AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND

CAMEROON

LONG-TERM STRATEGY CONSULTATION MEETING

April 3rd, 2012
Summary Report on the LTS Cameroon Consultation Meeting

Yaoundé – April 3rd, 2012

The summary below captures the main points that were discussed during the national consultation meeting in Yaoundé, and is not intended to be a detailed set of minutes for the meeting. The comments have been summarized along the following thematic areas: (i) Context and drivers of change; (ii) Vision for Africa for the next decade; (iii) Operational focus and role of the Bank; (iv) Financing; and (v) Institutional reform.

1. Context and Drivers of Change

Participants agreed on the following drivers of change to an emerging economy. The Bank would feature as a key player to positively transform those drivers of change.

- **Controlling research, production and processing in order to improve competitiveness.** The Continent has a strong potential for energy and mining. Unfortunately these resources are not processed locally. Participants expect the Bank to support a private sector development boosted by an increased capacity in applied research, which will enable it to increase the value added of its processing activities, while applying rigorous quality control standards to improve the competitiveness of Cameroonian exports on international markets. This will be done by:
  - The creation of modern research laboratories in Cameroon that would make available better inputs to (agricultural) producers;
  - Applied research should focus on producing and making available reliable statistical data on major issues such as growth or climate change;
  - Strengthening the control of natural resources (e.g. forestry.) and processing in order to increase the added value;
  - Controlling production standards and introducing a quality approach in order to foster greater competitiveness of domestic products.

- **Education.** This initiative for productivity and competitiveness of Cameroonian companies requires, upstream, restructuring the educational system. Qualifying training must be more organized and technological sectors must focus on graduates employability in priority areas as mentioned in the Strategy Paper for Growth and Employment and stated in 2035 Vision: "Cameroon: an emerging country united in its diversity ", along with the development of managers and decision makers training. This restructuring must go along with a commitment to excellence to be implemented in highly competitive training clusters. This will be done through:
  - Reinforcing the focus of qualifying education on a differentiated approach in order to have a better adequacy of training against labour market needs;
  - Transforming the education system on the Asian model and directing it towards sectors identified as key to transition to an emerging economy;
Creating “centres of excellence” in universities with highly competitive trainings.

- **Controlling human factor.** Participants insisted on the importance to take the gender factor into account, not only because of equity and human rights, but also given the number of women in productive sectors, especially agriculture. It is expected from the Bank to support initiatives helping women to create income-generating activities. Thus, the Bank should:
  - Mainstream a gender approach in every step of the project cycle, from designing to implementation;
  - Encourage women’s initiatives as a vector of growth for all sectors and for the national economy.

2. **Operational focus and role of the Bank**

According to participants, the Bank should strengthen its role of technical and financial partner (private sector financing), while developing advisory and support to governments (transparency and accountability) as well as business development services (private sector), in order to meet the new challenges (climate change) and unlock barriers to development (infrastructure and regional integration). The Bank should also communicate more and better.

- **Transparency and accountability:** Strengthening governance must be the top priority of the Bank, for public financial management (New Financial Regime of the State or Public Finance Modernisation Plan), for local decentralized administrations or for civil society organizations. Participants insisted on the need to efficiently control public procurement processes, which is at the interface of public administration and private sector. It is expected from the Bank to be an advisor for governments in order to promote more transparency and accountability:
  - Intensify pro-governance initiatives through better public finances management;
  - Strengthen the implementation of a control framework for (i) an efficient public procurement process and (ii) expenses quality;
  - Strengthen the decentralization process and citizen monitoring.

- **Private sector financing:** the private sector must be the engine of development, which means to have access to guarantee products, to risks analysis and sharing tools, to strategic information. In all those fields, the Bank is expected to strengthen its role of being a technical and financial partner. The Bank should:
  - Set up a bold policy to finance and modernize the agricultural and rural sector (use of mechanics, inputs, processing, water management etc);
  - Create a rating agency for SMEs;
  - Set up credit bureaus in order to better assess service providers.

- **Meeting climate change challenges.** Consequences of climate change can hinder growth because of the impact on hydro-electric power generation and agricultural productivity.
Actions to support CO₂ emissions mitigation, as well as new financial sources, must be supported by the Bank.

- Set up a strategy to take advantage of carbon sequestration potential, as a new source to finance development;
- Include mitigation and adaptation in all public policies.

Participants wished that the Bank could increase its support, especially to advice beneficiaries and give them access to information as well as business development services. The Bank should be more than a pure financier and take advantage of its expertise to provide advisory services while having a more biting communication strategy, on its achievements and on its available instruments for public and private entities.

- Infrastructure for economic development: for participants, the Bank should increase significantly its investments in infrastructure in order to endow Cameroon with a solid infrastructure network (Information and telecommunications technologies, roads, communication etc..) to reduce the costs of production. The Bank should also support competitiveness clusters by optimising Cameroon main comparative advantages.

- Communication and advisory services for a diversified financing. The Bank should make its actions more visible in Cameroon via a strong communication policy on its financial instruments, its achievements, its ways to support the private sector and the impact of its operations. The Bank should be more supportive of business development services.

  Last, it is also expected from the Bank to take more into account the impact of its operations on economic development and the regional integration specificity of those projects.

Regional integration

- The Bank should review its resources allocation policy and give a premium to projects with an economic impact and a regional character, instead of focusing only on performance. Regional projects should be allocated more resources.

3. Financing

The current context is characterized by a decrease in Official Development Assistance (ODA) flows and a multiplicity and diversity of external financial sources. It is then expected from the Bank to better mobilize resources, blend ADF and ADB windows, multiply partnerships with private sector, financial and technical partners and other development partners in order to have resources in common and have a leverage effect.

Resources mobilization

- Blend ADF and ADB resources in order to ease the access to resources for countries, according to their potential;
- Have more contacts with the private sector in order to establish fruitful partnerships, while emphasizing public-private partnerships;

- Be a leader of new resources mobilization for countries (green funds, co-financing) and make technical and financial partners aware of a better efficiency of aid through a better harmonization of aid (as stated in the Paris declaration).

**Diaspora resources**

- The Bank could also support countries in designing and implementing policies for a better mobilization and use of Cameroonian diaspora resources to foster growth.

**Local currency loans**

- The Bank should mainstream local currency loans in order to reduce country’s foreign exchange risks costs.