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REPUBLIC OF CAMEROON
Peace-Work-Fatherland
ROAD FUND
(P.A.C)

2014 ANNUAL REPORT

Establishment of Public Administration under the Private Type Technical supervision of the Ministry in charge of roads and the financial supervision of the Ministry in charge of Finance

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Foreword

Pierre TITTI
Chairman of the Road Fund Management Committee

Another step has been taken in the process of modernizing Road Fund components. In fact, in 2014, the governance system was reinforced, with its implications for the integrated information system. Beyond these purely systemic considerations, the vision of Fund organization was reformulated so as to position the institution as leader both nationally and internationally, and as a think tank.

This modernization drive was accompanied by the beefing up of staff with the recruitment managerial personnel whose "support" position, that is not strictly linked to Fund business, seeks to enhance efficiency in interactions within the Fund and with partners. Against this backdrop, Fund management spared no effort in strengthening social cohesion and consolidating team dynamics. Nonetheless, enterprises and other Fund payment beneficiaries suffered the effects of a particularly unfavourable economic and security context, given that the collection of resources allocated to the Fund for the discharge of its duties is contingent upon a comprehensive State cash management system.

As such, late payments in real time owing to insufficient liquidity featured prominently among the difficulties encountered by the Fund. Faced with this constraint, the various consultation frameworks established tried as best they could to cushion the effects of cash stress, especially on works execution and the economic fabric of public works sector small- and medium-size enterprises. While lauding the efforts made each time by the authorities to mitigate the negative effects of this situation, it is necessary to resolutely comply with international standards by engaging the Road Fund on the path to a Second Generation Fund, which is our most fervent wish.

It is in this context that this annual report renders account of the activities carried out in the 2014 financial year. It also looks at programme financing, challenges and prospects.

List of abbreviations and acronyms

APRS	:	Accident Prevention and Road Safety
ARMFA	:	African Road Maintenance Funds Association
BC	:	Building and Construction
C2D	:	Debt Cancellation and Development Contract
CFA	:	Communauté Financière Africaine (African Financial Community)
CUD	:	Douala City Council
CUY	:	Yaounde City Council
EDF	:	Engineering Design Firm
FATA	:	Financial, Accounting and Technical Audit
GESP	:	Growth and Employment Strategy Paper
HIPCI	:	Heavily Indebted Poor Country Initiative
IMS	:	Integrated Management System
Kfw	:	KreditAnstalt Für Wiederaufbau
LIW	:	Labour Intensive Works
MDRI	:	Multilateral Debt Relief Initiative
MINDUH	:	Ministry of Urban Development and Housing
MINEFI	:	Ministry of Economy and Finance
MINFI	:	Ministry of Finance
MINT	:	Ministry of Transport
MINTP	:	Ministry of Public Works
MoU	:	Memorandum of Understanding
NICT	:	New Information and Communication Technology
NR	:	National Road
PB	:	Performance Bond
PERFED	:	European Development Fund's Road Maintenance Programme
PNM	:	Priority Network Maintenance
RF	:	Road Fund
RFF	:	Road Fund Functioning
RMF	:	Road Maintenance Fund
RHP	:	Road Heritage Protection
RM	:	Retention Money
RMP	:	Road Master Plan
RRM	:	Rural Roads Maintenance
RRSP	:	Road Revenue Securitization Programme
RUC	:	Road User Charge
SCDP	:	Cameroon Petroleum Products Storage Company
SME	:	Small- and Medium-size Enterprise
SONARA	:	National Refining Company
STADE-C2D	:	C2D Implementation Support Technical Secretariat
STPP	:	Special Tax on Petroleum Products
SUAG	:	Start-up Advance Guarantee
TSS	:	Technical Studies and Supervision
URM	:	Urban Roads Maintenance

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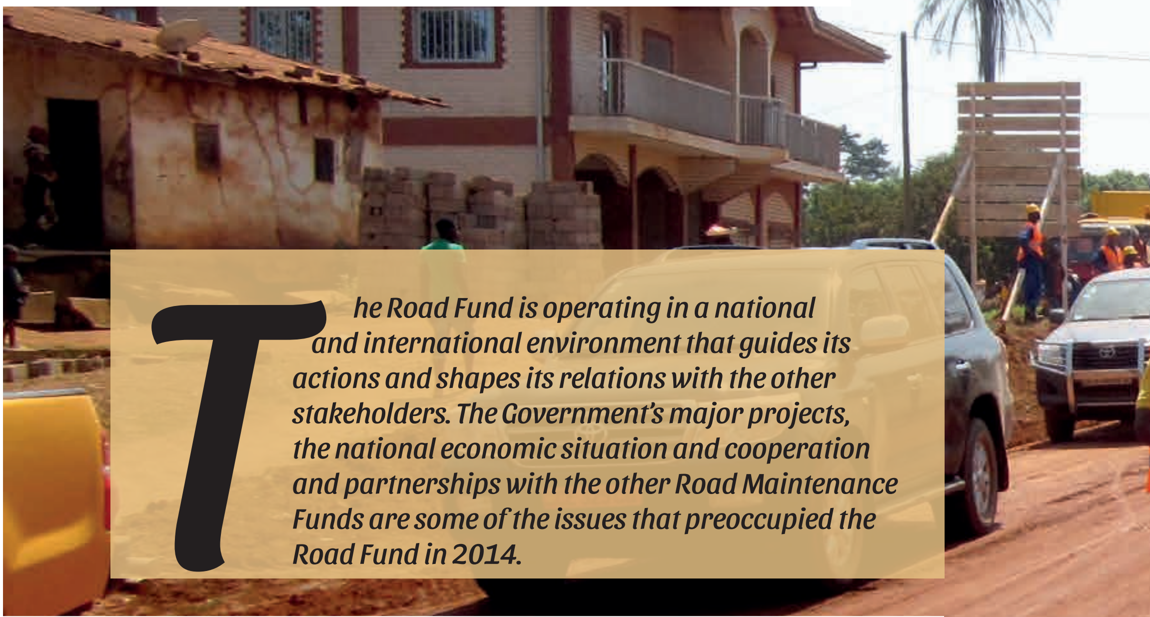
1 GENERAL CONTEXT

A-National context



The Road Fund is operating in a national and international environment that guides its actions and shapes its relations with the other stakeholders. The Government's major projects, the national economic situation and cooperation and partnerships with the other Road Maintenance Funds are some of the issues that preoccupied the Road Fund in 2014.

In 2014, Cameroon operated in an international environment marked since 2013 by a constant 3.3% world economic growth stagnation resulting from renewed growth in developed countries, including the United States of America (2.4%, against 22% in 2013), the Euro zone (0.8%, against -0.5% in 2013) and a slowdown in emerging and developing countries, including China (7.4%, against 7.8% in 2013) and sub-Saharan Africa (4.8%, against 5.2% in 2013). According to the IMF January 2015 report on the World Economic Outlook, this situation stemmed from world oil over-production which led to a drop in its prices, on the one hand, and the appreciation of the dollar against the main reference currencies, the Euro and the Yen, on the other hand.

On the national front, despite a sluggish international economic environment, Cameroon's real GDP growth remained vigorously dynamic at 5.3%.

According to the 2014 World Bank report on growth resources in Cameroon, this performance was driven by strong oil production growth estimated at 13.5%, against 8.5% in 2013.

The secondary sector also performed better as a result of: (i) the progressive increase in national energy supply, with its spill-over effects on the other manufacturing industries, thanks to the commissioning of the Kribi Gas-fired Thermal Power Plant; (ii) the appearance on the market of a new cement factory (CIMAF) and the enhancement of CIMENCAM's production capacity; (iii) the finalization of preparations for effectively launching second-generation major projects; and (iv) the continued implementation of high growth potential first-generation major projects [the Kribi Industrial and Port Complex 99%, phase I of which has been implemented, and the Lom Pangar dam (52%); and the Memve'ele dam (46%), the Mekin dam (70%) and the second bridge over the Wouri River (25%)].

The tertiary sector showed relative dynamism and, so far, remains the main growth engine with a 2.4 point contribution, that is 47.8% of GDP, despite border security crises caused by the Boko Haram islamist sect and political tensions in the Central African Republic (CAR) which have negatively affected tourism, the hospitality industry and trade between Cameroon and its neighbours, namely Nigeria, Chad and the Central African Republic. This sector could be consolidated in 2015 with the boom in the telecommunications sector marked by the grant of 3G licences to all the operators in the sub-sector as well as the nationwide deployment of the optic fibre.

This situation was bolstered by moderate inflation estimated at 1.9%, according to the National Institute of Statistics, against 2.1% in 2013, despite a 15% increase in fuel prices at the pump at the beginning of the second half of 2014.

Growth recorded so far is insufficient compared with the GESP objectives of maintaining growth at 5.5% over the period 2010-2020. In that connection, a CFAF 925 billion Three-year Emergency Plan was launched by the Head of State on 9 December 2014 aimed at boosting the country's economic growth, as well immediately meeting the most urgent social needs in the areas of road works, low-cost housing, urban development, agriculture and livestock, energy, drinking water, health as well as security nationwide. Combined with the investment budgets of the coming years, this plan should, in any case, help to consolidate and improve the economic performance recorded in 2014.

Development works of Nanga Eboko's urban roads

Globally, the Government is continuing its efforts to implement structural reforms in a bid to improve economic competitiveness and the business climate. Thus, regarding competitiveness, the Plan to Modernize Cameroon's Economy is being implemented and constitutes Cameroon's response regarding the implementation of the economic partnership agreements ratified by Parliament in July 2014. In that connection, the State is pursuing actions aimed at upgrading enterprises, promoting innovative financing mechanisms for enterprises, coordinating various support actions for enterprises and developing standards and quality. Concerning the business climate, Government reforms are continuing in a bid to attract investments through Law No. 2013/4 of 18 April 2013 to lay down private investment incentives.

The road infrastructure sector is marked upstream by insufficient financing despite substantial support from public development partners. However, according to the assessment of the execution of MINTP's 2014 budget, 249 km of roads were rehabilitated nationwide thanks largely to the substantial contribution of the Special Emergency Programme initiated by the Head of State in 2012 and financed by the Road Fund. Still as part of the extension of the tarred road network, and according to the same source, 114 km of roads have been constructed nationwide since January 2014. However, more effort is required in light of the objectives set out in the GESP, namely the tarring of an average of 300 km of roads yearly to reach the target of 8 500 km of tarred roads by 2020.

Owing to the role played by road infrastructure in consolidating growth, the effective implementation of the major road projects will contribute to improving economic growth in 2015 and, especially, the construction of the Yaounde-Douala and Yaounde-Nsimalen highways, the upgrading of the Douala east and west access roads, the tarring of the Kumba-Mamfe road as well as the continued tarring of sub-regional integrator roads which help to open up production basins and the borders with neighbouring countries (Douala – Bangui Douala – Ndjamena, Bamenda – Enugu and Sangmelima- Djoum - Congo border corridors).

That notwithstanding, there are still major challenges to overcome in order to improve the sector's performance so far. The challenges are:

- the low professionalization level of local SMEs which, moreover, impedes their competitiveness;
- the slow and rigid contract award regulatory framework: the introduction of the possibility of executing some works through contract is a mitigation measure with respect to occasional emergency and strategic interventions;
- uncontrolled tarring unit prices believed to be higher than the African average: the Government is trying to reverse this trend by recommending the use of homologated and cheap road surfacing or stabilizing products like the ROCAMIX process, CARBONCOR and CON-AID/CBR PLUS. Also, contracts to supply, install and commission crushing plants were awarded in 2014 to reduce the costs of aggregates and other quarry materials;
- limited alternative financing for major projects. In fact, the share of public-private partnership financing is insignificant.

2014

Some milestones

January

1. 6 January 2014: Installation of newly recruited Road Fund staff;

2. 15 January 2014: Signature, by the Management Committee Chairperson, of Decision No. 3/PCG/CG/ADM/FR/14 to lay down the establishment, composition and functioning of the Road Fund Audit Sub-committee;

3. 15 January 2014: Signature, by the Director General of Taxation, of Circular No.I/MINFI/DGI/LC/L of 15 January 2014 to lay down conditions for applying the tax provisions of the 2014 finance law. The said circular designates SCDP and SONARA as legally liable for the Special Tax on Petroleum Products (STPP) and specifies the mechanism for STPP return;

4. 16 January 2014: Signature, by the Prime Minister, Head of Government, of Decree No. 2014/0004/PM of 16 January 2014 to lay down conditions for financing contract works by the Road Fund;

5. 23 January 2014: Adoption, by the Management Committee, of the 2014-2016 Strategic Plan, the 2014 programme of activities and the operating and investment budget of the Road Fund for the 2014 financial year;

March

6. From 3 to 6 March 2014: Newly recruited staff immersion and team building seminar held in Kribi on the theme "Team Cohesion and Improving Performance"»;

7. From 15 to 25 March 2014: Participation of a Road Fund delegation at the proceedings of the UATP-organized 3rd International Workshop on Public Transport in Johannesburg (South Africa);

July

8. 23 July 2014: Approval, by the Management Committee, of the second operational phase of the TOM^{2}PRO and TOM^{2}FR management system as well as the principle of its continuation under a third phase;

August

9. From 6 to 8 August 2014: Participation of a Road Fund delegation at the proceedings of the 8th Annual Meeting of the Central Africa Focal Group of ARMFA held in Libreville (Gabon) on the theme "Matching Tools and Mechanisms for Programming Works Financed by Road Maintenance Funds and Mobilized Resources";

September

10. 26 September 2014: Adoption, by the Management Committee, of the Internal Rules and Regulations of the Management Committee and the Audit Sub-committee as well as the internal audit procedures manual;

October

11. From 12 to 21 October 2014: Participation of a Road Fund delegation at the Joint 3rd UATP International Congress on Public Transport and General Assembly held in South Africa. On the sidelines of this congress, the mechanisms for removing obstacles were the subject of exchange of experiences with South Africa. The key theme of the congress was "Developing Africa through an Efficient Public Transport System";

12. 28 October 2014: Adoption, by the Management Committee, of Resolution No. 17/FR/PCG/CG/ADM/DCO/14 to delegate account signature to the Road Fund Administration;

November

13. From 6 to 7 November 2014: Organization of an internal audit function seminar for Road Fund staff on the theme «Roles, Missions and Responsibilities of Internal Audit in an Organization: the Case of the Road Fund»;

14. From 12 to 14 November 2014: Consultation workshop on authorizing officers' programming for 2015. From 12 to 14 November 2014, the Road Fund organized in Sangmelima a consultation workshop with its authorizing officers to take stock of 2014 and prepare for 2015;

December

15. 23 December 2014: Adoption of Law No. 2014/026 of 23 December 2014: 2015 finance law to allocate an additional amount of CFAF 5 billion under the 2015 budgetary year for financing Road Fund "Maintenance Window" projects;

16. 22 and 30 December 2014: Holding of Management Committee sessions to approve authorizing officers' programming. Authorizing officers' programming for the 2015 financial year was examined during sessions held on 22 and 30 December 2014. They included the programming of MINTP and MINHDU for the "Maintenance" and "Investment" windows, and MINT for the "Maintenance" window.

C- Legal and regulatory framework

Pursuant to Section I of Law No. 1996/16 of 22 December 1996 on the general rules and regulations governing public establishments and public and semi-public sector enterprises, the Road Fund is a special public administrative establishment (PAE) on account of its management bodies, its staff remuneration and benefits, as well as its accounting rules.
It is under the financial supervisory authority of the Minister in charge of finance and the technical supervisory authority of the Minister in charge of roads.
Originally, the Road Fund was a mechanism for financing national road heritage protection programmes, accident prevention and road safety programmes as well as road maintenance programmes. This financing activity was carried out under the «Maintenance» window. Subsequently, at the behest of Law No. 2004/21 of 22 July 2004, the activity was extended to road rehabilitation and upgrading under the «Investment» window. Both windows are separate and independent.
Up to 2010, Road Fund resources intended to pay contract services under the «Maintenance» window were paid directly into the Road Fund's account in BEAC. With the application, as from 2011, of Sections 67 and 68 of Law No. 2007/6 of 27 December 2007 on the finance regime of the State, the resources of the said window are now paid to the Treasury. In fact, these sections stipulate that: «Funds held by public administrative establishments shall be public funds and shall be deposited at the Treasury which has the monopoly of paying all expenditures. The Treasury shall be the unique window for State disbursement operations».

D- Overview of missions

The objective of the Road Fund is to ensure the financing of national road heritage protection, accident prevention and road safety as well as road network maintenance programmes. It also ensures the financing of road rehabilitation and upgrading operations. Specifically, the Road Fund is responsible for:
• mobilizing financing;
• securing resources allocated for road maintenance;
• ensuring the payment of contract services.
It carries out its activities through two separate and independent windows, namely the «Maintenance» and «Investment» windows.
The role of the "Maintenance» window to ensure the financing and payment of contract services relating to:
• routine and periodic maintenance of the priority urban, classified intercity and rural road network;
• accident prevention and road safety;
• national road heritage protection.
The «Investment» window takes care of the financing and payment of contract services relating to the upgrading and rehabilitation of roads.

E- Management bodies

The Road Fund is administered by two bodies, namely the Management Committee and an Administration.

I- Management Committee

The Management Committee examines all matters dealing with the organization and functioning of the Fund. Its duties are described in Article 13 of Decree No. 2005/239 of 24 June 2005. The Management Committee meets in ordinary session once every quarter on the convening of its chairperson, and in extraordinary session as often as required for the smooth functioning of the Fund. It is composed of 11 (eleven) members, including 5 (five) representatives of the State, one representative of regional and local authorities and 5 (five) representatives of road users, distributed as follows:

Representatives of the public sector:

- one representative of the Presidency of the Republic;
- one representative of the Prime Minister's Office;
- one representative of the Ministry in charge of finance;
- one representative of the Ministry in charge of roads;
- one representative of the Ministry in charge of transport.

Representative of regional and local authorities:

- one representative of regional and local authorities.

Representatives of road users:

- one representative of the Cameroon Employers' Association;
- one representative of the Cameroon Industrialists' Trade Union;
- one representative of the Cameroon Forwarding Agents' Trade Union;
- one representative of the Urban and Inter-Urban Transporters' Union;
- one representative of the Union of Road Hauliers of Cameroon.

In 2014, the Management Committee carried out many activities, the major ones of which are outlined below:

Internal Governance Enhancement

The following activities were carried out:

- adoption of the Management Committee's Internal Rules and Regulations and the preparation of its evaluation grid;
- establishment of the Audit Sub-committee, appointment of its members and validation of its Internal Rules and Regulations;
- approval of the financial statements of the 2011, 2012 and 2013 financial years, certified beforehand without reserves by the KPMG Afrique Centrale independent audit firm;
- consolidation of the internal audit function and validation of its procedures manual as well as its annual plan.

Promotion of Best Practices and Modernization of the Management Tool

The Management Committee was closely involved in:

- advocacy for the payment of Fund resources by the Treasury and, more generally, the transition of the Fund to a second generation Road Maintenance Fund to align with international standards and ensure the sustainability of the mechanism;
- implementation and ownership of the second operationalization phase of the TOM^{2}PRO and TOM^{2}FR system as well as adjustments in the formulation of the third phase ;
- team dynamics by participating actively in team building, with a real impact on the definition of the Fund's vision and the bases for its concretization;
- delegation of accounts signature to the Road Fund Administration as a token of trust in and soundness of the risk control and management instruments established;

Building Interactions with Stakeholders

The Management Committee used the discussion frameworks provided for to propose that appropriations be used for concrete and mature projects with an impact on the beneficiary populations. So, programmes were approved within the prescribed timeframes and, especially regarding MINHDU, the Fund supported consultations on the standardization of unit price schedules and bill of quantities.

A meeting of the Management Committee

2- Administration

The Road Fund is administered by an Administrator recruited through public competitive bidding for a three-year mandate, possibly renewable twice. The Administrator is responsible for the operational implementation of actions adopted by the Management Committee. His duties are specified in Article 18 of Decree No. 2005/239 of 24 June 2005 amended and supplemented by Decree No. 2012/173 of 29 March 2012.

Moreover, the number of Road Fund staff is limited to twenty-five (25) persons. As at 31 December 2014, it had twenty-three (23) salaried workers.

Partnership with national actors requires that the Road Fund ensure and secure revenue needed for its operations with a view to efficient action, in compliance with road sector development priorities. In that connection, the following officials may act as authorizing officers:
- the Minister in charge of roads, with respect to routine and periodic maintenance of the intercity classified and rural priority road network, road upgrading and rehabilitation works, as well as services relating to the protection of the national road heritage;
- the Minister in charge of urban roads with respect to routine and periodic maintenance, upgrading and rehabilitation of urban roads;
- the Minister in charge of transport with respect to accident prevention and road safety services;
- Government Delegates, Mayors and Regional Presidents who shall also be delegated the resources of authorizing officers concerned by intercity and rural roads, as well as urban roads that correspond to the programmes drawn up and approved by the Management Committee;
- the Administrator of the Fund with respect to the Fund's operating and investment budget;
- the Administrator of the Road Fund, on the recommendation of the Management Committee, with respect to technical, accounting and financial audit services.

The authorizing officer is responsible for the proper implementation of programmes. He determines the advisability of the expenditure he commits, validates and authorizes.
As part of his powers, the Prime Minister, Head of Government, has authority to modify the key for allocating resources among authorizing officers, or within the same service.

F- Fund management

The roadmap is the annual breakdown of the Fund's strategy, the satisfactory implementation of which requires the organization of operations in a way that fosters the development of synergies, the enhancement of human resources which are the creative and innovative force, and the forging of team spirit which pools individual efforts and transforms them into collective success.

1- Improvement of Management Tools

To promptly handle its work load, the Road Fund opted in 2014 to renovate its computer pool in order to benefit from related technological developments. Structurally, the Road Fund pursued the optimization of its Integrated Management System. In that connection, phase 2 A of the TOMPRO project was completed. It consisted in consolidating the achievements of phase 2 and owning TOMPORTAIL's new functionalities and its related projects. Thus, the interface between TOMFR and EMCSAE was automated, the Fund website was optimized and TOMPAIE was operationalized with an automatic transfer of salary accounting entries into the (TOMPRO) accounting management software. The optimization of the system will continue in 2015 through phase 3. The same will hold for the optimization of the Electronic Management of Documents, EMCSAE, which has been operational since 2013. In the same vein, the results-based management drive was consolidated through the adoption of a monitoring and evaluation manual. This tool will help to report on the impact of Road Fund financing.

2- 2014 Programme of Activities

To align with the programme budget approach introduced by the new State finance regime, and which entered into force in 2013, the Road Fund acquired a Strategic Plan upstream, together with a logical framework and three priority objectives to achieve over the three-year period 2014-2016.

In the results-based planning drive, this innovative tool guided the programming of actions which the programme prepared for 2014.

Thus, the 2014 programme of activities was hinged on the results-based management concept. Moreover, it was broken down into strategic objectives, programmes, actions and activities to which performance indicators were associated.

The Road Fund's objectives for 2014 were as follows:

General context

Objectif I : *Consolider l'autonomie financière du Fonds Routier*

EXPECTED OUTCOMES	ACHIEVEMENTS
Programme: Consolidation of Road Fund's Financial Autonomy	
Lay the foundations for reforms relating to the Road Fund's transition to a second-generation Fund	-Continued advocacy through CONAROUTE, authorizing officers and MINFI
The resources allocated for road maintenance are paid directly and totally	- At the collection stage, RUC yield improved considerably due to the simplified collection procedure for which SCDP and SONARA are now responsible. The ceiling fixed by the finance law was reached in July 2014. Transfer still faced problems owing to its transit through the Treasury. In fact, out of CFAF 64.8 billion mobilized as RUC resources, only CFAF 47.5 billion was transferred to BEAC through the Treasury, that is a 73% transfer rate.
Programme: Diversification of Resources Allocated to the Road Fund and Increasing their Output	
The optimization of tollgate yield and of the other resources is ongoing	- An inter-ministerial committee has been established at the PM's office to monitor the tollgate optimization process; - Continuation of advocacy for the transfer of tollgate management to the Road Fund; - The study on the evaluation to optimize the collection and payment of resources is scheduled for 2015.

Objective 2: *Contribute to improving the use of allocated resources and ensure the effectiveness and quality of operations on the road network*

EXPECTED OUTCOMES	ACHIEVEMENTS
Programme : Ensuring the Effectiveness and Quality of Operations on the Road Network	
Order technical, accounting and financial audits	- Technical, accounting and financial audits are still at the contract award stage; - 2013 financial statements were certified; - 81% of recommendations made by external auditors on the 2013 internal control were implemented.
Internal audit function operationalized	- Internal auditor was recruited; - 70% of the 2014 audit plan were implemented.
Programme: Contributing to Improving the Level of Consumption of Resources Allocated for Road Maintenance.	
Obtain the validation of programmes in time and progress towards advance contract award	- 100% of programmes were validated before the end of the financial year - 80% of programmed contracts were mature
Have all programmed contracts awarded within the period	- 70% of projects programmed were awarded
Preparation and monitoring of programmes in collaboration with authorizing officers	- The workshop on the preparation of 2015 programmes was organized in December 2014 with the participation of authorizing officers from MINMAP and MINFI. Focus was on the maturity of projects to be included, as well as simulation of contract award schedules and disbursement plans; - The Committee on the monitoring of authorizing officers' programmes met six (6) times (3 quarterly ordinary meetings per window and one (1) extraordinary meeting) in the presence of the government services concerned.
Preparation and production of a users' guide for stakeholders	Activity postponed to 2015.

Objective 3: *Increase the contribution of governance to performance enhancement*

EXPECTED OUTCOMES	ACHIEVEMENTS
Programme: Duty to Inform Stakeholders	
Communication plan updated	ToRs for plan updating prepared
Website operational	New website online
Communication subjects and mediums prepared	Advertisements inserted in communication mediums
International partnerships reinforced	The Road Fund took part in three (3) international meetings: - 2 meetings of the African Association of Public Transports (UATP) - 1 meeting of the African Road Maintenance Funds Association (ARMFA)
Programme : Développement de nouvelles fonctionnalités dans TOMFR	
Web application operational	Statements were prepared and put online. The process is still to be automated.
Phase 2 of the TOMPRO project accepted and phase 3 started	Phase 2 and phase 2 A was accepted – phase 3 started
Procedures manual prepared	The provisional version 0 of the procedures manual was produced by the consultant
Programme: Promoting Performance in the Functioning of Services	
100% of documents digitalized at entry	- Since 2013, all documents are instantly digitalized at entry - Implementation status of the digitalization of archives of the preceding years estimated at 70%
Timeframe for contract visa ≤ 10 days	- Contracts were indorsed in order of arrival - Compliance with this timeframe for most cases
Timeframe for authenticating guarantees ≤ 10 days	- Guarantees were systematically submitted to the issuing body for authenticity check before being introduced into the system - For most cases, authentication was done within this timeframe
Timeframe for payment of estimates ≤ 15 days	- Payment timeframes were standardized and are regularly assessed by the internal auditor - The average estimate payment timeframe for compliant files was 40.5 days
Number of estimates paid after rejection reduced by 10%	The number of estimates paid after rejection was reduced to about 18%. Absence of administrative documents accounted for more than half of rejection cases (67% of cases)
New governance tools prepared and equipment acquired	The Management Committee's Internal Rules and Regulations were adopted, the evaluation grid of the body and the Administrator awaiting adoption – 60% of equipment were supplied
Training of staff in Fund activity-related themes	- The newly recruited staff was immersed in RF missions and functioning; - The staff received training in the "roles, missions and responsibilities of internal audit in an organization"; - Staff representatives also participated in a training course on the theme "Staff representatives: roles, missions and social negotiations".
Institution of the function of staff representatives	Staff representatives were elected on 7 October 2014. This first-ever election turned a new page in the history of the Road Fund after operating for 15 years
Football team consolidated	The Fund affiliated a football team in the MINTP inter-service championship

Contexte général

3- Road Fund and the Human Dimension

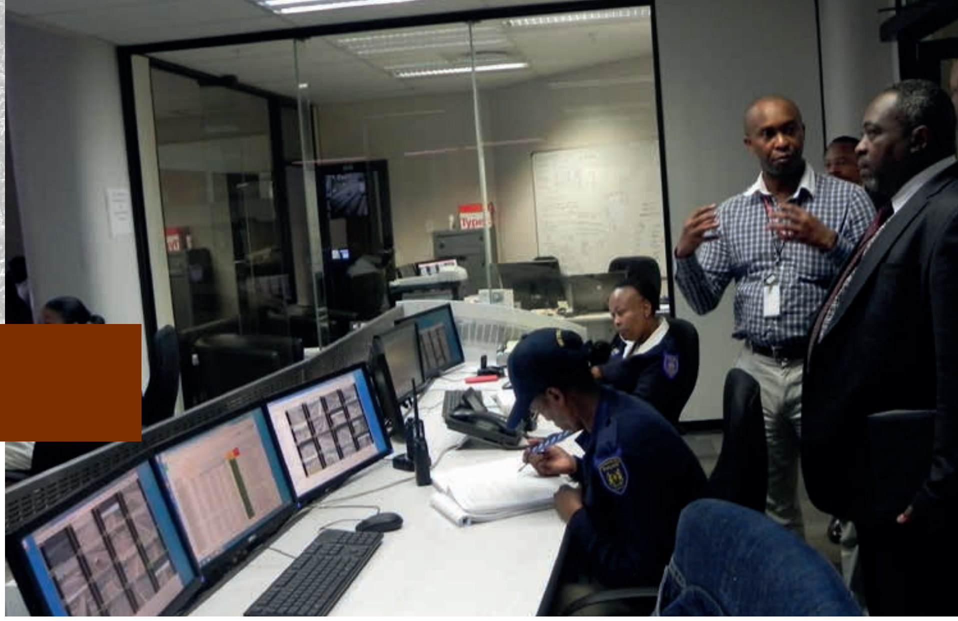
Aware of the importance of the human factor in achieving results, the Road Fund beefed up its team in 2014 by recruiting six (6) senior officers based on their skills in the areas that contribute to overcoming the various efficiency and governance challenges it is facing. They included an Economist, an Internal Auditor, an Attaché to the Management Committee Chairperson (MCC) in charge of Communication and Public Relations, a Computer Specialist, an Operations Controller and a Financial and Accounting Officer.
As in the past, Fund Management paid special attention to staff motivation in order to stimulate the commitment and active participation of the various competences in the search for overall performance.
In that connection, besides the achievements recorded over the past years, namely the adoption of the principle of reviewing the salary scale every two years, the award of bonuses to the best employees after an independent evaluation every two years, the recognition of training as an enforceable right of the employee, the adoption of the principle of automatic advancement every two years, except for the case of workers whose advancement is expressly delayed, the staff motivation drive was consolidated in 2014 through the promotion of internal cohesion and social dialogue. In the same vein, the following achievements were also recorded:

(i) institutionalization of the function of staff representatives as an institution for collective bargaining and social dialogue;
(ii) intensification of internal cohesion and team spirit reinforcement actions (Team Building Seminar, football team, celebration of women's and labour days, etc.); and
(iii) immersion of newly recruited staff in RF values, missions and functioning.
Moreover, attention was paid to the continued creation of value added through the optimal use of human potential and the development of skills as part of the skills pool drive.

4- Action Implementation-related Constraints

Far from working in isolation, the Road Fund, as a paying organization, works in collaboration with many actors of the system. Any dysfunctions in its various interactions with these actors may develop into constraints likely to limit the scope of its action. These constraints include:

- cash stress resulting from the transit of resources through the Treasury, which may erode the trust capital built so far among users and partners;
- inactive synergy between the various stakeholders (authorizing officers, MINFI, MINMAP, enterprises, EDFs, Banks and Road Fund), giving the impression of conflict of responsibility. The preparation of the stakeholders' guide is an urgent necessity to clarify procedures and speed up the processing of operations;
- the archaic nature of some provisions of the Public Contracts Code which are particularly ill-adapted to road works contracts;
- delays in awarding contracts, low commitment and implementation of projects, the major consequence being the under-utilization of resources allocated to the Road Fund. Progress towards advance contract award of should be the beginning of a solution to this problem;
- lack of professionalism on the part of some building and construction (BC) sector enterprises.



General context

G- Risk control

1- Internal Control System

The internal control system is a management tool which seeks to prevent and reduce risks identified. The Road Fund's internal control system is a dynamic process which adapts to the trends of the establishment while enabling the management bodies made up of the Management Committee and the Administrator to conduct financing and payment operations in an efficient, secured and traceable manner in a of safe and risk-free context.

Owing to the increasingly substantial financial flows inherent in programme financing and eligible expenditure payment activities, the Road Fund reinforced its internal control and risk management system in 2014 by further enhancing the performance and security of the TOMPORTAIL integrated management application and beefing up its staff.

In the wake of these changes, the administrative, accounting and financial procedures manual is being updated to incorporate the roles of its new actors and the dematerialization of some controls brought about by the implementation of phase 2 of the application of the TOMPORTAIL integrated management system.

This important development in the organization attests to the Road Fund's determination to embark on the good governance path recommended by public administration.

2- Activities of the Audit Sub-committee

The Road Fund's Audit Sub-committee was established by Decision No. 3/PCG/CG/ADM/FR/14 of 15 January 2014. It is responsible for: (i) exercising functional authority over internal audit organization, activities and functioning; (ii) expressing its prior opinion on all issues falling under the Management Committee and relating to technical, accounting and financial audits; (iii) initiating inquiries into any issue relating to Fund functioning; (vi) deciding on any file relating to its purpose assigned to it by the Management Committee.

In 2014, at the beginning of its term of office, the Audit Sub-committee laid emphasis on the importance of the regulatory framework of its activities as well as those of the Management Committee and Internal Audit by preparing the following governance tools: the Management Committee's Internal Rules and Regulations, the Audit Sub-committee's Internal Rules and Regulations and the Internal Audit Procedures Manual. These tools which contribute to reinforcing the Road Fund's control environment were adopted by the Management Committee during its 181st session held on 26 September 2014.

Besides its internal control system surveillance responsibilities, the Audit Sub-committee sponsored the organization of a training seminar for Road Fund Staff to raise awareness on the role, missions and responsibilities of internal audit in an organization and, especially, the Road Fund. The seminar held from 6 to 7 November 2014.

Lastly, in addition to updating the administrative, accounting and financial procedures manual, the evaluation grids of the Administrator and the Management Committee are being prepared by the Audit Sub-committee. These instruments will help to finalize the Road Fund's good governance architecture. They will also help to objectively assess the performance of management bodies.

3- Internal Audit

In addition to the strategic, occupational and operational risk map prepared in 2013 and the adoption of the Internal Audit Charter, the Road Fund operationalized the internal audit function by commissioning the Auditor. His operational attachment to the Audit Sub-committee and administrative attachment to the Administrator give him the total independence and objectivity required for the discharge of his duties.

As such, internal auditing must, in particular: (i) ensure that the procedures established are applied; (ii) ensure the efficiency and effectiveness of the procedures established; (iii) take stock of major problems related to the processes for

the control of Road Fund activities, including potential improvements of the said processes, and regularly inform the Administrator on problems raised until they are resolved; (vi) ensure the reliability of the Road Fund's financial statements; (v) monitor the implementation status of the recommendations made by external auditors; and (vi) regularly provide information on the level of progress and the outcomes of the annual audit plan.

During the financial year, this function examined nine management processes, the residual risk of which were considered «moderate or high» in light of the risk map prepared at the end of the 2013 financial year. They included the processes for managing contracts, estimates, cash flow, purchases, guarantees, human resources, fixed assets, the information system and compliance with laws and regulations.

At the end of the internal audit of the internal control system evaluation, an internal control report was produced for the 2014 financial year. The report shows that out of 25 recommendations made, 13 have been implemented and 12 are being implemented, 4 of which depend on the implementation of phase 3 of the TOMPORTAIL integrated management software package.

Concerning monitoring of the 16 recommendations made by the external auditor following the audit of the efficiency of the internal control for the financial year closed on 31 December 2013, 13 were implemented and 3 are a component of phase 3 of the implementation of TOMPORTAIL. All these actions carried out during the 2014 financial year further reinforced the Road Fund's aspiration for more efficiency and risk control in the conduct of operations.

4- Technical, Financial and Accounting Audits

The Road Fund's organic instruments provide for at least two technical, accounting and financial audits yearly conducted by independent audit firms recruited on a competitive basis by the Administrator, after the favourable opinion of the Management Committee.

Thus, regarding accounting and financial audits, the KPMG audit firm was selected to review the financial statements of the «Maintenance» and «Investment» windows for the 2011, 2012 and 2013 financial years. Concerning certification of the financial statements for the 2014 and 2015 financial years, the process for the recruitment of a new independent audit firm is ongoing.

The contract for the technical audit of the «Maintenance» window was split into three separate lots. Lots 1 and 3, which respectively represent the South and West networks, were awarded. Lot 2, which represents the North network and for which no bids were submitted, is the subject of a request for a direct contract award in MINMAP. Contrary to previous years, the Road Fund would like to reduce the interval between works execution and audit. As such, the new reference framework for technical audits is based on the concept of «audit as works progress» and recommends that during controls, the technical auditor should review ongoing contracts on the basis of a sample defined beforehand.

Lastly, the contract for the technical audit of the «Investment» window was split into two lots, namely: Lot 1 relating to the audit of works financed with «Debt Cancellation and Development Contracts" (C2D) resources and Lot 2 relating to the audit of works financed with other resources (HIPC, PIB, etc.). The invitation to tender for the recruitment of a technical auditor for Lot 1 is awaiting the no objection opinion of the French Development Agency (AFD). The process for the award of Lot 2 is being finalized by the Ministry of Public Contracts.

General context

A Kumba-Mundemba rural road under mechanised maintenance

H- Road fund and its environment

The Road Fund has close relations with all the stakeholders operating in the road maintenance and rehabilitation sector. These permanent exchanges foster the sharing of information required for decision-making, especially regarding resource mobilization and the programming of Road Fund-financed projects.

Concerning resource mobilization, the Road Fund closely interacts with the government services in charge of finance and the liable entities, namely the Cameroon Petroleum Products Storage Company (SCDP) and the National Refining Company (SONARA). These government services and bodies are responsible for collecting and paying the special tax on petroleum products, a fraction of which is the road user charge. The forum for these interactions is a platform called Working Group on the Optimization of the Payment of Resources Allocated to the Road Fund. It controls the consistency and effectiveness of resources to be mobilized and transferred to the Road Fund. It is also a framework for exchange of information on unpaid estimates, the amount of which kept increasing in 2014.

Concerning the programming and implementation of projects financed by the maintenance and investment windows, the Road Fund has, for the past years, opted to support authorizing officers. Such support begins with the preparation of programmes through consultations within the framework of a technical programming workshop which brings together key stakeholders of the expenditure chain. The objective is to ensure the eligibility and compliance of programmes to be submitted for approval by the Management Committee. Road Fund support continues during programme implementation through a periodic monitoring and evaluation mechanism called Programmes Technical Monitoring Committee. In terms of results, mention should be made of the maturity, eligibility and increasingly asserted compliance of programmes submitted for Management Committee approval, as well as the increasingly high commitment rates in 2014. This situation implies substantial payments during the 2015 financial year.

To sum up, the consultation frameworks established contribute to mitigating the effects of the constraints faced by the Road Fund.

Delivery of the Administrator Muguet

I- COMMUNICATION

In 2014, Road Fund communication focused on two areas, namely improving the Fund's visibility and reputation as well as mobilizing the staff around the organization's values and objectives.

Regarding the improvement of its visibility and reputation, the Road Fund produced its 2013 annual report and, as is the tradition, disseminated it among all its stakeholders. In the same vein, it renovated the administration of its website to better address the needs of its professional users and the general public.

Strategically, the Road Fund started updating its communication plan in order to adapt it to the Fund's legal, institutional and organizational trends. The major changes included the establishment and consolidation of the information system, the implications of Decree No. 2012/173 of 29 March 2012 to amend and supplement Decree No. 2005/239 of 24 June 2005 laying down the organization and conditions for the functioning of the Road Fund, the application of Law No. 2007/6 of 27 December 2007 on the finance regime of the State, the appearance of new stakeholders in the contract award system and the collection of RUC, the modification of the organization chart in July 2013 and the preparation of a three-year strategic plan adopted by the Management Committee in 2014.

Staff mobilization around the Fund's values and objectives was also a major concern in 2014. Consequently, a seminar on social cohesion was organized, alongside social mobilization activities through the celebration of the International Women's Day and the International Labour Day.

Speech by the staff representative

sports activities

Family photo

2 PROGRAMME FINANCING

The Road Fund finances road programmes through two separate and independent windows, namely the "Maintenance Window" devoted to road maintenance and the "Investment Window" devoted to the upgrading and rehabilitation of roads and urban roads.

A reinforced concrete bridge under construction on the Nding-Mbagba road

A- Road maintenance programme financing (maintenance window)

The State of Cameroon's national road network covers a distance of about 121 424 km, including 21 973 km of priority network (6 110 km of tarred roads and 15 863 km of earth roads) and close to 100 241 km of rural network (12 055 km are priority and 88 183 km non- priority).

The so-called priority network represents a significant part of the overall network and handles close to 80% of traffic. However, it should be pointed out that Road Fund financing covers only part of the maintenance of the priority network and priority rural roads.

• 2014 Road Maintenance Programme

Pursuant to the provisions of its organic instruments, the Fund's resources are allocated by eligible service type based on a key defined by the same instrument and amended by Decree No. 2013/7696 signed by the Prime Minister, Head of Government. According to the procedure, after resources have been allocated, the Road Fund should notify the amount of available appropriations to authorizing officers to enable them establish an annual programming to be submitted for validation by the Management Committee. It should be specified that this programming may undergo mid-term adjustments, depending on the needs of the authorizing officer.

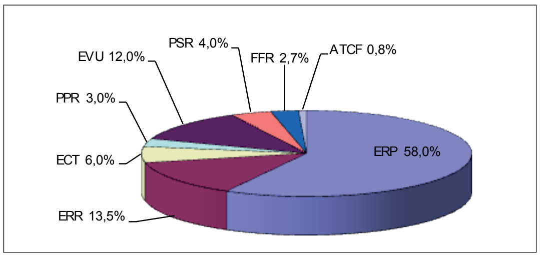
• Resource Allocation Key

The key for resource allocation by eligible service type is summarized in the table below.

Table 1: Eligible Services and Allocation Key

Service Type	Abbreviation	New Allocation Key
Intercity classified priority network maintenance works	ERP	Mini 58%
Priority urban roads maintenance works	EVU	Maxi 12%
Priority rural roads maintenance works and equipment	ERR	Maxi 13,5%
Road or geotechnical studies and works control	ECT	Maxi 6%
Accident prevention and road safety	PSR	Maxi 4%
Routine maintenance of fixed and mobile facilities required to protect public property	PPR	Maxi 3%
Road Fund operating expenditure	FFR	Maxi 2,7%
Financial, accounting and technical audit services	AFCT	Maxi 0,8%

Figure 1: Resource Allocation Key



The allocation key prioritized the maintenance of the intercity priority network which received at least 58% of resources mobilized by the Road Fund.

The share allocated for rural roads maintenance accounted for a significant part of Fund resources. Government effort as prescribed in the GESP was constant under this component which seeks to improve all-season traffic conditions, totally link the secondary road network to the priority network so as to cover production basins, tourist sites, access to risk areas as well as consolidate the country's presence in border areas.

Urban roads maintenance was an important activity. The trends in resources allocated to it attest to the authorities' determination to further modernize towns and preserve achievements as well as other urban infrastructure and equipment investments.

• Road Fund Commitments for 2014

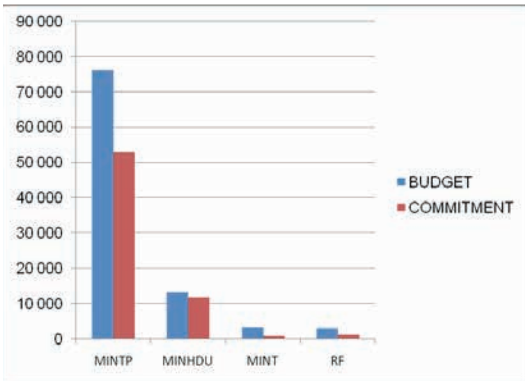
The Road Fund Management Committee approved authorizing officers' programmes and adopted the overall operating budget of CFAF 55 billion which is the ceiling amount to be collected as Road User Charge (RUC).

Commitments made by authorizing officers and approved by the Road Fund in line with the budget, including the resources of previous financial years carried forward to this financial year, stood as follows as at 31 December 2014:

Table 2: Summary of Commitments under the 2014 Programme by Authorizing Officer in CFAF Million

AUTHORIZING OFFICER	CATEGORY	WORKS TYPE	FORECAST	COMMITMENT	%
MINTP	PNM	Priority network maintenance	61 966	43 901	71
	TSS	Technical studies and supervision	5 400	3 542	66
	RRM	Rural roads maintenance	7 275	4 746	65
	RHP	Road heritage protection	1 650	798	48
	Total MINTP		76 291	52 987	69
MINHDU	URM	Urban roads maintenance	12 450	11 252	90
	TSS	Technical studies and supervision	861	688	80
	Total MINHDU		13 311	11 940	90
MINT					
	APRS	Accident prevention and road safety	3 215	968	30
	Total MINT		3 215	968	30
ROAD FUND		Audits	533	3	1
		Functioning	2 494	1 347	54
	Total RF		3 027	1 350	
GRAND TOTAL			**95 844**	**67 245**	**70**

Figure 2: Comparative Diagram of Budgets-Commitments by Authorizing Officer



As at 31 December 2014, the overall commitment rate stood at 70%, against 41% for the previous financial year, recording a 30% increase. In fact, the increased involvement of the consultation framework which is the monitoring committee on the programmes of authorizing officers contributed to accelerating commitments by authorizing officers. Moreover, the experience acquired by the Ministry of Public Contracts in two years led to a reduction in the average time required to complete contract award procedures.

MINTP recorded a 69% commitment rate, showing an increase compared with that of the previous financial year which stood at 43.1%.

MINHDU committed 90% of its budget, showing a 52.8-point increase compared with the previous financial year which recorded a 32.2% commitment rate.

MINT committed 30%, up by 14.5 points compared with the previous year which recorded a 15.5% commitment rate.

• Representation of Commitments in Number of Contracts

The representation of commitments using the criterion of number of contracts endorsed by the Road Fund is summarized in the table below.

Table 3: Distribution of Contracts by Authorizing Officer as at 31 December 2014

Authorizing Officer	Number of Contracts	Rate in %	Amount of Contracts (in CFAF million)
MINTP	321	72,6	52 987
MINDUH	100	22,6	11 940
MINT	21	4,8	968
Total	**442**	**100**	**65 895**

The Road Fund committed 442 contracts (contracts, service order for start-up of conditional tranches and amendments) for the 2014 financial year, showing a 54% increase compared with 2013. This resulted from improved commitment rates compared with the previous year. MINTP committed the highest number of 321 contracts, that is about 72.6%.

Road surfacing works

I- 2014 Resource Mobilization

The single report reform amending the provisions of Sections 67 and 68 of Law No. 2007/6 of 26 December 2007 on the finance regime of the State asserts the monopoly of the Treasury over the collection of all revenues and the payment of all expenditures, as well as the single coffer principle. This principle is concretely expressed through the centralization of collection and disbursement operations carried out by public accountants in a single Treasury account at the Central Bank.

Resources allocated to the Road Fund comprised the road user charge (RUC) and resources the collection and repayment of which is the responsibility of the Road Revenue Securitization Programme (RRSP), namely toll fees, fines and the axle tax. The new provisions adopted under the 2011 finance law and the implementation conditions of which are laid down by Instruction No. 73/MINFI/SG/DGTCFM/DT of 6 June 2011 relating to the posting of Road Fund revenue and expenditure – Maintenance Window – helped to post non-RUC resources (toll fees, fines and axle tax) through an account opened at the Treasury Central Pay Office.

Pursuant to the provisions of this instruction, the resource collection procedure provides for transit through a centralization account opened at the Treasury Central Pay Office. The account opened at the Central Bank is replenished through deduction from this account by means of a transfer order issued by the Road Fund.

As such, the amount of RUC collected is established and validated monthly by the Working Group established for that purpose, comprising representatives of Taxation Authorities, the Treasury and the Road Fund.
The results recorded with respect to resource mobilization are summarized as follows:

Table 4: Situation of Resources Collected and Paid as at 31 December 2014

Resources	Mobilization	Payment into the ROAD Fund Treasury Account	Payment of Resources to BEAC	% Payment of Resources into the BEAC Account
RUC	(a) 55 000	(b) 55 000	(c) 47 500	(c/b) 73,3%
TOLL FEES	5 770	5 770		
ROAD FINES	2 073	2 073		
AXLE TAX	1 959	1 959		
TOTAL RESOURCES	**64 802**	**64 802**	**47 500**	**73,3%**

Program Financing

As a reminder, the situation of 2013 is summarized as follows:

Resources	Mobilization	Payment into the ROAD Fund Treasury Account	Payment of Resources to BEAC	% Payment of Resources into the BEAC Account
RUC	(a) 55 000	(b) 55 000	(c) 34 000	(c/b) 61,82%
TOLL FEES	5195	5195		
ROAD FINES	2369	2369		
AXLE TAX	1609	1609		
TOTAL RESOURCES	**64 194**	**64 173**	**34 000**	**61,82%**

The amount of resources paid into the Road Fund account opened at BEAC stood at CFAF 48.5 billion, that is 73.3% of the overall amount mobilized for the same financial year which stood at CFAF 64.2 billion. In such a context of partial payment of resources, it should be pointed out that the situation of the Fund's account at the Treasury Central Pay Office stood at CFAF 142.4 billion as at 31 December 2014.

2- Payment Operations

The Road Fund ensured diligent payment of «Maintenance window»-eligible contract services. The comparative analysis of payment statistics for the 2014 financial year focused on two aspects, namely payment trends between 2013 and 20142014 as well as the other composite indicators of statistics on the volume of operations processed and payment timeframes.

• Payment Trends Between 2013 and 2014

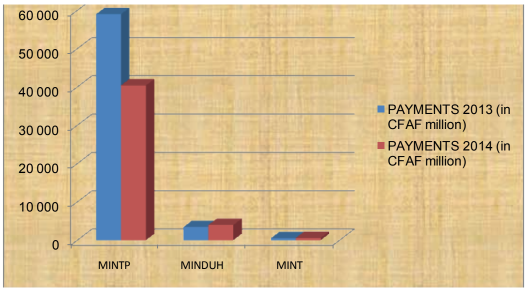
This section analyzes payments made during the 2013 and 2014 financial years and shows their progress level by authorizing officer.

Table 5: Comparative Trends in Payments by Authorizing Officer between 2013 and 2014

Authorizing Officer	PAYMENTS 2013 (a) (in CFAF million)	PAYMENTS 2014 (b) (in CFAF million)	GAP (c=b-a)	PROGRESS IN % (d=c/a)
MINTP	59 014	40 418	-18 596	-31,51%
MINDUH	3 451	3 996	545	0,92%
MINT	541	607	66	0,11%
TOTAL	**63 006**	**45 021**	**-17 985**	**-30%**

Road sewage works in an urban area

Figure 3: Comparative Situation of Payments by Authorizing Officer



The amount of payments made during the 2014 financial year stood at CFAF 45 021 million, against CFAF 63 006 million in 2013, showing a decline of CFAF 17 985 million.

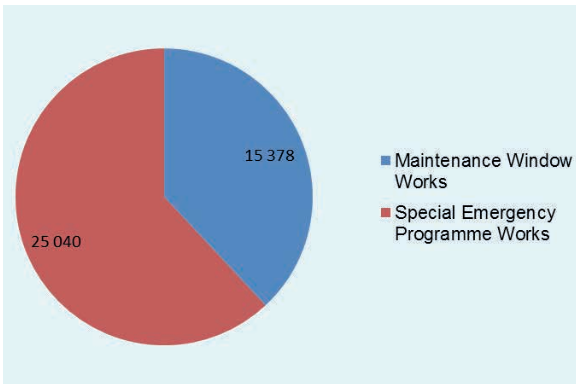
- MINDUH's payments for the financial year stood at CFAF 3 996 million, recording a 0.92% progress rate;
- The Ministry of Transport paid CFAF 607 million, showing a 0.11% progress rate;
- MINTP's payments stood at CFAF 40 418 million, recording a 31.51% drop.

The "Maintenance Window" financed "Investment Window" works through the Special Emergency Programme (PSU) for CFAF 25 040 million, which represents 62% of MINTP's payments. This situation is shown in the table and graph below.

Table 6: PSU's Contribution to MINTP's Payments (in CFAF million)

	MINTP	%
Maintenance Window Works	15 378	38
Special Emergency Programme Works	25 040	62
GRAND TOTAL	40 418	100

Figure 4: PSU Impact on MINTP Works



The commitment gap observed above impacted payments, an important part of which concerns commitments on the budgets of previous financial years. The trend shows a certain worsening of the situation.

The Fund's attention was drawn to this situation and the message it sent across. In that respect, the consultation workshop organized at the initiative of the Road Fund on the 2015 programming has continued to serve as framework for reflection on a management method which effectively helps to utilize available resources in real time. As an initial step towards a solution, MINTP opted to suspend its commitments in order to a settle all the contracts charged to previous financial years. Along the same line, the possible solutions adopted during the consultation workshop on authorizing officers' programming for the 2014 financial year have started yielding fruits. They include the control of contract award timeframes, the categorization of enterprises to enhance the quality of works execution within the prescribed timeframe, the maturity of projects included in the programming and building the capacity of works monitoring/supervision actors.

• Other Payment Activity Indicators

The other payment activity indicators are the volume, in terms of number, of operations processed and the processing timeframe.

• Statistics on the Volume of Operations Processed

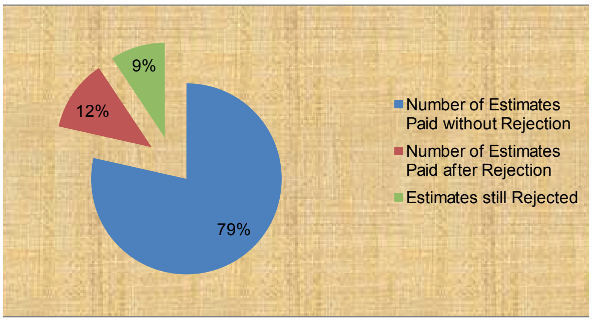
Program Financing

Statistics on the number of operations processed as at 31 December 2014 are shown in the table below.

Table 7: Statistics on the Number of Operations Processed

Number of Estimates Received	Average Number of Estimates Processed per Day	Number of Estimates Paid without Rejection	Number of Estimates Paid after Rejection	Estimates still Rejected	Rejection Rate
1 052	4	826	128	98	9.3%

Figure 5: Structure of Estimates Processed in Terms of Number



As shown in the figure above and compared with the situation of the 2013 financial year, the activity recorded a slight drop. In fact, statistics show that 1 0521 estimates were received in 2014, against 1144 in 2013, while 954 estimates were paid, against 1070 in 2013. In contrast, the rejection rate increased to 9.3% in 2014, against 6.5% in 2013. This high rate resulted from a volume of 60 price discounting estimates submitted to the Road Fund in December 2014, and for which resources were not allocated in the current financial year

Statistics on Payment Timeframes

Statistics on payment timeframes as at 31 December 2014 are shown in Table 7 below :

Table 8: Distribution of Estimates Paid by Time Segment

Rubriques	**Annual Average**
Number of estimates processed	914
Average processing timeframe (in days)	13
Average payment timeframe (in days)	27
Average processing and payment timeframe (in days)	40

The table shows that the average timeframe for processing and payment of estimates was 40 calendar days in 2014. The average processing timeframe was 13 days, while the average payment timeframe was 27 days, against 14 days in 2013. This situation was mainly due to the Road Fund's lack of resources at the time of receipt of estimates for payment.

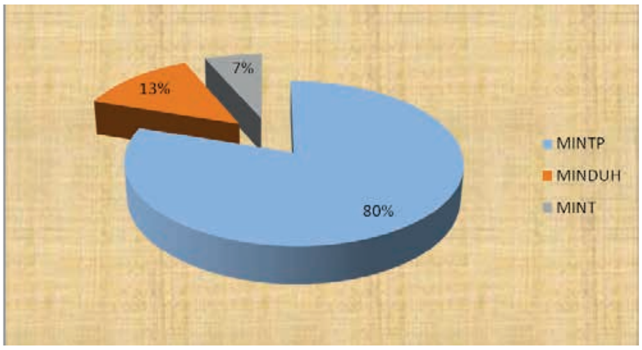
Situation of Penalties

As paying body, the Road Fund is bound to withhold and pay into the Special Appropriation Account (SAC), with respect o public contracts, proceeds from fines and all types of penalties established during contract execution. The situation of penalties paid by authorizing officer for the 2014 financial year is shown in Table 8 below.

Table 9: Table of Penalties in 2014

Authorizing Officer	Penalties Paid in 2014	
	Amount (in CFAF million)	%
MINTP	246	80
MINDUH	41	13
MINT	20	07
Total	**307**	**100,0**

Figure 6: Penalties Withheld for the 2014 Financial Year



The amount of penalties paid dropped from CFAF 339 millions in 2013 to CFAF 307 million in 2014, showing a decrease of CFAF 32 million, or 9.43% in relative value. This drop is explained by the public contracts execution monitoring actions carried out jointly with ARMP.

3- Situation of Guarantees by Signature

Contracts financed by the Road Fund are executed under various types and forms of bank guarantees.

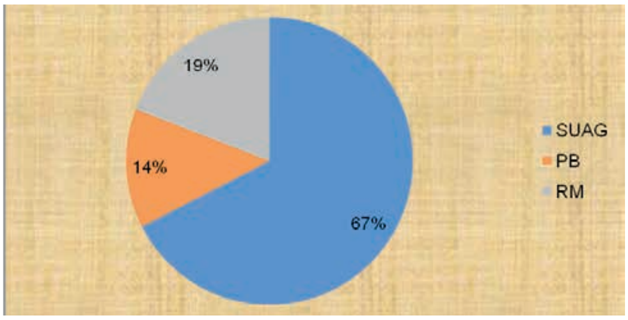
• Guarantees Received

The table below shows, in absolute value and in relative value, the start-up advance guarantee (SUAG), performance bond (PB) and retention money (RM) received during the 2014 financial year (in CFAF million). Guarantees received decreased from CFAF 40 763 million in 2013 to CFAF 25 329 million in 2014, recording a drop of CFAF 15 434 million in absolute value and 38% in relative value.

Table 10: Situation of Guarantees Received

Type of Guarantee	Financial Year 2014		%
	Number	Value (in CFAF million)	
CADD	80	17 082	68
CBE	234	3 405	13
CRDG	37	4 842	19
Total	**351**	**25 329**	**100**

Figure 7: Structure of Guarantees Received by Type



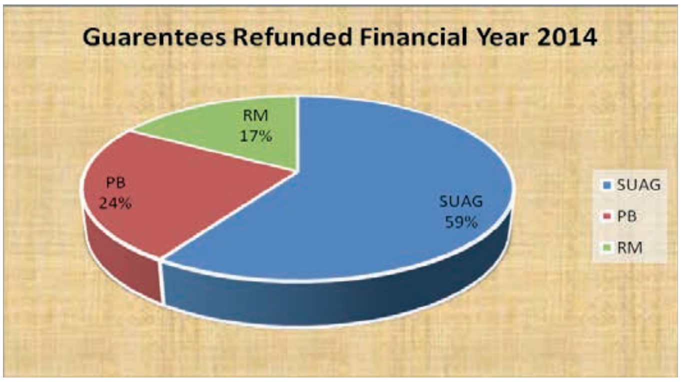
Guarantees Refunded

The table below shows the status of guarantees refunded during the 2014 financial year. These refunds include guarantees received during previous financial years.

Table 11: Situation of Refunded Guarantees

Type de cautions	Refunds for Financial Year 2014	
	Number	Value (in CFAF million)
SUAG	32	3 397
PB	13	1 744
RM	9	639
Total	**54**	**5 780**

Figure 8: Structure of Refunded Guarantees by Type



The Fund refunded 54 guarantees in 2014, against 104 in 2013, showing a 48% drop. Partial and/or total releases issued by contracting authorities stood at CFAF 5 780 million, against CFAF 2 342 million in 2013, recording a 146% increase. Start-up advance guarantees were the highest in value, standing at CFAF 3 397 million, representing about 59% of the total value of guarantees refunded.

Asphalting of an access road to Olembe's social housing

B- Road investment rogramme financing (investment window)

It should be recalled that the Road Fund's investment window activity is part of the process of financing road network rehabilitation projects. Projects financed by the «Investment Window» are subject to allocation agreements (case of Road and Urban C2D) or specific agreements pursuant to Article 26 of Decree No. 2005/239 of 24 June 2005 amended and supplemented by Decree No. 2012/173 of March 2012. 1- Allocation Agreements (Road and Urban C2D)

I- Allocation Agreements (Road and Urban C2D)

Under the financing agreement signed between the Republic of Cameroon and the French Republic on 22 June 2006, it was agreed that resources obtained from the cancellation of Cameroon's debt to France will be released over the period from 28 April 2006 to 27 April 2011.

Concerning road maintenance and upgrading, the contract was followed by a framework agreement and various conventions. The Road Fund was selected to serve as intermediary in the payment process. The overall amount of the agreement stood at CFAF 150 870 million, of which CFAF 147 337 million was placed at the disposal of the Road Fund, that is 97.66% of the total amount of the agreement. Of the CFAF 147 337 million received, CFAF 141 019 million have been used to pay works, representing 96 % of the overall amount of funds received. In 2014, an amendment set the closing date of the agreement at 30 June 2014.

• Road C2D Agreement

Agreement No. CCM 6007 01 L of 2 March 2007 allocated a maximum of EUR 115 million, or slightly over CFAF 75 billion, to the programme to upgrade Cameroon's road network. The Road Fund was designated by this same agreement as paying establishment for the "investment" and "management expenditure" components of the Programme.

• Urban C2D Agreement

Agreement No. CCM 6004 01 H of 2 March 2007 allocated a maximum amount of EUR 115 million, or about CFAF 75 billion, for the urban component of the first C2D. The Road Fund was designated by this same agreement as paying establishment for urban road works of component 2 (2A, 2B, 2C, 2F, 2G and 2H) of the Programme.

• Account Agreement No. I/MINFI/SG/DGTCFM/DT/PGT/ADM/FR/2011

Account Agreement No.1/MINFI/SG/DGTCFM/DT/PGT/ADM/FR/2011 of 13 June 2011 laid down conditions for operating account no. 420002701 opened in the name of the Road Fund at the Treasury Central Pay Office. Pursuant to Article 3 of the agreement, the said account is replenished through commitment orders issued by the Fund budget authorizing ministries. In plain language, this mechanism seeks to centralize all transfers of funds requested from the Treasury by the ministries. Also, payments by the Road Fund are effected through debits on the account. The Treasury Central Pay Office thus becomes the banker of public establishments.

Program Financing

2- Resources Received

Resources Received Under C2D

Road C2D Programme - MINTP

The amount of transfers received since programme start-up stands at CFAF 78 615 million for works and CFAF 620 million as contribution to the functioning of the Road Fund's "Investment Window".

Urban C2D Programme /CUY-MINDUH

The amount of transfers received since programme start-up stands at CFAF 21 884 million.

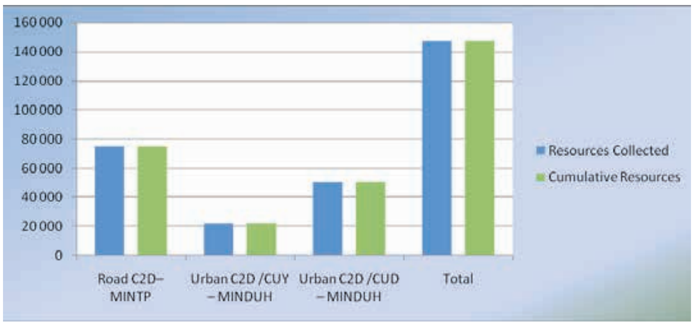
Urban C2D Programme /CUD - MINDUH

The amount of transfers received since programme start-up stands at FCFA 50 607 million.

Table 12: Resources Received Under C2D (in CFAF million)

Programmes	Resources Received		Cumulative Resources	Rate in %
	Antérieures à 2014	2014		
Road C2D– MINTP	74 846	-	74 846	50, 80
Urban C2D /CUY – MINDUH	21 884	-	21 884	14,85
Urban C2D /CUD – MINDUH	50 607	-	50 607	34,35
Total	**147 337**	**-**	**147 337**	**100,00%**

Figure 9: Resources Received as at 31 December 2014



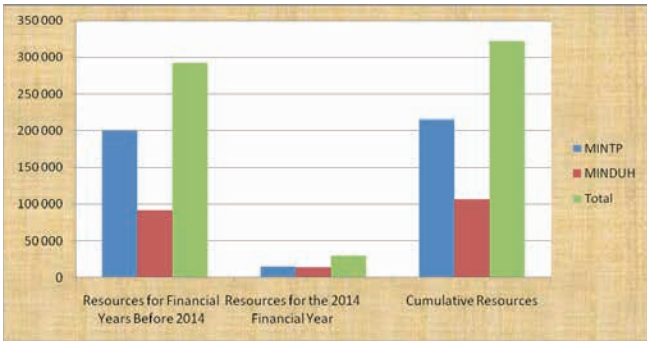
During the 2014 financial year, the Road Fund received no resources under C2D projects. In the course of the year, it paid committed estimates before 30 June 2014. The balance will be used to cover the cost of accounting, financial and technical audits.

Resources Received Under PIB and HIPC

Table 13: Resources Received from Other Projects (in CFAF million)

	Before 2014 Financial Year	2014 Financial Year	Cumulative Resources
MINTP	200 132	14 951	215 083
MINDUH	92 365	14 465	106 830
Total	**292 497**	**29 416**	**321 913**

Figure 10: Resources Received as at 31 December 2014 by Authorizing Officer



The figure above shows that the resources received for the implementation of projects under the PIB dropped from CFAF 66 658 million in 2013 to CFAF 29 416 million in 2014, representing a reduction of CFAF 37 242 million in absolute value and 55.87% in relative value.

Resources Allocated for the Special Emergency Programme

The Head of State authorized the implementation of the Special Emergency Programme for the rehabilitation of some roads and structures of the national network. This programme was financed through the deduction of CFAF 100 billion from the "Maintenance Window" resources on behalf of MINTP.

During the period under review, the Maintenance Window (MW) financed works under the Investment Window (IW) for a total amount of CFAF 25 041 million, thus bringing the total amount of payments as at 31 December 2014 to CFAF 72 147 million, or 72% of the total allocation for this financing.

Summary of Resources Received as at 31 December 2014

Table 14: Summary of Resources Received (in CFAF million)

Programmes	Resources Received		Cumulative Resources	Rate in %
	Before 2014	2014		
Road C2D	78 615	-	78 615	13,84
Urban C2D	72 491	-	72 491	12,76
PIB and HIPCI Resources	292 497	29 416	321 913	56,68
Maintenance Window Transfer	22 830	-	22 830	04,02
Special Emergency Programme	47 106	25 041(*)	72 147	12,70
Total	**513 539**	**54 457**	**567 996**	**100**

(*)This resource is a fraction of the RUC used for services under the Special Emergency Programme housed in the Investment Window.

Program Financing

The table shows that resources received during the 2014 financial year stood at CFAF 54 467 million, against CFAF 106 026 million in 2013, indicating a downward variation CFAF 51 559 millions in absolute value and 48.63% in relative value. The total amount of resources received as at 31 December 2014 was CFAF 567 996 million, representing an overall average annual flow of CFAF 71 billion in 2014, against CFAF 73 billion in 2013, showing a slight drop of 2.73% owing to the closure of CD2 programmes and the end of contracts financed through Maintenance Window transfers totalling CFAF 25 billion.

It should be noted that in 2014, MINTP obtained approval from MINEPAT to reallocate the Road Fund's unspent credit balance amounting to CFAF 1 584 million.

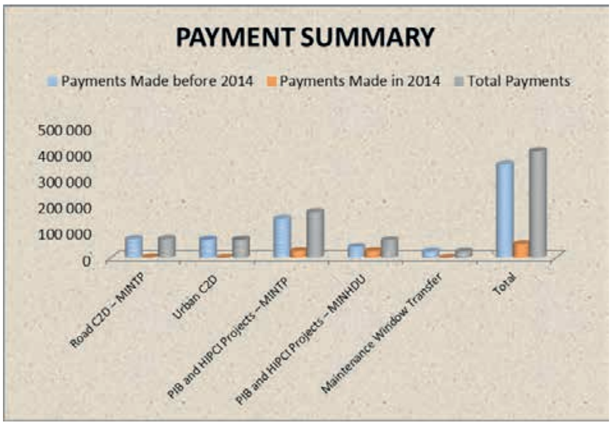
3- Payments Made

Summary of Payments as at 31 December 2014

Table 15: Summary of Payments Made (in CFAF million)

	Payments Made		Total Payments	Rate in %
	Antérieurs à 2014	2014		
Road C2D – MINTP	71,141	1,050	72,191	2%
Urban C2D	70,014	64	70,078	0%
PIB and HIPCI Projects – MINTP	148,625	25,148	173,773	49%
PIB and HIPCI Projects – MINHDU	40,744	24,958	65,702	49%
Maintenance Window Transfer	22,830	-	22,830	0%
Total	**353,354**	**51,220**	**404,574**	**100%**

Figure 11: Summary of Payments Made



Payments under the Investment Window totalled CFAF 404 574 million as at 31 December 2014. Payments during the period amounted to CFAF 51, 220 million. Thus, as shown in the graph, CD2 project payments decreased from CFAF 2 057 million in 2013 to CFAF 1 114 million in 2014, that is a decrease of 45. Similarly, payments with internal resources (PIB and HIPCI) increased from CFAF 24 272 million in 2013 to CFAF 56 583 million in 2014, representing an increase of CFAF 32 311 million, reflecting common synergy between public administrations on issues relating to service delivery.

Payments pending at the Treasury until end-2014 amounted to CFAF 8 757 million. It should also be noted that 30% of Investment Window services were paid with Maintenance Window resources totalling CFAF 25 041 million under the Special Emergency Programme.

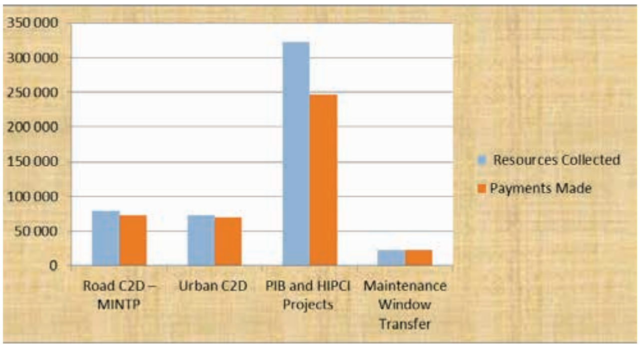
Rehabilitation of an untarred road

Comparison of Resources Received and Payments Made

Table 16: Comparison of Resources Received and Payments Made (in CFAF million)

Programmes	Resources Received	Payments Made	Consumption Rate in %
Road C2D – MINTP	78 615	72 191	92
Urban C2D	72 491	70 078	97
PIB and HIPCI Projects	321 913	245 952	76
Maintenance Window Transfer	22 830	22 830	100
Total	**495 849**	**411 051**	**83**

Figure 12: Comparison of Resources Received and Payments Made



The overall "Investment Window" resource consumption rate rose from 80% in 2013 to 83% in 2014.

C- Functioning of the road fund and audit services

I- Operating Funds as at 31 December 2014

These are resources disbursed to cover Investment Window operating and audit service costs.

Table 17: Contributions to the Coverage of Operating Costs (in CFAF million)

Sources of Financing	Road Fund's Share		
	Before 2014	2014 Financial Year	Total as at 31/12/2014
BIP & PPTE	1 662	569	2 231
C2D	620	-	620
Ressources de placement	201	-	201
Total	**2 483**	**569**	**3 052**

PIB and HIPCI funds represented 100% of resources allocated for the functioning of the Road Fund in 2014. This is part of project operating costs paid from the Treasury Pay Office.

2- Execution of the Recurrent Budget as at 31 December 2014

Table 18: Summary of the Execution of Maintenance Window Recurrent Budgets and Audits (in CFAF million)

Éléments	Exercice 2014		
	Expected	Actual	% Realized
Functioning of the Road Fund	1 485	1 117	75,21
Technical, Financial and Accounting Audits	440	23	5,22
Total	**1 925**	**1 140**	**59,22**

On the whole, the recurrent budget was executed at 59.22% compared with forecasts due, among other things, to contract award delays.

Technical audits under the Maintenance Window were not carried out due to bid cancellation in 2013. Another procedure was launched in 2014 to recruit consultants responsible for the conduct of audits.

The table below presents the situation of expenditure supported by the «Investment Window".

Table 19: Summary of Execution of Investment Window (IW) Recurrent and Audit Budgets (in CFAF million)

Description	Achievements as at 31/12/2014
Recurrent Expenses	113
Equipment and Materials	20
Technical, Accounting and Financial Audits	12
Total	145

Operating expenses mainly include bank charges, fees excluding those of consultants in charge of accounting, technical and financial audits, the costs of running various committees as well as organizing the immersion seminar for newly recruited staff. Equipment includes computer hardware (tablets, computers, printers, servers, etc.) and office equipment (photocopiers).

A road strucure under construction in an urban area

A road strucure under construction in an urban area

D- Trends in key road maintenance financing indicators (maintenance window)

The key indicators concern the resources mobilized as well as coverage by commitments made. The payments made were also analyzed by comparing commitments with resources mobilized. In a nutshell, below is a historical overview of the Road Fund's quantitative items over the last five years.

I – Trends in the Mobilization of Resource

The Road Fund is run with resources generated from road usage as outlined in the first part of this report (RUC, toll fee, fines, axle tax, etc.). The table below presents the Road User Charge (RUC) mobilized compared with the ceiling amounts fixed by successive finance laws.

Table 20: Situation of Resource Mobilization over the Last Five Years (in CFAF million)

N°	Financial Year	RUC (in CFAF million)		Surplus/ Shortfall (b – a)	Mobilization Rate
		Forecasts (a)	Mobilization (b)		
1	2010	55 000	55 000	0	100
2	2011	55 000	55 000	0	100
3	2012	55 000	55 000	0	100
4	2013	55 000	55 000	0	100
5	2014	55 000	55 000	0	100
CUMUL		**275 000**	**275 000**	**0**	**100**

The ceiling of the petroleum products tax intended for road maintenance by the Finance Law under RUC has remained constant at CFAF 55 billion over the last five years and has been fully mobilized. That ceiling was reached at end-July during the 2014 financial year.

Program Financing

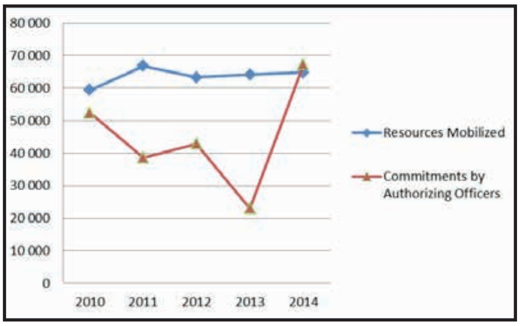
2- Comparative Trends in Commitment Coverage by Resources Mobilized (RUC and Other Resources)

The coverage of commitments made by resources mobilized during the same financial year is a key indicator of the Road Fund's sustainable financial equilibrium

Table 21: Situation of Mobilization of Road Maintenance Resources Over the Last Five Years (in CFAF million)

N°	Financial Year	RUC (in CFAF million)	OTHER RESOURCES			TOTAL	Variation in (%)
			TOLL FEES	WEIGHING FINES	AXLE TAX		
1	2010	55 000	2 536	903	897	59 336	
2	2011	55 000	6 428	3 239	2 169	66 836	12,6
3	2012	55 000	4 662	2 046	1 575	63 283	-5,3
4	2013	55 000	5195	2369	1609	64 173	1,4
5	**2014**	**55 000**	**5 770**	**2 073**	**1 959**	**64 802**	**1,0**
	CUMUL	**275 000**	**24 591**	**10 630**	**8 209**	**318 430**	**9.2 (between 2010 and 2014)**

Figure 13 : Trends in Road Maintenance Resources Mobilized Over the Last Five Years



Overall, the resources allocated for road maintenance have experienced an upward trend since 2012 (see figure above). They increased by 1% from CFAF 64.173 billion in 2013 to CFAF 64.802 billion in 2014. This performance is partly due to an increase of CFAF 575 million in toll fees and of nearly CFAF 350 million in axle tax revenue, despite a 50% reduction of this tax pursuant to Presidential Decree No. 2014/1 of 7 July 2014. It should, however, be noted that these resources still fall short of the amount required to finance the maintenance of the priority network which, according to the Road Master Plan, stood at CFAF 87 billion in 2014.

2 - Comparative Trends in Commitment Coverage by Resources Mobilized

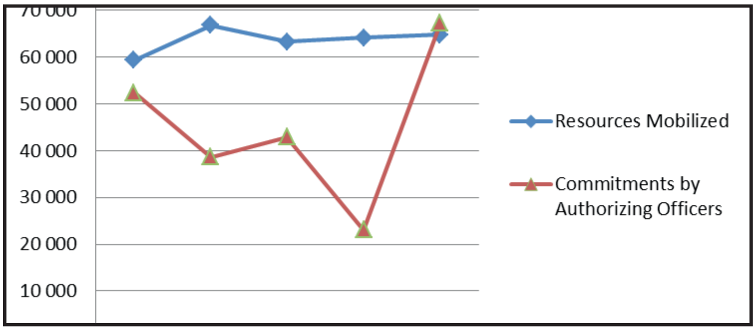
The coverage of commitments by resources mobilized during the same financial year is a key indicator of the Road Fund's sustainable financial equilibrium.

Road and traffic signs on a Yaounde tarred road

Tableau 22: Comparative Situation (Resource Mobilization – Commitments) as at 31 December 2013 (in CFAF million)

Financial Year	Resources Mobilized	Commitments by Authorizing Officers	Commitment/ Mobilization Rate
2010	59 336	52 464	88,4
2011	66 836	38 628	57,8
2012	63 283	42 917	67,8
2013	64 173	23 026	35,9
2014	64 802	67 245	103,8
Total	**318 430**	**224 280**	**70,43**

Figure 14 : Comparative Situation (Resources – Commitments)



The graph above shows that the level of coverage of commitments by resources mobilized improved in 2014 to stand at more than 100%. This is due to the commitment of additional programming contracts owing to the significant contribution to the financing of the Special Emergency Programme totalling CFAF 23 billion and the relative mastery of the procurement process after a year of experimenting the functioning of MINMAP.

However, the sensitization of authorizing officers on ways of improving the level of consumption of appropriations to attain a satisfactory level of commitments for all programmed projects is still a challenge.

To these measures should be added: (i) advance procurement whose basis was laid at end-2014; (ii) technical consultation workshops on programming by authorizing officers to facilitate programme preparation to ensure their validation by the Management Committee in a timely manner; (iii) increase of multi-year projects in programming because it reduces the time required to contractualize conditional tranches.

3- Comparative Trends in Payment Coverage by Resources Mobilized

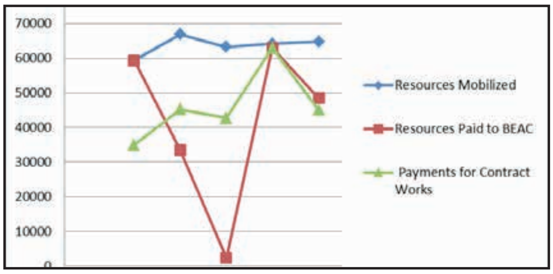
Payment coverage by resources mobilized is an indicator for assessing the Road Fund's short-term liquidity situation.

Table 23: Comparative Situation (Resource – Resources Collected and Payments to Contractors) as at 31 December (in CFAF million)

Financial Year	Resources Mobilized (a)	Resources Transferred to BEAC* (b)	Payments to Contractors (c)	Surplus/ Inadequate Compared with Resources Mobilized (a-c)	Payments in % of Resources Mobilized (c/a)	Surplus/ Inadequate Compared with Resources Collected (**) (b-c)	Payment of Resources Transferred in % (c/b)
2010	59 336	59 336	34 948	24 388	58,9	24 388	58,9
2011	66 836	33 545	45 275	21 561	67,7	-11 730	135,0
2012	63 283	2 393	42 726	20 557	67,5	-40 333	1785,5
2013	64 173	63 000	63 006	1 167	98,2	-6	100,0
2014	**64 802**	**48 500**	**45 021**	**19 781**	**69,5**	**3 479**	**92,8**
Total	**318 430**	**206 774**	**230 976**	**87 454**	**72,5**	**-24 202**	**111,7**

(*) These are the resources transferred by the Treasury into a BEAC account during the 2014 financial year, with the accrued account balance as at 31/12/2013
(**) It is worth noting that surpluses are used to finance: (i) the operating budget and technical, accounting and financial audits; (ii) the payment of penalties to ARMP; (iii) etc.

Figure 15: Comparative Situation (Resources – Payments)



The graph above shows that payments to contractors were less than resources mobilized (RUC and other resources). Regarding resources paid into the Central Bank account over the same period, the gap between payments and resources is less pronounced. This low rate of consumption of appropriations is partly due to the low level of commitments, particularly delays in the execution of works by contractors. In this regard, authorizing officers should not hesitate to terminate contracts when their contractors default and to reallocate the resources to other projects.

Road rehabilitation in an urban area

3

Challenges and prospects of the road fund

The context in which the Road Fund operates compels it to engage in an in-depth and permanent reflection on its future challenges and prospects. Its prospects mainly concern the automation of tollgates, the improvement of resources and the transition to a second generation fund. Regarding its challenges, it is necessary to mention the problems related to public contracts, the revision of the law on the protection of the national road network and the categorization of enterprises of the building and construction sector.


Road development works in a Nanga Eboko urban area

III – CHALLENGES AND PROSPECTS OF THE ROAD FUND

A- Improving toll revenue collection

I- Automation of Tollgates

Reflection on the automation of tollgates took place between 2007 and 2008. According to findings contained in the report prepared by the task force set up at the end of the Cabinet Meeting, it is necessary to automate the 14 tollgates identified as capable of generating 80% of revenue in order to help to optimize their performance by about 30%. Besides purely financial considerations, this automation should concern, or even induce a real impact on economic activity, employment and regional development. The 14 tollgates concerned are :

N°.	NAME OF TOLLGATE	ITINERARY	ROAD N°.
01	MBANKOMO (pilot tollgate)	Yaounde - Mbankomo	RN3
02	TIKO	Douala - Mutenguene	RN3
03	EDEA	Douala - Edea	RN3
04	MBANGA	Douala - Mbanga	RN5
05	MANJO	Mbanga - Manjo	RN5
06	MBOUMNYEBEL	Edea - Mboumnyebel	RN3
07	NSIMALEN	Yaounde - Mbalmayo	RN2
08	NKOMETOU	Yaounde - Obala	RN1
09	BAFIA	Obala - Bafia	RN4
10	BAYANGAM	Bangangte - Bafoussam	RN4
11	FOUMBOT	Bafoussam - Foumbot	RN6
12	BANDJA	Bafang - Bafoussam	RN5
13	MATAZEM	Bafoussam - Bamenda	RN6
14	DSCHANG	Dschang - Bamougoum	RP17

(The 14 tollgates to be automated)


Road and traffic signs works in an urban area

In addition, automation will help to combat corrupt practices and tax evasion.

Concerning the status of the project, the automation of road tolls in Cameroon carried out under Contract No. 182/M/MINMAP/CCCPM-SI/2014 concluded between the Minister of Public Works and International Egis/Egis Cameroon is at the design stage. The binding tranche of this contract consists in preparing a final design, a bidding file and the estimation of the cost of works for each of the tollgates. The acceptance of the consulting firm's services will help to recruit a contractor to execute Lot I works which will entail building the automated tollgate of Mbankomo (Yaounde - Mbankomo) selected pilot tollgate prior to its extension to all other tollgates. The automation of this pilot tollgate will help to extend the experience to the other 13 tollgates selected from the entire national network.

2. Optimization of Resources

In various working sessions to which it is invited, the Road Fund's officials have recalled time and again that the resources presently allocated to the Fund (transferred to its BEAC account) are largely insufficient with respect to actual needs in terms of the payment of estimates. Thus, deadlines for the payment of services rendered by contractors are often extended. In this context, there is an urgent need to restore the Fund's liquidity and affordability. In the same vein, it is vital to increase the Fund's tax base by including road access fees, namely:
- driver's license fee;
- vehicle registration fee;
- penalties and fines.

This increase in the Fund's resources will undoubtedly have a positive impact on service providers (satisfaction with prompt payment and speedy execution of works) as well as on road users as efforts made by the Government in that regard will be more visible

B- Transition to a second-generation fund

The transition to a second-generation Road Fund remains a necessity. It will help to boost its resources, especially those allocated to councils within the framework of the decentralization of road maintenance to enable them to manage council road networks. Almost all road maintenance stakeholders agree on this development. However, a number of requirements are still to be fulfilled. In fact, according to relevant principles, a second-generation Fund should:

• have a solid legal base: a separate administration of the Fund, and clear rules and regulations, etc.;

• have sound supervision: wide range of Board members from the private and public sectors;

• be a maintenance service procurement agency rather than provider;

• have increasing revenue through the institution of road user charges whose proceeds will be paid directly into the Road Fund's account without transiting through the Treasury;

• adopt sound and transparent financial management systems backed by a flexible, but efficient administrative structure;

• carry out independent and regular technical and financial audits.

C- Challenges

1. Auditing of Works Executed in Previous Years by the Ministry of Public Works

During the programming workshop held in November 2014, the Ministry of Public Works presented the orientation for the 2015 financial year. This consists in observing a break to complete all ongoing programmes and preparing more relevant and realistic programmes in a serene manner for implementation in 2016. After this pause (31/12/2015), all uncompleted works should be closed and the related contracts terminated. Thus, the projects programmed for 2015 will focus on road stabilization, as prescribed by CONAROUTE. According to MINTP, some projects have overlapped since 2008, giving the impression that the priority network is fully occupied, whereas such projects are not being executed.

This break will enable MINTP to streamline the situation of its contracts financed by the Road Fund. In fact, the successive postponements of contracts by more than three (3) years have resulted in blockage, compounding the programming and payment of services provided by BTP enterprises. In addition, this will enable this vote holder to handle only a limited number of contracts to be awarded in 2015, thus helping to improve its performance. This will also enable the Fund to streamline the situation of MINTP contracts in its accounts and to start afresh.

2. Contract Works

A committee comprising key State stakeholders of the building and construction sector was established to organize contract works so as to provide central services and regional and local authorities appropriate means to accomplish some of their specific or urgent tasks. The work of this committee led to the signing of Decree No. 2014/4/PM of 16 January 2014 to lay down the terms and conditions for financing contract works by the Road Fund.

These terms and conditions apply to the budget of MINTP within the framework of the maintenance of the classified priority intercity road network, the maintenance of priority urban roads, and the maintenance and equipment of priority rural roads.

The payment for contract works should not exceed five percent (5%) of the resources domiciled in the Road Fund and allocated for the maintenance of the classified priority network, urban roads and rural roads.

Overall, the Government plans to progressively resume contract works so as help to mitigate the adverse effects of privatization (inability of some enterprises to complete projects, lack of interest for some projects, emergency operations, etc.). In this vein, MINTP has begun to purchase civil engineering equipment. The first lot this equipment was supplied in 2014. The draft instrument for regulating this new intervention mechanism is being prepared.

Asphalting of a Yaounde urban road

3. Amendment of the Law on the Protection of the National Road Network

To more effectively protect the national road network, the Minister of Public Works has established a committee to prepare a national road network protection code. The aim is to assemble all provisions governing the protection of the national road network into a single instrument. This initiative provides an opportunity for the Road Fund, which was established by the Law on the protection of road heritage, to introduce the principle of a special financial regime which is consistent with its tasks. It also provides a good opportunity to clearly lay the basis for a second-generation Fund based on universally accepted principles. The mainstreaming of these aspects will improve the Fund's liquidity and affordability.

4. Categorization of Building and Construction Service Providers

All building and construction sector stakeholders now recognize the need to prepare a file of building and construction and engineering design firm enterprises by technical and financial capacity. This will, among other things, help to:
- reduce the time required to analyze technical bids;
- eliminate the call for expressions of interest stage by launching targeted bidding by category,
- reduce delays in the award of negotiated contracts and restricted bids;
- avoid dumping;
- improve quality of service performance, reinforced by the requirement to provide the categorization certificate for the exercise activities in the building and construction sector in Cameroon;
- obtain reliable statistics on the capacity of national enterprises to absorb resources.

The categorization of building and construction enterprises was launched in keeping with the prescriptions of the 15th session of CONAROUTE held on 23 December 2013. During this occasion, the Prime Minister, Head of Government, instructed the Public Works Regulatory Agency (ARMP) to collaborate with other stakeholders to complete the categorization procedure.

To this end, a committee comprising representatives of some public services involved in the award of public contracts, social and professional bodies and civil society was established within ARMP. The Committee's work led to the preparation f the following draft decrees:
- the draft decree to establish and lay down the organization and functioning of the National Commission on the Categorization of building and construction sector service providers;
- the draft decree to lay down the terms and conditions for categorizing service providers in the aforesaid sector.

The signing of these instruments should help notably to:
- establish a national commission for the categorization of service providers;
- designate an authority in charge of examining complaints, the reliability of tax information provided by service providers and their technical credentials.

Conclusion

Asphalting of a Yaounde urban road

Major internal and external events marked the life of the Road Fund in 2014.

Internally, the Road Fund continued its governance-building efforts by strengthening its integrated management system with the validation of the second phase of the TOMPRO project and launching of the third phase. Also worth mentioning are the establishment of the Audit Sub-committee and adoption of its internal rules and regulations and those of the Management Committee.

Regarding the Fund's strategic orientations, the Three-Year Strategic Plan 2014 – 2016 was adopted. This planning and control tool, which is consistent with the programme-budget logic promoted by public authorities, is a genuine barometer used to guide the Fund towards improving its performance which is hampered by long payment delays due to lack of resources.

Externally, the Prime Minister, Head of Government, signed Decree No. 2014/4/PM of 16 January 2014 to lay down the terms and conditions for financing the Road Fund's contract works. Also worth mentioning is Law No. 2013/17 of 16 December 2013: Finance Law of the Republic of Cameroon for the 2014 financial year, which designated SCDP and SONARA as liable for the Special Tax on Petroleum Products (STPP).

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ANNEXES

ANNEXE I

Table 1: The Road Fund and Capacity Building

Themes	Duration (days)	Number of Participants	Institution	Objectives
Workshop on Immersion and Team Building for Newly Recruited Staff	3	Members of COGE and all staff	HR Booster	Familiarize newly recruited staff with the missions and values of the Road Fund, encourage the adhesion of staff to its key objectives and strengthen team spirit.
Training Seminar on Internal Auditing	2	All staff	Individual Consultant Justin AMBASSA	Familiarize staff with the role, duties and responsibilities of internal auditing in an organization and their application to the Road Fund
Training of staff representatives	2	4	AGORA Consulting	Enable staff representatives to: improve their understanding of the status and role of staff representatives; master the legal aspects of their mandate; assess their rights and responsibilities; manage relationships with the employer.
Training of Management Committee members on the governance of public, semi-public and private enterprises	1	5	KPMG Central Africa	Familiarize board members on their role, duties and responsibilities in the governance of public, semi-public and private enterprises

Table 2: The Road Fund and the Public Sector

Type of Relationship	Actions	Targets
Supervisory authority – Road Fund	Submission of financial and accounting audit reports comprising the Management Committee's financial statements, technical audit reports and progress reports	Comply with the instruments in force
	Participation in proceedings on the rational management of the State's cash position	
Vote holders /Road Fund	Holding of meetings to share views on the execution of projects financed by the two windows	Share information; Report on project implementation status; Find solutions to difficulties encountered.
CONAROUTE/ Road Fund	Participation in Board sessions	Communicate on Road Fund activities; Align maintenance programmes with road investments
Working group on the optimization of the transfer of resources	Holding of monthly sessions	Validate the amount of RUC for the month
PSRR/Road Fund	Participation in the sessions of the task force in charge of validating statistics on resource mobilization	Secure resources

Table 3: The Road Fund and its Counterparts

Type of Relationship	Actions	Targets
ARMFA / RF of Cameroon	Participation of the Road Fund in the 8th Annual Meeting of the Central Africa Focal Group of ARMFA held in Libreville (Gabon) on the theme "Matching Tools and Works Programming Mechanism financed by road maintenance funds and the resources mobilized".	Share experiences with members on works programming and mobilization of resources
UATP / RF of Cameroon	Participation of the Road Fund in the Third International Workshop on Public Transport held in Johannesburg (South Africa).	Share experiences on the establishment of an efficient transport system in Africa.
UATP/RF of Cameroon	Participation of the Road Fund in the Third International Conference on Public Transport and discussions on mechanisms for removing road obstacles.	Share views on issues related to public transport and ways of overcoming road obstacles.

Establishment of Public Administration under the Private Type Technical supervision
of the Ministry in charge of roads and the financial supervision
of the Ministry in charge of Finance

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