

AFRICAN DEVELOPMENT BANK



AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (AVC-DP)

COUNTRY: CAMEROON

APPRAISAL REPORT

October 2015

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CURRENCY EQUIVALENTS

(September 2015)

UA 1 = CFAF 821.07

UA 1 = USD 1.40

UA 1 = EUR 1.25

UA 1 = CFAF 655.96

FISCAL YEAR: 1 January – 31 December

WEIGHTS AND MEASURES

1 metric tonne = 2,204 pounds

1 kilogramme (kg) = 2.20 pounds

1 metre (m) = 3.28 feet

1 millimetre (mm) = 0.03937 inch

1 kilometre (km) = 0.62 mile

1 hectare (ha) = 2.471 acres

ACRONYMS AND ABBREVIATIONS

ACEFA	:	Support Project for Improving the Competitiveness of Family Farms
ADF	:	African Development Fund
AFD	:	French Development Agency
AfDB	:	African Development Bank
AFO	:	Administrative and Finance Officer
AVC	:	Agricultural Value Chain
AVC-DP	:	Agricultural Value Chain Development Project
CAA	:	Autonomous Sinking Fund
CAPEF	:	Chamber of Agriculture, Fisheries, Livestock and Forestry of Cameroon
CAR	:	Central African Republic
CEMAC	:	Central African Economic and Monetary Community
CMFO	:	Cameroon Field Office
CSP	:	Country Strategy Paper
DWS	:	Drinking Water Supply
ECAM	:	Cameroon Household Survey
ERR	:	Economic Rate of Return
EU	:	European Union
FAO	:	Food and Agriculture Organization
FF	:	Facilitation Fund
FO	:	Farmer Organization
GDP	:	Gross Domestic Product
GESP	:	Growth and Employment Strategy Paper
GICAM	:	Cameroon Employers' Association
HEVECAM	:	Cameroon Rubber Company
IFAD	:	International Fund for Agricultural Development
IITA	:	International Institute of Tropical Agriculture
IRAD	:	Institute of Agricultural Research for Development
MFI	:	Microfinance Institution
MINADER	:	Ministry of Agriculture and Rural Development
MINEPAT	:	Ministry of the Economy, Planning and Regional Development
MINEPDED	:	Ministry of Environment, Nature Conservation and Sustainable Development
MINFI	:	Ministry of Finance
MINFOF	:	Ministry of Forestry and Wildlife
MINJEC	:	Ministry of Youth and Civic Education
MINMAP	:	Ministry of Public Works
MINPMEESA	:	Ministry of SMEs, Social Economy and Handicraft
MINPROFF	:	Ministry of Women's Empowerment and Family Affairs
MINTP	:	Ministry of Public Works
MPC	:	Multi-Partner Committee
NAIP	:	National Agricultural Investment Plan of Cameroon
NAPA	:	National Adaptation Programme of Action
NARS	:	National Agricultural Research System
NPV	:	Net Present Value
OPEV	:	Former Evaluation Department of the Bank (IDEV)
PADMIR	:	Rural Microfinance Development Support Project
PDRDR	:	Rumpi Decentralized Rural Development Project
PEA-Jeunes	:	Youth Agro-Pastoral Entrepreneurship Promotion Project
PIDMA	:	Investment and Agricultural Markets Development Programme
PMEA	:	Agricultural Small and Medium-sized Enterprises Project
PNDP	:	National Participatory Development Programme
PNDRT	:	National Roots and Tubers Development Programme
PU	:	Production Unit
RDP	:	Rural Development Plan
RF	:	Road Fund
RSDS	:	Rural Sector Development Strategy
SME/VSE	:	Small and Medium-sized Enterprise/Very Small Enterprise
UA	:	Unit of Account
UNEXPALM	:	Union of Oil Palm Farmers
VC	:	Value Chain

PROJECT INFORMATION SHEET

Client Information

BORROWER	:	Republic of Cameroon
EXECUTING AGENCY	:	Ministry of Agriculture and Rural Development

Financing Plan

Source	Amount	Instrument
AfDB	EUR 89.291 million	AfDB loan
Government	EUR 24.740 million	
Beneficiaries	EUR 1.050 million	
TOTAL COST	EUR 115.081 million	

Key AfDB Financing Information

ADF Loan Currency	Euro
Interest Type	Floating
Interest rate margin	60 bp + financing margin of the Bank
ERR (baseline scenario)	19.2%
NPV	CFAF 26.1 billion

Timeframe – Main Milestones (projected)

Concept Note approval	June 2015
Project approval	January 2015
Signing of the Agreement	April 2016
First disbursement	July 2016
Last disbursement	July 2021
Completion	January 2022
Final repayment	December 2041

PROJECT SUMMARY

General Project Overview: In 2009, Cameroon embraced the vision of expanding its role as the agricultural locomotive of the Central African sub-region. The Agricultural Value Chain Development Project (AVC-DP) is the mechanism for realizing that vision, which is outlined in the 2010-2020 Growth and Employment Strategy Paper (GESP) that focuses on three pillars, namely: (i) growth, (ii) employment, and (iii) governance and strategic management of the State. The project will help to create wealth and employment, especially for the youth, as well as to boost food and nutritional security by enhancing the competitiveness of the three agricultural value chains (oil palm, banana and pineapple). The components and expected outcomes of the project are: (i) rural infrastructure development: 1,000 km of rural roads, 30 warehouses, 15 rural markets, 30 km of electricity networks, 30 drinking water supply (DWS) systems, a quality control laboratory for agricultural products; (ii) crop sector development: support for the establishment of processing units, institution building for farmer organizations, technical guidance, facilitation of the interface with service providers, training, research support for the production of quality seeds and seedlings, establishment of a crop sector development fund to finance value chains (VC); (iii) development of youth agricultural entrepreneurship: close to 600 businesses created in the agro-business sector for approximately 1,500 young graduates (40% being women) and ensuring access to credit; and (iv) project coordination and management. The net project cost is EUR 115.081 million (CFAF 75 488.829 million), jointly financed by the AfDB (77.6%), the Government (21.5%), and beneficiaries (0.9%). The total project duration is five years.

The direct beneficiaries of the project are estimated at 242,000 people, with 50% women. These are stakeholders operating within organized structures (cooperatives and networks of farmer organizations) that engage in the targeted value chains, as well as young graduates attracted by agro-business. The project is expected to generate an estimated annual income increase of CFAF 818,000 per household and estimated annual income gains of over CFAF 6,000,000 for young entrepreneurs. Surplus production in a year of full operation is estimated at 216,000 tonnes of fresh palm fruit bunches (FFBs), 240,000 tonnes of plantain, 10,000 tonnes of pineapple and 17,500 tonnes of palm oil. Beneficiaries will participate actively in project implementation by joining the management bodies, assuming certain implementation responsibilities and managing the activities which concern them. The indirect beneficiaries, composed of the rural communities in the project area, are estimated at one million persons.

Needs Assessment: The Bank will support the development of the plantain, pineapple and oil palm value chains, as a complement to the operations of the World Bank, the International Fund for Agricultural Development (IFAD), the European Union (EU) and the French Development Agency (AFD) which target other crop sectors (cassava, sorghum, maize, onion, fish, milk and pigs). More specifically, the project will address identified constraints, namely: insufficient rural infrastructure, limited financing, limited access to technological innovations, poor organization of stakeholders, and limited processing capacity. This choice is justified by the existence of a burgeoning domestic and regional market. The Agripreneur model developed by the International Institute for Tropical Agriculture (IITA) will be used to promote youth entrepreneurship. This model has been implemented in several other countries with satisfactory results.

Value-added for the Bank: The Bank is well-placed to support the AVC-DP, which is aligned on its ten-year strategy (2013-2022) and consistent with the 2015-2020 Country Strategy Paper. The AVC-DP is part of the Bank's contribution to the National Agricultural Investment Programme (NAIP) (2014-2020), estimated at CFAF 1,500 billion. The Bank's expected contribution to the NAIP financing is almost CFAF 300 billion. Furthermore, the AVC-DP will help to boost the outcomes and impact of other Bank operations, especially in the transport and energy sectors, which have opened up large farming areas and facilitated access to domestic and external markets. These operations include road projects (Kumba-Mamfe, Batchenga-Ntui-Yoko, etc.) and the Project for Rehabilitation and Extension of Power Transmission and Distribution Networks (PRERETD).

Knowledge Building: Given its innovative character, the AVC-DP comprises several pilot pillars relating to youth entrepreneurship in agriculture and agribusiness, with the IITA Agripreneur model, as well as to the competitiveness factors of the plantain, oil palm and pineapple value chains, namely: financing, structuring of farmer organizations and stakeholder relations. The AVC-DP will generate knowledge through the monitoring/evaluation system, young entrepreneur incubation centres, microfinance institutions, research centres, benchmark surveys, as well as the mid-term and final reviews. Other information to be generated includes: type of equipment and processing rate of target products, the yield and productivity of agricultural sub-sectors, the performance of businesses created by the youths, the financing of agricultural value chains, and women's involvement in the targeted value chains. This information will be disseminated through implementation of the communication strategy that will be developed by the project. The Bank will use all this information to design new operations on value chains and youth employment in the agricultural sector, and to improve project design in general.

RESULTS-BASED LOGICAL FRAMEWORK

CAMEROON: Agricultural Value Chain Development Programme (AVC-DP)						
PROJECT GOAL: Improve the competitiveness of the oil palm, plantain and pineapple value chains; create employment for the youths; and increase the incomes of crop sector stakeholders.						
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS / MITIGATIVE MEASURES
		Indicators (including ISCs)	Baseline Situation	Target		
IMPACT	Contribute to creation of shared wealth; employment, especially for the youths; and food and nutritional security.	Agricultural GDP growth rate	5% (2014)	8% (2025)	PNIA or SDSR evaluation report	
OUTPUTS	<p>Output 1: The competitiveness of targeted value chains (VC) is improved</p> <p>Output 2: Creation of jobs for the youths in agribusiness</p> <p>Output 3: Improvement of rural household incomes</p>	<p>1.1. Quality of processed palm oil</p> <p>1.2. Quality of pineapples sold</p> <p>1.3. Quality of plantains sold</p> <p>1.4. Yield of the three targeted crops</p> <p>2.1. Number of jobs created</p> <p>3.1. Average additional income</p>	<p>1.1- 322,000 tonnes</p> <p>1.2- 2,500 tonnes</p> <p>1.3- 1,088,000 tonnes</p> <p>1.4- Oil palm: 14 T/ha, Plantain : 20T/Ha and Pineapple : 15T/ha</p> <p>2.1 - 0</p> <p>3.1- CFAF 300,000</p>	<p>1.1- 355,000 tonnes</p> <p>1.2- 5,000 tonnes sold</p> <p>1.3- 1,288,000 tonnes sold</p> <p>1.4- Oil palm: 17 T/ha, Plantain: 14T/ha and Pineapple: 22T/ha</p> <p>2.1- 2,000 jobs at mid-term and 6,000 permanent jobs, including 40% for women at project completion</p> <p>3.1- CFAF 818,000</p>	Direct surveys targeting VC stakeholders and the youths	<p><u>Risk</u>: Limited capacity of service providers involved in the project</p> <p><u>Mitigation Measures</u>: Technical capacity building for nursery operators and microfinance institutions.</p>
OUTCOMES	<p>Component I. Infrastructure Development</p> <p>1.1 - Rehabilitation of rural roads (definitive structures, critical points, drainage)</p> <p>1.2- Construction of community infrastructures.</p> <p>1.3- Construction and equipment of a quality control laboratory</p>	<p>1- Length of road rehabilitated</p> <p>2- Number of warehouses</p> <p>3- Number of markets</p> <p>4. Number of small DWS systems</p> <p>5- Length of the low voltage (LV) electricity network</p> <p>6- Number of laboratories constructed and equipped</p>	<p>NA</p> <p>NA</p>	<p>1- 500 km in 2018 and 1,000 km at project completion</p> <p>2- 15 warehouses in 2018 and 30 at project completion, including 50% for women</p> <p>3- 8 markets in 2018 and 15 at project completion, including 50% for women</p> <p>4- 15 DWS systems in 2018 and 30 at project completion</p> <p>5- 15 km of electricity network in 2018 and 30 km at project completion</p> <p>6- 1 laboratory constructed and equipped in 2018</p>	Project progress reports	<p><u>Risk</u>: Low capacity of businesses</p> <p><u>Mitigation Measures</u>: Appropriate allotment for national competitive bidding. Recruitment of a consultancy firm and mobilization of competent technical services for works control and surveillance.</p>
	<p>Component II. Crop sector development</p> <p>II.1. Strengthening of farmer organizations</p> <p>2.1.1- Institutional, organizational and technical development</p> <p>2.1.2- Technical guidance to promote access to innovations, markets and financial services.</p> <p>2.1.3- Facilitation of interface with suppliers of agricultural services.</p> <p>2.1.4- Training</p>	<p>7- Number of cooperatives established and operational</p> <p>8- Number of ha sown with quality plant material</p> <p>9- Number of nursery operators who establish direct links with farmers</p> <p>10- Number of training sessions organized</p>	NA	<p>7- 50 cooperatives, of which 50% are managed by women at project completion in 2018 and 100 at project completion</p> <p>8- 4000 ha sown in 2018 et 12.500 at project completion</p> <p>9- 30 nursery operators in 2018 and 100 at project completion establish direct links with farmers</p> <p>10- 4 training sessions per cooperative per year.</p>	Project progress reports	<p><u>Risk</u>: Limited capacity of service providers involved in the project</p> <p><u>Mitigation Measures</u>: Technical capacity building for nursery operators and microfinance institutions.</p>

RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS / MITIGATIVE MEASURES														
		Indicators (including ISCs)	Baseline Situation	Target																
	<p>II.2. Strengthening of crop sector development institutions</p> <p>2.2.1. Support to research for the production of basic seedlings and seeds.</p> <p>2.2.2. Establishment of crop sector development committees with public and private stakeholders</p> <p>II.3. Financing of targeted agricultural food chains</p> <p>2.3.1 Financing of pilot demonstration processing units.</p> <p>2.3.2 Financing of stakeholders in the 3 targeted VCs</p>	<p>11- Quantity of quality seeds and seedlings produced</p> <p>12- Number of committees established</p> <p>13- Number of processing units created</p> <p>14- Number of cooperatives/operators with access to micro-credit.</p>	NA	<p>11- 5 million plantain suckers, 400,000 palm seeds per year, and 120 million pineapple ratoons from the third year of the project.</p> <p>12- 1 local committee per crop sector, 1 committee per region and one national committee per sector at mid-term</p> <p>13- 10 at project completion</p> <p>14- 50 cooperatives/stakeholders, of which 50% are managed by women at project start-up in 2018, and 100 at project completion.</p>	<p>Project progress reports</p> <p>Project mid-term review reports</p> <p>Project completion report.</p>	<p><u>Risk</u>: Risk related to sustainability of the Facilitation Fund (FF).</p> <p><u>Mitigation measures</u>: Support for establishment of the FF through technical assistance already available on IFAD financing in addition to the support to this fund expected from Cameroon’s other partners (AfDB, AFD and GIZ).</p>														
	<p>Component III. Development of youth agricultural entrepreneurship</p> <p>3.1. Training of the youth in incubation centres (including girls)</p> <p>3.2. Development of agricultural businesses for the youths</p> <p>3.3 Financing of youth enterprises</p>	<p>15- Number of youths trained</p> <p>16- Number of SEs established</p>	NA	<p>15- 500 youths, of whom at least 40% are girls, trained in the 3rd year of the project and 1,500 at project completion.</p> <p>16- 200 SEs and VSEs in 2019 and 600 at project completion, including at least 40% for women, are established and have access to credit</p>		<p><u>Risk</u>: High risk of failure for businesses created by the youths</p> <p><u>Mitigation Measures</u>:</p> <p>Technical and managerial training and guidance for 2 years through monitoring and advice.</p>														
	<p>Component IV. Project coordination and management</p> <p>4.1-Procurement arrangements are compliant.</p> <p>4.2- Administrative and financial management system is operational</p> <p>4.3- Operational monitoring/evaluation system</p> <p>4.4- Environmental and social safeguard system is operational</p>	<p>17- Procurement plan and compliance with deadlines</p> <p>18- Procedures manual and software</p> <p>19- Audit reports</p> <p>20- Progress reports submitted on time</p> <p>21- Disbursement Rate</p> <p>22- ESMP implementation</p>	NA	<p>17- PPM prepared and updated;</p> <p>18- Financial management system established in year 1;</p> <p>19- Audit report submitted before 30 June each year;</p> <p>20- Progress reports submitted every 3</p> <p>21- 45% disbursement at mid-term and 100% at project completion</p> <p>22- ESMP operational in Year 1</p>	<p>Project progress reports</p> <p>Audit reports</p> <p>Project mid-term review reports</p> <p>Project completion report.</p>	<p><u>Risk</u>: Limited capacity of PMU members</p> <p><u>Mitigation Measures</u>: Competitive staff selection; training in Bank procedures, close monitoring and half-yearly supervision to quickly correct shortcomings in management.</p>														
ACTIVITIES	<table><tr><td>Component I: Infrastructure development</td><td>EUR 49.063 million</td></tr><tr><td>Component II: Crop sector development</td><td>EUR 31.731 million</td></tr><tr><td>Component III: Development of youth agricultural entrepreneurship</td><td>EUR 25.229 million</td></tr><tr><td>Component IV: Project coordination and management</td><td>EUR 9.058 million</td></tr></table>				Component I: Infrastructure development	EUR 49.063 million	Component II: Crop sector development	EUR 31.731 million	Component III: Development of youth agricultural entrepreneurship	EUR 25.229 million	Component IV: Project coordination and management	EUR 9.058 million	<p><u>Sources of Financing</u>: In million Euros</p> <table><tr><td>• AfDB Loan</td><td>EUR 89.291 million</td></tr><tr><td>• Government</td><td>EUR 24.740 million</td></tr><tr><td>• Beneficiaries</td><td>EUR 1.050 million</td></tr></table>		• AfDB Loan	EUR 89.291 million	• Government	EUR 24.740 million	• Beneficiaries	EUR 1.050 million
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PROJECT IMPLEMENTATION SCHEDULE

	Year Quarter	2015				2016				2017				2018				2019				2020				2021			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1	INITIAL ACTIVITIES																												
	Negotiation and approval of AfDB loan																												
	Signing of the Loan Agreement																												
	First disbursement																												
	Publication of the General Procurement Notice																												
2	START-UP ACTIVITIES																												
	Recruitment and confirmation of PMU of AVC-DP																												
	AVC-DP launching mission																												
	Agreements with partner structures (IRAD, etc.)																												
3	RURAL INFRASTRUCTURE DEVELOPMENT																												
	Rehabilitation and maintenance of rural roads																												
	Support infrastructure for production, processing and marketing																												
4	CAPACITY BUILDING																												
	Stakeholders from various crop sectors and value chains																												
	Financing support for agricultural value chains																												
5	YOUTH ENTREPRENEURSHIP																												
	Training of young graduates in incubation centres																												
	Development of youth businesses in agro-business sector																												
6	PROGRAMME MANAGEMENT																												
	Updating of the accounting system and procedures manual																												
	Management, monitoring-evaluation and communication activities																												
	Annual auditing of accounts																												
	Impact assessment and mid-term review																												
	Completion Report of the Bank and the Government																												

**REPORT AND RECOMMENDATION OF BANK GROUP MANAGEMENT
TO THE BOARD OF DIRECTORS CONCERNING A LOAN TO THE REPUBLIC OF
CAMEROON TO FINANCE THE AGRICULTURAL VALUE CHAIN DEVELOPMENT
PROJECT (AVC-DP)**

Management hereby submits this report and its recommendation concerning a proposal to grant a loan of EUR 89.291 million to the Government of the Republic of Cameroon to finance the Agricultural Value Chain Development Project.

I. STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages to Country Strategy and Objectives

1.1.1. Over the past few years, Cameroon has enjoyed sustained economic growth (5.3%), although its growth rate has remained below the 6% target set in the Growth and Employment Strategy Paper (GESP 2010-2020). The poverty threshold was 39.9% in 2007 compared to 40.2% in 2001. General underemployment affects 70.6% of the labour force, or 6.3 million people, and is more prevalent in rural areas (78.8%) than in urban areas (55.7%). The employment structure shows that the youths operate essentially in the informal agricultural sector, either as self-employed workers (44%) or dependents serving as family workers or apprentices (42.8%). Their employment conditions are precarious due to the significant shortage of decent work in rural areas. This shortage is characterized by low incomes and the lack of social protection. Yet, Cameroon's agricultural sector holds great potential for the widespread distribution of growth dividends, since 60% of the population earns its income from this sector.

1.1.2 In efforts to become an emerging economy in 2035, Cameroon in 2009 adopted a vision aimed at strengthening its role as the agricultural locomotive of the Central African sub-region. This vision recognizes the agricultural sector as the driving force of the economy, which guarantees food security for the population while ensuring green and sustainable development. The vision is operationalized in 2010-2020 GESPP whose three pillars are: (i) growth, (ii) employment, and (iii) governance and strategic management of the State. The project is consistent with these three pillars. It is also consistent with the pillars of the Rural Sector Development Strategy, namely: (i) institutional development and capacity building for public and private stakeholders; (ii) improvement of crop sector productivity and competitiveness; (iii) modernization of rural infrastructure; and (iv) sustainable natural resource management. The AVC-DP is also aligned on the pillars of the National Agricultural Investment Plan (NAIP 2014-2020) approved in 2014, and especially the crop sector development and capacity building pillars.

1.2 Rationale for Bank Involvement

1.2.1 The Bank's involvement through the AVC-DP is justified by: (i) the project's linkage with the Bank's strategic guidelines. Indeed, the Bank's 2013-2022 Ten-Year Strategy seeks to curb unemployment, social inequality and harm to the environment through more inclusive and job-creating growth for the youths and increased incomes for households. Furthermore, the project is aligned on the Bank's five priorities, and especially the "feed Africa" priority. Lastly, the Bank's new strategy for Cameroon (2015-2020) seeks to create conditions for more inclusive growth based on diversification, and particularly support for agricultural value chain (AVC) development; (ii) Cameroon's eligibility for the AfDB Window and the Bank's experience acquired from previous operations in the country where the project portfolio is generally satisfactory. The AVC-DP is part of the Bank's contribution (close to CFAF 300 billion) to the financing of the National Agricultural Investment Programme (NAIP 2014-2020), estimated at

CFAF 1,500 billion. The Bank's support will be provided through a series of projects that will transform it into Cameroon's leading agricultural sector partner.

1.2.2 The AVC-DP will help to eliminate constraints on the competitiveness of the three targeted crop sectors (oil palm, plantain and pineapple). The approach adopted entails intervening in the various areas of the three AVCs to remove obstacles to their competitiveness:

- (a) Three links have been identified for oil palm as follows: (i) Seeds: Over 80% of small farmers rely on low-yielding seeds. The AVC-DP will boost IRAD's output from the current 2 million to 5 million seeds per year. (ii) Milling of the fresh fruit bunches (FFB) to extract crude palm oil (CPO): Some 90% of small farmers' output is processed using artisanal oil mills with an average extraction rate of 9% compared to 21% for industrial mills. The AVC-DP will support the installation of eight industrial mills for cooperatives in large-scale production areas with a capacity of 5 tonnes of palm bunches per hour and an extraction rate of 19% to 21%; (iii) Processing of CPO into cosmetic products for the domestic and regional markets: The AVC-DP will reduce the current annual deficit of 100,000 tonnes of CPO to guarantee regular supply to the 18 secondary processing industries in Cameroon.

The following major constraints have been identified for plantain: (i) Quality suckers: The demand for suckers is 25 million compared to the current supply of 1.5 million. The AVC-DP will support MINADER's initiative of financing IRAD and nursery operators to engage in *in vitro* production of quality suckers; (ii) Marketing: The rehabilitation of access roads to consumption centres and the construction of markets will reduce post-harvest losses, which sometimes amount to 40% of the yield (the average travel time between farming areas and markets can be 2 to 6 hours for distances of 100 to 200 km). The other two AVCs also face these problems of access; (iii) Processing: Processing capacity is virtually non-existent. The AVC-DP will support initiatives to process plantain into chips, flour, jam and biscuits for which there is national and regional demand.

- (b) The pineapple VC has three areas which need to be strengthened to ensure its development: (i) Seed production: Cameroon's pineapple germplasm is unknown today because of hybridization of the different varieties. The AVC-DP will support IRAD in the characterization of pineapple varieties, the development of farming areas for the conservation of varieties, and the creation of seed farms; (ii) Marketing: Despite its enormous potential, exporting pineapples by air is fraught with logistical constraints. The AVC-DP will facilitate the construction of a quality control laboratory and the conduct of a feasibility study on a warehouse in Douala airport; (iii) Processing: Today, less than 5% of the national pineapple yield is processed, and post-harvest losses amount to approximately 25%. The AVC-DP will support initiatives for the processing of pineapple into pineapple juice, dried pineapple, and pineapple *purée*.
- (c) Cooperatives in the three VCs are not sufficiently structured to achieve economies of scale through grouped purchases and sales, bolster their negotiating position with respect to other stakeholders of the VC, and make joint investments that benefit all members. The project will provide the support needed to build the leadership, managerial, marketing and technical capacity of these structures.

- (d) The small stakeholders within the value chain only have very limited access to credit. Credits to the rural sector are provided essentially by microfinance institutions (MFIs) which have only short-term resources. Consequently, these MFIs cannot satisfy the demand for crop-year credits and, much less, capital investment loans. A Facilitation Fund (FF) for loans was set up under PADMIR and financed by IFAD. The fund will provide MFIs with medium-term resources at concessional rates (3%) such that they can, in turn, lend to farmers and other sector stakeholders. Institutionalization of the FF is underway, and will be completed before the end of 2016.¹ As a complement to the FF, the project will set up a credit fund, whose financing mechanism is outlined in Annex 5.

1.2.3 Underemployment of young graduates: The AVC-DP will promote the entrepreneurship of young higher education graduates in the area of agro-business. The technical and managerial capacity of the youths will be developed through incubation mechanisms. They will receive credit under the project.

1.3 Aid Coordination

Aid coordination with donors is the responsibility of MINEPAT and is conducted under the Multi-partner Committee (MPC) for monitoring the GESP. The MPC is a forum for dialogue and discussion on all the key development issues of the country, and is composed of technical and thematic sub-committees, including the rural MPC sub-group. Consultations among stakeholders have led to the identification of areas for synergy with projects such as PIDMA (funded by the World Bank), PADMIR and PEA-Jeunes (funded by IFAD) and the ACEFA programme and PMEFA (funded by the AFD). The Bank's involvement in the rural MPC resulted in a series of interventions in agricultural value chains: World Bank (cassava, sorghum and maize), IFAD (onion), FAO (cassava), German Cooperation (cocoa, poultry and onion), and the European Union (coffee, cocoa and milk). The AVC-DP will intervene in synergy with PADMIR by reinforcing the FF with the credit facility established under this project. Lastly, the AVC-DP will establish a partnership with PEA-Jeunes to build synergy in the development of "Youth Entrepreneurship". The table below presents the contributions of partners:

*Table 1.3
Average Contributions by the Government and Partners in 2013-2015*

1- Sector or sub-sector: Agriculture and rural development		2- Significance (in 2012)				
		GDP 26.5%	Exports: 36.9%		Labour: 66%	
3- Stakeholders and contributions to annual public spending						
Government: USD 846 million						
Donors	WB	IFAD	AFD	AfDB	FAO	GIZ/KFW
Amount (in USD million)	100	46	45.83	24	3.28	11
Aid coordination level						
Existence of thematic working groups			[Yes, established under NAIP]			
Existence of an overall sector project			[Yes, NAIP 2014-2020]			
Role of AfDB in aid coordination			Member (not the lead donor)			
<i>Sources: Detailed investment plan for the implementation of MINADER’s national rural sector programme</i>						

¹ See Annex A.2.5, Volume II, for a description of the Facilitation Fund for access to medium-term credit.

II. PROJECT DESCRIPTION

2.1 *Project Objective and Components*

The project will contribute to the following sector development goals: create shared wealth; create jobs, especially for the youths; and ensure food and nutritional security. The specific objectives are to: (i) improve the competitiveness of the oil palm, plantain and pineapple value chains; (ii) create jobs, especially for the youths; and (iii) sustainably improve the incomes of targeted crop sector stakeholders. The project will pursue these objectives through the actions outlined below:

Table 2.1: Project Components and Cost in EUR million

Component	Description	Cost
Infrastructure development	This comprises: (i) the rehabilitation of 1,000 km of rural roads linking farming areas to consumption centres; (ii) the construction of community infrastructure: 30 storage spaces and warehouses, 15 rural markets, 30 DWS systems; extension of LV electricity over 30 km; (iii) construction and equipment of a quality control laboratory.	49.063
Crop sector development	This component comprises: (i) Strengthening of farmer organizations: institutional and organizational development, technical guidance, facilitation of interface with suppliers of agricultural services and training; (ii) Strengthening of crop sector development support institutions: support for research in the production of quality seeds and seedlings, and establishment of crop sector development committees with public and private stakeholders; (iii) Financing of value chains: establishment of crop sector development funds to finance various VC stakeholders.	31.731
Development of youth agricultural entrepreneurship	This component seeks to integrate young graduates into the VCs by helping them to create their own businesses. It comprises: (i) training in incubation centres and support for business development: 1,500 youths (including 40% girls) will be trained in incubation centres in the areas of agribusiness, production, marketing, processing and management; they will be supported to create 600 new agro-businesses and to prepare business plans as a group or individually; and (ii) the financing component: the youths will be assisted in the preparation of requests and to secure financing through the credit mechanism established by the project.	25.229
Project coordination and management	The activities concerned are: (i) project coordination; (ii) preparation of work plans, annual budgets and progress reports; (iii) monitoring of project and ESMP implementation; (iv) monitoring of project outcomes and impacts; (v) administrative, accounting and financial projects; (vi) procurement of goods, works and services for the project; and (vii) monitoring and evaluation.	9.058

2.2 *Technical Solutions Selected and Alternative Solutions Explored*

Regarding the opening-up of farming areas, the project will rehabilitate rural roads. The works will entail grading and treatment of critical areas: spot regravelling, construction of permanent civil engineering structures, and drainage of the road. The works will be contracted out to specialized national small and medium-sized enterprises in order to generate more jobs. With regard to the creation of jobs for the youths, the project will adopt the Agripreneur model developed by IITA in several countries. This model targets young higher education graduates who will receive training in agro-business for a period of 18 months in incubation platforms. The last months of the training will focus on the preparation of business plans for the youths. At the end of the incubation period, the young people, individually or as a group, will emerge with a project and a financing request to any credit institution of their choice. As regards financing, the project

opted for an approach similar to that of the facilitation fund established with the support of other partners and which has produced convincing results.

Table 2.2
Project Alternatives Explored and Reasons for their Rejection

Alternative	Brief Description	Reasons for Rejection
Equipment-intensive approach to continuous road maintenance.	Unlike the treatment of critical points, this will entail continuous treatment over the entire length of the road. The works are executed by companies and are not labour-intensive.	The works are more expensive and fewer jobs are created.
Establishment of a fund for project beneficiaries at an MFI/bank.	Management of the fund is entrusted to a financial institution, which is paid management fees for the service.	Such a mechanism offers the institution no incentive to properly assess the profitability of projects or to recover the loans granted.
Targeting seven value chains, including livestock and fisheries.	The project had to include animal husbandry sub-sectors with the construction of slaughterhouses, offloading wharves and operations on potato and soya bean, in addition to the three selected crop sectors.	The size of the production area and scope of activities reduce project impacts.

2.3 Project Type

The current operation is envisaged as an autonomous investment project. Budget support is currently used by the technical and financial partners of Cameroon solely for institutional support projects, pending the completion of budget and procurement reforms initiated by the country.

2.4 Project Cost and Financing Arrangements

2.4.1 The net total cost of the project is estimated at EUR 115.081 million (CFAF 75, 488.829 million), of which 64% will be in foreign exchange and 36% in local currency. The summary project cost is presented in Tables 2.3 and 2.4. The financing breakdown and expenditure schedule are presented in Tables 2.5 to 2.6. Some 77.6% of the project costs will be financed by AfDB, 0.9% by beneficiaries, and 21.5% by the Government of Cameroon.

Table 2.3
Summary Cost Estimates by Component

COMPONENTS	CFAF Thousand			EUR Thousand			% F.E.	% Base Cost
	L.C	F.E.	Total	L.C	F.E.	Total		
Infrastructure development	6,453,540	21,115,971	27,569,511	9,838	32,191	42,029	77	41
Crop sector development	6,953,673	12,236,883	19,190,556	10,601	18,655	29,256	64	28
Development of youth agricultural entrepreneurship	8,718,446	7,169,467	15,887,913	13,291	10,930	24,221	45	23
Project coordination and management	2,439,585	2,884,469	5,324,054	3,719	4,397	8,116	54	8
BASE COST	24,565,244	43,406,790	67,972,034	37,449	66,173	103,622	64	100
Physical contingencies	1,459,890	2,821,037	4,280,926	2,226	4,301	6,526	66	6
Financial contingencies	1,108,174	2,127,695	3,235,869	1,689	3,244	4,933	66	5
TOTAL PROJECT COST	27,133,307	48,355,522	75,488,829	41,364	73,717	115,081	64	111

Table 2.4
Summary Cost Estimates by Expenditure Category

EXPENDITURE CATEGORIES	CFAF Thousand			EUR Thousand			% F.E.	% Base Cost
	L.C.	F.E.	Total	L.C.	F.E.	Total		
INVESTMENT	22,571,654	41,237,527	63,809,181	34,410	62,866	97,276	65	94
WORKS	6,386,016	21,636,878	28,022,894	9,735	32,985	42,720	77	41
GOODS	2,014,239	7,647,982	9,662,221	3,071	11,659	14,730	79	14
SERVICES	11,271,399	3,252,666	14,524,065	17,183	4,959	22,142	22	21
MISCELLANEOUS								
Financing of cooperatives	1,260,000	3,780,000	5,040,000	1,921	5,763	7,683	75	7
Financing of the youths	1,640,000	4,920,000	6,560,000	2,500	7,500	10,001	75	10
Sub-total / Miscellaneous	2,900,000	8,700,000	11,600,000	4,421	13,263	17,684	75	17
OPERATING COSTS	1,993,590	2,169,264	4,162,854	3,039	3,307	6,346	52	6
Base cost	24,565,244	43,406,790	67,972,034	37,449	66,173	103,622	64	100
Physical contingencies	1,459,890	2,821,037	4,280,926	2,226	4,301	6,526	66	6
Financial contingencies	1,108,174	2,127,695	3,235,869	1,689	3,244	4,933	66	5
TOTAL PROJECT COST	27,133,307	48,355,522	75,488,829	41,364	73,717	115,081	64	111

Table 2.5
Sources of Financing

SOURCES	EUR Thousand			CFAF Thousand			% Total
	F.E.	L.C.	Total	F.E.	L.C.	Total	
Government	9,998	14,742	24,740	6,558,136	9,670,456	16,228,592	21.5
AfDB	63,719	25,572	89,291	41,797,386	16,774,235	58,571,621	77.6
Beneficiaries	0	1,050	1,050	0	688,616	688,616	0.9
Total	73,717	41,364	115,081	48,355,522	27,133,307	75,488,829	100

2.4.2 In accordance with the policy governing expenditures eligible for Bank Group financing, the Bank's contribution for over 50% of the project cost is justified by: (i) Cameroon's commitment to implement its development programme. Indeed, given its recent macroeconomic performance, Cameroon graduated in 2014 to the non-concessional windows of the World Bank and the AfDB Group. This dual graduation is the outcome of the Government's continued commitment to the implementation of its development programme. (ii) Cameroon's allocations to the sector targeted by Bank assistance: The Government's budget allocation to agriculture has increased consistently over the past 5 years, from CFAF 60 billion in 2010 to CFAF 108 billion in 2015, which attests to the Cameroon Government's constant commitment to this sector; (iii) Cameroon's budget situation and debt level: The budget policy over the past three years has been moderately expansionist, due to capital expenditure in major backbone projects in the energy and transport sectors, driven by strong demand for goods and services within a context of economic recovery and the infrastructural gap accumulated over more than two decades. The increased spending is primarily financed through external borrowing (from bilateral and multilateral partners, including the Bank), oil revenue and bond issues on the regional financial market (CEMAC) and the international market (Eurobond).

2.4.3 The AfDB loan will finance 60% of the works and services in the "Value chain support infrastructure" component, exclusive of taxes;² 100% of the "Youth entrepreneurship" component; and 100% of the "crop sector development" component, excluding "pilot processing equipment for cooperatives" which is financed by 50% by the loan; as well as the "project coordination" component, wages and rental of offices financed 100% by other parties. The Government will finance 40% of the "Value chain support infrastructure" component, 100% of staff salaries and office rental, and 40% of the pilot processing equipment for cooperatives, of which the remaining 10% will be financed by beneficiaries.

² The related works and services will be sub-divided into lots. The Government will finance 400 km of roads, 12 warehouses, 6 markets, 12 DWS systems, and 12 km of electricity network. The rest of the infrastructure will be financed by the loan.

Table 2.6
Expenditure Schedule by Component (in EUR thousand)

COMPONENTS	2016	2017	2018	2019	2020	Total
Infrastructure development	-	14,058	22,929	11,738	339	49,063
Crop sector development	7,417	11,284	5,368	4,281	3,381	31,731
Development of youth agricultural entrepreneurship	8,049	7,817	3,199	3,221	2,942	25,229
Project coordination and management	3,004	1,411	1,498	1,526	1,618	9,058
TOTAL	18,471	34,569	32,995	20,766	8,280	115,081

2.5 Project Area and Beneficiaries

2.5.1 The project will be implemented in two farming basins, namely: (i) the Central basin which, from the administrative standpoint, covers the Centre, East and South Regions; and (ii) the Littoral Basin, which covers the Littoral and South-West Regions. In these basins, the project covers three crop sectors (namely plantain, pineapple and oil palm) on account of their integration and maturity, their markets and processing potential, their economic importance and their impact on food security. These basins also have viable farmer organizations, as well as private stakeholders including processing industries. They account for about 51% of the country's farmers who engage in mixed farming. Some 66% of the country's food crop production comes from these basins, which have highways constructed with Bank support. They are also concentrated around the major consumption centres (Douala, Yaounde, Buea, Kumba, Bertoua and Ebolowa) which are home to over 70% of urban consumers and host the processing industries. The soils are fertile, but may require improvements in some cases. The rural road network is highly degraded on account of the abundant rainfall, and the average annual income of farmers in the area is about CFAF 300,000.

2.5.2 Project beneficiaries: The direct beneficiaries of the project are estimated at 242,000 persons, of whom 50% are women, and include structured entities (cooperatives and networks of professional organizations) involved in the three targeted value chains, as well as young graduates wishing to engage in agribusiness. The indirect beneficiaries of the project are estimated at over one million farmers. The project will principally target organized structures like cooperatives, the youths and agricultural SMEs that enjoy some credibility and are, or seek to be, involved in commercial agriculture. The organizational level of some of these structures will require capacity building activities. They will need a project that is viable, addresses the aspirations of all members, and is compatible with their needs. Overall, 40,000 small farmers, 5 agro-industrial complexes and 16 processing industries will also benefit from the oil palm crop sector. Some 2,000 pineapple farmers and 200,000 banana small farmers, including collectors and vendors, will be involved in the project. The agricultural and, in particular food crop sectors, are generally controlled by women and the youths. The programme will benefit both women and men, albeit to varying degrees, in the various crop sectors (women control over 65% of the banana crop sector). The poverty index in the project area is 55.9%. Beneficiary cooperatives will be selected by a committee composed of stakeholders in each target crop sector, following a call for manifestation of interest based on the following criteria: (i) organizational capacity; (ii) effective presence within a farming basin; (iii) quality of the project to be supported; (iv) existence of trade relations; and (v) experience in the chosen crop sector. Young graduates will also respond to a call for manifestations of interest based on their motivation to invest in their business project. The youths will be selected for each incubation centre by a committee to be set up by IITA.

2.6 Participatory Approach

The participatory approach was adopted throughout the entire AVC-DP formulation phase, and will be continued during project implementation and operationalization of activities with management mechanisms piloted by beneficiaries. The various agricultural and agro-industrial sector stakeholders contributed to the project design, and were consulted during meetings organized by various missions and during the diagnostic study. As regards the Government, the stakeholders consulted are officials from the technical and crosscutting ministries concerned with the project. As for the private sector and professional farmer organizations, the stakeholders consulted are: the Cameroon Chamber of Agriculture, Fisheries, Livestock and Forestry (CAPEF); officials from the Cameroon Employers' Association (GICAM); agro-industries; professional organizations (RHORTICAM, UNEXPLAM); several banks and MFIs in Douala and Yaounde; several cooperatives; and community interest groups involved in processing. These various consultative processes offered an opportunity to discuss with stakeholders of the targeted value chains about their constraints, prospects and expectations of the project. The outcomes of these consultations can be summarized as follows: (i) the need to strengthen and structure farmer organizations so as to grant them access to financing and technological innovations; (ii) the need for rural infrastructure to facilitate access to markets and reduce post-harvest losses; (iii) the need for guidance for MFIs and commercial banks through establishment of guarantee and refinancing mechanisms to increase the supply of credit; and (iv) the need to improve the quality of agricultural products and ensure better structuring of the markets. Stakeholder participation in project implementation will be ensured by establishing crop sector development committees that will serve as consultative and management forums.

2.7 Consideration of Bank Group Experience

2.7.1 The performance of active projects in Cameroon's portfolio is generally satisfactory. The score obtained during the last review conducted in 2014 was 2.36 on a scale of 3 (compared to 2.15 in 2012 and 2.30 in 2013). As at 30 September 2015, the status of main performance indicators was as follows: (i) number of old projects: 0; (ii) average age of the public portfolio: 3.4 years; (iii) number of projects at risk: 2; (iv) number of projects eligible for cancellation: 1; (v) average time between approval and first disbursement: 18.2 months; and (vi) cumulative disbursement rate: 36.38%. The completion reports of three agricultural projects, the Bank's portfolio review reports and the report on review of the Bank's operations in Cameroon, recently prepared by IDEV, have all highlighted the following lessons: (i) wide geographical coverage that exceeds available resources, resulting in the fragmentation of activities all over the entire project area; (ii) poor quality of operations at start-up, which results in implementation delays; (iii) need to focus on promoting commercial, professional and market-oriented agriculture that generates greater impact in terms of income and employment opportunities for the youths and women.

2.7.2 The above lessons were factored into the project design through: (i) reduction of the number of value chains from the 7 initially proposed to 3, and consequently, greater geographical concentration; (ii) adoption by the Government of measures to ensure that the final designs, procedures manuals, and the coordination team are in place prior to project effectiveness; and (iii) adoption of a market-oriented "value-chain" approach and crosscutting gender mainstreaming in all components of the project.

2.8 Key Performance Indicators

The key indicators from the project's logical framework are: (i) Impact monitoring: agricultural GDP growth rate (target: 8%); (ii) Outcomes monitoring: quality of palm oil extracted (target: 355,000 tonnes), quantity of pineapples marketed (target: 5,000 tonnes), quantity of plantain marketed (target: 1,288,000 tonnes), number of jobs created (target: 6000 jobs) and income levels of rural households (target: CFAF 818,000); (ii) Outputs monitoring: number of kilometres of road (target: 1,000 km), number of small businesses created (target: 600 businesses), number of nursery operators who establish links with farmers (target: 100 nursery operators), and the number of cooperatives that are established, operational and have access to credit (target: 100).

III. PROJECT FEASIBILITY

3.1. Economic and Financial Performance

3.1.1 Financial viability was assessed by analyzing 4 standard farm types and 3 models of small businesses for young people. The gross margins were estimated for each of the models in the "without project" and "with project" situations. The prices applied are those observed on the market in 2015. The table below presents the increase in gross margins in the project situation per agricultural model and income generated by small businesses for the youths (SBY).

	New palm plantation	Old palm plantation	Plantain	Pineapple	SBY Type 1	SBY Type 2	SBY Type 3
Gross margin (CFAF/year)	688,000	310,000	1,222,000	1,054,000	6,642,000	7,800,000	6,108,000

3.1.2 Economic analysis, which entails assessing project profitability for the entire community, was based on the basic financial analysis data. The costs and benefits in the economic analysis are those of the financial analysis to which conversion factors were applied to adjust for the following distortions: elimination of direct financial transfers (taxes, levies, subsidies, etc.), customs duties, and the evaluation of labour at opportunity cost. The prices applied to the goods and services produced and consumed by the project, as well as the investment costs, are constant quantities for 2015.

3.1.3 Economic analysis was conducted based on the benchmark price method and comparison of the "without project" and "with project" situations. Project costs cover investments made, including physical contingencies, equipment replacement, infrastructure maintenance costs, and production costs. The economic benefits of the project stem from the improvement of agricultural output thanks to project investments and income generated by businesses created by the youths. The additional output generated in a year of full operation is estimated at 216,000 tonnes of fresh oil palm fruit bunches (FFBs), 240,000 tonnes of plantain, 10,000 tonnes of pineapple, and 17,500 tonnes of palm oil. On that basis, the economic rate of return (ERR), calculated based on the economic cash flow table over the 20-year duration of the investment, as well as the net present value for an estimated capital opportunity cost of 12%, are presented below. Other benefits of the project include capacity building for beneficiaries and drinking water supply. The project will create 6,000 jobs in various enterprises, including 40% for girls.

ERR (baseline scenario): 19.2%	NPV amount: 26.1	CFAF billion
FRR (baseline scenario): 23.6%	NPV amount: 28.3	CFAF billion

3.1.4 The economic profitability of the project may vary depending on changes in project costs, product prices and implementation delays. To take account of these factors, project sensitivity was analyzed based on situations where: (i) project costs increase by 10%; (ii) product prices fall by 10%; (iii) the project delays by one year. The economic rates of return for these situations are 17.2%, 14.3% and 16.0% respectively. The three rates still exceed the opportunity cost of capital estimated at 12%. Consequently, the project remains profitable under any of these three assumptions.

3.2. *Environmental and Social Impacts*

Environment

3.2.1 The project is classified in Category 2, pursuant to the Bank's environmental and social safeguard policies, considering the type of investments to be executed. The project has undergone a Strategic Environmental and Social Assessment (SESA). The SESA was retained as an assessment method because the final selection of the sites for project infrastructure and the sub-projects has not yet been done. The SESA facilitates identification and handling of the major environmental and social challenges right from project design. It proposes, through an Environmental Management Framework (ESMF), the steps that should be taken to assess the environmental and social impacts of planned investments and mitigation measures. The sub-projects of the beneficiaries will be subject to environmental screening to identify and solve environmental risks. The specific social and environmental impacts of the project can be controlled or not very severe in environments where the infrastructure will be located. The project will produce a major positive environmental and social impact by improving the vegetation cover through restoration of old palm groves, opening-up of farming areas, improvement of agricultural market environments, job creation and facilitation of community access to better services. The social risks relate to conflicts, risks of accidents with human casualties, etc. The main negative impacts during the works will be noise pollution, dust emissions, debris deposits, and deforestation of project sites. These impacts will be mitigated through specific measures outlined in the Environmental and Social Management Framework Plan (ESMFP). During the operational phase, the visible negative impacts would be post-harvest waste, possible pollution by inputs and pesticides, the resurgence of water-borne diseases, and dust emissions resulting from the intense traffic on the roads. The summary ESMFP in Annex B8 of Volume II presents all the measures and corresponding costs. It was validated by ORQR and posted on the Bank's website. The implementation cost of the safeguard measures amounts to about UA 1,062 million.

3.3 Adaptation to Climate Change

3.2.2 The identification of climate risks has been completed and the project is classified in Category 3 in accordance with the Adaptation Review and Evaluation Procedures (AREP) and the Climate Safeguards System (CSS). The risk management analysis is conducted in accordance with Category 3 requirements and clearly-defined corresponding adaptation measures. The resources needed to implement these measures have been factored into the cost of the environmental safeguard measures.

3.2.3 With regard to the major changes in climate parameters, a study conducted between 2009 and 2013 on climate change scenarios in the Congo basin by the International Climate Initiative predicts a hotter and humid climate in the South. The results also show a high variability in future rainfall all over the entire territory, from -12 to +20 mm of rain per month (-8% to +17 %) in the 2090s. The Climate Change Adaptation Plan shows a 2.2% decline in rainfall per decade since 1960.³ It has also been observed that the rainy season has shortened all over the country. Hence, nation-

³ Source: UNDP, 2008 (<http://www.helio-international.org/uploads/VARCameroun.Fr.pdf>)

wide, Cameroon receives less rainfall per year and over a shorter period of time. However, the country's high ecological variability exhibits sharp contrasts from one agro-ecological area to another. It is less pronounced in the agro-ecological zones, such as the mono-modal rainfall or coastal areas, and the bimodal rainfall or forest areas.

3.2.4 These two agro-ecological zones correspond to the project area and do not yet experience very significant changes. The targeted farming areas are not also exposed to extreme phenomena (floods, droughts). However, there is an overall relative increase in the wind speed, which tends to affect the development of plantain plantations.

3.2.5 As regards adaptation and/or mitigation measures, the project will improve the regeneration of the vegetation cover by developing new oil palm plantations to replace the old ones. The plantain plantations will be protected with windbreaks to mitigate the adverse effects of the wind. Reconstitution of the vegetation cover by developing thousands of plantation hectares will produce a carbon sequestration effect. The design of project roads will take into account the high rainfall in the project area. Indeed, the roads will be constructed with permanent materials and designed to enhance water drainage in order to increase their protection. Given the novelty of the value chain approach, which requires full mastery of the technical processes, the stakeholders involved in the more sensitive segments (production and harvesting) will have better access to climate information. The project will particularly focus on the two strategic pillars of the National Climate Change Action Plan (2 and 3) relating to: (i) information, education and community mobilization on adaptation to climate change; and (ii) curbing vulnerability to climate change for the main sectors and agro-ecological zones of the country. Specific activities will be carried out in line with these two pillars.

Social

3.2.6 The current social context in Cameroon is marked by the intensification of individual poverty, a salary cut of over 65% for civil servants, growing calls for more democracy and rising corruption and violence in the society. Real GDP per capita and most social indicators have stagnated, although economic growth has relatively improved. The poverty rate in Cameroon was 39.9% in 2007, and has increased in rural areas (55%). Four regions in the country have poverty rates above 50%, namely: Far North Region (65.9%), Adamaoua Region (53%), Nord-West Region (51%), and East Region (50.4%). Women are the most affected by poverty, especially in terms of food insecurity and lack of drinking water; 52% of the members of poor households are women, half of whom are below 15 years of age. Chronic malnutrition has increased in almost all the regions (33% in 2011). Youth unemployment and underemployment in Cameroon constitute a permanent threat to the country's political and social stability. The vast majority of the youths (92.1%) are employed in the (agricultural and non-agricultural) informal sector, and only 7.9% of them work in the formal sector. As concerns social security, surveys show that very few workers (1.8%) have insurance coverage. With regard to safety in the workplace, the proportion of young workers in rural areas who claim to have been victims of an accident at work or an occupational disease is 13.3%.

3.2.7 The AVC-DP will generate more wealth for the population on a sustainable basis. The operational schema comprises research capacity building to increase the supply of quality plant material, knowledge improvement for the population, the adaptation of technical processes to quality production, the establishment of linkages between farmers and the market, and improved access to financing. The members of about one hundred cooperatives are expected to benefit from this support. Their annual income per household will increase by CFAF 818,000 on average. The formal relations that will be established between the stakeholders of the chain will ensure sustainability of their respective gains in each segment of the chain. The rural roads will increase access to markets and reduce post-harvest losses. The project also includes a programme for drinking water supply,

electrification and construction of basic community infrastructure in areas where the conditions so permit. Connection to the power grid will facilitate the development of product processing. The youths will be given special treatment through entrepreneurship development to which the project allocates substantial resources. This specific approach will enable this segment of the population to have access to sustainable employment. The project will create 6,000 jobs for the youths in the agricultural value chains. It will also provide drinking water to about 12,000 people.

Gender

3.2.8 Women account for 75% of the agricultural labour force and 80% of food production, and operate essentially in the informal sector. Furthermore, 52% of poor households are headed by women. In the value chains, women represent the critical mass of the labour force. They have limited access to land and only 4% of them own land. Generally, women farmers are more likely to: (i) possess limited and poor quality means of subsistence, including land, livestock, and agricultural equipment; (ii) be marginalized or under-represented in duty posts and decision-making positions; and (iii) benefit less from public extension services, rural financing and other rural development infrastructure.

3.2.9 The project will include a package of integrated services for women farmers which include: (i) support to small women farmers' cooperatives; (ii) equitable access to rural credit, agricultural inputs, as well as production, conservation and processing equipment; (iii) creation of business links to input and output markets; (iv) skills development in the areas of management, risk assessment and negotiation; (v) adapted social and technical training (functional literacy, female leadership, combating violence against women, etc.); and (vi) awareness-raising for local "leaders" and advocacy on land ownership for women upon project start-up.

3.2.10 Under the "Youth entrepreneurship" component, young girls will be systematically integrated into all activities (at least 40% of the beneficiaries). The project will also promote the inclusion and leadership of women in the various committees established under the project (50% of women), and ensure equitable access to financial services (50% of the beneficiaries). There are plans to establish a monitoring/evaluation system based on gender-disaggregated data and gender-related indicators. The project will seek to develop the capacity of MINADER and stakeholders in matters of gender, mainly by recruiting a gender expert. The budget allocated to activities which solely benefit women or girls is estimated at EUR 18.75 million, not to mention that they will also benefit from other investments under the project.

Involuntary Resettlement

3.2.11 The project will not lead to community resettlement or restriction of access to resources or livelihoods.

IV. PROJECT IMPLEMENTATION

4.1 Implementation Arrangements

4.1.1 The Ministry of Agriculture and Rural Development will be the executing agency of the project. A Steering Committee (SC) will be established by MINADER. The committee will comprise the Secretaries-General of the Ministries concerned or their representatives (MINADER, MINTP, MINEPAT, MINEE, MINPROFF, MINEPDED, MINMAP, MINMIDT, and MINJEC); the General Managers of CAA and IRAD or their representatives; two representatives of the private sector (GICAM, ANEMCAM) including one woman; four representatives of the beneficiaries (UNEXPALM, RHORTICAM, etc.) including two women; two representatives of the platforms of professional agricultural organizations including one woman (the Chamber of Agriculture, Fisheries, Livestock and Forestry (CAPEF) including one woman, the National Committee of Farmer Organizations (CNOP-CAM); and representatives of projects and programmes supporting the value chains. The Steering Committee will be responsible for reviewing and approving the annual work programmes and budgets (AWPB) and progress reports of the project. It will meet at least once a year.

4.1.2 The Department of Agricultural Development (DDA) of MINADER will be tasked with coordination and implementation of the project. The DDA has the requisite technical experience and currently manages the crop sector programmes of MINADER. It has been reinforced by a team, whose members were selected on a competitive basis and will comprise: (i) a Coordinator; (ii) a Monitoring-Evaluation Officer; (iii) an Administrative and Financial Officer, an Accounting Officer; (iv) a Procurement Expert; (vi) a Rural Infrastructure Expert; (v) an Environmentalist; (vii) a Gender Expert whose mandate will include the coordination of youth entrepreneurship; (viii) an Agro-industry/Crop Sectors Development Expert; and (ix) support staff (secretaries, IT maintenance Staff drivers and messengers. The project will be coordinated in each region by the Regional Service Head for Agricultural Development. For the implementation of field activities, the project will rely on focal points who have already been appointed (coordination of the plantain programme and the village palm grove development project) or will be appointed (pineapple). External monitoring of the project will be jointly ensured by the Department of Regional Integration (DIR) of MINEPAT and the Department of Studies, Programmes and Cooperation (DEPC) of MINADER.

4.1.3 In addition to contracting with private service providers (consultants, NGOs, and businesses) for the conduct of studies and execution of infrastructure works, the PCU will establish partnerships through agreements with the various structures that play an institutional role in the project implementation. Accordingly, agreements will be signed with the plantain programme coordination team, UNEXPALM for coordination of the oil palm project, and RHORTICAM for pineapple activities. Other agreements will be signed with IRAD for research activities, with the National Advanced School of Engineering (Polytechnique) in Yaounde for the research programme on processing technologies, and with the Department of Surveys and Agricultural Statistics of MINADER for agricultural census support. The Ministry of Public Works and IRAD will appoint focal points for the project activities that concern them. Capacity building activities on gender will be carried out by MINPROFF, which will, to that end and where necessary, receive technical assistance from UN Women.

4.1.4 Implementation of the "Youth Entrepreneurship" component will be entrusted to IITA with which the project will sign a cooperation agreement. This agreement will be subject to the formal approval of the Bank prior to its signature. A draft agreement with IITA was prepared during the appraisal mission. The project will supervise the "youth entrepreneurship" component with support from the Division responsible for education and training in MINADER.

4.1.5 To ensure medium-term credit sustainability in rural areas, the Government of Cameroon, with the support of IFAD, has established the Facilitation Fund (FF) under PADMIR and initiated a study to institutionalize the fund. Ultimately, the fund for crop sector development (FDF) and financing of youth businesses that will be established under the AVC-DP will strengthen this financing mechanism and will be managed by the FF after it has been institutionalized.⁴ Pending completion of the FF institutionalization process, the FDF will be managed by the project, based on the same management terms and procedures of the FF established under the PADMIR.

Procurement Arrangements

4.1.6 In 2012, the review of Cameroon's national procedures conducted by the Bank concluded that the national competitive bidding procurement procedures were broadly consistent with the Bank's Procurement Rules and Procedures, despite some differences relating to the fiduciary requirements of the Bank. The minor differences identified in national procedures and Standard National Bidding Documents (SNBD) were summarized in a comprehensive action plan (CAP) presented in Table B17, paragraph B.5.7 of Volume 2. The Bank will continue to provide assistance to Cameroon as regards compliance and implementation of these recommendations. Consequently, the procurement of goods and works through national competitive bidding (NCB) will be done in accordance with the national laws governing public procurement (Decree No. 2004/275 of 24 September 2004), using the standard bidding documents of the country. All procurements of goods and works through international competitive bidding (ICB) and selection of consultancy services financed by the Bank will be done in accordance with the Bank's Rules and Procedures for Procurement of Goods and Works (May 2008 edition, revised July 2012) or where applicable, the Bank's Rules and Procedures for the Use of Consultants (May 2008 edition, revised July 2012), using the Bank's standard documents, and with the provisions set out in the Loan Agreement.

4.1.7 The project procurements will be managed by MINADER through the PCU, strengthened by an experienced procurement expert. A procurement plan (PP) was prepared during the appraisal mission, and will be regularly updated during the project implementation phase. The summary table of procurements is presented in Annex IV. The procurement arrangements are presented in Annex B5.

Financial Management

4.1.8 In view of the need to assess MINADER financial management capacity, the vast extent of project activities, and the diversity of stakeholders who will participate in the AVC-DP implementation, provisions have been made to: (i) establish a PCU; and (ii) select two institutions, namely IRAD and IITA to implement research activities and manage the component on youth entrepreneurship in agro-business and agriculture respectively. The PCU will be responsible for the overall coordination and financial management of the project. Its fiduciary staff will comprise: a Coordinator, an Administrative and Financial Officer, a Procurement Expert, and an Accounting Officer, all recruited on a competitive basis.

⁴ See Annex A.2.5, Volume II for a description of the facilitation fund for access to medium-term credit.

4.1.9 IRAD, IITA and DESA will have exclusive responsibility for coordinating the technical activities by executing agreements that each of them will sign with the PCU. The agreements should describe clearly and in detail: (i) the activities to be performed; (ii) the detailed costs of each activity; (iii) the results to be achieved and the measurement tools; and (iv) the deliverables to be presented after completion of each activity.

4.1.10 The PCU will be provided with an integrated TOM2PRO accounting system that will be configured to ensure: (i) reliable, transparent, efficacious and efficient project management; (ii) preparation of annual financial statements consolidating Bank resources and Government counterpart funds through commitment accounting; and (iii) production of financial monitoring reports (FMR) at the end of each quarter following the same accounting principles used to prepare financial statements. The FMRs will be transmitted to the Bank within the next 45 days together with the quarterly progress report. The services covered by the management system procurement contract should include the supply of software, configuration, staff training, as well as assistance in the production of the first FMR and the first annual financial statements.

1.4.11 The project will adopt and update the management procedures manual developed by the Autonomous Sinking Fund (CAA) of Cameroon, which applies to all development projects with cash flow and debt managed by the CAA, in accordance with the instruments establishing the Fund. The Financial Controller of MINADER will be involved in monitoring the spending of Cameroon's counterpart funds to ensure compliance with the procedures.

1.4.12 The overall financial management risk was deemed to be substantial because financial management arrangements must be put in place through the creation of a new PCU. The main risks identified, as well as their mitigation measures, have been summarized in the table of risks in Annex B4, volume 2.

Disbursement Arrangements

4.1.13 Disbursements under the project will be made in accordance with the applicable provisions of the Bank's disbursement manual. The disbursement methods proposed for the project are: (a) the special account method (for small operating expenses of the PCU and crop sector management bodies); (b) the direct payment method for payments relating to contracts for services, goods and works, as well as agreements signed with IRAD, IITA, ENSP and DESA following endorsement by the PCU; and (c) the reimbursement method, if the national counterpart funds pre-finance expenditures covered by the loan, after formal approval by the Bank.

4.1.14 The counterpart funds will be disbursed annually following promulgation of the Finance Law, the opening of lines of credit for authorizing officers, and the availability of expenditure records.

4.1.15 Disbursements under the agreements to be signed with IRAD, IITA, ENSP and DESA will be made through direct payment, following PCU endorsement, into the bank accounts that each of these institutions will open for the performance of the agreement. The detailed costs of activities, the operating costs, disbursement arrangements and deadlines will be clearly defined in each agreement.

4.1.16 In Cameroon, the special account will be opened by the CAA. The CAA will open the following bank accounts in the name of AVC-DP, in local currency (XAF) and in a commercial bank acceptable to the Bank: (i) a special account to receive AfDB resources which cover the operating expenses of the PCU and structures involved in the implementation of certain activities

(UNEXPALM, RHORTICAM, and banana crop sector); (ii) a special account for the counterpart funds of the Government of Cameroon; (iii) a bank account called "Refinancing Facility" for refinancing microfinance institutions (MFI); (iv) a bank account for the Guarantee Fund; and (v) a bank account for deposit of loan repayments and the fees that apply to the loans and the guarantee.

4.1.17 The PADMIR procedures manual for the management of the Facilitation Fund will be adopted for the management of the project credit fund.

Audit Arrangements

1.4.18 To meet the Bank's timeframe requirements, it is recommended that, within 6 (six) months following loan effectiveness, a private audit firm acceptable to the Bank should be recruited on a competitive basis and in accordance with terms of reference approved by the Bank. The audit will cover all project activities financed with AfDB and counterpart resources, the activities executed by IRAD, IITA, ENSP, gender technical assistance, and the operations of the Facilitation and Guarantee Fund. The audit report and management letter will be forwarded to the Bank annually, no later than six months after closure of the fiscal year concerned. The fees and related costs will be settled by direct payment, and the last payment will be made after validation of the corresponding audit report by the Bank.

4.2 Project Monitoring/Evaluation

Project monitoring/evaluation will focus on two aspects: (i) Technical and financial monitoring: The Monitoring/Evaluation Officer will be directly responsible for this task. He/she will collect and compile information on the physical and financial implementation of the project. To that end, he/she will have a master plan with outcome indicators from the logical framework to monitor the implementation progress of the sub-components. Such monitoring will yield the following information for each activity every six months: physical objective, implementation status, anticipated costs, actual costs, discrepancies and explanations for potential discrepancies, and financial data of the project. This information will be used to draft project progress reports. (ii) Evaluation of project outcomes: This will be done through periodic monitoring-evaluation surveys. A baseline study to obtain disaggregated data will be conducted at project start-up, while two specific surveys will be conducted at mid-term and at project completion.

*Table 4.2
Project Implementation Schedule*

Timeframe	Stages	Implementing Structure
January 2016	Board Approval	Bank
April 2016	Signing of the Loan Agreement	Borrower
July 2016	First disbursement	Borrower/Bank
March 2016	Signing of agreements	Bank/Borrower
December 2018	Mid-term review	Bank/Borrower
Mid-June each year	Submission of project audit report	Borrower
July 2021	Last disbursement	Bank
January 2022	Project closure	Bank/Borrower

4.3 Governance

In general, governance in Cameroon has been marked by mixed trends over the past five years. The Government has initiated many actions to improve transparency in public spending management and corruption control. However, the results are pretty mixed. According to the Ibrahim Index of African Governance (IIAG), Cameroon has declined from a score of 49.9 /100 in 2008 to 45.9 /100 in 2015. It is ranked 37th out of 54 countries, and is below the African average of 50.1, although it remains above the Central African average of 40.9%. According to the 2014 Corruption Perception Index of Transparency International, Cameroon is ranked 136th out of 175 countries with a score of 27 on 100. Cognizant of this situation, the Government has initiated a profound reform of the public finance management system since 2013, with the adoption of programme budgets. The procurement system is also being revised. With regard to the business environment, the Government has intensified dialogue with the private sector within the framework of the Cameroon Business Forum. The Bank has already supported the country in improving land and land tenure management. A support project to improve public expenditure efficiency is being prepared to help the country enhance procurement transparency and the management of public investments. Under this project, the general level of governance in the country could affect the procurement of works, goods and services, as well as financial management and internal control. The establishment of a Project Coordination Unit, with enhanced financial management and procurement capacity, will help to mitigate the abovementioned risks. The other fiduciary risk mitigation measures are presented in Technical Annex B4.

4.4 Sustainability

4.4.1 The following measures have been taken to ensure project sustainability: selection of activities in response to stakeholder requests and in line with national and local priorities; involvement of stakeholders from the targeted value chains (producers, processors, funding institutions, research and training structures, etc.) in the implementation and operationalization of project activities; selection of infrastructure that is simple in design and user-friendly in terms of operation and maintenance; works execution in accordance with technical quality norms and standards; and existence of national mechanisms for infrastructure maintenance through the national budget and those of local authorities.

4.4.2 The rural roads will be managed in accordance with the provisions of the Road Fund and the prerogatives of local councils. Rural road maintenance is the responsibility of the Department of Rural Roads (DRR/MINTP). Given the limited resources allocated to road maintenance, only a stretch of approximately 20,000 km out of almost 100,000 km of rural roads is regularly maintained with State budget funding. However, several projects are involved in the rehabilitation and maintenance of earth roads. Furthermore, for each stretch of highway constructed, the project will establish a management and maintenance committee (MMC) whose members will be trained and provided with the necessary maintenance and management tools such that they can execute routine maintenance works. The storage warehouses will be managed by organizations of beneficiaries, while the markets and DWS systems will be handed over to the decentralized local authorities which will be supported by the project in the establishment of a management system that allows for cost recovery for repair and maintenance of the infrastructure. The sixteen centres that will host the youths at the incubation stage are private or public institutions that already exist and are operational. The capacities of these centres will be strengthened in terms of curriculum as well as material and pedagogical resources to help them evolve into incubation centres. They will continue to provide the same training in the respective value chains even after project completion. The sustainability of the proposed *crop sector development fund* is ensured by the following mechanism: (i) Microfinance institutions are refinanced in the medium term at a rate of 3% for

amounts that are automatically replenished as reimbursements are made, and the 3% interest rate paid by MFIs will cover the managerial expenses of the Fund; and (ii) the institutional considerations include the capacity of the management structure to manage the Fund. Indeed, the management of the *crop sector development fund* will be entrusted to the Facilitation Fund which is currently being institutionalized.

4.5 Risk Management

4.5.1 The risks that could limit the achievement of project objectives relate to: (i) the limited capacity of service providers involved in the project; (ii) the limited capacity of enterprises; (iii) the failure rate of businesses created by the youths and/or the low integration rate of girls; (iv) the limited capacity of PMU staff; and (v) the risk associated with viability of the facilitation fund.

4.5.2 Mitigation Measures: The risks identified above will be mitigated through: (i) technical capacity building for nursery operators and microfinance institutions; (ii) proper allotment for national competitive bidding, recruitment of a consultancy firm, and mobilization of technical services responsible for works control and supervision; (iii) guidance, including specific sessions for girls and technical and managerial training; monitoring and advisory support to youth businesses for 2 years; (iv) recruitment of PMU staff on a competitive basis; training provided during project implementation and close supervision by CMFO and OSAN to enhance the skills of the project team; and (v) support for the establishment of the FF by technical assistance that is already in place with IFAD financing; in addition to the support for this fund expected from other partners of Cameroon (ADB, AFD and GIZ).

4.6 Knowledge Building

Given its innovative nature, the AVC-DP comprises several pilot pillars relating to entrepreneurship for young graduates, with the IITA Agripreneur model, as well as to competitiveness factors of the plantain, oil palm and pineapple value chains, namely: financing, structuring of farmer organizations, and relations between stakeholders. The AVC-DP will generate knowledge through monitoring and evaluation, youth entrepreneurship incubation centres, MFIs and IRAD, and through baseline, mid-term and final surveys which will produce information on the status of project logical framework indicators. The project will develop a communication strategy, whose implementation will help to disseminate the outcomes achieved. The Bank could use all this information to design new operations on value chains and on youth employment in the agricultural sector.

V. LEGAL FRAMEWORK

5.1 Legal Instrument

The project will be partly financed with an AfDB loan granted to the Republic of Cameroon.

5.2 Conditions for Bank Intervention

The AfDB loan is granted subject to the following conditions:

Conditions precedent to loan effectiveness: Effectiveness of the Loan Agreement shall be subject to Borrower fulfilment of the conditions provided in Section 5.01 of the General Conditions for Loan Agreements and Guarantee Agreements, to the Bank's satisfaction.

Conditions precedent to first disbursement of the loan: In addition to effectiveness of the Loan Agreement, the first disbursement of the loan resources shall be subject to Borrower fulfilment of the following conditions to the Bank's satisfaction:

- (i) Submit the original or certified true copy of the attestation showing the opening of two special accounts to which the loan resources shall be transferred. The first account shall be for financing the operating expenses of the PCU and structures involved in implementing the project activities. The second account shall be for funding the refinancing facilities of microfinance institutions.
- (ii) Provide the Bank with evidence of opening a special bank account in CFA francs in the name of the Project in a bank acceptable to the Bank intended solely for receiving the counterpart funds;
- (iii) Submit to the Bank the decision creating the Project Coordination Unit within the Department of Agricultural Development.

Other Conditions

- (i) Provide evidence of the recruitment of the Coordinator, the Administrative and Financial Officer, the Accounting Officer, and the Procurement Expert, whose qualifications and experience shall be submitted to the Bank not later than 25 January 2016 for prior approval;
- (ii) Prepare a management procedures manual and install a computerized accounting system not later than 15 April 2016 to facilitate monitoring and generation of adequate financial information;
- (iii) Launch the procedure for recruiting, on a competitive basis and in compliance with the Bank's standard terms of reference, an external audit firm not later than six (6) months following the first disbursement;
- (iv) Provide the Bank with evidence of inclusion, in the Financial Law, of the Government counterpart funds for the year concerned, not later than 30 April each year.

Undertaking: The Borrower undertakes, to the satisfaction of the Bank, to:

- (i) institutionalize the Facilitation Fund for the granting of loans before the end of June 2017;
- (ii) implement the project and have it implemented by its contractors in accordance with the recommendations, prescriptions and procedures contained in the project's Environmental and Social Management Plan (ESMP); and
- (iii) submit half-yearly reports on ESMP implementation, including any shortcomings and corrective actions initiated or to be initiated, as applicable.

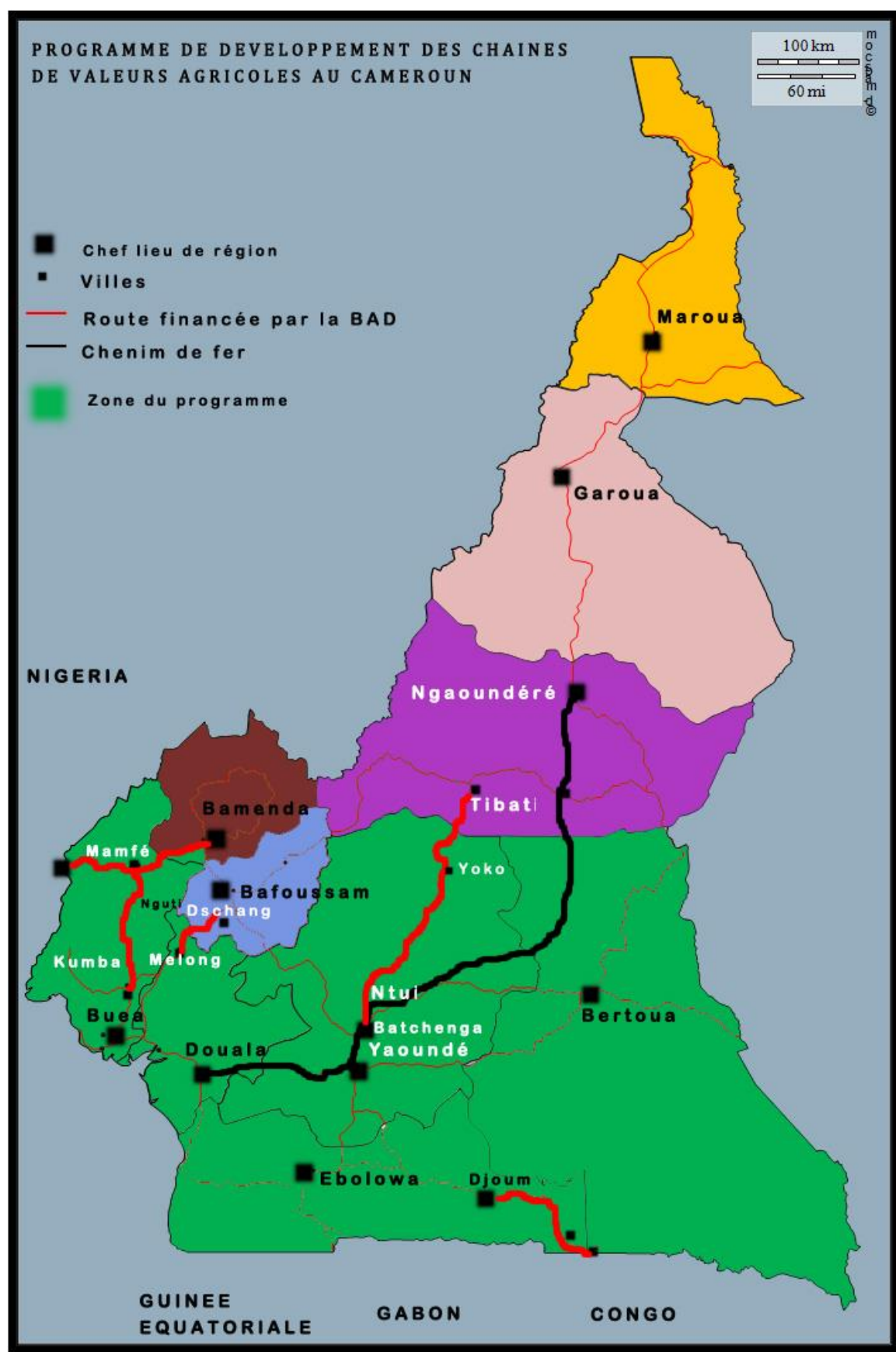
5.3 *Compliance with Bank Policies*

This project complies with all Bank policies.

VI. RECOMMENDATION

The Bank Management recommends that the Board of Directors should approve the proposal to grant an AfDB loan not exceeding EUR 89.291 million to the Republic of Cameroon for the purpose and in accordance with the conditions defined in this report.

Annex I Project Area



Annex II
AfDB Portfolio in Cameroon as at 30 November 2015

SECTORS	PROJECTS	Approval Date	Signature Date	Effectiveness	Disbursement Fulfilment	Date of 1st disbursement	Disbursement deadline	Bank Financing (UA Million)			
								AfDB Loan	ADF/NT F Loan	Grants	Disb. Rate
Governance	Land Registry Project (PAMOCCA 1).	15.11.2010	05.01.2011	17.05.2011	10.02.2012	21.03.2012	31.12.2015		7.00		22.9%
	Land Registry Project (PAMOCCA 2).	17.12.2013	08.06.2014	29.10.2014	29.10.2014	24.04.2015	30.03.2018		5.00		2.8%
Transport	Kumba-Mamfe Road Project	21.11.2012	09.02.2013	16.09.2013	07.11.2013	27.01.2014	31.12.2017		47.26		18.2%
	Road Programme 1 : Batchenga-Léna	26.11.2014	28.03.2015					92.72	12.45		
Water and sanitation	Yaounde Sanitation Project (PADY 2)	19.06.2013	11.09.2013	17.03.2014	01.10.2014	13.11.2014	31.12.2018		20.99	2.84	1.4%
	DWSS Project – Semi-urban	28.01.2009	13.05.2009	02.11.2009	28.05.2010	14.10.2010	30.06.2016		40.00		32.1%
	DWSS Project – Rural Areas	12.05.2010	29.06.2010	14.04.2011	02.05.2011	21.09.2011	29.02.2016		10.00	4.29	70.9%
Energy	Reinforcement of electricity transmission and distribution networks (PREREDT).	15.09.2010	15.10.2010	20.04.2011	22.01.2013	25.02.2013	30.12.2017		31.64		9.5%
	Lom Pangar Hydro-electricity Development Project	10.11.2011	18.01.2012	14.06.2012	14.12.2012	25.07.2013	31.12.2017		44.93		2.3%
Agriculture	Rural infrastructure support - Grassfield 2	23.10.2013	16.12.2013	10.04.2014	15.09.2014	07.10.2014	31.12.2019		13.61	3.19	5.8%
Emergency	Humanitarian assistance to refugees	13.01.2015	07.04.2015	07.04.2015	07.04.2015	21.08.2015	31.12.2015			0.70	100%
Total National Public Operations								92.72	232.88	11.02	11.4%
Private Sector	Cameroon Shipyard and Industrial Engineering Company Ltd (CNIC)	12.12.2002	02.06.2003	29.04.2005	29.04.2005	13.05.2005	30.06.2016	32.01			41.67%
	AES-SONEL Investment Programme	10.05.2006	08.12.2006	13.02.2007	15.02.2007	20.02.2007	31.12.2020	48.18			100%
	Dibamba Thermal Power Plant	28.04.2010	11.05.2011	11.05.2011	15.07.2011	22.07.2011	01.06.2023	17.88			100%
	Kribi Thermal Power Plant	15.07.2011	22.12.2011	22.12.2011	27.08.2012	13.09.2012	15.11.2025	22.95			100 %
Total Private Sector Operations								121.02			84.6%
Régional Environment	Protection of Central African elephants	22/07/2013	16.12.2013	11.11.2014	16.01.2015	30.04.2015	31.12.2017		0.25		17.4%
	Rehabilitation of Lake Chad Basin (PRESIBALT)	17/12/2014	02/07/2015				30.09.2019		12.5		
Regional Energy	Chad-Cameroon interconnection study	07.10.2013	29.01.2014	03.09.2014	23.10.2014	15.12.2014	31.12.2016		1.25		15.8%
Regional Transport	Transport facilitation on Bamenda – Enugu Corridor.	25.11.2008	13.05.2009	04.11.2009	01.12.2009	24.12.2009	31.06.2017		90.39		48.1%
	Transport facilitation on the Brazzaville -Yaoundé (Ketta –Djoum Road) Corridor.	25.09.2009	11.01.2010	29.03.2010	13.02.2012	24.04.2012	30.12.2016		59.27		67.4%
Total Multinational Public Operations									163.66		55.4
Total Portfolio Operations								213.74	396.54	11.02	36.9%

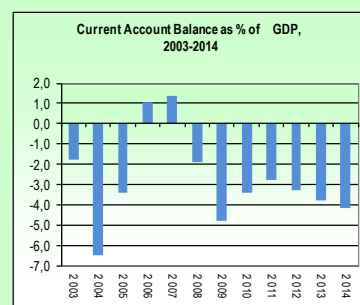
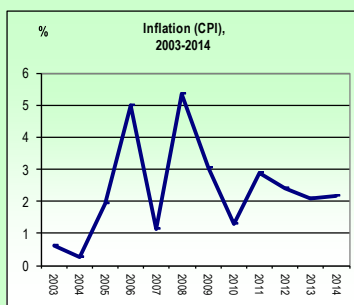
Annex III

Key Macroeconomic Indicators

Cameroon

Selected Macroeconomic Indicators

Indicators	Unit	2000	2009	2010	2011	2012	2013	2014 (e)
National Accounts								
GNI at Current Prices	Million US \$	9 557	23 321	24 130	25 388	26 474	28 708	...
GNI per Capita	US\$	600	1 160	1 170	1 200	1 220	1 290	...
GDP at Current Prices	Million US \$	9 290	23 381	23 623	26 587	26 472	29 568	31 899
GDP at 2000 Constant prices	Million US \$	9 290	12 454	12 865	13 392	14 008	14 779	15 569
Real GDP Growth Rate	%	4,2	1,9	3,3	4,1	4,6	5,5	5,3
Real per Capita GDP Growth Rate	%	1,5	-0,6	0,7	1,5	2,0	2,9	2,8
Gross Domestic Investment	% GDP	16,7	18,5	19,0	20,6	19,4	19,5	19,9
Public Investment	% GDP	2,8	2,2	2,2	2,4	2,3	2,3	2,3
Private Investment	% GDP	13,9	16,3	16,8	18,2	17,0	17,2	17,5
Gross National Savings	% GDP	13,0	17,6	17,5	17,5	17,1	17,2	16,7
Prices and Money								
Inflation (CPI)	%	0,9	3,0	1,3	2,9	2,4	2,1	2,2
Exchange Rate (Annual Average)	local currency/US\$	712,0	472,2	495,3	471,9	510,5	494,0	493,9
Monetary Growth (M2)	%	68,4	7,1	13,0	9,5	2,0	10,5	5,6
Money and Quasi Money as % of GDP	%	21,5	30,3	32,3	33,0	31,2	31,9	31,3
Government Finance								
Total Revenue and Grants	% GDP	18,5	17,4	16,6	18,2	18,0	18,0	17,7
Total Expenditure and Net Lending	% GDP	14,4	17,5	17,7	21,7	20,4	22,0	22,8
Overall Deficit (-) / Surplus (+)	% GDP	4,4	-0,1	-1,1	-3,6	-2,4	-4,1	-5,2
External Sector								
Exports Volume Growth (Goods)	%	-0,7	-4,8	-0,9	-1,9	8,3	8,7	7,8
Imports Volume Growth (Goods)	%	14,9	-5,2	12,4	1,4	3,3	5,3	7,7
Terms of Trade Growth	%	40,9	-12,7	14,3	-1,6	0,3	-3,5	0,0
Current Account Balance	Million US \$	-61	-1 119	-800	-748	-870	-1 128	-1 339
Current Account Balance	% GDP	-0,6	-4,8	-3,4	-2,8	-3,3	-3,8	-4,2
External Reserves	months of imports	1,0	7,0	6,7	4,7	5,0
Debt and Financial Flows								
Debt Service	% exports	23,6	4,1	3,1	2,1	2,5	3,0	3,7
External Debt	% GDP	60,6	5,3	6,2	7,0	9,0	12,3	14,8
Net Total Financial Flows	Million US \$	218	770	-116	684	567
Net Official Development Assistance	Million US \$	377	648	541	612	596	737	...
Net Foreign Direct Investment	Million US \$	159	740	538	652	526	572	...



Source : AfDB Statistics Department; IMF: World Economic Outlook, October 2014 and International Financial Statistics, October 2014;
AfDB Statistics Department: Development Data Portal Database, March 2015. United Nations: OECD, Reporting System Division.

Notes: ... Data Not Available (e) Estimations

Last Update: March 2015

Annex IV
Summary Table of Project Procurements (UA million)

Description	Use of NPP	Use of Bank Procedures	Total
I-Civil Engineering Works			
Rural road rehabilitation works (1000 km subdivided into several lots)	29.982 [18.188]		29.982 [18.188]
Construction of warehouses and storage spaces	4.336 [2.601]		4.336 [2.601]
Construction of markets	1.295 [0.777]		1.295 [0.777]
Extension of the electricity network	0.855 [0.513]		0.855 [0.513]
Small DWS systems	1.306 [0.784]		1.306 [0.784]
Construction of quality control laboratory	1.426 [1.426]		1.426 [1.426]
Renovation works on IRAD and incubation centres	0.151 [0.151]		0.151 [0.151]
Total I	39.351 [24.441]		39.351 [24.441]
II. Goods			
Procurement of minor road maintenance equipment	0.015 [0.009]		0.015 [0.009]
Procurement of computer equipment	0.288 [0.288]		0.288 [0.288]
Procurement of communication equipment	0.076 [0.076]		0.076 [0.076]
Procurement of office furniture	0.064 [0.064]		0.064 [0.064]
Procurement of laboratory equipment		0.307 [0.307]	0.307 [0.307]
Procurement of nursery equipment		1.223 [1.223]	1.223 [1.223]
Technical equipment for incubation centres		0.646 [0.646]	0.646 [0.646]
Procurement of rolling stock (vehicles and motor-cycles)		1.086 [1.086]	1.086 [1.086]
Procurement of equipment for cooperatives		8.387 [4.193]	8.387 [4.193]
Procurement of fertilizers (IRAD)	0.121 [0.121]		
Total II	0.564 [0.558]	11.648 [7.454]	12.212 [8.013]
III. Consultancy Services			
Feasibility studies (other VC, Douala warehouse)		0.836 [0.836]	0.836 [0.836]
Supervision of community infrastructure works		1.407 [0.844]	1.407 [0.844]
NGO services (banana crop sector)		0.844 [0.844]	0.844 [0.844]
Accounting and financial audit		0.105 [0.105]	0.105 [0.105]
International value chain consultants		0.253 [0.253]	0.253 [0.253]
Feasibility studies for processing units		0.056 [0.056]	0.056 [0.056]

Description	Use of NPP	Use of Bank Procedures	Total
Study on prospecting for new markets for plantain and plantain by-products		0.068 [0.068]	0.068 [0.068]
Environmental baseline study		0.008 [0.008]	0.008 [0.008]
Preparation of agricultural best practices manual		0.022 [0.022]	0.022 [0.022]
Preparation of industrial best practices manual		0.022 [0.022]	0.022 [0.022]
Baseline, mid-term and final studies (including for the Environmental and Social Management Framework (ESMF))		0.320 [0.320]	0.320 [0.320]
International expert consultant in plantain processing		0.034 [0.034]	0.034 [0.034]
International expert consultant in plantain marketing		0.034 [0.034]	0.034 [0.034]
Design and implementation of the Project Communication Plan		0.419 [0.419]	0.419 [0.419]
Support for agricultural statistics		1.462 [1.462]	1.462 [1.462]
Technical assistance for gender capacity building		0.236 [0.236]	0.236 [0.236]
Technical assistance for management of the Facilitation Fund (FF)		0.239 [0.239]	0.239 [0.239]
Study on seed sector organization		0.135 [0.135]	0.135 [0.135]
Total III		6.498 [5.935]	6.498 [5.935]
IV. Miscellaneous			
Training		1.796 [1.796]	1.796 [1.796]
Workshops		0.663 [0.663]	0.663 [0.663]
IRAD Agreement		1.422 [1.422]	1.422 [1.422]
IITA Agreement		3.885 [3.885]	3.885 [3.885]
ENSP Agreement		0.541 [0.541]	0.541 [0.541]
Financing of Facilitation Fund (FF)		14.128 [14.128]	14.128 [14.128]
PCU operating costs		11.443 [10.512]	11.443 [10.512]
Total IV		33.878 [32.947]	33.878 [32.947]
Total (including physical and financial contingencies)	39.915 [25.000]	52.025 [46.336]	91.940 [71.336]

+The figures in square brackets are amounts financed by the AfDB.
NPP: National Procurement Procedures for NCB

Annex V
Diagram of Mechanism for Crop Sector Development and Youth Businesses Financing Fund

Agricultural Value Chain Development Project (AVC-DP)

