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3B CAMEROON

Theme: Governance assessments and partner country participation and ownership

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1. Background

The governance analysis in Cameroun was carried out during the programming of the 10th European Development Fund (EDF) which took place in 2006/2007. It was a process designed to assist the EC in allocating an additional 'incentive tranche' to the ACP countries, as a top-up to the initial allocation, according to their commitments to undertake reforms in areas assessed to be weak (Annex 1 Aid Allocation criteria for the 10th EDF).

The exercise was carried out from May-August 2006 by the European Commission (EC) delegation in Yaoundé, in close cooperation with the EU member states present in Cameroun: France, UK, Germany, Italy, Netherlands, Spain and Greece. The EC delegation made the first draft "Governance profile", which covers nine areas for analysis : Political/democratic governance, Political governance and rule of law; Control of corruption; Government effectiveness (including public finance management); Economic governance (including investment climate and management of natural resources); Internal and external security; Social governance; International and regional context; Quality of the partnership (Annex 2 Governance Profile template).

Information was collected from multiple sources, government (including the EC's counterpart, the Ministry of Economy - known as the National Authorising officer, NAO), other donors, international organisations, civil society organisations, other non state actors, and independent reports. The analysis, focusing on both the current situation and recent trends, was extensively discussed with, and validated, by the EU Member States in Yaoundé. Subsequently, the main weaknesses in each of the nine areas were identified. In order to ensure a standardised process and the comparability of the results at the global ACP level, the analyses were then harmonised by the Commission at headquarters level. As a reference point, the Commission used the composite 'KKZ governance index' developed by the World Bank Institute, which provides useful comparators for the first six governance areas.

Both the analysis (i.e. the "Governance profile" itself) and its outcomes (i.e. the main weaknesses identified and possible priorities for reform), were then given to the Government of Cameroun in the context of both the on-going country programming dialogue, and the political dialogue (known as Article 8 dialogue) under the Cotonou Partnership Agreement. At the political dialogue meeting of December 2006 the government, through the Foreign Minister, responded to some of the findings and put forward comments for consideration which were reviewed by the EC and EU Member States, and in some cases, taken into account in the final version of the Governance Profile. Although the Profile's findings were solely those of the EU and did not commit the Government, the main findings were also incorporated into the analytical part of the Country Strategy Paper (CSP) for Cameroun with no objection from the NAO. The CSP, after receiving a favourable opinion from EU Member States, was signed by the EC and the Government in December 2007.

In the context of the programming dialogue, the government presented a list of commitments and reform measures (known as the Governance Action Plan) to address the main weaknesses. This plan was, in turn, evaluated by the Commission, in cooperation with the member states represented locally as to its Relevance, Ambition and Credibility. (See Attached document on Aid Allocation Criteria for details). The government based its Governance Action Plan on existing on-going programmes of National Governance, the PRSP and the Memorandum of Economic and Financial Policies in the framework of the IMF/PRGF programme. A first version of the Plan was discussed at the December 2006 political dialogue meeting and, as a consequence of that discussion, the government submitted a revised version early in 2007, including certain areas (forest governance, etc.) overlooked in the first version, as well as detailed implementation deadlines. Ownership and respect for the principles of the Paris Declaration, therefore, underpinned the exercise from the beginning.

The governance assessment process for Cameroon found that the overall situation was quite problematic, with important weaknesses in various sectors, but that the trend was towards an improvement. The main problems emerged in the areas of human rights and the electoral system, corruption, effectiveness of government, economic governance, including public finance management and natural resource management.

In application of the methodology explained in Annex 1, the Governance Action Plan was assessed as relevant, ambitious and credible as it targets clear objectives, is accompanied by a realistic implementation plan and addresses weaknesses in substance. This evaluation also took account of the government's credibility, particularly its positive approach to engaging in dialogue on governance reform on both the political and programming level with the EU.

Although the Governance Profile as such has not been made public, certain aspects are included in the Country Strategy Paper and National Indicative Programme for the 10th EDF, signed between Cameroon and the EC in December 2007. The CSP also includes the Governance Action Plan attached as an Annex. The Cameroon CSP (including the GAP is available to the public and on-line at http://ec.europa.eu/development/how/iqsg/documents_library_en.cfm#csp0

Consultation with other donors mainly took place within the framework of a high level group known as the '8+6 Group' made up of the eight EU Member States plus the UN, WB, AfDB, Japan, the US and Canada who were kept regularly informed of the EC approach and findings. Although this was not a joint 'all donor/G8+6' assessment, the main findings were largely shared by other donors.

Although non state actors, parliament, civil society and private sector were not formally consulted in either the drafting of the Governance Profile or in the preparation of the list of commitments put forward by the Government in its Governance Action Plan, there was quite extensive informal consultation and interest, - in some cases meetings were organised at their request. (It should also be noted that the National Governance Programme and the PRSP were the subject of a formal government consultation with non state actors)

2. Tensions, dilemmas and issues

The methodology developed by the EC proved flexible enough to accommodate the country context of Cameroon, and was carried out in a non-confrontational and collaborative spirit with the government and other donors. This may be due to the fact that the exercise was well grounded in the programming dialogue on the 10th EDF taking place simultaneously. Moreover, there was an active political dialogue in place with the EU, as well as an active dialogue around corruption and public finance reform between the donors/IFIs and the government in the run-up to the HIPC 2006 'completion point' and beyond. Finally, Government generally had adopted an non-defensive attitude regarding criticism about governance shortcomings, which are often dealt with by President Biya himself.

In Cameroon, there is a general consensus among donors regarding governance issues and priorities for reform, which means donor agendas do not differ widely. However, there are sometimes different views between donors over the priorities, pace and concrete implementation of reforms which remain of serious concern to all donors.

An independent ODI study (spring 2007), undertaken at the joint request of the government and donors, characterised the state of the partnership between donors and the government of Cameroon as weak, lacking in mutual confidence and facing serious challenges. A major recommendation of the ODI mission was that close coordination among donors in their dialogue and engagement with government post HIPC in the area of governance and anti-

corruption was critical to building greater confidence. The 8+6 Group has stepped up its efforts focusing particularly on the need for the government to improve its international reputation and ability to attract foreign investment in the Post HIPC era. Donors do not have much leverage in Cameroon given the small amount of development funding the country receives (less than 2 % of GDP) and the fact that the HIPC process has been completed.

Coordination between donors is also facilitated by the small number present in Cameroon and the need to maximise the impact of limited funding. A good example of donor collaboration was the jointly commissioned Multi-Donor Governance and Anti-Corruption Mission in July 2006, under the umbrella of the OECD DAC Network on Governance. This mission provided key elements in the EU analysis (Governance profile), useful input for the government's Governance Action Plan, as well as a range of valuable recommendations for partnerships for good governance in Cameroon. The analysis focused on underlying causes of poor governance, in particular corruption, rather than just the description of the symptoms. A follow-up programme, also jointly supported by the donors and focused on the implementation of the government's own anti-corruption strategy is now being implemented via the UNDP and the Office of the Prime Minister.

3. Lessons and forward looking implications

- Where good donor coordination already exists the problems of lack of harmonisation and alignment of governance assessment processes are reduced.
- Harmonisation and alignment are easier to achieve where donor analyses, assessments and recommendations are useful for government's policy making processes and where government commitments for reform are based on solidly owned government processes.
- However, these processes need to be built through inclusive consultative procedures with multiple stakeholders to ensure national ownership. Involvement of in-country non state actors and institutions other than central governments (local and decentralised authorities, parliaments) is necessary, to contribute to a sound analysis, to identify priorities for reform as well as to facilitate a proper follow-up and monitoring. Greater involvement and consultation of non state actors would ensure increased ownership of the process and could help facilitate dialogue between them and government.
- Donors can exert leverage through more than financial incentives. Innovative ways to explore non financial incentives are needed.
- To a certain extent OECD and UN organisations can play an important facilitating role in partnership with donors as they are seen as less partisan in questions of governance and can provide experiences and expertise.
- In a weak government-donor partnership, such as is the case in Cameroon, cooperation between donors around governance issues and joint engagement with the government can help rebuild trust when based on a supportive rather than a solely evaluative approach. .
- As requested by the Council of Ministers, in its Conclusions on "Governance in the European consensus" (16 October 2006) the Commission will prepare a comprehensive report on the Governance Incentive Tranche process in 2008. EU Members States and other partners and actors will be involved in this preparation of the report, which will draw lessons from experience and may lead to adapting the methodology or the tools in order to maximise the contribution of the Governance Tranche to consolidating democratic governance reforms in partner countries.