.* However, there is a thorny issue of professional independence. In fact, for some accountants, the fact of not limiting themselves to the task of verification but seeking to encroach on the prerogatives of the executive directors of the entity audited is a threat to their independence. However, this risk is not high, to the extent of compromising the responsibility of accountants and auditors. Regarding weaknesses in the practice of the profession, it should be noted that ONECCA is facing the following problems: (i) lack of resources to ensure the training of chartered accountants and young graduates wishing to enter the profession; (ii) failure by banks and tax inspectors to demand certified financial statements, which reduces the market of auditing firms; and (iii) competition with major international groups, especially at the level of multilateral and bilateral donor market segment .

### **2.1.9. Rehabilitation of the Banking Sector**

2.1.9.1. *The banking sector in Cameroon has been reformed and rehabilitated.* It is however not developed in relation to the country's needs. The rehabilitation process began in 1997/98 by the formulation and implementation by the authorities of a bank privatization, liquidation and recapitalization programme and a plan to strengthen their regulatory means of action and surveillance mechanism. In January 2000, the Government sold its last State bank. The Bank of Central African States (BEAC) regulates the sector through its banking commission (COBAC) which shares its powers with the Ministry of Finance and the Budget as concerns the approval of new banks. COBAC ensures compliance with banking regulations by exercising permanent on-site and off-site control. Banks are thus bound to forward to the Secretary General their monthly financial statements which help detect, in a proactive manner, potential slippage that could arise. *Out of the 10 (ten) active banks, only 2 (two) are experiencing difficulties due to inadequate capital base.* According to the data in the table below, the banks do not comply with all prudential standards, but most of them have a sound liquidity position. Their operations focus on short-term loans.

2.1.9.2. Cameroon's economy therefore lacks diversified financing tools. Social economy structures, particularly cooperatives and savings and loan associations, are capturing a large share of domestic savings, while banks offer a number of big operators attractive interest rates. However, the intermediate group of small-and medium-scale enterprises (SMEs) and operators seeking long-term financing do not often find structures to which to apply for want of investment banks. The banking sector is not really playing the role of financing the economy whose growth should be private sector-driven.

2.1.9.3 Out of nearly 3.12 million households in Cameroon in 2002, only 8.7% had the opportunity to apply for an investment loan. The structure of credit to the economy shows that producer credit is generally very low compared with consumer credit. Net rates of access to credit, calculated as a ratio of households that applied for credit, are estimated at 12.1%. About 9 out of 10 households applying for investment credit are refused credit. The main reason for refusal of credit is linked to the inadequate guarantees offered.

**Table 2:  
Number of Banks Infringing Prudential Norms**

	<b>2001</b>	<b>2002</b>	<b>2003</b>
Capital Adequacy	3	3	2
Liquidity Position	1	0	0
Fixed Asset Coverage	3	3	2
Maturity Transformation	4	3	4
Capital Base	3	1	1
Diversification	6	8	9

**Source : BEAC /COBAC**

## **2.2. Governance and Transparency**

### **2.2.1 Political Transparency**

2.2.1.1 The selection of persons to govern and manage public affairs in the name of the people is through the organization of free, fair and transparent elections, that is elections that offer all the competing parties equal chances of winning or losing. In matters of political transparency, the concern is in terms of compliance with rules prescribed through the relevant laws and regulations. It was therefore noted that the Ministry of Territorial Administration and Decentralization is supposed to take all measures relating to the preparation and organization of transparent elections. Hence, it should be pointed out that the following measures are provided for in Cameroon: (i) representation of political parties on voter card distribution commissions as well as in all polling stations; and (ii) elector's obligation to come along with an identification document and to leave indelible ink fingerprints after voting.

2.2.1.2 However, a few cases of irregularity were noted during the last elections. They include: (i) failure to comply with the law regarding the publication of voter lists and polling stations during the last presidential elections of 1997; and (ii) weaknesses during the last parliamentary elections due to improvisation and poor preparation of elections. Delay in the putting in place of the electoral material led to the dismissal by the President of the Republic of the authority which was responsible for such a delay. Moreover, it is important to point out that Cameroon's electoral register is not secured because it is not computerized. It cannot therefore guarantee transparency. Concerning media coverage of the electoral campaign (1997 presidential elections), a quantitative analysis by independent observers revealed that candidates did not benefit from equal treatment regarding the broadcast of their campaign materials on television. The leading opposition parties, notably the SDF and UNDP, ended up boycotting the presidential elections and, hence, did not have air time within the framework of direct party broadcasts. It is therefore admitted that the 1997 elections were not transparent because they were sullied by some irregularities denounced by the opposition. The same is true for the parliamentary elections of 2000 whose results were contested by the leading opposition party. However, Cameroon took the initiative to invite independent observers from the Commonwealth, Francophonie and the United States during the last parliamentary elections of 2002, which reflects concern for transparency.

## 2.2.2 Administrative Transparency

2.2.2.1. *Administrative transparency can mean the opening up to the public of processes whereby decisions are formulated and taken.* Efficiency in transparency should be the credo of a civil service at the service of the public. Article 66 of Cameroon's Constitution of 1996 stipulates that the President of the Republic, the Prime Minister, Members of Government, high-level officials, managers of administrative structures, those responsible for the handling of public money and all elected representatives shall declare their assets and property at the beginning and at the end of their tenure of office. Such a provision theoretically implies administrative transparency. But in practice, no declaration of assets and property has ever been made. Good governance being above all compliance with rules laid down, the Cameroonian Government should therefore apply this important constitutional measure.

2.2.2.2. The Cameroonian administration cannot be transparent without respecting the following principles : (i) consult citizens on the quality of the public services that they receive and allow them a choice of the services offered; (ii) facilitate equal access by citizens to the services to which they are entitled; (iii) give citizens complete and correct information on public services; and (iv) inform citizens on the way ministries and provincial services are managed, the persons managing them and how much they cost. A comprehensive study should help verify the application of these principles in order to assess the level of transparency. But, from our conversations with the workers we met, the values of professional conscience, honesty, integrity, attendance and punctuality have never been sufficiently disseminated and shared by all. Also, administrative practice gives the impression of a personalization of functions, thus giving property management free rein. It should be underscored that appointments to management positions are not based on any competition founded on merit and professionalism. They depend rather on the discretionary powers of the Authority, who ought to be armed with more or less objectively defined criteria.

## 2.2.3 Transparency in Public Procurement Procedures

2.2.3.1. Public procurements in Cameroon represent about 2100<sup>9</sup> contracts annually. The break down per expenditure category, on average, is 70% for works, 20% for supplies and 10% for services. It should be noted that 70% of the total expenditure is externally funded. The present reference texts governing public procurement in Cameroon are: (i) Decree No. 95/101 of 9 June 1995 to regulate public sector contracts, as amended and supplemented by Decree No. 2000/4155; (ii) Decree No. 95/102 of 9 June 1995 to lay down the duties, organization and functioning of public tenders boards, as amended and supplemented by Decree No. 2000/156 of 30 June 2000, and (iii) General Administrative Clauses for works and for supplies and services, introduced by Order No. 3430 of 13 October 1959.

2.2.3.2. *Legislative Framework:* Cameroonian laws and regulations on public procurement are scattered. A draft public procurement code is being prepared as a response to this problem. Pending publication of this code, the Public Contracts Regulatory Agency (ARMP) took the initiative to regroup all these texts in a compendium published in November 2002. In comparison with pre-1995 regulations, the new texts on public procurement contain major innovations which theoretically partake of transparency. These include: (i) deconcentration of the national tenders board, with the establishment of a tenders board in each government service in order to reduce procedural delays; (ii) acknowledgement of competitive bidding as

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<sup>9</sup> World Bank Report on Public Procurement, 2000

the preferred method of contract award; (iii) direct negotiation procedure subjected to the prior approval of the Authority responsible for public contracts (Article 39 of Decree No. 2000/155 ; (iv) prohibition of fragmentation of contracts ; (v) establishment of specialized boards for contracts of an amount above CFAF 30 million ; (vi) public opening of bids, in the presence of bidders or their representatives ; (vii) obligation to publish contract awards ; (viii) institution of an independent observer in tenders boards, with obligation to submit a report to the Authority ; (ix) auditing of contracts already awarded and executed; and (x) obligation to publish competitive bidding notices in the press within a relatively reasonable time frame.

2.2.3.3. *Nevertheless, there are still a few weaknesses.* In fact, in practice, (i) procedures are still long, which lengthens periods of payment and encourages corruption; (ii) the regulatory framework is not well assimilated by operators; (iii) the erroneous interpretation of amendment by the Contracting Authority is beyond the control of tender boards; (iv) the wording of Articles 27 and 39 of the same decree contains an inconsistency which causes a confusion between limited competitive bidding, direct negotiation and request for quotation (the latter is not recognized in Cameroonian law) procedures; and (v) taxation of procurements is still poorly understood<sup>10</sup>. In addition, there are many practices that are not transparent, including: (i) misuse of direct negotiation procedures by evoking cases of urgency that cannot be justified; (ii) lack of transparency due to the drawing up of restricted lists of bidders; (iii) poor quality of bidding documents characterized by technical and financial imprecision, and evaluation criteria frequently introduced or determined after opening of bids by the evaluation sub-committee; (iv) blocking of signature until the moment when the Contracting Authority negotiates with the awardees an amount higher than the initial amount; and (v) release of guarantees wrongly retained, which entails additional costs for the operator.

2.2.3.4. *The Public Contracts Regulatory Agency (ARMP) was set up by Decree No. 2001/48 of 23 February 2001* for the monitoring and evaluation of public contracts. It is placed under the supervisory authority of the Presidency of the Republic and endowed with legal personality and financial autonomy. Its duties are to: (i) contribute towards the training and information of stakeholders on regulations and procedures applicable to public procurements; (ii) prepare and disseminate standard bidding documents and procedures manuals; (iii) provide, as and when necessary, any technical support needed by contracting authorities and tenders boards; (iv) ensure, through studies and regular expression of opinions, the sound application of regulations and procedures relating to public procurements and make any recommendation or proposal for improvement; and (v) participate in updating public procurement regulations. The Agency carries out surveys and orders the conduct of specific audits and other investigations on the award, execution and control of public contracts. To process contract documents awarded nationwide, the ARMP has recruited 75 collectors who forward the documents to the head office without any security measure. The ARMP is supposed to find solutions to all identified weaknesses together with the authorities, but it is suffering from lack of institutional capacities due to ineffective filing methods, training needs and the need to improve on already prepared texts and procedures manuals, which could minimize the impact of all its activities on the improvement of transparency in public procurement.

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<sup>10</sup> because of lack of familiarization with the modalities for application of the procedure for implementing the taxation mechanism. Bidding documents do not provide data needed by enterprises to differentiate between taxes to be borne by them and those to be paid by the State.

## 2.2.4 Access to Information

2.2.4.1. Freedom of expression is guaranteed in Cameroon by the Constitution. With the advent of multiparty politics in the early 1990s, the media landscape has undergone significant changes. Indeed, the law of 19 December 1990 establishes the liberalization of the press sector. Hence, prior authorization to create a newspaper has been abolished. A mere declaration now suffices, with the exception of the audiovisual sub-sector which is still dominated by Government media. Administrative censorship was also abolished in 1996, but a few cases of judiciary and police censorship and some cases of imprisonment of journalists are reported. Access to information by the print media has therefore improved in Cameroon. In addition to the government daily “Cameroon Tribune”, there is an independent daily “Mutations”. Overall, many press organs are on sale on the market, alongside over 20 (twenty) private radio stations, including community radios which broadcast news which the government does not at all bother about because it is educative in nature. The other radio stations, in contrast, are largely used by the opposition to convey their political discourse.

2.2.4.2. *Concerning access to administrative, economic and social information*, it should be noted that a lot of efforts are still to be made. The Administration does not communicate a lot with users. Most ministries do not publish annual reports to relate what they are doing. The economic press is not growing in Cameroon’s media landscape. However, there are a few publications that appear regularly, namely: Le Financier d’Afrique; Invest; PME Conjuncture; and the journal of the Cameroon Employers’ Union (GICAM). Additionally, it should be pointed out that BEAC publishes, at regular intervals, a series of information relating to monetary policy and to the economic and monetary situation of Member States including Cameroon, but such information is not often accessible to the general public. Note should also be taken of the regular publications of the National Institute of Statistics (INS) which offer economic, financial and social information which is quite diversified but sometimes not topical because it is disseminated late. In the final analysis, the absence of publication of the financial statements of certain enterprises and administrative rules and procedures constitutes, for economic operators, an obstacle to transparency and business development.

2.2.4.3. *A strong and free press is necessary for good governance*. Journalists have understood this and have therefore organized within an association referred to as “Union of Cameroon Journalists” (UJC). However, this association does not have the required institutional capacities to better play its role in the national democratic game.

## 2.2.5 Public Revenue Collection

2.2.5.1. Total revenue for the year 2002 (excluding grants) represented 19.2% of GDP<sup>11</sup>, close to the set objective of 18.9% of GDP, with a non-oil revenue shortfall offset by much higher-than-expected oil revenue. Fiscal revenue during the first half of 2003 fell short of target. After consideration of the non-recurrent effect of the resolution of the problem of unpaid cheques at the end of December 2002, representing 0.4% of GDP, non-oil revenue performance, particularly revenue from the value-added tax (VAT), was lower than expected. Oil revenue was also below target, due to lower than expected export volume.

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<sup>11</sup> Source :IMF, Memorandum on Economic and Financial Policies of Cameroon, 2003

2.2.5.2. In general, it should be underscored that revenue collection improved significantly, owing to the new tax system, particularly the adoption of a new general tax code in April 2002 and the decree to set up the Major Enterprises Division within the Taxation Department of the Ministry of Finance and the Budget. To ensure transparency, the Government enters in the State cash flow account all revenue collected on oil products under VAT, customs duties and the special tax on petroleum products (TSPP). Revenue tracking, as shown by the elements of information appended to the finance bill, is perfectible. Statistical data would improve by being more explicit, to help distinguish what is due to a tax base variation.

## 2.2.6 Public Expenditure Review

2.2.6.1. *The expenditure circuit in Cameroon abides by two fundamental rules* : (i) separation of the authorizing officer from the accountant to guarantee the regularity of expenditure (the person who pays is different from the one who commits the expenditure) ; and (ii) the rule of service rendered, which is supposed to provide a second guarantee by preventing payment without the prior supply of the good or service ordered. Equipment expenditure<sup>12</sup> is made at the level of central services of ministries as well as at the level of deconcentrated government services in the provinces. They essentially follow the same procedure.

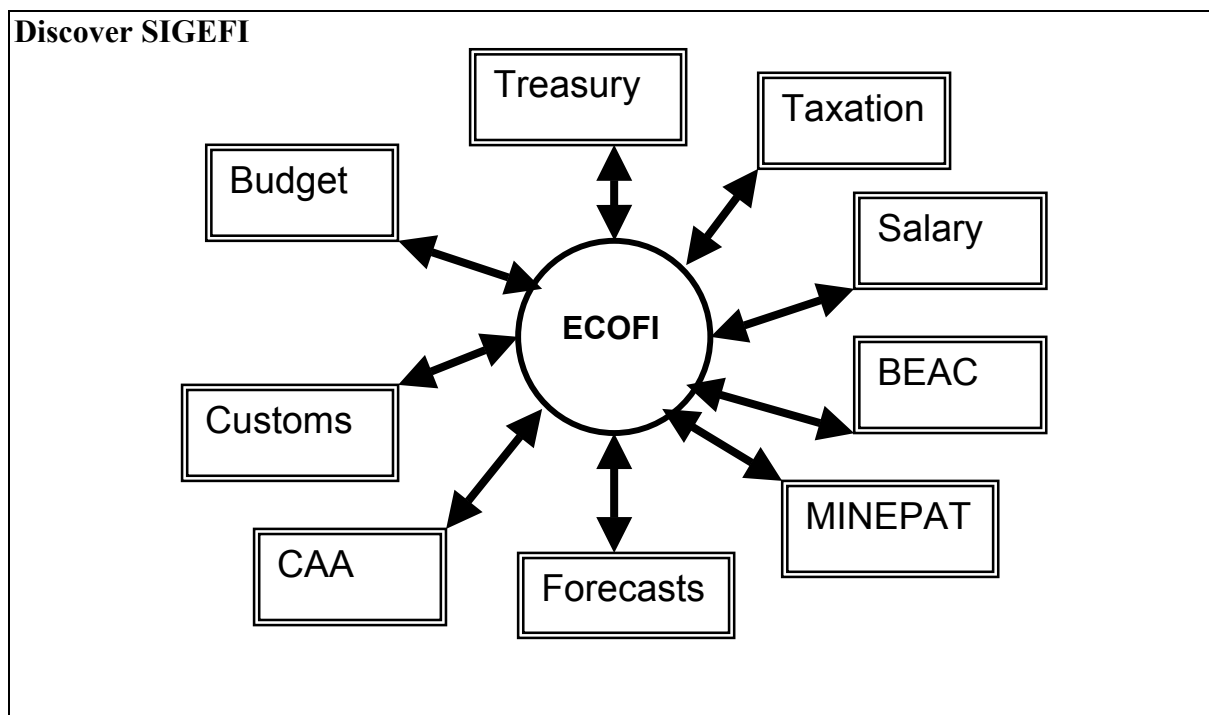
2.2.6.2. *Expenditure Procedure* : The common law procedure comprises an administrative expenditure phase (at the level of the authorizing officer) and an accounting phase. The administrative phase comprises: (i) commitment or the act initiated by the vote-holder and which commits legally and financially the public authority; (ii) liquidation consisting in verifying and certifying the service rendered and fixing the amount of the expenditure; (iii) expenditure authorization or order given by the vote-holder to the accountant to settle the expenditure and (iv) the payment or disbursement by the accountant of the sums due in return for the delivery of the good or service. The Treasury Paymaster General intervenes during the administrative phase at the level of liquidation to authorize the issuing of orders and to control the regularity of the expenditure (availability of credits, absence of objection, assignment of the expenditure, presence of supporting documents). In view of this procedure, it should be underlined that separation between the roles of authorizing officer and of accountant is not sufficiently clear, because of the intervention of the General Paymaster at the level of the administrative phase. This practice is the source of confusion as to the liability of each of the actors. It should also be pointed out that the expenditure authorization is not formalized by a specific document but by an endorsement of proper commitment. This practice makes some people mix up “commitment” and “authorization”. Moreover, *it should be noted that the Department of the Budget intervenes during the commitment phase of the expenditure by issuing a “claim confirmation” order.* This operation seems to be inconsistent with the fact that ministers perform autonomously the function of delegated authorizing officer, even though this power is not recognized by any legal text. The deconcentration of expenditure authorization is directed at easing the expenditure procedure and could increase the rate of consumption of investment credits which is still too low (60% on average)<sup>13</sup>.

<sup>12</sup> Equipment expenditure contrasts with staff expenditure which is the responsibility of the Department of Salaries and the ministries using the staff under the “ SIGIPES” project. Analysis of the expenditure is limited, in this section, to equipment expenditure comprising both recurrent expenditure and capital expenditure.

<sup>13</sup> Source : MINEPAT

2.2.6.3. *At the level of deconcentrated services*, credits represent about 50% of budget expenditure. Corresponding delegations of credits are issued by each technical ministry concerned. The local stakeholders, namely authorizing officers, governors, senior divisional officers, sub-divisional officers, representatives of central services and heads of establishments, on the one hand, and public accountants, on the other hand, effect expenditure in compliance with the procedure. Unlike at the central level, the accountant does not intervene in the administrative phase. The accountants at the local level are not officially informed of the list of local authorizing officers and credit managers to whom they are to be accredited. This is an uncomfortable situation for these accountants. On the whole, the public expenditure chain is being reorganized, with the support of many development partners including the World Bank, the European Union and French Cooperation. The progressive putting in place of the Integrated Public Finance Management System (SIGEFI) is also offering an opportunity to improve the expenditure circuit.

2.2.6.4. *Public Finance Information System* : The management of public finance has for a long time been characterized by an uncommunicative coexistence of various computer applications : (i) PAGPDE in the customs sector ; (ii) ANTILOPE for salary management ; (iii) IBIS-DM for State budget execution ; (iv) PATRIOT for cash management, and (v) TRINITE for the tax sector. These different systems are user specific, because they are highly compartmentalized, without the possibility of being geared towards open databases. They cannot therefore be transformed into an integrated system. Because these systems are not integrated, the coordination of economic and financial information becomes a nightmare, crosschecks become long and uncertain, leading to delays detrimental to access to information for decision-making. *This weakness is therefore at the root of the design and progressive putting in place of a new information system referred to as "Integrated Public Finance Management System" (SIGEFI). The objectives of this project include:* (i) establish an exhaustive and reliable performance chart, TABORD, within a very short time frame for a better steering of public finances ; (ii) improve the overall management of public finances by normalizing and making public finance circuits and processing operations reliable ; (iii) give the empowered bodies better means of controlling public finance management ; (iv) ensure transparency and tracking of processing operations in order to check corruption and embezzlement; (v) enable economic operators to quickly and easily know at what level their dossiers are regardless of where they are deposited, thus limiting travel and loss of time; (vi) speed up the processing of dossiers and shorten deadlines for payment for services so as to enable the persons concerned to minimize their financial costs in order to facilitate their investments. The final SIGEFI product should take the form of an economic and financial database nicknamed ECOFI. It would be the point of convergence of all economic and financial information that is consolidated, integrated and updated to form a major decision-making tool.



2.2.6.5. The following stages of the project have already been implemented: (i) implementation of the State Expenditure and Revenue Subsidiary Accounts (CADRE) at central and provincial levels; (ii) implementation of the Expenditure Management Informations System for Corrective Measures in Tracking Budgetary Operations<sup>14</sup> (DEPMI) at central and provincial levels; (iii) integration of the two systems through the implementation of a permanent interface guaranteeing transparency, tracking, security of procedures, exhaustiveness and efficiency. It should be pointed out that “SIGEFI” is a project for modernizing Cameroon’s economic and financial system, implementation of which will significantly contribute to fiscal consolidation, transparency and excellent preparation for decision-making based on reliable information. However, it is a challenge to face up to. There are many pitfalls or obstacles to overcome. Success will largely depend on: (i) the development of a real computer culture by all users; (ii) a good maintenance mechanism; (iii) putting in place of a permanent information system, considering staff mobility; (iv) display of leadership qualities by officials; (v) proactive stakeholders who anticipate problems and events; and (vi) team spirit based on solidarity and a clear definition of each party’s roles.

### 2.2.7 Management of Oil Resources

Cameroon’s oil production is around 1 110 000 barrels/day and is derived mainly from exploitation concessions (offshore) granted by the National Hydrocarbons Corporation (SNH) in the Rio Del Rey and Douala/Kribi-Campo basins to TotalFina-Elf, Pecten and then Parenco. The Government prepared a plan for reform of the management of the oil sector in March 2001. The plan comprises, in particular, the formulation and implementation of an action plan aimed at better defining the roles and responsibilities of the various stakeholders

<sup>14</sup> It is an approved price list for detecting overbilling

in the sector, especially private operators, the national oil company (SNH), the ministry in charge of hydrocarbons and the other entities involved. Oil revenue is entered in the State budget, but its management would stand to gain if it were more transparent with the establishment of a tripartite organ (State, oil companies and civil society) so that the revenue can contribute more to poverty reduction.

## **2.2.8 Transparency and Monitoring-Evaluation of Public Policies**

2.2.8.1. The poverty reduction strategy will not be able to attain its main objective, which consists in combining reduction of the debt burden, growth and poverty reduction, without the putting in place of a project and programme monitoring and evaluation mechanism involving public, private and civil society stakeholders. A good policy monitoring and evaluation system presupposes the availability of liable information, transparency, experiential learning, strong involvement of stakeholders concerned and a clear definition of each person's roles. To put in place the policy monitoring and evaluation institutional framework, the Government has set up two structures: the Interministerial PRSP Implementation Supervision and Monitoring Committee and the Technical PRSP Implementation Activities Monitoring and Evaluation Committee which were established respectively by Decrees Nos.2003/2220/PM and 2003/2221/PM of 29 September 2003. Concerning the monitoring of the completion point of the HIPC initiative, the Prime Minister personally chairs the interministerial committee set up for this purpose. Other monitoring and evaluation mechanisms have also been put in place, notably the National Governance Programme (NGP) Steering and Monitoring Committee and the HIPC Resources Management Advisory and Monitoring Committee (Decree No. 2000/960/PM of 1 December 2000).

2.2.8.2. It is worth noting that the monitoring and evaluation mechanism is ineffective. In fact, the committees are disorganized and there is no coordination between them. From experience, the interministerial committee formula lacks coherence in its activities, because its meetings are not regular and responsibilities are not clearly defined. Such a mechanism helps ensure neither transparency nor efficiency. Regarding the numerous monitoring committees, experience also shows that each committee bustles about without information filtering from the local level and the various sectors towards a national coordination, taking into account the opinions of the populations benefiting from the projects and programmes. The Technical Programme Monitoring Committee (CST) at MINEPAT is supposed to play the coordination role, but its institutional capacities are weak. Indeed, it does not have an efficient information monitoring system, with an integrated computer application medium like the SIGEFI project on fiscal consolidation. It publishes regularly a matrix for monitoring the various policies particularly relating to measures to be taken in order to reach the completion point of the HIPC initiative, but this instrument does not reveal the causes of delays in the implementation of the PRSP where there are priority plans of action with monitoring indicators for each sector.

2.2.8.3. Furthermore, there is a need to point out the weak involvement of non-State governance stakeholders (civil society organizations) in the monitoring and evaluation system. In the existing texts, these stakeholders are among the members of the various monitoring committees but, in practice, their participation is somewhat marginal. As regards the management of HIPC funds, State organizations predominate civil society stakeholders most of whose projects are not approved. At best, their presence is seen as an assertion of their right. However, with the emergence of many civil society stakeholders, the Public

Administration is making progress with respect to the involvement of non-State stakeholders, especially as the principle of accountability and transparency has become a donor requirement.

### **2.3. Governance and Participation**

#### **2.3.1 Legal Framework for Participation**

2.3.1.1. A democratic management of power and public affairs implies the participation of all the parties concerned in order, on the one hand, to secure their adherence to the policies conducted, to the extent where such policies benefit them, and, on the other hand, to maintain mobilization around the objectives, strategies and plans of action retained. *The African Charter on Mass Participation in Development and Transformation adopted in Arusha in 1990 and to which Cameroon adheres*, defines the objective, concerned stakeholders, conditions and modalities of implementation of such participation. Cameroon's legislative and regulatory system offers, in turn, a framework for participation. Thus, the participatory dimension is taken into account by an increasing number of texts. Law No. 90/53 of 19 December 1990 relating to freedom of association has opened the way for civil society in general, be they NGOs, associations, groups, all kinds of mutual associations and cooperatives, to freely operate. Such freedom is entrenched by the Preamble of the 1996 Constitution which guarantees "*freedom of communication, of expression, of the press, of assembly, of association and of trade unionism, as well as the right to strike*".

2.3.1.2. The 1990/2000 decade, corresponding to a period of democratic openness, saw a sharp expansion of the cooperative sector. A survey on civil society organizations has revealed the existence of 55 602 duly declared associations. The State has taken note of the diversity of civil society stakeholders and a legislative and regulatory framework has been defined to this effect (Law No. 99/14 of 22 December 1999 governing NGOs and its enabling decree, the decree on savings and loan cooperatives, the decree on mutual savings and loan associations and the decree on development committees).

2.3.1.3. Participation makes it possible to involve stakeholders in the identification of the challenges and in the formulation, adoption, implementation and monitoring of policies. It thus goes beyond a mere occasional consultation. The actors concerned are all stakeholders in the definition, adoption and implementation of national policies: it is the case of the citizens who have the right to choose their representatives, members of Parliament and of its committees, all advisory structures (Economic and Social Council), local authorities and assemblies, various civil society components (associations, groups, NGOs, trade unions and workers, media, farmers, women and youth, scientific community), private sector (employers and professional organizations) and development partners.

#### **2.3.2 Participation in the Electoral Process and Elections**

2.3.2.1. The legal framework for elections in Cameroon (council, parliamentary and presidential) is defined by the Constitution and various national laws which lay down all the conditions for: (i) registration on the electoral lists; (ii) control of the lists; (iii) distribution of voter cards, etc. These texts also define the roles and duties of various structures and/or organizations (electoral commissions, government services, political parties, civil society and the media, etc.) involved in the conduct of electoral operations. According to these texts, it is

the administrative authority who fixes the polling date. However, the opposition blames them for not adhering to deadlines by bring forward or delaying elections.

2.3.2.2. An analysis of texts shows that it is territorial administration (ministry, and local and regional authorities) which, with the support of various local commissions whose members are appointed by local authorities, plays the key role in the preparation and organization of voting operations. However, for the control, transparency, fairness and supervision of electoral operations, the Government has put in place a National Elections Observatory (NEO) set up by Law No. 2000/16 of 19 December 2000 as amended and supplemented by Law No. 2003/15 of 22 December 2003. Its members are appointed by Presidential decree, after consultation with political parties and civil society and must, in no circumstances, solicit or receive instructions or orders from any public or private authority. As additional guarantee for respect of the rights of each elector and each candidate, national and foreign observers are authorized to take part in the observation of the voting process.

2.3.2.3. However, in spite of the backing of observers and the recognized status of members of NEO, doubts were nonetheless expressed about the efficiency and real independence of this institution whose reports are intended for the President of the Republic. At the level of voter participation, it is also to be feared that many citizens will remain marginalized in the electoral process if they fail to apply for an identity card which they consider “useless and expensive”. All the same, NEO capitalized on a first experience, by supervising the 2002 parliamentary elections, which should enable it to better prepare, particularly by recruiting and training competent and honest staff, for the control and supervision of the next presidential elections scheduled for 2004.

### **2.3.3 Civil Society Participation**

2.3.3.1. Civil society is acknowledge as an unavoidable partner involved in all dialogue, consultation and decision-making bodies in the same capacity as the other development actors. In Cameroon, the level of involvement in the participation and decision-making process by concerned parties is still low. Participation is supplanted by consultation. Thus, the *consultative* process is envisaged (Economic and Social Council provided for by Article 54 of the Constitution but not yet put in place) or implemented through the formation of numerous commissions or committees at various levels: neighbourhood, council, ministry, interministerial. Likewise, *participation* in the preparation of projects and programmes is increasingly carried out in practice. The preparation of the different phases of the NGP and PRSP, as well as the media campaigns that followed, were an occasion for strong national mobilization and in-depth surveys which resulted in the sensitization and internalization of these outline programmes. The same is true for the preparation of sectoral plans of action (health, education, etc.). In contrast, the importance of mobilization is not so clear regarding involvement in the preparation, decision-making, implementation, monitoring and evaluation process. Of course, the National Assembly considers and passes laws but it is not really involved in all the major decisions which continue to be the monopoly of central government services without, in general, any public debate.

2.3.3.2. It is at the local level and especially thanks to the support of development partners that a really participatory approach, mobilizing the local populations, is taking form with several programmes [National Participatory Development Programme (PNDP), Urban Development Decentralized Capacities Support Project (PACDDU), Urban Participatory Development Programme (FOURMI)] whose goals will be to entrust responsibility for programming, selection, financing and monitoring of projects to regional and local authorities. This approach opens the way to partnership based on the will to jointly undertake the fight against under-development and poverty. Local authorities, civil society and the other partners (donors and private sector), by creating a framework for consultation and maintaining permanent dialogue, are jointly committed to creating the dynamism that guarantees participation by all.

2.3.3.3. Despite the existence of texts giving it, in principle, the freedom of action, civil society, which has multiple components, is not yet structured, lacks resources and is technically not trained, is in reality experiencing difficulties in asserting itself as a credible partner of public authorities who are mistrustful of structures said to be beyond their control. This is reflected in the reservations of some donors on the seeds of State control discernible in the law on NGOs.

#### **2.3.4 Participation and Gender Issues**

2.3.4.1. The goal of government policy is the advancement of Cameroonian women in all sectors of activity. The present structure of government comprises a Ministry of Women's Affairs whose mission is *"the preparation and implementation of measures to ensure respect for women's rights in society, disappearance of all forms of discrimination against women and increased guarantees of equality in the political, economic, social and cultural domains"*. This is an ambitious programme for the future. For the moment, many actions have been undertaken: training centres, family welfare centres, etc. Concurrently, and in cooperation with the UNFPA, the "Women, Population and Development" Project comprises two types of activity: encouragement of planned parenthood and grant of small amounts of financing.

2.3.4.2. Though not completely excluded from decision-making bodies, Cameroonian women are poorly represented in the machinery of state. Their number in Parliament has fallen in comparison to the previous legislature. Concerning municipal councilors and mayors, they are grossly under-represented (2 female mayors out of 336). Politically, the adoption of the quota principle notwithstanding, women are still marginalized. Thus very few women occupy decision-making positions. Capitalizing on global developments, particularly in the wake of the Beijing Conference, hundreds of women associations and groups (ACAFEJ, ALVF, Caucus des Femmes du Cameroun) are busy, with few means, rallying popular support with a view to ensuring the political advancement of women.

2.3.4.3. At the level of *legal rights*, Cameroon ratified the Convention on the Elimination All Forms of Discrimination Against Women. The Constitution of 1996 recognizes and proclaims that all persons, men and women, have equal rights and obligations. In pursuance of these principles, the Government has prepared a bill on persons and family code introducing many major innovations : (i) strengthening of equality between men and women in matters of name, domicile, age, marriage, alimony and acquisition of nationality; (ii) regulation of polygamy which is henceforth governed by settlement under which the parties administer their separate properties; (iii) organization and empowerment of the family

council; (iv) strengthening of the protection of widows with respect to both her person and property; and (v) right of inheritance granted to surviving spouse regardless of sex. This bill was adopted and transmitted by the Prime Minister to the President of the Republic who will submit it to the National Assembly. Other legal measures protecting women or the girl child are included in the health and labour codes or derive from guidelines for increased girl enrolment.

2.3.4.4. In spite of the domestic law which is increasingly favourable to them, many factors still contribute to maintain Cameroonian women in a state of dependence and make them bear many forms of violence and discrimination compounded by customary practices in many areas: education (girls account for 60% of school drop-outs), health, employment, access to credit and to the production process.

### **2.3.5 Decentralization and Deconcentration**

2.3.5.1. The 1996 Constitution, in Part X relating to Regional and Local Authorities (RLA), has adopted a decentralized form of government in a unitary State. The basic decentralization system is laid down by the law of 5 December 1974 on councils. Later on, the law of 15 July 1987 established two city councils and granted them the status of regional and local authorities. Innovations introduced by the Constitution have changed the previous set-up : the council is maintained as a local authority ; (ii) city councils have lost their status as regional and local authorities ; (iii) a new authority, the Region, has been created, in replacement of the province which is no longer an administrative unit. All in all, the new territorial set-up is as follows : (i) regional and local authorities : 336 councils and 10 regions ; (ii) administrative units : 58 divisions, 268 subdivisions and 54 districts ; (iii) territorial public establishments : 2 City Councils. In addition to the above structures are traditional chiefdoms considered not as administrative units but as “auxiliary” organs exercising certain powers within administrative units. Therefore, only councils and regions have, at the moment, the status of RLA with legal personality and administrative and financial autonomy. Such autonomy allows them self-government through elected councils, within the limits of their own resources. The other authorities (districts, subdivisions and divisions) are mere administrative units managed by appointed authorities.

2.3.5.2. Numerous dysfunctions have been identified in decentralized territorial administration: (i) numerous structures that are not homogeneous; (ii) activity of councils distorted from the triple standpoint of situation of their organs, organization of their services and rules of operation; (iii) failure to clarify and define the powers of the various public authorities; (iv) permanent interference of the supervisory authority, traditional authorities and political parties; (v) inadequate human, technical and financial resources; (vi) inadequate resources and capacity of the Special Council Support Fund for Mutual Assistance (FEICOM) and Local Government Training Centre (CEFAM).

2.3.5.3. Human resources are a decisive factor in the normal functioning of authorities and any assignment of powers would be futile if it is not backed by human, material as well as financial resources. Local finances represent less than 3% of State revenue. This percentage is an indicator of the degree of decentralization attained so far. The council tax ( a 10% mark-up on some taxes collected by the State) is the main fiscal revenue of councils. This tax depends on State tax proceeds. Hence, the council tax is also affected by the present issue of State taxes regarding the broadening of the tax base, reduction of taxable amounts, fraud and tax evasion. Councils must therefore strongly commit themselves alongside State

financial services to jointly put in place tax management instruments that guarantee a proper census of taxable items and persons.

2.3.5.4. The criticisms levied against deconcentration are also bitter: deconcentrated organs appointed by central authorities have no account to render to any body at local level. All decision proposals of Governors and Senior Divisional Officers must be approved beforehand by the central level. The administrative services of the Capital are the only services that wield power because they decide on external staff assessment, establishment of their absence, settlement of disputes of cooperatives, staff management and maintenance of local roads. These services even continue to monopolize clerical duties even though they are normally performed by the lower echelons. Although they hold authority confided on them by the texts governing their activities, deconcentrated services are too dependent on the central hierarchical authority and become mere administrative links with little or no power, which inhibits their initiatives and results in long delays in programme implementation.

2.3.5.5. To concretize the decentralization announced by the 1996 Constitution, Government has prepared five bills to be tabled before the National Assembly in 2004. These bills concern: (i) common rules applicable to RLAs; (ii) special rules applicable to councils; (iii) special rules applicable to regions; (iv) conditions of election of regional councilors; and (v) conditions of election of members of the Senate. No text is being prepared as concerns deconcentration.

### **2.3.6. Economic Cooperation and Regional Integration**

Cameroon is a member of many sub-regional organizations: ECCAS, CEMAC and OHADA. The institutional bodies put in place have been given fresh impetus. The ECCAS “Recovery and Revitalization Programme” has achieved remarkable outputs in the areas of peace and security (mutual assistance pact), free movement of certain categories of nationals (business men and women, officials of Member States on mission, etc.), autonomous financing of ECCAS (institution of a community integration tax), putting in place of a free trade zone (conduct of three studies: trade liberalization plan, amendment of the provisions of the treaty and protocols on trade and revenue compensation fund). In collaboration with BEAC, the CEMAC Executive Secretariat ensures *budgetary restraint* and application of the four convergence criteria (cf. table below). As at 31 December 2003, these criteria were respected by Cameroon, with the exception of the one relating to wage bill as a ratio of fiscal revenue. *Concerning monetary policy*, the Government is determined to contribute to the establishment of a regional State security and private bond market and to effectively implement the new CEMAC zone exchange regulations, in particular the transfer of powers from public administration to commercial banks in the area of management of operations with the external world.

**Table 3: Status of Convergence Criteria**

		2000	2001	2002	2003
1	<b>Basic fiscal balance as a ratio of nominal GDP (positive or nil)</b>	4.1	2.1	2	2.4
2	<b>Public debt ratio (domestic and foreign) in % of GDP &lt; 70%</b>	66.4	62.1	65.9	45.4
3	<b>External currency coverage rate is in %<math>\geq</math>20</b>	15.1	38.6	49	58.5
4	<b>Wage bill trend compared to fiscal revenue trend (Standard <math>\leq</math> 1)</b>	0.3	2.4	1.4	1.6

**Source: CEMAC Executive Secretariat, January 2004**

### **2.3.7. Relations between the Public Sector and Private Sector**

Building strong partnerships between various development partners is among Government's concerns. Government has, on several occasions, initiated dialogue and consultation with its partners in regard to public policymaking (including the preparation of the PRSP). In this respect, several discussion and consultative bodies have been put in place (see 2.4.3). Some bodies are co-managed by the State, the private sector and civil society such as education or health governance, Road Maintenance Fund and Orientation Advisory Committees within port authorities and where the private sector is well represented. As concerns AIDS control, 110 partnership conventions have been signed with NGOs, churches and large companies for the implementation of an awareness strategy targeting staff and communities, advocating condom use and promoting voluntary screening. Lastly, the Electricity Sector Regulatory Agency (ARSEL) and the Telecommunications Regulatory Agency (ART) receive funding from the International Development Agency to build their capacities through a Public/Private Sector Partnership for Growth and Poverty Reduction (PPPGPR).

### **2.3.8. Participation of Workers in Corporate Decision-Making**

Freedom of association established by Law No. 90 of 19 December 1990 resulted in the mushrooming of dozens of trade unions in most socio-economic sectors. Civil servants not governed by the Labour Code could henceforth form professional trade unions (SYNAFCIF, SYNAPTEC, SYNEC, SYNPEMS) under Law No. 68/LF/19 of 19 November 1968 and its implementation decree. The trade unions generally form confederations with the most popular being the Cameroon Trade Union Congress (CSTC) and the Cameroon Union of Free Trade Unions (USLC). Generally speaking, relations between public authorities and trade unions have improved though the latter complain about not receiving benefits granted to political parties. Government advocates consultation with Management and Labour before taking decisions on labour matters. The Cameroon Labour Code (Law No. 92/7 of 14 August 1992) provides for several consultative bodies (National Labour Advisory Board, National

Commission on Industrial Hygiene and Safety, Joint Committee on collective agreement negotiations have been established in nine labour sectors) where the concerns of the different parties are raised and considered. In this respect, it is noteworthy that six collective agreements (banks, handling at ports, processing industries, logging, trade and agro-industries) have been signed.

## **2.4 Legal and Judicial System**

### **2.4.1. Legal Reforms**

2.4.1.1. There are several sources of law and a dual judicial system in Cameroon. In fact, it is a mix of national law and community law, as well as customary and modern law. The traditional sources of modern domestic law include the Constitution and its Preamble, major universal principles, laws, ordinances, regulations and case law. Court and Supreme Court jurisprudence are sources of law although they are still quite unknown. Moreover, in 1998, the Cameroon Employers' Union (GICAM) decided to set up an arbitration body to examine contractual disputes. While few cases have been brought before the GICAM arbitration body, the initiative raised some concern, as the institutional judicial system is the sole guarantor of the smooth functioning of contract law.

2.4.1.2. Cameroon's bilingual status bequeathed the country, in civil and commercial matters, a double legacy: French Law and English Common Law. French civil law is enforced in eight provinces while English Law is applied in the other two provinces (South-West and North-West). Cameroon is a signatory to the OHADA Treaty (Law No. 96/177 of 5 September 1996) whose objective is to respond appropriately to legal and judicial insecurity and to foster domestic and foreign investments. Cameroon has ratified the first eight Uniform Acts including the Act relating to rules of procedure before the Common Court of Justice and Arbitration. The Act introduces the procedure of arbitration in Cameroonian law and defines, in this respect, the jurisdiction of the said court in matters of interpretation and common enforcement of the OHADA Treaty, rules of enforcement and Uniform Acts. Community law thus overrides internal law for matters falling under the purview of the above-mentioned Acts.

2.4.1.3. With respect to supranational law, Cameroon has adhered to several international conventions, notably those pertaining to the promotion and protection of human rights. However, while the law accommodates new practices, new techniques and new legislation, there is inconsistency between substantive law and customary law in regard to new national, community and international arrangements. Accordingly, the Bank, through the NGP support project, funds the standardization and translation into English of instruments.

2.4.1.4. Notwithstanding the proliferation of instruments, it must be admitted that the legal and regulatory provisions remain inadequate. Several implementation instruments are in abeyance (the Audit Bench, Constitutional Council). Other areas require laws to fill legal voids, amendment of some instruments, and clarification: Higher Judicial Council, legislation governing rights of the family, child, disabled persons, workers and refugees. Furthermore, the clarity of law is still far from perfect. Citizens, university students, researchers and legal minds still complain about inadequate access to substantive law, jurisprudence, community law and international law. Common Law procedures are not codified and grasped, while a compendium thereon is awaited. Similarly, OHADA law is unknown in the English-speaking provinces, hence, increasing calls for its translation and dissemination.

## 2.4.2. Judicial Reforms

2.4.2.1. A diagnostic report to evaluate Cameroon's judicial system made a comprehensive review of its weaknesses: all judicial institutions are not yet set up, judicial services are inefficient and lack premises and equipment; access to justice is difficult and expensive thus discrediting the judicial system.

2.4.2.2. The modern law court system comprises a Supreme Court in Yaounde composed of three Benches (judicial, administrative and audit), Courts of Appeal in each province, High Courts in divisions and Courts of First Instance in sub-divisions. In addition to the above modern law courts, there are customary law courts such as Customary Courts and Alkali Courts still found in the South-West and North-West provinces, and First and Second Degree Customary Courts. While the system is growing denser, the core judicial institutions remain inadequate. The Audit Bench, an organ of the Supreme Court, provided for in the Constitution, was only created in April 2003 and is not yet operational as its implementation instruments need to be approved by government. In the same vein, the instrument to organize the Constitutional Council, recognized as a court of arbitration by the Constitution, is still in process. The putting in place of the Audit Bench and Constitutional Council are expected to complete the building of the court system at the highest level. Locally, while Courts of Appeal and High Courts are adequate, Courts of First Instance are unfortunately non-existent in 202 sub-divisions.

2.4.2.3. The state of facilities greatly hampers the smooth functioning of courts and court registries. In 2003, the share of the Ministry of Justice in the State budget stood at barely 0.69% distributed as follows: 46%, 30% and 24% for personnel costs, overheads and capital expenditure respectively. Regarding premises, the Ministry of Justice embarked on a comprehensive programme to build and rehabilitate courthouses. However, the existing premises, built or renovated, are often inadequate and there is a need to build 202 courts of first instance. With regard to equipment, the Ministry successfully purchased vehicles, typewriters, telephones, fax machines and photocopiers for some courts thereby easing the work of control and inspection missions in registries, Legal Departments and prisons. There are similar needs in basic supplies. Registers, paper, printed forms, and forms are systematically not supplied to staff. In terms of filing, documents for filing are stacked and piled in unsuitable premises which are prone to deterioration and destruction. It is worth reporting the initiative to design a master plan for the computerization of the judicial system. The Legal Department of the Douala-Bonanjo Court of First Instance has already been computerized. Others are expected to follow suit (Yaounde, Douala-Ndokoti).

2.4.2.4. While the Constitution upholds the principle of separation of powers in three parts, it does not classify the Constitutional Council (Part VII) and Court of Impeachment (Part VIII) under justice. It is a shallow perception of Judicial Power as the Constitutional Council is actually a court of arbitration that rules on matters of jurisdiction and regulates relations between State institutions, while the Court of Impeachment has jurisdiction to try a special category of persons. Moreover, regarding rules of precedence and respect of state protocol during official ceremonies, career path of magistrates or allocation of appropriations, the judiciary does not receive equal treatment as the executive. The independence of the judiciary is in principle upheld by the provisions of Article 37 of the Constitution: the President of the Republic is, in principle, guarantor of this independence. The powers of the Supreme Court, the highest court in the land, have been enhanced since the adoption of the current rules and regulations governing legal and judicial officers. It has an autonomous

budget and independent assessment system of Presidents of Appeal Courts, an erstwhile prerogative of the Ministry of Justice. However, the President of the Supreme Court is not a member of the Higher Judicial Council. Yet, the number of magistrates sitting on this body that manages their career is low. They are not elected by their peers, they are appointed by the Supreme Court. Hence, the Higher Judicial Council is seemingly a rubber stamp whose power is restricted to giving opinions on proposed appointments and disciplinary measures against Magistrates of the Bench. Lastly, the permanent appointment of the magistrates of the bench whose judicial duties are guided solely by the law and their conscience (Article 37 (2) of the Constitution) is also flouted by appointments made by the Minister of Justice for official reasons.

2.4.2.5. There are several reports of misappropriation in the judicial system. According to media reports, it cuts across all judicial professions: legal and judicial officers, officers of court, lawyers, sheriff-bailiffs, notaries-public, as well as land surveyors, policemen, etc. Public opinion frowns on the judicial corps, without exception, for breaching ethics and sometimes criminal law. Such misconduct stems from low salaries and excessive Bar Council membership (from 300 lawyers ten years ago to some one thousand including 400 pupil lawyers). Moreover, some litigants deliberately or unintentionally indulge in corruption. They influence judgments handed down by some magistrates thereby depicting Cameroon's judicial system as unfriendly to business development and investors. The technical audit report on the judicial system highlights that the law is sometimes deliberately overlooked. "Some judgments smack of arbitrariness as gross violations of the law and impunity are rife. Several judgments attest to the judge's intention to cause a *fait accompli* by disregarding the time-limit required for appeal or ordering the restitution of property confiscated from a litigant on grounds of misappropriation of State funds. Substantively, court judgments are often grounded on informal arrangements rather than points of law. This also applies to some "complex" cases on business law which are prone to all sorts of delaying tactics and fraud.

2.4.2.6. The absence of any form of efficiency control, qualitatively and quantitatively, accounts for judicial red tape. This is aptly reflected by the average time elapsed between a petition for appeal and Supreme Court judgment. Generally, a review of the 1998/1999 and 2000/2001 legal years highlights long delays in the settlement of disputes: 30 to 44 months in civil matters, 50 to 65 months for criminal cases, 104 to 113 months for labour matters, and 32 to 44 months in customary law cases. The discretionary decision to stay the enforcement of judgments sometimes has serious repercussions on the litigant. The registration of court decisions is stalled by financial services thus preventing the drawing up of the official copy and judgment and consequently, notification and enforcement of the judgments. Moreover, the payment of a deposit equal to 5% of the court costs at the commencement of legal proceedings is generally viewed as an impediment to justice.

2.4.2.7. Prison administration is government by two decrees (Decree No. 73/774 of 11 December 1973 and Decree No. 74/250 of 3 April 1974) and is attached to the Ministry of Territorial Administration. Cameroon has 67 prisons including 10 central prisons, 35 main prisons and 22 secondary prisons. The inmate population stood at approximately 22,819 detainees in 2002 including 12,000 persons awaiting trial supervised by about 4,800 prison staff from all ranks. The administration encounters multi-pronged constraints: obsolete prisons, stagnating prison facilities, inadequate and ageing staff. The judicial system is blamed for overcrowding in prisons. A European Union project resulted in the release of more than one thousand detainees who were remanded in custody for very long periods (6 months to 30 years).

2.4.2.8. The 1996 Constitution affirms its attachment to basic freedoms set out in various human rights declarations. The adoption, as early as 1990, of Law No. 90/1459 of 8 November 1990 to set up the National Commission on Human Rights and Freedoms (NCHRF) and laws of 19 December 1990 to repeal the 1962 Ordinance relating to penalties for subversion, to abolish censorship of publications and to set up political parties, are eloquent testimony to a genuine resolve towards democratization. The NCHRF is the body responsible for educating citizens on all their rights and reporting abuses thereof. Accordingly, its mandate is quite comprehensive. It receives reports on human right violations and carries out investigations. It may inspect prisons, police stations and gendarmerie brigades in the presence of the State Counsel. It also makes proposals to government on measures to be taken in the area of human rights and freedoms. It is an autonomous public body and comprises representatives of government (3), the Supreme Court (2), the Economic and Social Council (1), local authorities (1) political parties represented in the National Assembly (3), journalists (2), women (2), faiths (4), and liberal professions (2).

2.4.2.9. The NCHRF published and submitted to the President of the Republic a five-year report on its activities from February 1992 to February 1997 and a three-year progress report for 1997 to 1999. These publications which outline the Commission's work are not reports on the status of human rights and freedoms in Cameroon, undisclosed to the general public. The NCHRF mission reports highlight several cases of human rights violations such as torture, arraignment, arbitrary arrest, wrongful detention and the right to a fair trial. The NCHRF impressed on courts to seriously punish persons guilty of torture and physical assault. Hence, between 1990 and 1995, 325 police officers, from all ranks, were prosecuted for human rights violations. The Commission also played an active role in various elections. A manual on "Principles of Free and Fair Elections" was published and disseminated by the Commission. NCHRF lacks funds and logistics to perform its duties and open 8 new regional branches; subsidies are inadequate while the Commission procure equipment and implemented its programme of activities through international cooperation assistance.

2.4.2.10. Alongside the NCHRF, some forty human rights defense groups are working actively in various areas with greater leverage. In 1997, they monitored the parliamentary and presidential elections. Others, like *Conscience Africaine* address political issues such as elections.

2.4.2.11. Despite efforts made by the NCHRF and the above groups, the technical audit of the judicial system reports that several provisions of criminal law and criminal procedure are hardly applied in some parts of the country where local traditional rulers enforce their own laws or apply customary law provisions. Human rights are thus disregarded because of the impunity of the perpetrators and the excessive powers wielded by military tribunals.

2.4.2.12. Government actions in favour of disabled persons are diverse: enrolment of deaf children, medical care, fitting of prosthesis, fostering income-generating activities, revitalizing groups of disabled persons, and vocational training for women with disabilities. There is an ongoing study to reform the law of 21 July 1983 relating to this category of persons and to strengthen the legal framework on the protection of disabled persons. Disabled persons have expressed concern on the violation of their voting rights, right to freely choose employment and fair and equal working conditions. They also complain that, as a minority group, their right to knowledge is often violated.

2.4.2.13. Cameroon, bordered by politically unstable and war-torn countries, is a privileged refugee destination. The NCHRF reports that an ever-growing number of refugees encountering difficulties at the United Nations High Commissioner's Office for Refugees look up to the Commission to intervene for the issuing of attestations and to provide assistance in cash or in kind. Although the situation of refugees in Cameroon is complex, there is no national legislation protecting asylum rights.

### 2.4.3. Legal Framework for Private Sector Development

2.4.3.1. Annual reports of the Inter-Ministerial Committee extended to the Private Sector (CIESP) outline a number of constraints facing private sector development relating to the absence of appropriate private sector development strategies, high costs and unavailability of some factors of production, weak support capacities, inadequate training facilities, especially in the provinces, inefficient financial intermediation (inadequate mobilization of national savings, lack of medium- and long-term resources; lack of new financial instruments and products), problems specific to SMEs/SMIs, micro-enterprises and cottage industries with respect to policies, support capacities and access to funding, administrative and tax procedures, judicial red tape and, lastly, lack of permanent and sustained dialogue between the public and private sectors. Despite the reported weaknesses, Cameroon's economy showed early signs of recovery only in 1995 after several years of depression. The upturn stems mainly from the implementation of institutional and structural reforms and a favourable external situation.

2.4.3.2. **Freedom to invest:** the Government of Cameroon acknowledges the importance of domestic private initiatives and FDI as engines of economic recovery and poverty alleviation. The gamut of liberalization and privatization measures has triggered the growth of Cameroon's private sector and increasingly consolidated and clarified its legal environment. Freedom of investment was established by the Investment Code under Ordinance No. 90/7 of 6 November 1990 which was repealed by Law No. 2002/4 of 29 April 2002 to lay down the CEMAC Investment Charter adopted in 1999. The two instruments provide for, or grant several incentives to investors. Moreover, most sectors (investment, transport, trade, etc.) are today governed by specific legal and statutory instruments. In addition to the Civil Code, Law No. 90/31 of 10 August 1990 governing commercial activities and the OHADA Uniform Acts in force, have reformed the business environment as they further liberalize business activities and offer added legal security.

2.4.3.3. **Consultation and support bodies:** institutional reforms heralded the putting in place of initial private sector consultative and support structures (Inter-ministerial Committee extended to the Private Sector (CIESP), Competitiveness Committee, Chamber of Commerce, Industries, Mines and Handicraft (CCIMA), and some regulatory, monitoring and evaluation agencies (agencies on public contracts, electricity, telecommunication). All these bodies need genuine support to strengthen their capacities.

2.4.3.4 The CIESP, created as far back as 1990, held its first session on 31 January 1997, followed by annual sessions chaired by the Prime Minister and attended by members of government, top government officials, experts, private business operators, public enterprise managers, representatives of employers' associations and trade unions, as well as local and regional authorities. These meetings translate into reality active partnership between the public and private sector. The pertinent recommendations adopted at these meetings have been either implemented or incorporated into various action plans including the PRSP and

NGP. Between annual sessions of the CIESP, other sector bodies, notably, the Competitiveness Committee sustain dialogue. The Committee was established by Decree No. 97/235 of 31 December 1997 and assigned the following objectives: (i) identifying obstacles to competitiveness; (ii) proposing measures to reduce transaction costs; and (iii) monitoring, in the interests of parties, the implementation of decisions. The Committee is credited with having carried out a diagnostic study on the competitiveness of Cameroon's economy (phase 1: evaluation/assessment of the economic potential) funded by GTZ. However, the Committee, with only two staff, still lacks human resources to stimulate its activities.

2.4.3.5. The mandate of the CCIMA reformed by Decree No. 2001/380 of 2 November 2001 is to (i) support industrial and commercial activities through information flow; (ii) support business development; (iii) facilitate partnerships; and (iv) organize training courses. The election of 160 members of the plenary assembly pursuant to Decree No. 2001/381 of 27 November 2001, and board members only took place in November 2002 and January 2003 respectively. The CCIMA, which was recently restructured and revamped, after a long period of hibernation, critically needs capacity building. Other structures and bodies based in Yaounde and Douala marshal support, depending on their means, through consultancy or facilitation of activities or shareholding: Chamber of Agriculture, Livestock and Forestry, Yaounde Regional Economic Growth Office; Cameroon Industrialists' Union (SYNDUSTRICAM); Union of Importers and Exporters; Cameroon Employers' Union (GICAM); National Investment Corporation (SNI); buying shares in SMEs; Investment Charter Management Unit; National Free Trade Zone Agency and *Centre Campus Cameroun*.

2.4.3.6. In an effort to promote and facilitate investment and exports (Section 25 of the Charter) and stimulate private sector development (Section 26 of the Charter), the law governing the Investment Charter in the Republic of Cameroon makes provision for other structures and institutions that are still to be established: (i) Regulatory and Competitiveness Board; (ii) Investment Stimulation Board; (iii) Export Promotion Agency; (iv) Industrial Partnership Board; (v) Entrepreneurship Institute; (vi) Trade and Industry Observatory; (vii) Standards and Quality Control Agency; and (viii) Intellectual Property Centre.

2.4.3.7. **Economic reforms:** the November 1990 law to liberalize the economy established state divestiture and paved the way for the private sector. However, amenities under State monopoly (water, electricity) and some essential commodities are still subject to price control. The liberalization of the marketing of petroleum products and prices began in January 1998. The principle to liberalize public utilities is upheld by two laws on competition and dumping enacted on 14 July 1998: the first lays down conditions governing competition on the domestic market, criminalizes anti-competitive agreements and possible excesses by a firm or group of firms exercising market power, regulates mergers and buyouts and oversees the setting-up of a National Competition Commission. The second sets out dumping rules, lays down rules on the marketing of subsidized imports whose increased quantities may adversely affect similar or directly competitive locally manufactured products. It provides for the creation of an Anti-dumping and Subsidization Committee. However, these laws will enter into force only after the implementation instruments to organize the National Competition Commission and Anti-dumping Committee are adopted.

2.4.3.8. In accordance with provisions of the OHADA Treaty and CEMAC Investment Charter, all sectors including the mining and forestry sectors, exclusive of the oil sector, have been liberalized. This is further testified by the legal and statutory reforms in the oil sector (law of 22 December 1999 to establish the Code governing petroleum products and the 30 June 2002 decree to lay down implementation conditions; Mining Code (Law No. 2001/1 of 16 April 2001; Forestry Code (Law No. 94/1 of 20 January 1994) governed by several instruments relating to sustainable management of forestry resources and wildlife in Cameroon. Lastly, the Gas Code is under preparation.

2.4.3.9. Investor security is guaranteed by the adoption of common rules which have been streamlined and tailored to the rules of trade. The eight OHADA Uniform Acts that have entered into force pertain to: (i) general commercial law; (ii) commercial companies and economic interest groups; (iii) securities; (iv) simplified recovery procedures and measures of execution; (v) collective debt settlement procedures; (vi) rules of arbitration; (vii) accounting principles; and (viii) contracts governing the carriage of goods by road. Four other acts are in process: law of torts, labour law, rules governing loan and thrift societies, consumer rights. In addition to the Uniform Acts that improve and regulate business, a court of justice and arbitration has been set up. It has key duties such as giving opinions on draft instruments, settling disputes on the interpretation or implementation of treaties, having jurisdiction on all matters pertaining to deeds excluding judgments on criminal matters that have become final without any room for appeal and especially, where the case is judged on its merits after being referred to another court. The Court shall also ensure respect for arbitration procedures.

2.4.3.10. Government believes that liberalization of trade is an integral part of its efforts to modernize the economy. The trade policy seeks to establish a more open trade system and to increase access to export markets. Customs tariffs are a major trade policy instrument. All customs duties are ad valorem. All quota restrictions on imports and exports have been lifted. Similarly, all export taxes have been scrapped save for logs whose exports are still subject to the quota system. Lastly, previous restrictions on service provision have also been lifted except in vital sectors like water, electricity, public transport and telecommunications. Today, export permits are issued only for “sensitive” products (gold and diamond). In 1997, a committee was set up at the Douala port and successfully introduced a single point for the inspection of goods, instituted a one-stop shop, and established an appeal unit to rule on disputes over the value of goods.

2.4.3.11. While the law on intellectual property was amended at the regional level through the African Intellectual Property Organization (OAPI), the implementation of this law is dependent on its ratification by five of the fifteen OAPI members. Lastly, on account of inadequate financial instruments, Cameroon established the National Securities Market dubbed “Douala Stock Exchange.” The setting up of the financial market is expected to address business investment financing needs in the medium-term and to contribute to long-term resource mobilization.

2.4.3.12. **Reforms on the physical business environment:** to tackle basic infrastructure constraints, Government put in place the Transport Sector Programme (TSP) and the Rural Transport Programme (RTP). The two programmes are funded by a group of donors (ADB, EU, WB) led by the World Bank under the Sub-Saharan Africa Transport Policy Programme (SSATP). Significant results have been achieved, in particular, the launching of the Road Fund responsible for collecting funds earmarked for road maintenance. With respect to port and urban facilities, the following progress can be reported: institution of a one-stop shop to

ease customs and forwarding activities in Douala; enactment in December 1998 of the law to organize the ports sector; passing of decrees to adopt the status of the Douala, Kribi and Limbe Port Authorities; devolution of assets of the defunct Cameroon National Ports Authority by an inter-ministerial decree (finance, town planning, transport); and the reform of the financial system of the Douala port. Concurrently, the Ministry of Transport and the Ministry of Urban are implementing a series of measures including: development of a transport database; study of the urban transport institutional framework; study on urban transport development; drafting of provisions governing concessions. In air transport, a law to lay down conditions governing civil aviation was adopted in November 1998 while the concession of the management of airports is envisaged. With regard to telecommunications, the merging and reorganization of the international telecommunications corporation (INTELCAM) with the marketing services of the Department of Telecommunications (responsible for the national network) were successfully carried through with the creation OF a new telecommunications company, CAMTEL. The decree to set up the Telecommunications Regulatory Agency was signed on 18 September 1998.

## **2.5. Combating Against Corruption and Money Laundering**

2.5.1. Corruption shot Cameroon into the limelight over the past few years. According to field studies, corruption is rife in sectors such as public procurement, customs, taxation, forces of law and order, justice, education, health services, transport and forestry.

2.5.2. **Institutional and Legal Anti-Corruption Frameworks:** there are several instruments to counter corruption: (i) the United Nations Convention Against Corruption signed by Cameroon; (ii) the African Convention Against Corruption adopted in Maputo in July 2003; (iii) the 1996 Constitution (Article 66); (iv) Government Anti-corruption Plan adopted in December 1997; (v) the Anti-corruption Ad hoc Committee (AAC); (vi) Anti-corruption Watchdog (AW); (vii) NGP (adopted on 29 June 2000); (viii) PRSP; (ix) Priority Action Plans to improve governance and fight corruption; (x) CSE; and (xi) Audit Bench of the Supreme Court. However, the latter is not yet operational while the performance of the CSE is not conclusive.

2.5.3. **Institutions Involved in Combating Corruption:** several bodies are involved in the anti-corruption crusade to examine or report several forms of corruption in government services or during elections, including the AAC, AW, and its ministerial units; inspectorates of ministries notably the inspectorate of judicial services; independent observers and Public Tenders Boards; and NEO involved in ensuring the smooth conduct of the polls and free and fair elections alongside the NCHRF, Transparency International and some NGOs.

2.5.4. The Anti-corruption Ad hoc Committee is in charge of (i) defining the general guidelines and formulating specific anti-corruption strategies; (ii) assigning general or specific objectives to ministries and overseeing implementation thereof; and (iii) evaluating the implementation of the Government Anti-corruption Plan by ministries. The Committee, chaired by the Prime Minister, comprises several ministers and the secretary of state in charge of the National Gendarmerie, the Prime Minister's aides, Delegate General for National Security, NCHRF chairperson, GICAM president, AW chairperson and the President of the Bar Council. Sessions, in principle, held every quarter, are held twice or thrice yearly.

2.5.5. The AW was set up by Order No. 1/PM of 4 January 2000 of the Prime Minister in the AAC and its secretariat lodged at the Prime Minister's Office. It is composed of a chairperson, representatives of government, business operators, Supreme State Audit, Bar Council, NCHRF, NGP and NGOs. Its duties include monitoring and evaluating the implementation of measures taken by the Ad hoc Committee, collecting and processing all information relating to corrupt acts or practices and educating the population to join the crusade against corruption. AW members receive accreditations from the Prime Minister authorizing them to access all public and semi-public offices and to requisition any official for the purpose of supporting them in the discharge of their duties. AW receives and examines whistleblowing reports. It carries out independent investigations and ensures the implementation of decisions taken by the Ad hoc Committee. The membership of AW and ministerial units stands at 120 representing civil society, private sector and NGOs combating corruption. It became fully operational in 2003 after its organization in 2002. It has successfully fielded several fact-finding missions, drafted a coherent awareness campaign framework; formulated a comprehensive intervention approach for the various ministerial units and, especially, designed its first action plan. The AC plans to build an anti-corruption coalition by enhancing its partnership with the civil society, in particular, by recruiting "leading agents" who are able to source useful information. However, its material and financial resources are inadequate although the 2004 package is more rational: CFA F 1,432,000,000 including a CFA F 44 million allocation (as against 32 million in 2003) to AW and the balance earmarked to ministerial units. Currently based at the Prime Minister's Office, it plans to relocate to gain wider recognition.

2.5.6. **Batch of Laws Adopted to Punish Corruption and Money Laundering:** The set of laws adopted to punish offences established as acts of corruption are administrative and criminal. The key instruments defining passive corruption and active corruption as well as acts considered as such include: (i) Decree No. 94/199 of 7 October 1994 to lay down the General Rules and Regulations of the Public Service; (ii) Decree No. 78/484 of 9 November 1978: State employees governed by the Labour Code; (iii) Law No. 91/20 of 16 December 1991 to lay down conditions for the election of Members of the National Assembly; and (iv) Penal Code( Laws No. 65/LF/24 of 12 November 1965 and Law No. 97/LF/1 of 12 June 1967) (Sections 134, 134 bis, 135, 136, 137, 312).

2.5.7. The General Rules and Regulations of the Public Service and the Labour Code set out disciplinary measures at various levels for professional and extraprofessional misconduct. Election fraud is punishable with imprisonment from three months to two years or a fine of from CFA F 10,000 to 100,000 or with both imprisonment and fine. The Penal Code punishes "self-interest in an act," "personal interest in a concern" and "embezzlement". Specific punishment has been meted upon investigation by the AW and ministerial units: dismissal and sentencing of three top government officials. Generally, the dismal results recorded in combating corruption can be explained by inadequate resources allocated to the said bodies and lack of experience. Actions based on anti-corruption policies and procedures have been realized: formulation of IEC plan; awareness campaigns; organization of forums and seminars, appointment of members and commissioning anti-corruption units in all ministries where action plans have been adopted. There is a need to set implementation time-limits and monitoring requirements for all ministerial plans.

2.5.8. As regards combating money laundering, an appropriate institutional and legal framework has been put in place for CEMAC countries. Following the Policy Statement by the Conference of Heads of State on 14 December 2000, the Additional Act No.

9/00/CEMAC-086/CCE of 14 December 2000 set up the Action Group Against Money Laundering in Central Africa (GABAC) whose status as a sub-regional body and conditions for its organization and functioning were laid down by a CEMAC decision on 14 April 2002. The body of laws was finally completed by Decision No.01/03-CEMAC-UMAC-CM of 4 April 2002 to prevent and punish money laundering and financing of terrorism in Central Africa which established a financial reporting unit in every Member State known as the National Financial Investigation Agency (ANIF).

### **III EVALUATION OF THE NATIONAL GOOD GOVERNANCE STRATEGY AND PLAN OF ACTION**

#### **3.1 Presentation of the Key Elements of the Governance Strategy**

3.1.1 *Cameroon has three main documents* – spread over time and not necessarily harmonized – serving as reference for the conduct of a good governance policy: the National Governance Programme (NGP) prepared as early as 1996 and approved in June 2000, the resulting Short and Medium-Term Priority Action Plan and the Poverty Reduction Strategy Paper (PRSP) formulated after a long participatory process and completed at the end of December 2002. In addition to these documents are many sectoral strategies and plans of action more recently prepared. Hence, the strategies and priorities retained by the Government are those defined in (i) the NGP Priority Plan of Action; (ii) the present PRSP; and (iii) already approved sectoral strategies and plans of action.

3.1.2 *The NGP strategic objectives were essentially to* : (i) support growth and sustainable development; (ii) fight against poverty and social exclusion; (iii) build the capacities of the main stakeholders (State, RLAs, private sector, civil society, media); (iv) promote State/private sector/civil society partnership; (v) strengthen the rule of law for better defense of human rights and reform justice; (vi) promote a real culture of accountability in the management of public affairs, (vii) strengthen the transparency of the State machinery; and (viii) resolutely combat corruption by punishing deviant behaviour in accordance with the laws and regulations in force.

3.1.3 *As a reference document*, the PRSP integrates NGP guidelines and programmes of action and is supposed to integrate the other more recently defined strategies and programmes of action on Governance. Its main strategic thrusts are: (i) promotion of a stable macroeconomic framework; (ii) strengthening of growth through the diversification of the economy; (iii) revitalization of the private sector as the engine of growth and partner in the provision of social service; (iv) development of basic infrastructure, natural resources and environmental protection; (v) acceleration of regional integration within the framework of CEMAC; (vi) strengthening of human resources, social sector and integration of disadvantaged groups into the economic circuit, and (vii) improvement of the institutional framework, administrative management and governance.

3.1.4 *Strengthening of the Macroeconomic Guidelines*: the Government's three-year programme backed by the Poverty Reduction and Growth Facility (PRGF) is in line with the main objectives of the medium-term macroeconomic framework in the PRSP. The strategic objective pursued remains the promotion of conditions conducive to sound and sustained economic growth, driven essentially by the private sector. To this end, the Cameroonian Government's policy focuses on six main thrusts: (i) consolidation of major macroeconomic balances; (ii) continuation of fiscal consolidation; (iii) improvement of governance; (iv)

putting in place of an appropriate framework for the rapid development of activities of private operators; (v) diversification of the productive base and stimulation of non-oil exports to compensate for declining oil production; and (vi) reduction of poverty through a wider income distribution and access by a greater number of people to essential social services, notably education and health services. On this basis, the following are the objectives of the 2003-2006 macroeconomic framework: (i) a real overall GDP annual growth rate of 4.9% on average and a non-oil real GDP growth rate of 5.3% during the period; (ii) stability of the rate of inflation at 1.8% on average; and (iii) an external current account deficit of 3.2% of GDP on average during the period.

3.1.5 *Strengthening of Administrative Reform:* in this area, the Government focuses its interventions on three thrusts: (i) management of reform; (ii) building of national capacities for implementation of reforms, and (iii) institutional development in the area of reform. The “reform management” component covers three dimensions: planning, implementation and evaluation. The goal of the “capacity building” component is the professionalization of employees of Cameroon’s public administration. The purpose of the “institutional development in the area of administrative reform” component is to transform the present institutional organization into an administration essentially in the service of users. To this end, the establishment of an Administrative Reform Support Fund is envisaged to support institutional development.

3.1.6 *Improvement of Public Expenditure Control:* in a bid to improve public finance management, the Government will pursue efforts to implement the State financial operations control measures envisaged within the framework of the three-year programme backed by the PRGF. These include, in particular (i) launching a study aimed at improving the internal control system the conduct of which was initially planned for end December 2003 but which was not effective; and (ii) implementation of the law to lay down the duties, organization and functioning of the Audit Bench of the Supreme Court of Cameroon in December 2004 at the latest.

3.1.7 *Improvement of Public Finance Management:* public finance management continues to be at the centre of the Government’s public finance programme which is essential to achieve the budgetary objectives, continues to strengthen macroeconomic stability, improve governance and transparency and enhance the credibility and sustainability of Cameroon’s macroeconomic policy. In accordance with this approach and its objectives, together with the recommendations of the IMF Public Finance Department, the Government will strive to focus its efforts on the effective putting in place of: (i) an exhaustive and clearly presented budget; (ii) a transparent system of registration of all State financial operations; and (iii) an accounting monitoring system which can make for the production of the Government Flow of Funds Table (TOFE) for a given month at the end of the following month at the latest. In addition, the Government reiterates its resolve to complete the putting in place of the third phase of implementation of the SIGEFI project as well as the auditing of procedures and organization of the Treasury Department within the Ministry of Finance and the Budget in March 2004 at the latest.

3.1.8 *Improvement of Revenue Collection:* considering non-oil GDP growth rate of 4.2% estimated for 2003 and 4.7% projected for 2004, non-oil fiscal revenue should attain 16.2% of non-oil GDP in 2003 and 16.6% of non-oil GDP in 2004, higher than the estimated performance of 15.6% of non-oil GDP in 2002. The Government will pursue efforts aimed at strengthening non-oil fiscal revenue mobilization through the continuation of

implementation of the measures taken under the tax system improvement programme (adoption of a new tax code) and the strengthening of taxation and lands services.

3.1.9 *Strengthening of the Privatization Process:* concerning the privatization programme, the Government will implement the plan of action prepared in collaboration with the World Bank for the privatization of the remaining three branches (banana, oil palm and rubber) of the Cameroon Development Corporation (CDC). Plans had been made to recruit world-famous experts before end October 2003 to: (i) analyze agreements signed by the CDC relating to the banana branch; (ii) carry out an evaluation of this branch, and (iii) carry out a diagnosis of the CDC and formulate a privatization strategy. According to the account available on 27 February 2004, these actions, which are part of the required conditions for reaching the completion point of HIPC initiative, have not yet been carried out. Concerning the Cameroon Cotton Development Corporation (SODECOTON), the Government was expected to recruit in 2004 an independent consulting firm to conduct a study on the review of the organization of the cotton branch and a diagnosis of SODECOTON with a view to identifying a privatization option. Regarding the telecommunications sector, the Government will implement a plan of action prepared in collaboration with the World Bank for the privatization of the fixed telephone company (CAMTEL). In this connection, the concession agreement for the operation of fixed telephone and the interim specifications of CAMTEL have been signed, but the specifications are still to be implemented, the business plan is yet to be defined and implemented and an investment bank for the implementation of the privatization is still to be recruited.

3.1.10 *Strengthening of the Public Procurement System:* the entire system is operational and the regulatory framework will be better defined with the adoption of the Public Contracts Code which should be published in the year 2004. The code incorporates the relevant elements of the recommendations of the World Bank audit on public procurement.

3.1.11 *Improvement of the Information of citizens on Public Affairs:* the Government will prepare and implement a plan of action to ensure the circulation of, and access to information on public affairs on the basis of a study on the rules of procedure in force in this domain. The plan of action will make it possible notably: (i) to adopt several texts granting each citizen the right to information on public affairs and laying down conditions for the free circulation of the said information; and (ii) to put in place appropriate institutional mechanisms to enable each person to have access to information on public affairs.

3.1.12 *Banking Sector:* the Government pledged to take necessary measures, together with COBAC, to improve the management and financial situation of the Cameroon Housing Loan Fund whose equity is inadequate. Measures will include the conduct of a study on the financing of social housing which would replace the present mechanism which increases corporate expenses and salary deductions.

3.1.13 *Participatory Process:* The Government has resolved to foster a participatory process that should ensure the participation of all through: (i) improvement of the legal framework and efficiency of associations (updating of freedom laws, new bill on trade unions and on development committees); and (ii) putting in place of consultation frameworks involving all stakeholders (State, civil society, private sector and development partners). Likewise, the Government will ensure: (i) the building of the capacities of social partners (improvement of the operation framework of associations as well as the framework for the exercise of rights and freedoms guaranteed by the Constitution); (ii) the promotion of an

organized, informed and trained civil society; (iii) the strengthening of consultation and dialogue structures; and (iv) the maintaining of a framework for sustained dialogue thanks to the systematic consultation of social partners.

3.1.14 *Participation and Gender Issues:* the Ministry of Women's Affairs has prepared a "Women and Development" multisectoral plan of action focused on several thrusts: (i) improvement of the socio-legal status of women through the promotion of equality and equity between the sexes in all sectors of national life; (ii) improvement of the living conditions of women; and (iii) development of female human-resources in all development sector. The PRSP embodies these strategies objectives to which it has added the strengthening of institutional structures and mechanisms.

3.1.15 *Worker Participation in Decision-Making:* there is no precise orientation given in the NGP or in the PRSP concerning the participation of workers in decision-making in their enterprise or, through their trade unions, in bipartite or tripartite consultations. However, reform proposals are included in plans of action: new law on trade unions to offer workers possibilities of defending their rights and reform of the labour code.

3.1.16 *Electoral Process:* the strategy consists in identifying all the challenges of the responsibilities to be conferred and reaching a consensus on all the technical modalities for ensuring the complete transparency of elections. One of these modalities is the building of the capacities of NEO.

3.1.17 *Decentralization and Deconcentration:* despite the gap in the PRSP which, paradoxically, does not devote any separate chapter to the national decentralization strategy, but nevertheless makes mention of RLAs and deconcentration on several occasions, there is a consensus on the need for decentralization seen as an important component of the NGP and as the third millennium path for promotion of sustainable local development. The populations and managers unanimously approve the principle because decentralization is a technique of empowering the local elected representatives which fosters the effective participation of local organizations and which leads to a better satisfaction of the essential needs of the populations. In turn, the donors who are convinced of the virtues and benefits of decentralization support the process through numerous local programmes. Lastly, the Head of State has stated his desire to make decentralization one of his priorities and the Government is preparing to table the relevant decentralization bills before the National Assembly. Though, on the basis of commitments made in the various letters of intent signed by the Prime Minister, Head of Government with the IMF, the imminent establishment of the first measures to implement decentralization should no longer raise doubt, an appropriate strategy is yet to be adopted to remove the numerous constraints identified in the diagnosis report in order to deepen the decentralization and democratization process in a pragmatic and progressive manner. The study being prepared concerning the modalities and cost of transfer of powers should help foster the process.

3.1.18 *Economic Cooperation and Regional Integration:* The Cameroonian authorities undertake to strengthen the legislative and regulatory framework in the context of OHADA and to implement the new legislation on business law as well as the commitments made in the Investment Charter, particularly those relating to: (i) protection of the freedom to undertake and invest; (ii) establishment of an appropriate institutional and regulatory guaranteeing the security of investments; (iii) support for investments and the equitable and rapid settlement of investment disputes, and for commercial and industrial activities; and (iv) putting in place of

tax incentives for investors. Within CEMAC, Cameroon has undertaken to strengthen financial and interbank markets, reform the trading system and improve transport and telecommunication infrastructure to make for better integration of labour, commodity and capital markets.

3.1.19 *Legal Reforms:* following the technical audit of Cameroonian justice, the Government has adopted a medium-term plan of action. It will be necessary to reorientate and update existing texts in order to adapt substantive law and common law to the new internal, community and international order. The general objective is to ensure and reinforce familiarization with, and supremacy of the law. To this end, the strategies adopted are to: (i) complete and perfect the legislative and regulatory system; (ii) adapt substantive law and common law to the new internal, community and international order for better ownership; (iii) provide better access to law; and (iv) strengthen the supremacy of the law by building the capacities of the NCHRF and developing a democratic culture of human rights.

3.1.20 *Judicial Reforms:* one of the objectives of the Medium-Term Plan of Action is to reform, modernize and restore the credibility of the judicial system. In this respect, many strategies have been planned: (i) complete the putting in place of judicial institutions; (ii) equip and modernize judicial services; (iii) give more credibility to justice, (iv) ensure better efficiency of judicial services and (v) ensure the monitoring and implementation of reforms.

3.1.21 *Interaction between the Public and Private Sectors:* the strategic objectives of the NGP include the promotion of a public sector/private sector/civil society partnership. Such partnership stems from the Government's determination to work with the private sector and to involve civil society in efforts to fight poverty. The partnership also offers the benefit of complete mobilization of all stakeholders around development objectives.

3.1.22 *Legal Economic Framework for Private Sector Development:* many strategic objectives with an economic impact have been set: (i) promote policies targeted at the development of SME/SMI, micro-enterprises and cottage industries; (ii) mobilize more financial resources for SME/SMI and microenterprises; and (iii) increase the impact of the privatization programme on the development of SME/SMI, particularly through subcontracting.

3.1.23 *Combating Corruption:* the fight against corruption is one of the major components of the NGP. The anti-corruption priority plan of action aims at responding to the ills deplored by the populations as determinants of poverty: centralism and excessive State intervention in the management of public affairs, bureaucracy, professed corruption and impunity of public servants and absence of transparency and participation in the management of public affairs. In the plan of action to combat corruption, the Government has made provision for : (i) the putting in place of a system of transparency, and accountability capable of reducing opportunities and possibility of corruption; (ii) conduct of a vast education moralization campaign; (iii) the putting in place of corruption identification, prevention and repression mechanisms and specific legislation for the penal repression of corruption; and (iv) the participation of citizens, alongside the Government, in the fight against corruption. The OLC has prepared a "Good Governance – Anti-corruption Project" aimed at: (i) encouraging the population to denounce all acts of corruption; (ii) inculcating in the youth a sense of good citizenship that facilitate the fight against corruption; and (iv) promote dynamic partnership between service users and providers.

3.1.24 *Improvement of Monitoring and Evaluation:* the Government plans to take all necessary measures to carry out periodic evaluation of actions retained in the NGP, in collaboration with the stakeholders. The evaluations will be carried out with reference to the performance indicators provided for in the matrix of actions and will be used not only to measure progress but also to diagnose weaknesses and the corrective measures to be taken to strengthen the strategy.

## 3.2 Diagnosis of the Relevance of the Strategy

3.2.1 The PRSP is acknowledged as an integrated development framework for Cameroon including a Governance phase as component of the strategy and also as a framework for coordination of government action and external contributions. However, given its evolutionary nature, consideration should be given to the integration of more recently defined sectoral strategies and plans of action into the PRSP on a permanent basis.

3.2.2 *Strengthening of Administrative Reform:* the strategy includes the use of new information and communication technologies (ICTs) for a modern administration that is accessible to the public. The implementation of all the projects identified will have a certain impact on: (i) staff strength and wage bill control; (ii) improvement of staff output; (iii) development of an administrative culture based on the quest for quality in Government services; and (iv) development of a creative spirit and innovation in matters of organization. However, the record of implementation of projects included in the NGP plan of action for 2000 is mediocre. In fact, and in most cases, the deadlines for implementation of project are not adhered to. Cameroon's administration is thus facing many bottlenecks and reluctance and showing signs of low commitment to complete the projects.

3.2.3 *Macroeconomic Framework:* the Cameroonian Government's forecasts are realistic because they take into account new economic and financial trends, particularly the drop in oil production and fall in world prices of export products. However, the achievement of the set objectives will depend basically on the improvement of the present governance situation. In this connection, increased empowerment of the private sector and a sound management of public finances are required. Additionally, the development of exports of non-oil products would also be an asset for growth and achievement of the declared strategic objectives. It is important to note that the failure to reach the completion point of the enhanced HIPC initiative in 2004 could prevent the Government from acceding to new budgetary facilities to pursue its economic recovery plan and implement its governance and poverty reduction policy.

3.2.4 *Public Finance Management:* significant efforts have been made. With the putting in place of the SIGEFI projects, Cameroon will have an efficient tool for steering and reporting its economic and financial programme. However, special emphasis should be placed on the training of human resources, respect for the organizational and technical system and development of an organizational culture to improve expenditure tracking and promote efficiency and transparency.

3.2.5 *Privatization:* the privatization strategy is clearly identified but the process is slow. The deadlines previously set are not respected. It is therefore necessary to speed up the process for enterprises to be privatized in the near future. Implementation of the new stages will depend especially on the efficient management of the main structures responsible

for the reform of public enterprises and the constant concern to seek transparency in operations through periodic evaluation

3.2.6. *Public Spending Control*: the challenge lies in the establishment of the Audit Bench. The law, which has already been adopted, should be implemented. The institution should also have all the capacities required to perform its mission in transparency and with efficiency. Governance of Cameroon would have made great progress when the accounts of public accountants will be audited, an audit report published and accessible to the public and sanctions meted out to workers guilty of embezzlement or serious management offences to dissuade other credit managers.

3.2.7. *Public Procurement*: the strategy is focused on the new code which includes the desired improvements identified by the audit report. It suffices to publish and disseminate this code as widely as possible to economic operators and all users. Another challenge is respect of prescribed rules and the fight against corruption and all non-transparent practices.

3.2.8. *Access to Information*: the strategy should especially strengthen press freedom and facilitate access to economic and financial information. In this prospect, it is necessary to build the capacity of economic journalists. The subsidy granted to press organs should be managed in more transparent manner and media liberalization should be strengthened.

3.2.9. *Monitoring and Evaluation of Public Policies*: the strategy does not stress the need for a strong involvement of other good governance stakeholders, namely the private sector and civil society. If the implementation of the strategy were limited to the various ministerial and/or interministerial bodies, it would have lost its meaning. In fact, it would be unwise to overlook the opinions and remarks of beneficiaries of projects and programmes at local level.

3.2.10. *Participatory Process* : the strategy retained is relevant. Improvement of the legal framework, which should be translated into real empowerment, should concern all civil society components : professional organizations, trade unions, media, grassroots community organizations, associations, NGOs and development committees. Civil society must receive support for its restructuring, for training of its members and for financing the activities it deploys. Special support should be given to women's organizations for the creation of micro-enterprises and project management.

3.2.11. *Electoral Process* : the institution of free issuance of identity cards to the populations, particularly the rural populations, should increase the percentage of voters; the computerization of the voter card index will make for greater transparency in the voting process. The revision of the statutes of NEO, to give it greater independence, will give more credit to the institution.

3.2.12. *Decentralization* : progress made through decentralization experiments carried out in various countries shows that the choice of decentralization is beneficial for the revitalization of local initiatives. In the light of the little progress made since the promise of the 1996 Constitution, it can be said that this option is still desired. Everyone is aware that Decentralization should be implemented gradually and it should by no means undermine the unitary and indivisible nature of the country but, in the contrary, it should absorb and merge into a jointly managed common space, avoiding any indecisive ethnic or tribal division. On the other hand, decentralization should not either, be perceived as a weakening of central

authority in favour of local authorities, but more as the putting in place of intermediate structures serving as a link between the base and the summit to make the most, in the long run, of the empowerment experience. In the final analysis, the goal of the decentralization policy is to give sub-state authorities endowed with elected organs and own resources, a strategic role to stimulate the development and mobilization of local initiatives and cause the populations to participate in the management of their own affairs and supplement efforts deployed by the State and other stakeholders. Only gradual and well conducted decentralization will help empower the populations who will directly take responsibility for their own affairs.

3.2.13. *Real deconcentration* of State services should go hand in hand with decentralization in order to strengthen the latter and ensure better synergy of actions initiated by the decentralized and the deconcentrated authorities. The recommendations to be made are directed at : (i) a better definition of the role of local authorities (Sub-divisional Officer, Senior Divisional Officer, Governor) with extensive delegations of power; and (ii) institution of real coordination of all external services under the authority of the Senior Divisional Officer and/or the Governor.

3.2.14. *Women's Participation in Decision-Making* : the emergence of organizations representative of civil society, including trade unions, is necessary in the context of privatization, deregulation of the labour market and withdrawal of the State as employer. However, in Cameroon, it is still, and above all, the association sector which is perceived as the main civil society component. Yet, it is a composite of very diverse categories. The participation of workers in the corporate decision-making process is as essential as the participation of grassroots organizations in local development. In addition, workers, through their trade unions, are also involved in the resolution of social conflicts and, hence, they are recognized as social dialogue partners. An effective mobilization of all of the country's vital forces around shared objectives therefore requires that participation organs with precise duties be put in place within enterprises to enable workers to make their contribution in the definition and implementation of corporate policy.

3.2.15. *Efficiency of Judicial Services* : improvement of the efficiency of judicial services is dependent on: making registries and courts part of the civil service; proper training; remuneration and assignment of judicial staff; systematization of internal and external audits; re-institution of the pre-eminence of judicial power vis-à-vis the public prosecutor's office and a number of improvements and simplifications in procedures.

3.2.16. *Interaction Between the Public and Private Sectors* : the implementation of public sector/private sector/civil society partnership involves: (i) the expression of a political will of genuine collaboration; (ii) the existence of permanent consultation structures; and (iii) legal and contractual tools for the joint implementation of policies.

3.2.17. *The legal framework for the development of the private sector* is, on the whole, put in place as concerns the basic texts. Certain enabling texts are still to be prepared. Above all, the existing institutional and legal arrangements are yet to be implemented.

3.2.18. *Stimulation of the Economy and Revitalization of the Private Sector* : (1) Promotion of policies : the state should, in an open economy where competition is becoming increasingly keener and in a rapidly changing global context, offer citizens and investors clear medium-and long-term orientations for greater visibility and a better understanding of the environment which would help to reduce uncertainty. The Government should, therefore, define the broad guidelines for its action in all sectors – for example in the area of SME/SMI – and clearly define the role of the various partners (State, private sector, support bodies, civil society, etc.) in their promotion. To this end, the Government’s capacities should be strengthened in the areas of : (i) forecasting and definition of national development priorities; (ii) definition of overall and sectoral policies; (iii) development of strategic initiatives in priority sectors; (iv) programming of infrastructure, regional development and housing promotion projects; (v) definition of human resource development policies; and (vi) preparation of orientation and programming laws per sector. (2) Promotion of consultation and support institutions, it is necessary to reduce the number of structures and stakeholders. The Investment Charter provides for the putting in place of eight new structures each of which could act as the choice interface between the NGP and business circles. The Government should, therefore, consider the rationalization and coordination of its interventions and a better coordination of the efforts of other stakeholders.

3.2.1.9. *Combating and Preventing Corruption* : the statute of the Anti-Corruption Observatory, moreover located at the Prime Minister’s Office, does not seem to totally guarantee independence vis-à-vis the Government. The missions of an anti-corruption institution are: protect public property against any misappropriation, fraud, embezzlement, illegal payments, poor management, abuse of authority; (ii) detect and combat money laundering and drug trafficking; (iii) foster transparency in the management of public affairs; (iv) combat impunity by instituting penalties; and (v) restore State authority and ensure a climate of confidence for investors. Yet, in relation to the missions thus defined, the duties of the Observatory seem to be imprecise. It is therefore necessary to redefine them and grant this institution a different statute – that of a public interest association for example – so that it ceases to look like “judge in its own case”.

#### **IV. PRIORITY AREAS AND RECOMMENDATIONS FOR IMPROVING GOVERNANCE AND IDENTIFICATION OF POTENTIAL AREAS FOR BANK INTERVENTION**

##### **4.1 Priority areas for Improving Governance**

4.1.1. Under the PRSP, prepared in a participatory manner, Government has already chosen areas considered as priority areas for improving governance and reducing poverty. These areas include: (i) streamlining of expenditure circuits through an in-depth review of the budget system and institutional framework, preparation of a public expenditure manual of procedures, deepening of public procurement reform by drawing up a public contracts code ; (ii) strengthening the management of social sectors by designing interim health and education strategies, conducting user surveys in the education and health sectors and setting up co-management frameworks in health and education establishments; (iii) strengthening of the rule of law and legal security of investments by fostering the independence of the judiciary and gradually establishing the legal structures provided for by the 1996 Constitution ; (iv) improvement of access by citizens to information on public affairs by ensuring proper dissemination of information and empowering public officials to demonstrate greater transparency in the handling of public issues; (v) stepping up anti-corruption efforts through

greater transparency, the establishment of anti-corruption units, sensitizing the public in general and State employees in particular, to the damaging effects of corruption on the economy of the nation; and (vi) identification and implementation of pilot programmes at community level, managed by regional and local authorities.

4.1.2. Some of these actions have already been carried out or are being implemented, such as streamlining public expenditure. In contrast, other measures, especially in the justice sector, are yet to be implemented. In essence, most of these measures remain topical priorities. Based on the situational analysis of governance and considering Government's unachieved priority actions, the following recommendations for improving governance in Cameroon should be adopted.

## **4.2 Recommendations for Improving Governance**

4.2.1. The recommendations made below for improving governance are the outcome of an analysis of the governance situation and problems addressed in this report. The recommendations are classified according to areas selected under the Bank's policy and according to theme, laying special emphasis on the most important ones. Annex 3 provides the detailed recommendations.

### **4.2.1 Governance and Accountability**

4.2.1.1. *Political Accountability:* (i) improve the internal and external communication system of the National Assembly and equip this institution with computers and a documentation centre; (ii) provide members of parliament with aids who can help them acquire the expertise needed to consider matters tabled for their approval; and (iii) put in place the Senate and the Constitutional Council to further strengthen democracy.

4.2.1.2. *Administrative Accountability:* (i) attach the Permanent Secretariat for Administrative Reform (SPRA) to the Prime Ministers' Office, considering its advisory status within the Government and its cross-cutting duties; (ii) build SPRA's institutional capacities; (iii) pursue the Deconcentration of Staff and Salary. Management project by extending it to other ministries, as well as the preparation of manuals of procedures to make public officials more accountable and improve the quality of services rendered to the users; and (iv) renovate the State employee remuneration system based on professionalism and merit in order to motivate them further and prevent corrupt practices.

4.2.1.3. *Budget Preparation and Control:* (i) adopt the bill to regulate public finances as soon as possible; (ii) build the institutional capacities of the Department of Forecasts and the Department of Planning, as well as the planning capacities of ministries to enable them to better prepare their budget and sectoral MTEF; (iii) strengthen the role of the inspectorate in charge of the control of projects on the ground; and (iv) ensure that the supplementary finance bill is voted into law, instead of the excessive use of regulations.

4.2.1.4. *Internal Public Expenditure Control:* (i) enhance the skills of inspectors general of finance by training them adequately; (ii) prepare a manual of procedures for the physical control of projects on the ground; (iii) build the institutional capacities of the CSE; (iv) publish the CSE report; and (v) give more autonomy to the CSE.

4.2.1.5. *External Public Expenditure Control*: (i) put in place the Audit Bench; (ii) recruit future judges of the Audit Bench through competitive examination and grant them special status to free them from financial worries; (iii) provide the Audit Bench with the necessary capital accounts; (iii) broaden the jurisdiction of the Audit Bench to include the determination of the relevance of expenditure and the audit of authorizing officers and credit managers; (iv) present the audited budget bill and the finance bill separately and within the required timeframe to permit Members of Parliament to consider them; (v) build the technical capacities of Parliament's finance committee to ensure better public expenditure control.

4.2.1.6. *Corporate Governance*: (i) make the preparation of manuals of administrative and accounting procedures compulsory; (ii) foster the independence of the Board Chair and separate the duties of the Board Chair from those of the General Manager; (iii) ensure that auditors are chosen by the General Meeting on the recommendation of the Board of Directors; and (iv) make certification by external auditors of the financial statements to be submitted to banks and taxation services compulsory.

#### 4.2.2. **Governance and Transparency**

4.2.2.1. *Political Transparency*: (i) put in place the Constitutional Council and the Senate before the next presidential elections; (ii) build NEO's institutional capacities so that it can better perform its election monitoring duties; (iii) ensure compliance with air time concerning media coverage and broadcast of the various party campaign messages on radio and television; and (iv) promote election observation by independent national and international observers in order to check fraudulent practices.

4.2.2.2. *Administrative Transparency*: (i) prepare draft codes of ethics for each civil service professional category; (ii) prepare and disseminate manuals of administrative procedures, as well as users' guides, per sector of activity in order to prevent corruption; (iii) appoint to duty positions through calls for candidatures and prioritize such criteria as competence, integrity and probity; (iv) punish workers involved in corruption; and (v) enforce provisions of the Constitution relating to the declaration of assets by the authorities and senior civil servants.

4.2.2.3. *Public Procurement*: (i) finalize and disseminate the public contracts code; (ii) prepare and disseminate a practical bidders' guide; (iii) build ARMP's institutional capacities; (iv) organize a special session on public procurement taxation targeting bidders, administrative services contractors and donors; and (v) review the definition of urgency to avoid erroneous interpretations when signing contracts by direct negotiation.

4.2.2.4 *Press and Access to Information*: (i) abolish all forms of administrative censorship; (ii) revitalize the Press Commission and ease the granting of approvals for setting up private radio stations; (iii) train economic journalists to broadcast economic and financial information with professionalism; (iv) build the capacities of the Union of Cameroon Journalists to effectively contribute to the advancement of democracy and to information access; and (v) systematize the publication of annual reports by the various ministries.

4.2.2.5 *Public Expenditure Review*: (i) abolish the General Paymaster's control during the administrative phase of expenditure; such control may be done during the payment phase; (ii) formalize by a text the deconcentration of expenditure authorization, which is currently implemented in the various ministries; (iii) prepare a manual of simplified public expenditure execution procedures; and (iv) pursue the putting in place of the SIGEFI project in the Ministry of Finance and the Budget (MINFIB) by focusing on human resource training.

4.2.2.6 *Empowerment and Monitoring/Evaluation of Public Policies*: (i) build the organizational and intervention capacities of civil society stakeholders; (ii) improve the CCS-HIPC monitoring/evaluation system; (iii) submit and disseminate the evaluation results in the presence of all relevant stakeholders; (iv) take account of the opinions and aspirations of civil society within the policy and programme monitoring committees; and (v) establish an institutional framework for monitoring and evaluation within the PRSP implementation unit.

### 4.2.3. Governance and Participation

4.2.3.1. *Legal Framework for Participation*: (i) draft a text laying down the organization, duties and functioning of the Economic and Social Council, and put in place this institution.

4.2.3.2. *Electoral Process*: (i) adopt and publish the law on regional elections; (ii) merge the various electoral laws; (iii) ensure consensus among stakeholders on voting age, procedures for establishing identity cards, recompilation and computerization of the electoral register, freedom to stand as a candidate, composition of all the electoral commissions, ways of combating election corruption, proclamation of results and funding of political parties and election campaigns; and (iv) enhance the role of the Communication Board so that it can ensure better, balanced and fair election campaign coverage by the public media.

4.2.3.3. *Civil Society Participation*: (i) establish civil society networks on a geographical basis and by sector of activity; (ii) prepare and enact a new law on local development committees; (iii) improve the operating framework of grassroots organizations; (iv) promote the protection and assistance of vulnerable or marginalized groups (women, youth, elderly or disabled persons); (v) adopt measures (quota or parity) to guarantee women's representation; (vi) prepare and enact a new law on trade unions; and (vii) adopt and enact a new family code.

4.2.3.4. *Decentralization and Deconcentration*: (i) vote and enact bills on decentralization (councils, regions, senate); (ii) set up a structure to determine, steer and monitor implementation of decentralization and deconcentration policies; (iii) put in place the region as deconcentrated authority and revise the duties of deconcentrated authorities; and (iii) train local elected officials, technical staff and administrators of councils and regions.

4.2.4 **Legal and Judicial Reform**: (i) supplement laws and regulations by adopting, voting and enacting enabling instruments of the Constitution (Constitutional Council, Senate); (ii) adapt the current substantive law and common law to the new domestic, community and international dispensation to ensure better ownership; (iii) provide better access to the law by designing and implementing a systematic policy of codifying laws and regulations, as well as promptly disseminating court judgments and official gazettes; (iv) strengthen the rule of law by building the capacities of the NCHRF; (v) equip and modernize judicial services; (vi) restore the credibility of the justice system by applying principles which require the organization of justice as a public service, consolidate the independence of judges

and draw up codes of ethics for each judicial and parajudicial profession; and (vii) monitor and implement reforms by strengthening the monitoring committee set up within the inspectorate of judicial services.

**4.2.5 Private Sector:** (i) promote private-sector support policies, institutions and infrastructure; (ii) strengthen mechanisms for consultation and dialogue between public authorities and private-sector support intermediary organizations; (iii) build the capacities of private-sector support organizations (CCIMA, Chamber of Agriculture and employers' organizations); (iv) conduct a study on streamlining business development procedures; and (v) promote policies targeting the development of SME/SMIs, micro-enterprises and cottage industries, and mobilize financial resources to that end.

**4.2.6 Combating Corruption:** (i) relocate the National Anti-Corruption Observatory currently housed in the Prime Minister's Office, grant it more independence and build its capacities as well as those of anti-corruption units set up in ministries; (ii) analyze and review the anti-corruption laws and regulations to incorporate the need to prosecute corrupt persons; (iii) strengthen partnership with civil society by setting up an anti-corruption coalition and an information system (data bank) on corruption; (iv) pursue information and sensitization campaigns targeting citizens and public service users; (v) carry out civic education activities and promote family values and ethics; (vi) enforce Article 66 of the Constitution concerning declaration of assets; and (vii) impose effective penalties in case of irregularities reported by audit and inspection services.

### **4.3 Areas of Intervention for Development Partners**

4.3.0. The growing interest shown by the international donor community in promoting good governance is reflected by current actions undertaken in Cameroon by certain bilateral and multilateral partners. The various actions taken by these partners are outlined below:

4.3.1. **Areas for ADB Group Intervention :** the African Development Bank provides support to the National Governance Programme (NGP) in Cameroon through a project worth UA 3.18 million. This project seeks to institute effective and transparent management of the State, and a modern and universally accessible justice system, which upholds the rule of law and secures investments. It specifically seeks to: (i) modernize the justice system and enhance its performance, thereby providing a better legal environment for business and access to judicial services; (ii) build capacities for effective management and control of economic programmes to ensure better public investment budget execution and greater funding absorption capacity; (iii) build the capacities of the Supreme State Audit to render it more transparent and effective; and (iv) promote a modern, efficient, accountable and user-friendly administration. This project has three components: (i) support for the justice system; (ii) support for economic and financial management; and (iii) support for administrative reform.

4.3.1.1. The "support for the justice system" component has two sub-components: applying the OHADA Treaty and its Uniform Acts, and strengthening the courts in Douala and Yaounde. Regarding the "support for improving economic and financial management" component, the Bank's intervention focuses on: (i) support to the Supreme State Audit (CSE) to strengthen its audit functions and protect public funds; and (ii) support to MINEPAT to build its capacities for grappling with project cycles through the holding of seminars on such themes as planning, programming, monitoring/evaluation and performance measurement. The "support for administrative reform" component concerns: (i) providing support to SPRA,

which coordinates administrative reform, a key aspect of governance; and (ii) support for the design and implementation of the (IEC) communication plan of the NGP. In general, these measures include the provision of institutional support in terms of material resources (data-processing equipment) and skills development to enhance staff efficiency in the performance of their duties.

**4.3.2. Areas for UNDP Intervention:** the UNDP has contributed up to US\$ 6 million from 1996 to 2004 to the preparation of the NGP, and implementation of its governance support project. To that end, it has signed several memoranda of understanding with Government: (i) a memorandum of understanding in partnership with UNESCO for the implementation of the NGP (IEC) communication plan covering an amount of US \$ 1 200 000; (ii) a memorandum of understanding to build Government's capacities for preparing, organizing and conducting elections covering an amount of US\$ 416 000; (iii) a memorandum of understanding in partnership with "Futurs Africains" to support the design of long-term Prospective Studies (2015-2025) covering an amount of US\$ 532 000; (iv) a protocol of agreement in partnership with the United Nations Centre for Human Settlements (HABITAT) to improve local governance; (v) a memorandum of understanding to support the streamlining of administrative procedures and SIGIPES; and (vi) a memorandum of understanding to support the fight against corruption covering an amount of US\$ 75 000 for the period 2001-2003, disbursed at the rate of US\$ 25 000 annually. After 3 (three) years of implementation of the NGP, UNDP has also initiated a study aimed at evaluating the programme. The results of this evaluation were presented at a seminar attended by representatives of donor agencies and secretaries-general of ministries. On the basis of these results, UNDP intends to rewrite a supplementary programme in which development partners will be heavily involved.

**4.3.3. Areas for French Cooperation Intervention:** owing to its historical ties with Cameroon, France is carrying out among other interventions three major projects in the area of governance. (A) The project on "Transparency, Efficiency and Rigour" in the management of Cameroon's public finance, amounting to one million Euros, covering a 36-month period. This project focuses on: (i) improving public finance management, in particular, the preparation of the State budget, budget and accounts monitoring of State budget execution, strengthening and effective putting in place of internal audit (general inspectorates) and external audit (Audit Bench) systems; (ii) strengthening finance services to sustain reforms undertaken at the Department of Taxation and updating information, as well as combating fraud within the Department of Customs; (iii) developing a statistical information and forecasting system tailored to the needs of the poverty reduction programme; and (iv) pursuing actions aimed at providing continuing training at ENAM. (B) The private-sector support project, with a budget of 952 806 Euros for the 2001-2004 period, seeks to: (i) boost MINDIC's priority industrial and commercial development activities; (ii) revamp the Chamber of Commerce, Industry, Mines and Handicrafts (CCIMA); and (iii) support a pilot operation for the development of cottage-type industries. (C) The project to support human rights and develop a culture of democracy, amounting to CFA F 1.1 billion, seeks to promote a more modern and humane prison system, strengthen civil society's capacity to protect the rights of individuals (700 million), and support the restructuring and restoration of Cameroon's police service (400 million).

**4.3.4. Areas for European Union Intervention:** following the example of French Cooperation, the European Union has also undertaken multifaceted and multisectoral activities in the area of governance in Cameroon: (i) support for the preparation and adoption

of the law on decentralization, which is yet to be implemented; (ii) implementation of an Institutional Support Programme for Decentralization and Road Maintenance (PAIDER) in the North, East and South Provinces; (iii) implementation under the 8<sup>th</sup> EDF of the Urban Development Decentralized Capacities Support Project (PACDDU) in five towns: Maroua, Bafoussam, Ngaoundere, Douala and Yaounde, amounting to 20 million Euros; (iv) implementation of a programme aimed at improving conditions of detention in the two major prisons of Yaounde and Douala to identify persons remanded in custody for excessively long periods (of from 6 months to 30 years) and ensure that they receive legal assistance; and (v) budget support under the 9<sup>th</sup> EDF for fiscal consolidation, establishment of the Audit Bench, and preparation of the law on finance regulations (review of the 1962 ordinance). Audits relating to the diagnosis of the capital expenditure chain and the material conditions for storage have also been funded.

4.3.5. **Areas for World Bank Intervention:** this institution has provided support in several areas, in particular: (i) reform of the legal and judicial system by funding a diagnostic study, which is now available, and development of a plan of action; (ii) funding of a study on budget tracking to determine if resources mobilized actually reach the beneficiaries; (iii) audit of public procurements to identify the strengths and weaknesses of the current system, and design of a public contracts code, amounting to US \$ 2.5 million; (iv) conducting a sector-based study on public finance management; (v) operationalization of SIGIPES; and (vi) private-sector promotion to the tune of US \$ 20 million.

4.3.6. **Areas for United Kingdom Intervention:** the UK intervenes essentially within the framework of monitoring the implementation of the resolutions taken by Central African Heads of State at the Summit on Conservation and Management of Tropical Forests. DFID is supporting Government's emergency action plan, which incorporates a governance component in logging activities and forest management.

4.3.7. **Areas for Canadian Cooperation Intervention:** drawing from an analysis of the NGP and PRSP, the Canadian Cooperation has organized two project identification missions in Yaounde and is planning to fund a programme to the tune of 12 to 15 million Canadian dollars. In this connection, it intends to provide support for: (i) judicial system reform; (ii) greater participation of civil society alongside State actors; (iii) human rights promotion; (iv) press freedom to define a code of ethics in conjunction with the Union of Cameroonian Journalists (UJC); (v) children's rights advocacy organizations; and (vi) amending the law governing NEO.

4.3.8. **Areas for German Cooperation (GTZ) Intervention:** in the area of governance, the GTZ has designed and implemented: (i) a Decentralization Support Programme (PADDEL) based in the Far North, Centre and West Provinces, covering a 12-year period, and comprising 4 components: decentralization, poverty reduction strategy, assistance to councils and support for the local economy. This programme was launched in 2003 and the first phase will run for 4 years with a budget of 12 million Euros. GTZ is also providing support to the private sector through the Competitiveness Committee by funding desk research on competitiveness, and to such employers' organizations as GICAM.

4.3.9. **Donor Coordination:** the UNDP Resident Representative is the United Nation System-Wide Coordinator in Yaounde. In certain areas, UNDP serves as lead agency and, in that capacity, it coordinates the activities of donor agencies. It has been reported that the coordination cycle of bilateral and multilateral donor activity is not observing the usual

schedule. Yet, coordination of activities, based on centre of interest, is given preference. In this connection, the European Union, French Cooperation and GTZ meet once a month to discuss the decentralization issue. The World Bank, French Cooperation and European Union are equally coordinating their activities in the area of public finance.

#### **4.4 Potential Areas for Bank Intervention**

4.4.1 The Bank's strategy in Cameroon's public sector is geared towards poverty reduction. This strategy is in line with its vision, strategic plan and the PRSP. The latter is a framework for consultation and concerted action, as well as for coordination of Government's action and external assistance in the area of poverty reduction and governance promotion. Consequently, the choice of potential areas for funding actions aimed at promoting good governance is a central concern for Government and the Bank. The Bank provides support and funding for specific actions in favour of poor people to improve their living conditions. Such actions focus mainly on the social, transport and agriculture sectors and on the multisector. Cameroon's private sector affords significant intervention opportunities, which could be considered on a case-by-case basis alongside the improvement of the judicial system. Additionally, the Bank should continue supporting macroeconomic reforms and measures aimed at strengthening and promoting governance in the country. These actions should translate into a better macroeconomic framework and business environment impacting on economic growth and increase in business opportunities, employment and income. The Bank holds that good governance should be strengthened so that its interventions in the various targeted sectors can have a genuine impact on poverty reduction. However, an analysis of the governance status in the country reveals a raft of reforms, measures and actions to be undertaken in order to effectively impact on governance.

4.4.2 The Bank's interventions must therefore be selected and carried out: (i) based on its policy and the instruments available; (ii) taking into account actions already underway; (iii) ensuring that its interventions and those of other donors are complementary; (iii) securing the adherence of stakeholders, including Government; and (v) taking into account the persistent problems reported in the diagnostic study. The areas selected should enable the Bank to have a comparative advantage and should receive, besides the current grant provision, financial support for governance promotion and other resources which should be made available under the African Development Fund. These areas for intervention should also be of prime interest to all sectoral departments of the Bank when identifying and preparing sectoral operations.

4.4.3 Improving governance is now a central concern when designing the Bank's operations. The country governance profile is therefore a document which seeks to ease dialogue with the Cameroon Government. Implementation of the main priority actions identified could be incorporated into a governance SAP, which the Bank is going to conclude for the 2005-2007 period, in conjunction with the IMF which is supporting Cameroon under the PRGF. Such governance SAP could be in line with the new programme, which UNDP intends to rewrite at the end of the current NGP. Moreover, it will be carried out in accordance with the World Bank programme, which already pays special attention to issues concerning the justice system and public finance management. In this connection, the following priority areas have been proposed to build on the achievements of actions already undertaken and previously supported by the Bank:

4.4.4 Improving the Legal and Judicial Framework: the purpose of improving this framework is to guarantee the rule of law, promote and defend human rights, improve the business environment and combat corruption more boldly. It is essential for these measures to have a positive impact on the country's legal and judicial system and project a different image to reluctant investors, while permitting those who have been disappointed by the system to regain confidence. This is vital for investment growth, as it will enable further wealth creation, revenue increase and improvement in the living standards of the people. The Bank should pursue its actions initiated under the current grant provision and include key measures of the action plan, developed to improve the legal and judicial system, in the governance support programme. These measures are broken down into those that can be carried out in 2004-2005 and those that should be carried out after that date. Concerning the latter set of measures, the Bank should not focus on a single programme instead it should continue funding other governance promotion programmes covering several years until the legal and judicial system is rehabilitated. These reforms should be proposed to donors to elicit their support and contributions, in particular through grants and concessional loans.

4.4.5 Strengthening Public Administration Reform. this component falls under actions carried out by the Bank at the level of the SPRA. However, it requires considerable efforts and a political will to implement a policy aimed at improving the institutional framework, modernizing working methods, in particular, the processing of documents by computers, further empowering workers through redefinition of job profiles and continuing training, a clear definition of working procedures, by preparing manuals of procedures and improving access to information. This set of measures and actions may be adopted as part of reform support measures and actions, and specific actions designed to strengthen certain components (computers, equipment, job description...). A sector-based study on the efficiency of Cameroon's administration should help to better define the needs in this area. Meantime, SPRA's policy, which seeks to modernize all administrative services, should be examined with a view to lending it appropriate support.

4.4.6 Strengthening Public Finance Management: indispensable reforms have been made so far, but fall short of the target of ensuring expenditure tracking and control, and making for full confidence in the system. Such confidence is crucial, as it would enable the country's partners to provide appropriate budget support at the global and sectoral level. In this area, the Bank should focus on ad-hoc measures aimed at strengthening CSE capacities and independence, as well as ensuring the effective operationalization of the Audit Bench, thereby ensuring better auditing. These measures may be detailed and included as part of the governance promotion reform programme to be supported by the Bank.

4.4.7 Deepening Decentralization: this component should essentially centre on the putting in place of the regions and building the capacities of councils and grassroots community organizations, including women's groups. In this area, a bill is being drafted though its adoption and enactment are taking time. The Bank should call on the authorities to finalize this law, get all stakeholders to examine it and, more importantly, get the National Assembly to vote it. This measure constitutes a major step toward achieving actual decentralization. The Bank should also continue, through its future projects in selected sectors, to build the capacities of local structures and equip them appropriately to play their role in local development that better address the needs of the populations.

4.4.8 Building the Capacities of the Legislative Power and Strengthening Democracy: in this area, the Bank should pay special attention to the National Assembly to enable it to play its law-making role, which is inadequately performed to date. It is vitally important and urgent to provide institutional support and build capacities in the area of training, equipment and expert assistance. Support in this area should be planned for early 2005 under the ADF X. Similarly, measures and reforms within the framework of the Governance Support Programme should focus on the establishment of the Constitutional Council and Senate.

## V. CONCLUSIONS AND RECOMMENDATIONS

### 5.1. Conclusions

An appraisal of Cameroon's Governance Profile revealed that several reforms are being implemented to gradually entrench such principles as accountability, transparency, participation, decentralization, rule of law and fight against corruption. Some of these reforms are already well advanced and promise major changes in staff and public finance management. Others are taking off slowly following adoption of their action plans (justice); then there is a last set of reforms still pending that require strengthening (internal and external audit system). Cameroon is therefore implementing an extensive reform programme that calls for sustained commitment from all stakeholders and partners. Each one has the responsibility of making its own contribution to the success of good governance and poverty reduction. The Bank Group should continue to lend its support to the Cameroon Government for the purpose of improving governance. In this connection, the governance profile is seen as a tool for dialogue from which will emerge a programme comprising priority areas for action.

### 5.2 Recommendations

#### For the Government :

- Prepare a new National Governance Programme, taking into account priority actions which have not been carried out to date;
- Express genuine political will in implementing various reforms under way, by identifying the causes of delays and further empowering stakeholders;
- Put in place coordinated monitoring and evaluation mechanisms, with a clear definition of indicators and greater involvement of non-State actors, notably civil society and the private sector;
- Strengthen democracy by ensuring that free, fair and transparent elections are held, and by putting in place the Constitutional Council and the Senate as soon as possible;
- Launch a crusade against corruption, by marshalling active forces for development to enhance the country's credibility with international public opinion and foreign investors who are showing great interest in Cameroon.

#### For the Bank :

- Draw from the priority recommendations contained in this governance profile to design a governance support programme and step up efforts already under way;
- Create synergy and ensure complementarity between various donor interventions in the area of governance;

- Enhance collaboration with UNDP as lead agency in the area of governance in Cameroon;
- Support the justice sector in particular, since the functioning of its services is marred by poor performance and inefficiency.

## Annex 1 : Summary of Donor Interventions

	<b>Economic and Financial Governance</b>	<b>Judicial Governance</b>	<b>Human Rights</b>	<b>Institutional Governance</b>	<b>Combating</b>	<b>Political Governance</b>	<b>Local Governance</b>	<b>Private Sector Development</b>	<b>Promotion of Civil Society</b>
<b>ADB</b>	Support to CSE and MINEPAT	Support to Yaounde and Douala courts		- Support to administrative reform (SPRA) -Support to NGP Communication Plan				Support to OHADA Uniform Acts	Building of civil society capacities (ACAFEJ)
<b>WB</b>	- Support for public procurement - Support for public finance management	Support for Judicial system reform		Support for putting in place of SEGEFI				Support to private sector	
<b>UNDP</b>				Support for preparation of manuals of procedures and putting in place of SIGIPES	Support for combating corruption	Support for preparation and organization of elections	Support to local governance		
<b>EU</b>	- Support for public finance management - Support for putting in place of Audit Bench		Improvement of detention conditions in the two major prisons of Yaounde and Douala			Support to summit of Central African Heads of State	Support to regional and local authorities		Support for self-promotion of civil society

<b>F.C</b>	Support for improvement of public finance management		Support for modernization of the prison system and restructuring of the police	Institutional support to the Department of Taxation, Department of Customs and ENAM			Support to CCIMA and to cottage industries	Strengthening of civil society capacities (Bar Association) Strengthening of the capacities of local development stakeholders	Strengthening of the capacities of civil society in general and of the press in particular
<b>GTZ</b>						Support to regional and local authorities (councils)	Support to private sector (competitiveness and employers' organizations)		
<b>CIDA</b>		Support to the legal and judicial system	Support for promotion of human rights and children's rights		Support to NEO				
<b>U.K</b>	Support for forestry management								

## Annex 2 : Matrix of Measures and Monitoring Indicators

<b>Areas</b>	<b>Objectives/Strategies</b>	<b>Actions</b>	<b>Indicators</b>
<u>1. Accountability and Political Transparency</u>	- Improvement of the communication system of the National Assembly	- Formulation of a communication plan  - Provision of data-processing equipment  - Putting in place of a web site  - Rehabilitation of the documentation centre of the National Assembly  - Renovation of the simultaneous translation system	- Communication plan formulated and available - Computer room equipped with 50 micro-computers - Web site put in place and operational - Documentation centre equipped with two micro-computers and provided with more than 100 new books and publications - Simultaneous translation system renovated with new equipment
	Building the capacities of Members of Parliament	- Recruitment of parliamentary aides  - Identification of training needs and preparation of a training plan for Members of Parliament	- 30 parliamentary aides recruited - A training plan prepared and available - -- Premises of the Senate are equipped and functional
	Putting in place of the Senate   Putting in place of the Constitutional Council   Building the capacities of NEO	- Provision of equipped and functional premises  - Organization of elections or appointment of senators  - Provision of premises and appointment of members of the Constitutional Council	- Senators are installed  - Constitutional Council premises available and equipped, Council members appointed.  - NEO has a substantial training budget and its data processing equipment is strengthened
<u>2. Accountability and Administrative Transparency</u>	Improvement of the organizational and institutional framework of public administration  Improvement of working methods of employees  Improvement of the quality of services rendered to users   Strengthening of accountability by employees	- Conduct of organizational and strategic audits of 5 ministries  - Preparation of a deconcentration charter  - Preparation of manuals of administrative procedures  - Preparation of users' guides - Conduct of a user survey  Preparation of codes of ethics per profession  Revision of remuneration system of State employees	- The audit reports of 5 ministries are available  - A deconcentration charter prepared  - Manuals of procedures of ministries prepared and available  - Users' guides are prepared and distributed and a user survey is conducted  - Codes of ethics are prepared per profession - The system of remuneration of employees is renovated and salaries are scaled up

<p><b><u>3. Accountability and Transparency in Public Finance Management</u></b></p>	<p>- Strengthening of the capacities of actors involved in the budget preparation process (Department of Forecasts, Department of the Budget, planning units of ministries)</p>	<p>- Preparation of training plans for actors involved in the public finance programming process</p> <p>- Putting in place of planning units in technical ministries</p>	<p>- Training plans are prepared and implemented</p> <p>- Planning units are put in place and equipped with computers</p>
	<p>Building the capacities of the internal audit system</p>	<p>- Abolition of the Stores Accounting Department</p> <p>- Improvement of the public accounting system by the integration of entries relating to debt and external financing</p> <p>- Preparation of a training plan for Inspectors General of Finance</p> <p>- Preparation of a manual of internal audit procedures</p> <p>- Support to the CSE training centre in terms of data processing equipment and teaching aids</p> <p>- Preparation of a manual of procedures for field control carried out by MINEPAT control brigade</p> <p>- Strengthening of MINEPAT control brigade with vehicles</p>	<p>- A decree abolishing the department and reorganizing MINFIB issued.</p> <p>- The State accounting plan takes into consideration the entry at the Treasury of debt and external financing</p> <p>- A training plan is prepared and implemented</p> <p>- A manual of procedures is prepared and available for inspectors</p> <p>- Equipment is put in place at central level</p> <p>- A manual of procedures is prepared and available</p> <p>- Vehicles are bought and provided to MINEPAT</p>
	<p>Building the capacities of external audit institutions</p>	<p>Support for the putting in place of the Audit Bench through the training of magistrates and audit judges</p> <p>- Preparation of a training plan for members of the Finance Committee of the National Assembly</p>	<p>- A training plan is prepared and implemented</p> <p>- A training plan is prepared and implemented for members of the Committee to empower them to examine the audited budget law</p>
<p><b><u>4. Transparency and Reform of Public Enterprises</u></b></p>	<p>- Strengthening of the public enterprise privatization process</p>	<p>Institutional support to the National Enterprise Privatization and Liquidation Committee (CNPL)</p> <p>- Privatization of the remaining 7 enterprises</p>	<p>- Prior studies of enterprises are financed and conducted ;</p> <p>- An audit of privatization operations is carried out</p> <p>- The 7 enterprises are privatized in March 2005 at the latest.</p>
<p><b><u>5. Transparency and Corporate Governance</u></b></p>	<p>Support for corporate governance</p>	<p>- Improvement of corporate governance by the Government by taking measures to ensure compliance with transparency criteria</p> <p>- Upgrading the skills of executive directors of public enterprises through training</p>	<p>- The State has adopted regulations to the effect that Boards of Directors are made up of competent directors.</p> <p>- A training plan for executive directors is prepared and implemented.</p>

<p><b><u>6. Transparency and Public Procurement</u></b></p>	<p>Support for public procurement reform</p>	<p>Improvement of public procurement regulations</p> <ul style="list-style-type: none"> <li>- Institutional support to the ARMP for training and contract auditing</li> </ul>	<ul style="list-style-type: none"> <li>- Proposals for improving current texts are integrated into the contracts code, published and widely disseminated</li> <li>- Financial resources are placed at the disposal of the ARMP for training of members of tender boards</li> <li>- The auditing of contracts is carried out annually</li> </ul>
<p><b><u>7. Transparency and Access to Information</u></b></p>	<p>Strengthening of access to information</p>	<ul style="list-style-type: none"> <li>- Training of economic journalists</li> <li>- Institutional support to the Union of Cameroonian Journalists (UJC)</li> <li>- Support to 5 ministries of the economic and financial sector for publication of annual reports</li> </ul>	<ul style="list-style-type: none"> <li>- A training plan is prepared and implemented for economic journalists</li> <li>- Data-processing equipment is provided to the UJC</li> <li>- Annual reports of 5 ministries are published</li> </ul>
<p><b><u>8. Transparency and Monitoring Evaluation of Public Policies</u></b></p>	<p>Improvement of the public policy monitoring and evaluation system</p>	<ul style="list-style-type: none"> <li>- Putting in place of an institutional framework for public policy coordination</li> <li>- Institutional support for institutional framework to be put in place</li> <li>- Building the capacities of three civil society organizations to enable them to participate effectively in monitoring and evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- A decree is issued and published for the establishment of the framework</li> <li>- The framework is put in place and provided with data-processing equipment and a computer monitoring and evaluation application networking stakeholders</li> <li>- Three civil society organizations have benefited from support in terms of training and data processing equipment</li> </ul>
<p><b><u>9. Participation</u></b></p>	<p>Support for the putting in place of the Economic and Social Council (ECOSOC)</p>	<ul style="list-style-type: none"> <li>- Preparation of the text on the organization and functioning of the Economic and Social Council</li> <li>- Putting in place of ECOSOC</li> </ul>	<p>A text on the organization and functioning of ECOSOC issued</p> <ul style="list-style-type: none"> <li>- Premises are assigned to ECOSOC and its members designated</li> </ul>
	<p>Strengthening of participation in the electoral process</p>	<ul style="list-style-type: none"> <li>- Support for computerization of the electoral register</li> <li>- Institutional support to NEO for training of its representatives</li> </ul>	<ul style="list-style-type: none"> <li>- Data-processing equipment and software are put in place for the computerization of the electoral register</li> <li>- A training plan is prepared and implemented.</li> </ul>

		- Preparation of an electoral code by regrouping laws and regulations on elections into a single document	- The electoral code is prepared and widely disseminated
	Building of civil society participation capacities	- Establishment of civil society networks on a geographical basis or per sector of activity - Improvement of the operating framework of grassroots organizations - Adoption of measures (quota or parity) to guarantee women's representation	- Civil society networks are established in the form of consultation and action frameworks - Five grassroots organizations, particularly women's groups, are supported as concerns training - Texts fixing women's participation quotas in various sectors are defined.
<b><u>10. Decentralization</u></b>	Deepening and broadening of the decentralization process	Definition of a decentralization charter Putting in place of the Region as a regional authority Text relating to the organization and functioning of RLAs	- Charter prepared in the form of policy orientation document - Regional councilors are elected and councils installed - Texts are adopted and published
	Reinforce decentralization by deconcentration measures	Putting in place of the Region as a regional authority Definition of the statutes of deconcentrated authorities (Senior Divisional Officers, Sub-divisional Officers, Service Heads) ;	- The Region as a deconcentrated authority is put in place with the appointment of Governors - New statutes are prepared for deconcentrated authorities
	- Train and retrain RLA staff	Preparation of training plans for elected officials, technical staff and council and regional administrators Implementation of plans of action	- Training plans are prepared. - Training plans are implemented and 100 persons from each staff category are trained
	Strengthen worker participation	Building the capacities of trade-union organizations to enable them to better play their role in the participatory bodies Maintaining of social dialogue with trade-	The capacities of workers are built by support for training actions. - A social dialogue charter is prepared and validated by workers and the Government

		union organizations	
<b><u>11. Improvement of the Legal and Judiciary Framework</u></b>	Ensure and strengthen familiarization with, the law, and the rule of law	Preparation of enabling texts of community law (OHADA, CEMAC, CIMA)  Revision of texts governing the various para-judicial professions	- The enabling texts of community law are issued, published and widely disseminated  - Text governing the various para-judicial professions are revised (lawyers, solicitors, bailiffs, etc)
	Adapt the present substantive law and common law to the new domestic, community and international dispensation for better ownership	Conduct of a study for adaptation and cohabitation of modern law and common law  Redefinition of the roles, duties and responsibilities of institutions and their organs (Supreme Court, Higher Judicial Council)	- The study is conducted and report available  New texts are issued for the redefinition of the roles and responsibilities of these institutions
	Enhance access to law	Inventory and drawing up of jurisprudence directories  Translation and popularization of OHADA texts  Prompt dissemination of court judgments and Official Gazettes nationwide	- Jurisprudence directories are inventoried and regrouped in a compendium. - OHADA texts are translated and disseminated  - Court judgments are widely disseminated to professionals
	Strengthen the rule of law by building the capacities of the NCHRF and developing a democratic culture of human rights	Provision of vehicles to the NCHRF  Formulation of a human rights policy and preparation of a human rights plan of action  Organization of training seminars for administrative authorities and forces of law and order	- Vehicles are provided to the NCHRF for its sensitization activities  - A plan of action is prepared in collaboration with civil society stakeholders  - Four seminars are organized for administrative and police authorities

	<p>Reform, modernize and restore the credibility of the judicial system</p>	<p>Equip and modernize judicial services</p> <p>Restore credibility to the justice system</p> <p>Ensure greater efficiency of judicial services</p>	<ul style="list-style-type: none"> <li>- Courts are equipped with furniture and data-processing equipment</li> <li>- The independence of the justice system is strengthened, codes of ethics are prepared and professional ethics are respected</li> <li>- About one hundred legal and judicial officers are recruited, staff rules and regulations are improved, settlement periods are shortened and the output of court registries and legal departments is improved</li> </ul>
<p><b><u>12. Private Sector Development</u></b></p>	<p>Promote private sector support policies and institutions</p>	<p>Definition of private sector development policies and plans of action</p> <p>Consolidation of mechanisms for consultation and dialogue between the Government and private sector support intermediary organizations</p> <p>Building the capacities of private sector support organizations (CCIMA, Chamber of Agriculture, employers' organizations)</p> <p>Study on the streamlining of business development procedures</p>	<ul style="list-style-type: none"> <li>- Policies and plans of action are defined in collaboration with sector partners</li> <li>- The consultation unit is strengthened with human and financial resources</li> <li>- The chambers of agriculture, mines and energy and employers' organizations are strengthened with respect to data processing equipment and training.</li> <li>- A study on the streamlining of private investment procedures is carried out</li> </ul>

	Promote policies targeted at the development of SME/SMI, and micro-enterprises and cottage industries	<p>Organization of meetings or SME/SMI and implementation of the recommendations of the meetings</p> <p>Formulation and implementation of an SME/SMI capacity building programme, particularly those with a high growth potential</p> <p>Promotion of programmes for the development of SME/SMI and micro-enterprises</p>	<p>- National meetings are held on the promotion of SME/SMI and recommendations are implemented.</p> <p>- A SME/SMI technical and managerial capacity building programme is formulated and adopted</p> <p>A micro-enterprise development programme is formulated, especially in the cottage industry sector</p>
	Mobilize more financial resources for SME/SMI and micro-enterprises	<p>Support for the formulation of credit requests through the establishment of a SME/SMI Council Support Fund</p> <p>Recovery of specialized financial institutions and diversification of financial instruments (leasing, venture capital, OPCVM, guarantee funds)</p> <p>Operationalization of the Douala Stock Exchange</p>	<p>- A SME/SMI Council Support Fund is established for support for the formulation of credit request.</p> <p>- Investment support financial institutions are set up, particularly leasing, venture capital and guarantee fund companies.</p> <p>- The Douala Stock Exchange is functioning normally</p>
<b><u>13)</u></b> <b><u>Combating Corruption</u></b>	Improvement of the institutional framework for combating corruption	<p>The relocation of the National Anti-Corruption Observatory for greater visibility</p> <p>Redefinition of the duties of the National Anti-Corruption Observatory to strengthen its independence</p> <p>Building the capacities of the Observatory and units established in ministries</p>	<p>- The Observatory has become an independent structure not attached to the Prime Minister's Office.</p> <p>- The text amending the duties of the Observatory is issued and published.</p> <p>- The Observatory and units are provided with more substantial financial and material resources</p>

	<p>Strengthening of anti-corruption activities</p>	<p>Conduct of a study on anti-corruption indicators</p> <p>Strengthening of partnership with civil society (constitution of a data bank, coalition against corruption)</p> <p>Continuation of campaign for the information and sensitization of citizens and public service users</p>	<p>- A study on the definition of anti-corruption indicators is conducted and its report is available.</p> <p>- A public sector/civil society coalition is created to combat against corruption, and a databank is put in place</p> <p>- Citizen and public service employee sensitization campaigns are carried out through the media (radio, television/newspapers) and plays</p>
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## PRIORITY AREAS FOR IMPROVING GOVERNANCE

### Governance and Accountability

#### *Political Accountability:*

- Improve the internal and external communication system of the National Assembly by setting up a web site, providing data-processing equipment and rehabilitating its documentation centre;
- Recruit and place parliamentary aides at the disposal of Members of Parliament, in accordance with criteria to be defined, to give them the expertise needed for the in-depth study of documents submitted to them for approval;
- Put in place as soon as possible the Senate and the Constitutional Council which play a key role in consolidating democracy;
- Apply the decree on the funding of political parties to further empower those which are more representative.

#### *Administrative Accountability:*

- Attach the Permanent Secretariat for Administrative Reform (SPRA) to the Prime Minister's Office considering its status as Government advisory body and its cross-cutting missions;
- Build the institutional capacities of SPRA with regard to data-processing equipment and continuing training of organization advisers;
- Pursue the Staff and Salary Management Deconcentration project linked to SIGIPES by extending it to other ministries;
- Pursue the project to prepare manuals of procedures to further empower State employees and improve the quality of services rendered to users;
- Draft a deconcentration charter that defines standards for setting up and organizing administrative structures in order to prevent the proliferation of units which sometimes have similar missions;
- Conduct organizational and strategic audits of ministries in order to carry out a qualitative and quantitative evaluation of structures and human resources;
- Revamp the system of remuneration of State employees on the basis of professionalism and merit, to further motivate them and to prevent corrupt practices.

#### *Budget Preparation and Control Process:*

- Work towards the adoption of a bill to regulate public finance as soon as possible;
- Build the institutional capacities of the Department of Forecasts and the Department of Planning to enable them to better prepare the budget and sectoral MTEFs;
- Build the planning capacities of ministries to enable them better prepare their annual budgets and sectoral MTEFs;
- Further empower the spending ministries in budget preparation;
- Extend medium-term expenditure frameworks (MTEFs) to other spending ministries by drawing up sectoral programmes for development sector;
- Build the institutional capacities of the inspectorate in charge of supervising projects on the ground by equipping it with vehicles and an efficient data-processing system;
- Submit the amendment to the finance law to Parliament for approval for greater transparency and accountability, instead of taking unfair advantage of regulations.

#### *State Accounting System and Record Keeping:*

- Enter exhaustive debt and externally-funded investment flows in the balances, to ensure greater accountability and transparency in auditing of accounting operations;
- Make the transmission of accounting supporting documents together with balances before their aggregation compulsory, to ease the preparation of the settlement law and thorough auditing;
- Have the reimbursement of VAT approved by the Treasury Paymaster General after authorization by the Director of Taxation, for sound cash management.

#### *Internal Public Expenditure Control:*

- Strengthen the skills of inspectors general of finance by giving them adequate training so that their a posteriori auditing activities can be more effective;
- Prepare a procedures manual for the physical control of projects on the ground and also increase the number of vehicles of the MINEPAT a posteriori audit service;
- Recruit auditors for the CSE through public competitive examinations by defining objective criteria;
- Build the institutional capacities of the CSE by supporting its continuing training scheme, data-processing equipment and teaching aids;
- Publish the report of the CSE submitted annually to the President of the Republic;

- Give the CSE more administrative and financial autonomy even if it remains under the supervisory authority of the Presidency of the Republic;
- Abolish the Department of Stores Accounting which only helps to render the expenditure circuit cumbersome and set up in replacement thereof a stores accounting service in each ministry.

*External Expenditure Control:*

- Put in place the Audit Bench as soon as possible, and eventually make it independent of the Supreme Court and transform it into a truly independent and efficient Court of Auditors;
- Recruit future Audit Bench judges through a competitive examination and provide them with sufficient initial training to enable them carry out their auditing activities effectively;
- Provide the Audit Bench with the necessary equipment so as to ensure judges the best working conditions;
- Adequately motivate these future audit judges by providing them a special status that grants them freedom from want;
- Broaden the powers of the Audit Bench to include the determination of the relevance of expenditure and the auditing of authorizing officers and vote-holders;
- Table the audited budget bill and the finance bill separately and submit these documents within the required time limit to allow MPs time to examine them;
- Build the technical capacities of the Finance Committee of Parliament for a more efficient control of public expenditure.

*Reform of Public Enterprises:*

- Pursue the public enterprise reform process by privatizing the 7 (seven) other enterprises listed in the section dealing with diagnosis, and respect the deadlines set in agreement with the Bank, the World Bank and the IMF;
- Separate the management functions of the Public Enterprise Privatization and Liquidation Committee from those of steering privatization operations;
- Audit privatization operations in order to ascertain their transparency and render account by publishing a report on all privatization operations.

*Corporate Governance:*

- Make the preparation of administrative and accounting procedures manuals compulsory;

- Promote the independence of the Chair of the Board of Directors and separate his/her duties from those of the General Manager;
- Ensure that auditors are chosen by the General Meeting on the proposal of the Board of Directors;
- Make the certification by external auditors of financial statements to be submitted to banks and taxation authorities compulsory;
- Set up independent audit commissions comprising external experts (lawyers, specialists in management, accountants, etc.) to support and advise Boards of Directors;
- Combat corruption in public enterprises.

*Accounting and Auditing in the Private Sector:*

- Back up ONECCA at the institutional level by providing training to approved experts and young graduates coveting the profession;
- Introduce quality control in auditing and accounting;
- Facilitate the approval of Cameroonian accounting and auditing firms by international bodies.

**Governance and Transparency**

*Political Transparency:*

- Put in place the Constitutional Council and the Senate before the next presidential election;
- Prepare the elections carefully in order to avoid shortcomings during polling. To this end, therefore, it is necessary to build the institutional capacities of the Department of Political Affairs in the Ministry of Territorial Administration and Decentralization;
- Make election materials (ballot boxes, ballot papers, envelopes, etc.) available on time;
- Ensure compliance with air time with regard to media coverage and broadcast of the election campaign propaganda of political parties on the radio and television;
- Build the institutional capacities of NEO to enable it to carry out its election monitoring missions more effectively;
- Ensure the respect of electoral laws by the administration in charge of preparing and organizing elections;
- Encourage the observation of elections by independent national and international observers in order to prevent fraudulent practices during elections.

*Administrative Transparency:*

- Prepare codes of ethics for each professional category in the civil service;
- Prepare and disseminate administrative procedures manuals to ensure greater efficiency and transparency in administrative action;
- Prepare and disseminate user guides or citizen charters by sector of activity so as to prevent corruption;
- Appoint to duty positions by launching internal calls for candidatures, prioritizing criteria such as competence, integrity and probity;
- Impose administrative sanctions on all corrupt employees as part of anti-corruption strategies;
- Implement the provisions of the 1996 Constitution relating to the declaration of assets by authorities and senior civil servants appointed to duty positions in the administration.

*Public Procurement:*

- Finalize and disseminate the Public Contracts Code;
- Organize periodically training sessions on enactments relating to public procurements, taking into account the instability of structures and change of public administrators;
- Prepare a practical bidders guide;
- Build the institutional capacities of the ARMP, with regards to both equipment and continuing training of senior management;
- Improve the drafting of bidding documents;
- Reduce deadlines by eliminating somewhat repetitive procedures;
- Organize a special training session on public procurement taxation for bidders, contractors of the administration and donors;
- Review the definition of urgency in order to avoid erroneous interpretations by certain administrations in order to sign contracts by direct negotiation.

*Press and Access to Information:*

- Consolidate press freedom by abolishing all aspects of administrative censorship;

- Revitalize the Press Commission and ease the granting of approval for the setting up of private radio stations;
- Promote the development of economic and financial press organs, in conjunction with the Union of Cameroonian Journalists;
- Train economic journalists to enable them to broadcast economic and financial information with professionalism;
- Build the capacities of the Union of Cameroonian Journalists to enable them to contribute more effectively to advancement of democracy and access to information;
- Carry out a study on access to information within the administration and initiate texts aimed at facilitating access by users to administrative information;
- Systematize the publication of annual reports by ministries to ensure greater transparency and accountability in the management of public affairs.

*Public Expenditure Auditing:*

- Abolish control by the Paymaster General during the administrative phase of expenditure; such control can be carried out during the payment phase;
- Formalize by a text deconcentration of expenditure authorization which is a reality in ministries;
- Further reduce payment delays by eliminating irrelevant phases;
- Prepare a simplified public expenditure execution procedures manual;
- Pursue the putting in place of the SIGEFI project in MINFIB, laying emphasis on human resources training and development of team spirit.

*Accountability and Public Policy Monitoring and Evaluation:*

- Build the organizational and intervention capacities of civil society stakeholders to enable them to more effectively play their role in the monitoring-evaluation process;
- Increasingly involve all stakeholders in field trips and in the meetings of various monitoring committees;
- Finance projects submitted by civil society stakeholders under the HIPC fund in collaboration with the supervisory administrative structures;
- Improve the monitoring-evaluation system at the level of CCS-HIPC by clearly defining the indicators and roles of each party;
- Present the results of evaluation in the presence of all stakeholders;

- Take into account the opinions and aspirations of civil society within policy and programme monitoring committees;
- Define a monitoring-evaluation institutional framework for PRSP implementation unit and put in place computer application that generates in real time all data on the physical and financial execution of projects and programmes, together with a system of reporting and analyzing identified problems.

## **Governance and Participation**

### *Framework for Participation:*

- Prepare a text laying down the organization, duties and functioning of the Economic and Social Council (ECOSOC);
- Put in place ECOSOC;
- Implement the provisions of the African Charter on Participation in Development and Transformation.

### *Electoral Process:*

- Adopt and publish the electoral law on regional elections;
- Adopt and publish the electoral law on senatorial elections;
- Merge the various electoral laws, highlighting the general and special provisions relating to the different elections;
- Reach a consensus among stakeholders on the voting age, conditions for issuing identity cards, recompilation and computerization of the electoral register, freedom to stand as a candidate, composition of all electoral commissions, ways to combat poll-rigging, proclamation of results as well as the funding of political parties and election campaigns;
- Build the capacities of NEO to enable it to monitor elections more effectively;
- Introduce ICTs with a view to computerizing the management of the electoral register and generalizing identity cards;
- Enhance the role of the National Communication Council to enable it to better ensure the balanced and equitable coverage of election campaigns by the public media.

### *Civil Society Participation:*

- Restructure the legal, administrative and financial environment of all components of civil society so as to build its capacities for action;

- Create civil society networks on a geographical basis by sector of activity;
- Implement a viable communication policy (community radios);
- Prepare, adopt and enact a new law on local development committees;
- Improve the operating framework of grassroots organizations;
- Promote the protection of and assistance to vulnerable or marginalized groups (women, youth, elderly or disabled persons);
- Adopt measures (quota or parity) to ensure the representation of women;
- Prepare, adopt and enact a new law on trade unions;
- Adopt and enact the new family code.

*Decentralization and Deconcentration:*

- Vote and enact laws on decentralization (councils, regions, senate);
- Put in place an institutional framework for defining, conducting and monitoring the implementation of decentralization and deconcentration policies by creating and instituting the position of Minister Delegate in charge of Decentralization and Deconcentration;
- Deepen and extend the decentralization process by formulating a decentralization charter and putting in place the Region as a decentralized authority;
- Strengthen decentralization through deconcentration measures, notably the putting in place of the region as a decentralized authority and review the powers of deconcentrated authorities;
- Codify and render operational the relational system by redefining the rules relating to various supervisory bodies (framework for consultation between RLAs, relations between FEICOM and RLAs, etc...);
- Train and retrain staff by designing training programmes for elected officials, technical staff and council and regional administrators;
- Strengthen the resources of support structures, notably FEICOM and the Local Government Training Centre (CEFAM).

*Economic Cooperation and Regional Integration:*

- Implement the new OHADA Uniform Acts;

- Pursue the implementation of the ECCAS recovery and revitalization programme.

*Workers' Participation in Decision-making:*

- Conduct a study on definition of a legal framework for workers' participation;
- Build the capacities of trade-union organizations to enable them to better play their roles in participatory bodies;
- Sustain social dialogue with trade-union organizations and prepare a social dialogue charter.

*Legal and Judicial Reform:*

- Ensure and consolidate familiarization with the law, and the rule of law;
- Finalize the legislative and regulatory framework by adopting, voting and enacting the enabling texts of the Constitution (Constitutional Council, Senate) and revising instruments governing the various judicial professions;
- Adapt the current substantive law and common law to the new domestic, community and international dispensation for better ownership;
- Ensure better access to law by formulating and implementing a systematic policy of codifying laws and regulations as well as diligently disseminating court judgments and the Official Gazette;
- Consolidate the rule of law by building the capacities of the NCHRF and developing a democratic culture of human rights, on the one hand, and by monitoring the implementation of international conventions ratified by Cameroon, on the other hand;
- Equip and modernize judicial services by procuring and installing data-processing equipment and by increasing the network of courts and providing these new courts with equipment and furniture;
- Restore the credibility of the justice system by applying the principles of organization of justice as a public service, consolidating the independence of the judiciary and designing codes of ethics for each judicial profession;
- Ensure greater efficiency of judicial services by improving the functioning of courts and strengthening human resources;
- Ensure the monitoring and implementation of reforms by strengthening the monitoring committee set up within the Inspectorate of Judicial Services.

### *Private Sector:*

- Promote private sector support policies, institutions and infrastructure by reinforcing the services and departments of MINEPAT with a view to preparing and implementing documents relating to planning and defining national development priorities and overall and sectoral policies in this sector;
- Consolidate mechanisms for consultation and dialogue between government and private sector intermediary support organizations (CIESP and CCIMA);
- Put in place instruments and structures provided for by the Investment Charter of the Republic of Cameroon;
- Build the capacities of private sector support organizations (CCIMA, Chamber of Agriculture, employers' organizations (GICAM, GFAX, GEC, etc.);
- Carry out a study on streamlining of business development procedures;
- Set up a structure for promoting exports and Cameroon's active participation in various economic forums;
- Promote policies targeted at the development of small- and medium-sized enterprises and industries, micro-enterprises and cottage industries;
- Mobilize more financial resources for SME/SMIs and micro-enterprises;
- Operationalize the Douala Stock Exchange.

### *Combating Corruption:*

- Relocate the National Anti-Corruption Observatory currently located in the Prime Minister's Office, for greater visibility;
- Redefine the duties of the National Anti-Corruption Observatory in order to strengthen its independence and capacities as well as those of units set up in ministries by providing them with additional technical, material and logistic resources;
- Analyze and review the legal and regulatory system of combating corruption by integrating the requirement to initiate court action against corrupt persons;
- Conduct a study on anti-corruption indicators;
- Strengthen partnership with civil society putting in place an anti-corruption coalition and a data-base on this phenomenon;
- Pursue campaigns to inform and raise the awareness of citizens and users of public services (radio and television programmes, public notices, conferences and seminars, web sites, etc);

- Carry out civic and moral education activities and promote values and ethics at family level;
- Implement Article 66 of the Constitution relating to the declaration of assets by senior State officials at the beginning and at the end of their tenure of office, and other instruments to protect public property;
- Apply effective sanctions when irregularities are reported by audit and inspection services (CSE, IGSJ, units within ministries).

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89. Law No. 2001/1 of 16 April 2001 relating to the Mining Code
90. *Decree No. 2001/380 of 2 November 2001 to lay down the organization and functioning of the Cameroon Chamber of Commerce, Industry and Mines*
91. Decree No. 2001/381 of 27 November 2001 to lay down the conditions for the election of members of the Cameroon Chamber of Commerce, Industry and Mines
92. Law No. 2002/4 of 19 April 2002 to institute the Investment Charter of the Republic of Cameroon
93. Law No. 2002/4 of 29 April 2002 Investment Charter of the Republic of Cameroon
94. Decree of 30 June 2002 to lay down the conditions of implementation of the law of 22 December 1999

## **OHADA**

95. Law No. 96/177 of 5 September 1996 to ratify the OHADA Treaty
96. Uniform Act relating to General Commercial Law, ratified on 17 April 1997 and entered into force on 1 January 1998
97. Uniform Act relating to Commercial Companies and Economic Interest Groups, ratified on 17 April 1997 and entered into force on 1 January 1998
98. Uniform Act organizing sureties, ratified on 17 April 1977 and entered into force on 1 January 1998
99. Uniform Act organizing simplified recovery procedures and measures of execution, ratified on 10 April 1998 and entered into force on 1 January 1999
100. Uniform Act organizing collective proceedings for wiping off debts, ratified on 10 April 1998 and entered into force on 1 January 1999
101. Uniform Act on arbitration law, ratified on 13 March 1999 and entered into force 90 days later
102. Uniform Act relating to accounting law, ratified on March 2000 and entered into force in mid-January 2001

## **Corruption**

103. Laws Nos. 65/LF/24 and 67/LF/1 of 12 November 1965 and 12 June 1967 relating to the penal code (Sections 134, 134a, 135, 136, 137, 312)
104. Decree No. 78/484 of 9 November 1978 to fix common provisions applicable to Government employees governed by the Labour Code
105. Law No. 91/20 of 16 December 1991 to lay down the conditions governing the election of Members of Parliament
106. Decree No. 94/199 of 7 October 1994: General Rules and Regulations of the Public Service
107. Order No. 1/PM of 4 January 2000 to set up the Anti-Corruption Observatory
108. Supplementary Act No. 9/00/ CEMAC-086/CCE of 14 December 2000 to set up GABAC
109. Regulation No. 01/03-CEMACC6 UMAC-CM of 4 April 2000 relating to the prevention and repression of money laundering