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Paix-Travail-Patrie
FONDS ROUTIER
(E.P.A)



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

ANNUAL REPORT 2019

ROAD FUND

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



YAOUBA ABDOULAYE

Chairman of the Management Committee
of the Road Fund

During the year 2019, the Road Fund pursued the accomplishment of its missions within a difficult economic and security situation. Thus, as at 31 December 2019, the contracts committed as provided for in the programming adopted by the Management Committee for the 2019 Financial Year reached a satisfactory level of 95%. This performance, which has remained stable over the past three years, is essentially due to a better synergy between the Road Fund and authorizing officers, capacity building of mayors on the Road Fund's procedures and mastery of contract award processes by the stakeholders in the chain.

Concerning council project management, capacity building sessions initiated a few years ago, have gradually led to a fairly good ownership of the Road Fund's procedures by council executives. This situation was reflected in the significant volume of payments related to maintenance of council roads carried out in 2019 (CFA Francs 3.4 billion in 2019 as against CFA Francs 0 in 2018). Actions geared towards supporting regional and local authorities will be continued over the upcoming years, given the growing interest vested in these stakeholders by public authorities. In fact, as concerns council road maintenance, budget allocations rose from 13.5% of the Road Fund's budget, representing CFA Francs 8 billion in 2018, to 25% of the Road Fund' budget, thereby representing CFA Francs 15 billion in 2019. Moreover, despite the persistently huge volume

of estimate pending payment, (CFA Francs 15 billion as at 31 December 2019), payment operations were consistently smoothly carried out and even witnessed a remarkable improvement (CFA Francs 58.3 billion in 2019 as against CFA Francs 49. 4 billion in 2018) during the year under review. This improvement stems from the implementation of the mechanism of automatically debiting the single account at the Public Treasury for the benefit of the Road Fund opened at BEAC. This mechanism also witnessed some progress inasmuch as it now places resources necessary for contracted public work at the disposal of regional paymasters for the benefit of managers.

As for challenges to be overcome in the short, medium and long term, the Road Fund will focus on implementing a number of activities with the cooperation of other stakeholders in the intervention chain. These include, among others: (i) increasing resources allocated for road maintenance and making them sustainable, (ii) providing support to mayors in the exercise of their prerogatives as project owners of council road projects, (iii) clearing arrears owed to companies and (iv) strengthening the account for work carried out using direct labour. This annual report reviews the activities carried out in 2019 by the Road Fund, notably: programming, issuing visas to contracts, processing and paying estimates. It also provides an insight into the life of the Road Fund as well as the challenges and prospects for the upcoming years.

LIST OF ABBREVIATIONS & ACRONYMS

AFCON : Africa Cup of Nations
ARMFA : African Road Maintenance Funds Association
AT : Axle tax
BEAC : Bank of Central African States
BFDC : Budget and Finance Disciplinary Council
BVMAC : Central Africa Stock Exchange
CEMAC : Economic and Monetary Community of Central Africa
CUD : Douala City Council
CUY : Yaounde City Council
C2D : Debt Cancellation and Development Contract
CFA : African Financial Community
COGE : Management Committee
DSX : Douala Stock Exchange
EDF : Engineering and Design Firm
FATA : Financial, Accounting and Technical Audit
GESP : Growth and Employment Strategy Paper
GTC : General Tax Code
HIPC : Heavily Indebted Poor Countries' Initiative
HLI : High Labour Intensive
IMF : International Monetary Fund
IMS : Integrated Management System
Kfw : KreditAnstalt Für Wiederaufbau
MDRI : Multilateral Debt Relief Initiative
MINFI : Ministry of Finance
MINHDU : Ministry of Housing and Urban Development
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
PBW : Public Building and Works
PCRA : Public Contracts Regulatory Agency
PERFED : European Development Fund's Road Maintenance Programme
PLANUT : Three-year Emergency Growth Acceleration Plan
PNM : Priority Network Maintenance
PPP : Public-Private Partnership
RF : Road Fund
RFF : Road Fund Functioning
RHP : Road Heritage Protection
RLA : Regional and Local Authorities
RM : Retention Money
RMF : Road Maintenance Fund
RMP : Road Master Plan
RRM : Rural Road Maintenance
RRSP : Road Revenue Securization Programme
RS : Road Safety
RUC : Road User Charge
SAA : Special Appropriation Account
SCC : Special Conditions of Contract
SCDP : Cameroon Petroleum Storage Company
SDP : Strategic Development Plan
SFCS : Specialized Financial Control Services
SME : Small and Medium-Sized Enterprises
SONARA : National Refining Company
STADE-C2D : C2D Implementation Support Technical Secretariat
STPP : Special Tax on Petroleum Products
SUAG : Start – Up Advance Guarantee
TCPO : Treasury Central Pay Office
TSS : Technical Studies and Supervision
UATP : African Association of Public Transport
UNDP : United Nations Development Programme
URM : Urban Road Maintenance

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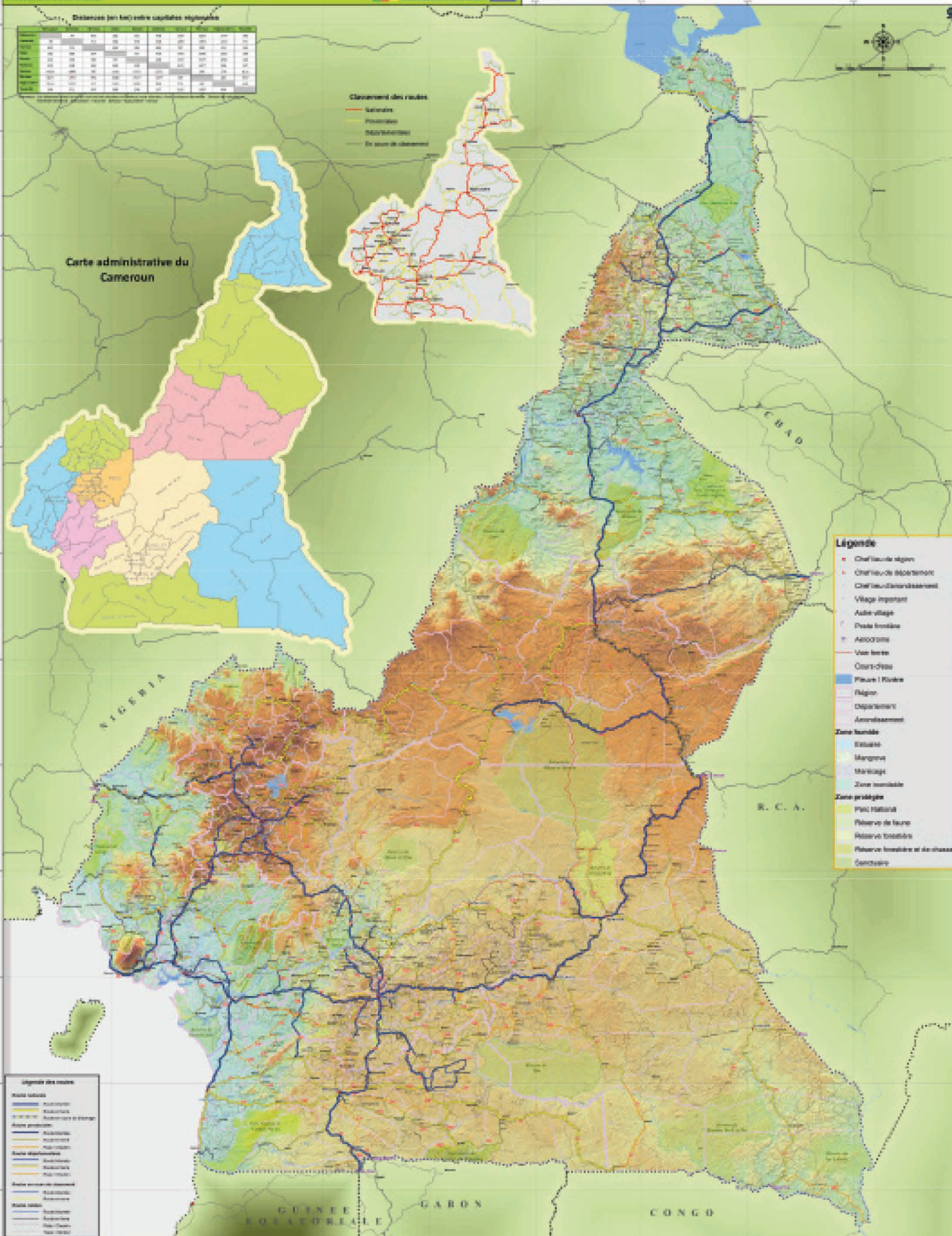
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GENERAL CONTEXT



The Road Fund is deploying itself in a national and international environment which orientates its action and shapes its relationships with other partners. The major construction works of the Government, the national economic situation, cooperation with development partners and partnerships with foreign road maintenance funds, are among the many elements that characterized the activities of the Road Fund during the year 2019.

A- INTERNATIONAL AND NATIONAL SITUATION



The global economic situation in 2019 was marked at international level by trade frictions between the United States of America and China and falling oil prices. Geopolitical tensions, tightening of the credit policy in China and the tightening of financial conditions had a negative impact on the entire economic drive.

Yet, according to the 2019 report of the International Monetary Fund, the strategy of the Economic and Monetary Community of Central Africa (CEMAC) contributed in averting a major crisis, but it still has some hurdles to overcome. The tightening of the monetary policy, progress in devising a new monetary policy framework and currency regulation have promoted macroeconomic adjustment; but two countries have not yet signed the financing agreement with the IMF. Foreign exchange reserves did not meet expectations despite the fact that oil prices were higher than projected. It is essential to address downside risks for the CEMAC economy to bounce back. Delays in adopting IMF-backed programmes with the Republic of Congo and Equatorial Guinea, falling oil prices and tightening of global financial conditions could undermine this recovery. Economic diversification and an improvement of the business climate and corruption perception index would lead to better growth prospects for CEMAC countries.

At the national level, the political situation was

marked by the advent of a new Government under the

stewardship of Chief Dr. Joseph Dion Ngute, Prime Minister and Head of Government. His general policy is in continuity with the implementation of growth objectives for Cameroon, as enshrined in the Growth and Employment Strategy Paper (GESP). Also, all through the 2019 Financial Year, the continuation of the carrying out of over-arching projects with the support of technical and financial partners should be underscored.

As such, concerning infrastructures, the three-year emergency growth acceleration plan (PLA-NUT) is ongoing with agriculture, stockbreeding, urban development, water, energy, health, safety, regional development and roads as main areas of focus. In fact, after a very cumbersome start due to inadequacies linked to the lack of technical studies for several projects and constraints inherent in the mobilization of funding, this plan has now reached cruise speed. Concerning roads, twenty-one (21) contracts have been awarded for firm phases to the tune of close to CFA Francs 300 billion.

The other road projects in progress are as follows:

- completion of the tarring of 221 kilometers of



A section of the Yaounde-Nsimalen highway under construction.

new roads to which should be added 60 kilometers of council roads;

- reception of 1711 lineal meters of bridges;
- reception of close to 450 kilometers of rehabilitated roads;
- structural maintenance of close to 1000 kilometers of roads for an amount of about CFA Francs 45 billion.

In spite of an overall difficult environment essentially due to external factors as evidenced by the volatile nature of the prices of export-oriented products, insecurity at the borders due to terrorist threats, the consequences however seem under control, hence the bulk of results are witnessing a positive out- turn.

At the economic level, despite a context marked by a global economic downturn in 2018, Cameroon's economy registered a growth rate estimated at 3.9%, on the heels of the 4.1% recorded in 2018. This slowdown is a logical outcome of the growth of the non-oil sector, which moved from 4.4% in 2018 to 3.6% in 2019. Conversely, the oil sector registered a growth rate of 10.4%, after three consecutive years of decline. From the point of view of demand, growth was mainly sustained by internal demand, with a contribution of 3.6 points out of which 3 points go for private consumption. Private investment, on its part, slowed down to +3.5% in 2019 as against +9.6% in 2018. By contrast, public investment

ought to increase by 1.7% with the stepping up of allocations dedicated to public spending in capital as compared with the 2018 Financial Year. As for structural and institutional reforms initiated by the Government of Cameroon in a bid to improving on economic competitiveness, it is worth underscoring the following (i) at the financial level, merging of the Douala Stock Exchange (DSX) and the Central Africa Stock Exchange (BVMAC) located at Libreville; (ii) improving on governance and capacity building of public corporations and public establishments by various decrees signed by the President of the Republic; (iii) pursuing the implementation of the economic and financial programme, backed by an Extended Credit Facility, signed with the IMF; (iv) implementing some public finance reforms aimed at containing public spending in order to improve government deficit path and stabilize the public debt drive. However, (a) persisting security and socio-political crises in the North-West and South-West Regions and (b), the fire disaster at the National Refining Company (SONARA) had the effect of increasing Government's financial constraints and contributing to undermine the growth observed in 2019.

At the socio-cultural level, Government's effort to alleviate poverty is bearing fruits. On the strength of a study recently carried out by the United Nations Development Programme (UNDP), the poverty index dropped from 40.6%

in 2012 to 38.3% in 2017. That is an improvement of 2.3 points as compared to the reference year. Visible signs of this improvement are showcased in the construction of low-cost housing in urban areas, be it in Douala, Yaounde, Bafoussam and Garoua, on the one hand, and the renewal of the car fleet whose average age is 18 years in Cameroon, on the other hand.

At the technological level, during the 2019 Financial Year, Cameroon while deploying its technical know-how continued the construction and priming of several hydroelectric dams (Lom Pangar, Nachtigal, Mekin, Memve'ele). These dams will in the long run enable to make up for the significant energy deficit which is curbing the full development of Cameroon's industry and by so doing, its ability to create an added value.

At the ecological level, tax and customs measures were taken by Government in the 2019 Finance Law to improve on waste management in urban and rural areas. As such, pursuant to the provisions of Section 5 paragraph 3 of the above-mentioned law, will be effective as from 1 January 2020 a specific excise duty meant for financing garbage removal and disposal for the benefit of Regional and Local Authorities (RLAs) at the rate of 0.5 % of the tax base of all goods imported to Cameroon, except for duty-free imports provided for by the Customs Code of the Economic and Monetary Community of Central Africa. Distribution modalities of the proceeds

of this duty among the three hundred and sixty (360) councils in Cameroon will be laid down by a regulatory instrument.

At the legislative level, Cameroon equipped itself with an array of legislative and regulatory instruments aimed notably at codifying, regulating and improving on the governance of public establishments and companies. As such, decrees signed by the President of the Republic, notably Decrees Nos. 2019/321 and 2019/322 of 19 June 2019 now lay down categories of public establishments and corporations as well as the remuneration, allowances and benefits of their managers.

Yet, prospects for 2020 still seem tighter given the efforts deployed with a view to rationalizing and giving priority to growth vectors, on the one hand, and the need to reconcile the measures taken with an increasingly uncertain economic environment, on the other hand. The road being a firsthand land communications channel, its regular maintenance using efficient techniques is likely to ensure its sustainability and even the expansion and development of its networks. The progress registered within the framework of decentralization, notably with the promulgation of the new law to institute the general code of regional and local authorities, offers hope of a positive local momentum for the benefit of the network entrusted to RLAs.



Maintenance works on a paved road.

B- SOME MILESTONES

From 10 to 16 March 2019: participation of a delegation of the Road Fund at the 17th General Meeting of the African Road Maintenance Funds Association (ARMFA) held at Swakopmund in Namibia.

From 6 to 10 May 2019: participation of the Road Fund at the Executive Committee meeting of the African Association of Public Transport (UATP) held at Maputo in Mozambique.

From 19 to 23 August 2019: reception of a mission of the Senegalese Autonomous Road Maintenance Fund (FERA) by the Road Fund as part of experience sharing and promotion of best practices amongst African road maintenance funds.

From 2 to 18 September 2019: organization of capacity building for some council executives by the Road Fund on project management. The sites shortlisted included: Mbalmayo, Bertoua, Edea, Bafoussam and Garoua.

On 4 November 2019: signing between the Minister of Finance and BEAC of Amendment No 2 to the agreement governing the Road Fund's transit account. This amendment enshrines the putting at the disposal of Regional Paymasters of resources necessary for work carried out using direct labour and recurrent expenditure by the Road Fund for the benefit of managers.

From 7 to 8 November 2019: participation of the Road Fund alongside with the Guinean Road Maintenance Fund in its capacity as ARMFA auditor at the joint evaluation mission of activities of the Executive Secretariat at Addis-Ababa in Ethiopia.

From 18 to 22 November 2019: active participation of the Road Fund at the fourth Executive Bureau meeting of the African Road Maintenance Funds Association (ARMFA) held at Conakry in Guinea.

On 19 December 2019: appointment of Mr. Soman François by the Minister of Decentralization and Local Development as representative of Regional and Local Authorities in the Management Committee to replace Mr. Andze Andze Emile.



C- LEGAL AND REGULATORY FRAMEWORK

The Road Fund was set up on 8 April 1996 by Law No. 96/07 of 8 April 1996 to protect the national road heritage. On 22 July 2004, it was reformed by Law No. 2004/021 which widened its missions to financing rehabilitation and upgrading roads within the framework of an “Investment Window” distinct from the “Maintenance Window”.

It is worth underscoring that the organization and operational methods of the Road Fund have been spelt out in Decree No. 2005/239 of 24 June 2005, as amended and supplemented by Decree No. 2012/173 du 29 March 2012.

The reforms introduced in public entities in 2017 led to the entry into force of Laws Nos. 2017/010 and 2017/011 of 12 July 2017 to lay down rules and regulations governing public establishment and corporations, respectively. These reforms moved forward with the advent in June 2019 of Decree No. 2019/320 which specifies the implementation modalities of the provisions of the above-mentioned laws as well as those of Law No. 2019/322 which lays down the categories of public establishments, remuneration, allowances and benefits of their managers.

These decrees also aim at rendering public establishments viable and structures likely to significantly contribute in promoting employment and creating national wealth.

Though these instruments came in two years after the promulgation of laws on public establishments and corporations, they have the advantage of specifying their mode of operation and especially aim at dispelling any ambiguity in their understanding in order to globally ensure the performance of public establishments as well as the competitiveness and profitability of public corporations.

As such, the Road Fund as a public establishment is governed by the new regulatory provisions in force. It therefore has to comply with them notably as concerns (i) the issue pertaining to the observance of terms of office; (ii) the responsibilities of various management bodies; (iii) as well as those relating to benefits and remuneration based on performance and depending on the categories of public entities in accordance with the average completed budget over the past three years.

Moreover, the Road Fund, as a public institution, is bound by the provisions of Law No. 2019/019 of 24 December 2019 on the promotion of official languages in Cameroon. The purport of this law is to determine the general legal framework for promoting these languages, namely English and French with a view to ensuring their systematic use as working languages in public entities and services opened to the general public.

This law introduces a reform within all public entities which should devise mechanisms to implement these new legal prescriptions. For, as provided by section 15 “Users of public entities shall have the right to communicate and interact with the latter in either official language”. It is worth pointing out that concerning its implementation, some actions have already been carried out within the institution such as the systematic translation of a good number of documents. However, the Road Fund needs to make further efforts to improve on the practice of official languages.

D- OVERVIEW OF MISSIONS AND RESOURCES

1- Missions

In accordance with Law No. 2004/024 of 22 July 2004 to amend and supplement some provisions of Law No. 96/07 of 8 April 1996 to protect the national road heritage, the Road Fund is endowed with specific missions linked notably to financing road maintenance, from road upgrading and rehabilitation, maintenance of urban and council road networks, to road safety, payment of services rendered by technical, financial and accounting audit firms. This body constitutes a permanent mechanism for the financing and payment of services provided to the enterprise within the framework of two distinct windows, namely the “Maintenance” window and the “Investment” window. These two windows have the following objectives:

For the “Maintenance” window, its role is to ensure the financing and payment of services relating to:

- routine and periodic maintenance of the priority urban, classified interurban, and rural road network;
- road safety;
- national road heritage protection.

Concerning the “Investment” window, it is in charge of ensuring the financing and payment of services relating to upgrading and rehabilitation of roads.

2- Resources

Law No. 2004/024 of 22 July 2004 amending and supplementing some provisions of Law No. 96/07 of 8 April 1996 to protect the national road heritage spells out the origin of the Road Fund's resources. Subsequently, Decree No. 2005/239 of 24 June 2005 on the organization and laying down the procedures for the functioning of the Road Fund which was in turn amended and supplemented by Decree No. 2012/173 of 29 March 2012, upholds the said provisions. As such, in accordance with the provisions of Section 25 (new)-(1), the resources of the Road Fund consist of the following:

a) As for the “Maintenance” window:

- Road User Charge (RUC);
- road tolls or in case of road tolls concessions, concession royalties;
- axle tax proceeds;
- transit tax proceeds;
- proceeds from fines.

- budget allocations of ministries meant to put money into the emergency line on account of emergency interventions;
- resources stemming from financial products generated by the placement of possible treasury surpluses.

b) For the “Investment” window:

- grants, legacies, subsidies and various forms of assistance from Cameroon's financial partners;
- budget allocations from ministries;
- all financing other than those mentioned in point a) above.

Decree No. 2012/ 173 of 29 March 2012 amending and supplementing some provisions of Decree No. 2005/ 239 of 24 June 2005 on the organization and laying down the procedures for the functioning of the Road Fund, specifies in Section 25 (new)-(2) the modalities for mobilizing these resources.

Moreover, with the entry into force of Law No. 2018/012 of 15 July 2018 relating to the fiscal regime of the State and other entities, the Road Fund's resources are paid back into the public treasury.

Besides, Section 234 of the General Tax Code provides that “the proceeds of the Special Tax on Petroleum Products shall be partially allocated to the Road Fund in accordance with the annual ceiling set by the Finance Law”. Law No. 2018/02 relating to the Finance Law of the Republic of Cameroon for the 2019 Financial Year provides that the amount to be deducted on the STPP for the Road User Charge, axle tax, toll-gate proceeds and weighing station fines repaid to the Road Fund is set at CFA Francs sixty billion (60 000 000 000) for the 2019 Financial Year. This ceiling of all resources set at CFA Francs sixty billion (60 000 000 000) thus reduces the resources and does not enable the Road Fund to efficiently meet all its needs in terms of financing road maintenance. Moreover, the identification of the share of each of the resources henceforth becomes difficult.

Non RUC resources (toll fees, weighing station fines and axle tax) are, on their part, not mentioned in the said finance law.

E- MANAGEMENT BODIES

The Road Fund, as a public administrative establishment set up on the strength of Section 22 of Law No. 2004/021 of 22 July 2004 amending and supplementing Law No. 96/07 of 8 April 1996 to protect the national road heritage, is a permanent funding mechanism for road maintenance, rehabilitation and upgrading programmes.

The magnitude of the deterioration of the road network requires extensive rehabilitation operations and the satisfactory results obtained by this mechanism have led the authorities of Cameroon to widen the missions of the Road Fund to road rehabilitation and upgrading operations based on this law which equally endows it with a special status.

The Road Fund is managed by two bodies: a Management Committee headed by a chairperson and an Administration headed by an Administrator.



An interview between the General Manager of SCDP, the Administrator of the Road Fund and the General Manager of the Autonomous Road Maintenance Fund of Senegal.

1- Management Committee.

The Management Committee scrutinizes all issues pertaining to the organization and operation of the Road Fund. Its missions are spelt out in Article 13 of Decree No. 2005/239 of 24 June 2005. Decree No. 1212/ 173 du 29 March 2012 amending and supplementing some provisions of Decree No. 2005/239 of 24 June 2005, sets forth the composition of the Management Committee and the term of office of its members. Moreover, with the advent of Decree No. 2019/320 of 19 June 2019 to specify the implementation modalities of Laws Nos. 2017/010 and 2017/011 of 12 July 2017 on the general rules and regulations governing public establishments

and public corporations, the Management Committee can set up committees and commissions under its auspices to solely give its opinions and recommendations. It is on this basis that the audit sub-committee saw the light of day on 30 December 2019.

The Management Committee meets once every quarter in ordinary session on the convening of its Chairperson, and in extraordinary session as often as required for the smooth functioning of the Road Fund.

The Management Committee is made up of eleven (11) members, including five (5) representatives of the State, one representative of Regional and Local Authorities and five (5) representatives of road users, distributed as follows:

Representatives of the State:

- one representative of the Presidency of the Republic;
 - one representative of the Prime Minister's Office;
 - one representative of the Ministry of Finance;
 - one representative of the Ministry of Public Works;
 - one representative of the Ministry of Transport.
- 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 Passenger Transporters' Trade Union;
- one representative of the Road Haulers' Trade Union.

The Administrator of the Road Fund on his part performs the duties of rapporteur of the said Management Committee.

During the year 2019, the Management Committee carried out several activities within the framework of its missions. The following activities amongst others are worth mentioning:

- approval on 6 March 2019 of the basic programming of the Ministry of Housing and Urban Development for the 2019 Financial Year;
- approval on 6 March 2019 of the basic programming of the Ministry of Transport for the 2019 Financial Year;
- approval on 6 March 2019 of the basic programming of the Ministry of Public Works for the 2019 Financial Year;
- adoption on 18 July 2019 of the revised recurrent and investment budget of the Road Fund as well that of audits;
- renewal on 18 July 2019 of the term of office of auditors;
- approval on 23 July 2019 of the 2019 council road programming of the Ministry of Public Works;
- examination of 17 December 2019 prior to the implementation of Decree No. 2019/322 of 19 June 2019 to lay down categories of public establishments and the remuneration, allowances and benefits of their managers;
- scrutiny on 18 December 2019 of the procedure for disbursing funds necessary for financing un-

der the supervision of the administration by the MINTP;

- approval on 23 December 2019 of the 2020 programming of the Ministry of Public Works;
- approval on 24 December 2019 of the 2020 programming of the Ministry of Housing and Urban Development;
- approval on 24 December 2019 of the programming of the Ministry of Transport;
- setting-up, determining the composition and operation of the Audit Sub-Committee of the Road Fund on 30 December 2019.

Moreover, the Management Committee embarked on field trips to verify the effectiveness of road maintenance works in the under-mentioned networks:

- from 16 to 19 January 2019 for the South network;
- from 29 January to 1st February 2019 for the West network, and;
- from 6 to 14 April for the North network.

These field trips were aimed at:

- giving a comprehensive appraisal of road problems in terms of works and transport (weighing stations, tollgates, road safety);
- assessing the relevance of programmed projects; (identifying projects, verifying the consistency of work earmarked for these projects; ensuring coherence between work consistency and allocated budget);
- appraising performance, notably work effectiveness and consistency as well as services provided by co-contractors in relation to payment made (payment deadlines should be taken into account).

In fact, these field trips enabled the Road Fund to take cognizance of the following happenings:

- red tapes prevailing in the issuance of service orders extending deadlines and leading to additional cost incurred by the State following the deteriorations observed on parts of works already carried out;
- failure to update studies prior to the launching of some road maintenance works;
- delays in paying for estimates from enterprises;
- non-observance of execution deadlines of works by some enterprises;
- programming of new projects whereas previous ones were facing budgetary and payment difficulties.

Following these observations, several recommendations were made for the benefit of authorizing officers. To this end, the following suggestions were made, amongst others:

- ensuring better follow-up of contracts and projects on the field and carrying out the necessary due diligence in order to avert delays;
- ensuring that studies for projects for which the contract award process registered considerable delay should be updated in order to take into consideration field realities before commencing work;

- giving priority to projects awarded long ago and allocating available resources to these projects in order to complete them;
- ensuring that necessary measures are taken in cooperation with competent authorities in order to reduce the deadline of the compensation process of the neighbouring population and release the right of way.

2- Administration

The Administration of the Road Fund is headed by an Administrator recruited through a public call for candidacies for a three-year term possibly renewable twice. The Administrator is responsible for the operational implementation of the actions approved by the Management Committee. His missions are spelt out in Article 18 of Decree No. 2005/239 of 24 June 2005, as amended and supplemented by Decree No. 2012/ 173 of 29 March 2012.

To accomplish its missions, the staff strength of the Road Fund is capped at twenty-five {25} employees and deployed within three (3) divisions and a general administration as follows:

- the General Administration in charge of coordination;
- the Technical Expertise Division is in charge of monitoring contracts, processing estimates, visiting construction sites, following up bonding guarantees and technical audits;
- the Administration and Finance Division is competent in account, tax and treasury as well as human resource management;
- the Control of Operations Division which is

competent in mobilizing and distributing resources among authorizing officers, controlling commitments of authorizing officers, following up the drafting of programming, drafting the recurrent budget and carrying out preliminary studies for issuing visas to contracts by the Administrator.

The Road Fund has partnership ties with national stakeholders and has the duty to secure revenue necessary for its interventions in order to ensure efficient action within the precincts of the development priorities of the road sector. Within this framework, the following officials have the capacity of authorizing officer:

- the Minister in charge of roads, as far as road maintenance, upgrading and rehabilitation work is concerned, as well as services pertaining to the national road heritage;
- the Minister in charge of the urban network as far as routine and periodic maintenance work is concerned, upgrading and rehabilitating urban networks;
- the Minister in charge of transport as far as services pertaining to road safety are concerned;
- council executives and regional chairpersons as far as council road maintenance work is concerned.

F- FUND MANAGEMENT

The road map is the annual outline of the strategy. The satisfactory implementation of this strategy entails the organization of interventions which generate the development of constructive synergies, enhancement of human resources which, on their part, constitute a creative and innovating force as well as the emergence of a team spirit federating individual efforts to transform them into collective success.



A workshop on the popularization of the technical guide for stakeholders

1- Management tools

Concerning management tools, 2019 was marked by significant strides forward in the following areas:

- documentary management and electronic archiving: the Oasis GED application was designed following the needs expressed by the Road Fund. The entire staff was also trained as part of the services provided by the consulting firm that sold the software. The latter allows for an improved bookkeeping as well as physical and digital archives.

- payment of estimates: since March 2018, the payment of estimates for work carried out under the Maintenance Window is done through the Road Fund's account domiciled at the Central Bank. It is in this light that the GENDATA software was acquired. Yet, practically speaking, there was a major risk in the manual capture of payment data between TOMPORTAIL and this application. As such, the Administration of the Road Fund deemed it necessary to design

an interface (GENDATA FR) between TOMPORTAIL and the BEAC payment software in order to minimize the error margin of manual capture between the two applications. The implementation of "GENDATA FR" will be effected in the course of 2020.

2- The 2019 Road Map

The roadmap outlines the main guidelines and especially the steps of a strategy or action plan. As for the Road Fund, the 2019 action plan extracted from its 2017-2019 (three-year) strategy consists of the following three main objectives:

- mobilizing all resources meant for financing programmes hosted by the "Maintenance" and "Investment" windows;
- contributing in improving the consumption rate of resources;
- ensuring effective and efficient steering in order to achieve the objectives of the Road fund's operational programmes.

N°	Objectives	expectations	outcomes
Mobilization of all resources meant for financing programmes hosted by the “Maintenance” and “Investment” windows			
1.1	Optimize mobilized resources and improve on the integral repayment into the account opened at BEAC.	Secure the Road Fund's resources	100% rate of repayment of the Road Fund's resources at BEAC achieved in 2019 in accordance with the implementation of Amendment No. 1 of the agreement governing the Road Fund's special account opened at BEAC. This amendment enables BEAC to irrevocably and automatically deduct on the single account of the Treasury to the monthly tune of CFA Francs 5 billion to credit the Road Fund's account.
1.2	Identify new resources for financing road maintenance.	Obtain the allocation of new resources as well as an increase of tollgate fee and axle tax.	Inclusion of the merging of all Road Fund resources (RUC, tollgate fee, weighing station fines, axle tax) in the 2019 Finance Law. An advocacy campaign has been carried out at the level of the financial supervisory authority (MINFI) to separate each resource and remove their ceilings.
Financing programmes of authorizing officers			
2.1	Contribute in improving the programming quality of authorizing officers to have them approved by the Management Committee (COGE) within legal deadlines.	Sensitize authorizing officers on the observance of submission deadlines of programmes to be validated.	Support to the design of authorizing officers' programming has enabled to come up with programming compliant with the Road Fund's requirements within deadlines.
	Contribute in increasing the level of programming commitment.	As part of the follow-up of the implementation of authorizing officers' programmes, the Road Fund has set up a permanent consultation platform bringing together representatives of the Road Fund, MINFI, MINTP, MIN-HDU, MINT and Regional and Local Authorities (RLAs). Besides holding meetings, the platform carried out trips to construction sites and took part in capacity building workshops meant for mayors during the period under review.	Activities of the platform have contributed in improving the Road Fund's performance. As such, the contract commitment rate moved from 87% in 2017 to 95% in 2018 and in 2019.

N°	Objectives	expectations	outcomes
2.2	Improve on processing deadlines for estimates.	The Road Fund envisaged the holding of several workshops on the popularization of the “technical guide for stakeholders” in the West, North and South networks.	Popularization meetings were held with participants, representatives of RLAs, MINTP, MINH DU, PCRA and MINMAP. As such, the ownership of the guide enabled to reduce the rate of rejection of estimates from 5.9% in 2017 to 3.6% in 2018 and 2019
Promotion of governance			
4.1	Improve on management tools (Integrated Information System)	Design a payment interface (GENDATA-FR)	An interface (GENDATA-FR) between TOMPORTAIL and the BEAC payment software was designed to minimize the error margin of data captured between the two applications.
4.2	Improve on the management of archives.	Recruit a consultant to pursue the physical and digital archiving of documents from the Road Fund	The contract pertaining to the physical and digital archiving of documents for the 2014 -2017 period was declared fruitless. A new procedure will be undertaken in 2020.
4.3	Improve on working conditions and communication.	Strengthen internal and external communication, build the staff's capacity	Internal and external communication was materialized with the publishing of the annual activity report, accountability and regular updating of the Road Fund's internet website; Staff cohesion was strengthened with the holding of a team building session in January 2019; The Road Fund took part in various fora organized by ARMFA and UATP as part of strengthening partnerships.

4- The Road Fund and its human resources

During 2019, the staff strength of the Road Fund remained steady at twenty-five employees. Concerning social dialogue deployment, the Road Fund organized the following traditional events: (i) the International Women's Day and (ii) the International Labour Day. During these festivities, all the members of staff came together to uphold the ideals of sharing and conviviality.

Moreover, within the framework of continuing capacity building of its staff, the Administration of the Road Fund pursued its training policy. It is in this light that the staff acquired training in administrative writing and advanced Excel. Other members of staff benefitted from capacity building in the following areas:

- contract award;
- monitoring and evaluation of programmes and projects;
- use of the Gendata software;
- public-private partnership (PPP);
- digital and physical archiving;
- planning and drafting of the programme-based budget.

5- Action implementation-related constraints

From inception, the Road Fund has been interacting with several stakeholders. Though both broad-based and targeted improvements have been recorded or are underway, difficulties however remain perceptible. Among these constraints, the following are worth underscoring:

- red tapes giving rise to the issuance of service orders extending deadlines and leading to additional costs incurred by the State as a result of the deteriorations recorded on parts of the work already performed;
- programming new projects whereas previous projects are still encountering budgeting and payment difficulties;
- setting ceilings for resources and merging all the latter. The 2019 Finance Law which enshrines the merging of all the Road Fund's resources (RUC, tollgate fee, weighing station fines, axle tax) does not enable the Road Fund to embark on efficient action.

Given the above-mentioned constraints, the transition of the Road Fund into a second generation fund could reverse this trend and ensure greater autonomy.



G- RISKS ANALYSIS AND MANAGEMENT

The 2017-2019 three-year period witnessed the advent of laws and regulatory instruments notably to lay down the general rules and regulations governing public establishments and governance within these establishments. The Road Fund, as a public administrative establishment of a special type, saw its institutional, strategic and operational dispensation impacted accordingly. A non-exhaustive list of significant risks likely to be encountered by the establishment during the period under review is outlined below as well as the means put at the disposal of management bodies to control, mitigate, externalize or internalize them.

i) At the institutional level

It is worth mentioning that:

- in the road maintenance system, the Road Fund administers funds meant for routine and periodic maintenance of the road network, on the one hand, and road upgrading and rehabilitation, on the other hand. By enjoying managerial autonomy, its main resource is the Road User Charge (RUC) as per its organic instrument. Until 2015, the General Tax Code clearly spelt out the rate of Road User Charge per litre of premium grade petrol and gas oil notably CFA Francs 75 for a litre of premium grade petrol and CFA Francs 65 for a litre of gas oil.

Yet, since 2016, the General Tax Code of Cameroon enshrined the suppression of the notion of Road User Charge as an autonomous resource of the Road Fund in its Section 234 (new). In fact, the new section provides that “ The proceeds of the special tax on petroleum products shall be partly allocated to the Road Fund in accordance with the ceiling fixed annually by the Finance Law”. This section is silent on the rate of the Road User Charge per litre and product type (gas oil or premium grade petrol). Consequently, the main resource of the Road Fund is likely to change its economic nature. Thus, it might become a lump-sum “subsidy” capped by MINFI instead of really being a royalty indexed to road use and collected using the level of consumption of petroleum products. On the strength of the foregoing, since 2017, the Road Fund embarked on a permanent advocacy campaign at the level of MINFI in a bid to (i) restore the rate of RUC in a distinct manner per fuel type because it is its main resource and by so doing, (ii) obtain the treasury privilege in collecting and paying back its resources, as a result of its transition into a second generation Fund.

- Law No.2017/010 of 12 July 2017 to lay down the general rules and regulations governing public establishments now compels the latter to ensure pursuant to Article 17 (1) that in the



A maintained rural road

composition of members sitting in its deliberative body there are representatives of the Presidency of the Republic, the Prime Minister's Office, the technical supervisory authority, the financial supervisory authority and an elected staff representative. It also sets an obligation, in its Article 66, to public establishments to comply with these requirements latest on 12 July 2018. To date, the elected staff representative does not still feature on the list of members of the Management Committee, a situation which runs contrary to the provisions of the above-mentioned law. Consequently, there is a likelihood that the Road Fund may not comply with legal requirements, a risk which may be invoked in the event of administrative or parliamentary control. However, the Road Fund is closely monitoring the revision of its organic instruments underway at the Prime Minister's Office in order to ensure its compliance with the law;

- lastly, Decree No. 2017/144 of 20 April 2017 on road classification enshrined the division of the national road network into four (4) categories, notably: (i) highways; (ii) national roads, (iii) regional roads and (iv) council roads without however mentioning the "priority network" which is the purpose of the scope of intervention of the Road Fund in accordance with its organic instruments. In fact, the said instruments spell out (in Article 5) that the "maintenance" window exclusively concerns routine and periodic maintenance of the priority urban, classified interurban, and rural road network. Consequently, the risk of mismatch persists between the priority network whose maintenance financing is under the remit of the Road Fund and the network to be maintained in the MINTP's annual programming, thus leading to the diluting of work consistency, given the extent of the Cameroonian road network. The updating of the Road Fund's instruments seems necessary to redefine the "priority network" notion. However, during approval sessions of authorizing officers's programmes, the Management Committee should ensure that key council, regional and national roads are taken into account in the various programmes submitted to its scrutiny.

ii) At the strategic level

It is worth mentioning that the Strategic Development Plan (SDP) having sustained the Road Fund's action during the 2017-2019 period, has come to an end. Concerning the achievements of the 2017-2019 Plan, it was implemented at the

rate of 58% in 2017, 78% in 2018 and 80% as at the end of December 2019, notwithstanding the financial climate prevailing at the Road Fund and security challenges in the country; this induced difficulties in conducting technical audits in some localities of the country. Some key activities were not implemented over the three-year period. They notably concern the following:

- low budget consumption related to the construction of the head office thus constituting a risk on the visibility and repute of the Road Fund. The Road Fund is continuing negotiations with the Yaounde City Council to obtain a plot dedicated to the said construction;
- inability to carry out the Road Fund's institutional, operational and technical audit over the past fifteen year that was scheduled in 2018 and 2019. Thus, the unavailability to date of the findings of this crucial audit jeopardizes the implementation of the strategy earmarked by the Road Fund within the framework of its advocacy actions addressed to decision-makers (government, parliament, development partners, road users) for its transition into a second generation fund. This activity was included among the road Fund's top priorities in the 2020 annual performance project;
- lack of advocacy by the Road Fund for the Ministry of Finance to put at its disposal the funds necessary to clear outstanding payments. They hover between CFA Francs 18 and 20 billion each month, thereby leading to illiquidity risk of the Road Fund, given its mission as a paying body. Yet, the Road Fund pre-empts on (i) work slowdown by enterprises in 2020 and (ii) consistency of the automatic debiting of CFA Francs 5 billion per month to pay off pending estimates and revert to its financial equilibrium;
- lack of advocacy to reduce the Road Fund's commitment level. In fact, the commitments of the Road Fund stand at CFA Francs 150 billion as at 31 December 2019 whereas the resources deposited in its account opened at the Treasury Central Pay Office are less than that amount. Thus, there is a risk on the financial sustainability of the said commitments. A strategy is being devised by the Road Fund in cooperation with MINTP, MINMAP and PCRA to enable it to terminate contracts awarded over three years ago and mitigate the Road Fund's risk of over-committing itself.



Vertical road signs in an urban road of Yaounde

iii). At the operational level

It should be pointed out that:

- amendment No. 2 of the agreement governing the operation of the special account of the Road Fund opened at BEAC was signed on 4 November 2019 on the heels of Amendment No.1 evidenced by an automatic debiting of the said account as from 13 August 2018. The new amendment specifies that the funding by the Road Fund of work under State supervision carried out through MINTP in accordance with Article 6 of Decree No. 2014/0004/PM of 16 January 2014 will be done by the Road Fund placing the necessary resources at the disposal of regional paymasters for work and operation expenses under State supervision. However, no procedure manual has been drafted to regulate the transfer of resources to paymasters and worse still to devise mechanisms through which expenditure memos will be forwarded to the Road Fund for the settlement of these transfers. Thus, there is a risk of late settlement or non-settlement of the said advances which may be classified as mismanagement in the event of control by the Budget and Finance Disciplinary Council (BFDC). The MINTP has however been contacted for the drafting of the said manual in cooperation with the Road Fund;

- given the important volume of processed operations, it seemed necessary to render payment activities fluid and secure by designing an automatic interface between TOMPORTAIL and

the new GENDATA application used by BEAC to carry out its payments. The manual capture of payments from the TOMPORTAIL application to the GENDATA application poses the risk of erroneous payment for the benefit of road work service providers. This interface has been designed and commissioning is still awaited;

- the advent of specialized financial control services at the Road Fund notably required a reorganization of the processing and payment process and circuit of recurrent expenditure. In practice, the issue of not mastering public expenditure control procedures by the Road Fund services nevertheless persists, both at the legal and accounting commitment phase of the expenditure as well as the liquidation or scheduling phases. This poor mastery of procedures could lead to payments non-compliant with public expenditure procedures. The Road Fund has regularly undertaken capacity building and sensitization campaigns for its staff working in the expenditure chain;

- the recognition of mayors and chairpersons of Regions as project owners of maintenance contracts or lengthman's work on council and regional roads pursuant to Decree No. 2017/144 of 20 April 2017 on road classification has led to an increase in the Road Fund's workload. In fact, in addition to the traditional authorizing officers which include MINTP, MINH DU, MINT and the Administrator of the Road Fund (for transactions pertaining to functioning), the ser-

vices of the Road Fund now have to interact with 384 new authorizing officers (mayors, government delegates and chairpersons of regions) for a staff strength which has remained identical, thus running the risk of not only having an excessive work-load but also facing the issue of availability of adequate logistic equipment to carry out its missions. The Road Fund might encounter an increase in the number of errors during the processing of contracts performed and payment of estimates resulting therefrom. The Road Fund has embarked on a process geared towards revising its organic instruments in order to step up its staff strength to a level necessary for its smooth functioning;

- lastly, the Road Fund is a centralized body whose location is found in Yaounde, whereas part of its authorizing officers are found at regional, divisional and council levels. This poses the risk of inefficiency and deterioration of the service quality in dispatching contracts and estimates towards its services. In the medium term, the Road Fund intends to set up a platform enabling it to dematerialize procedures and establish increased proximity with users.



Maintenance works on urban paved roads

H- THE ROAD FUND AND ITS PARTNERS

The Road Fund, a major player in the road maintenance sector, works in close collaboration with all stakeholders involved in this sector, thereby taking into account its national, sub-regional and regional environment. These permanent exchanges facilitate information sharing necessary for decision-making and promoting best practices.



Potholes patching under the supervision of the administration

1- ARMFA (African Road Maintenance Funds Association)

At the international level, 2019 was marked by several activities carried out within the framework of the African Road Maintenance Funds Association (ARMFA). In its capacity as auditor, the Road Fund took part in the deliberations of the 17th General Meeting held from 10 to 16 March 2019 at Swakopmund in Namibia. This general meeting whose theme was “Sustainable Road Infrastructure: impact on regional integration and free trade in Africa” enabled us the Road Fund to take stock of the evolution of ARMFA's work.

The Road Fund also took part in preparatory works for the Executive Committee meeting of the African Road Maintenance Funds Association held on 7 and 8 November 2019 at Conakry in Guinea. Its purpose consisted in assessing the progress made with respect to the short-term

action plan assigned to the Executive Secretariat in March 2019.

During the General Meeting held from 18 to 22 November 2019, ARMFA took the resolve to strengthen its current partnerships and establish new ones in order to pool its efforts together in strengthening advocacy for the development of the African Road Maintenance Funds Association. As such, some protocol agreements with some institutions and associations were drafted with a view to officializing these partnerships. They include the following partnerships:

- Economic Commission for Africa / ARMFA;
- ReCAP / ARMFA;
- World Bank / ARMFA, notably on capacity building for its members.

2- Working visit of the Senegalese Autonomous Road Maintenance Fund to Cameroon

As a member of ARMFA, Cameroon received a delegation from the Senegalese Autonomous Road Maintenance Fund (FERA) from 19 to 23 August 2019. The delegation was out to acquaint itself with the resource mobilization mechanisms in force in Cameroon (legal and regulatory framework - process - stakeholders).

This delegation particularly focused on the following aspects (i) institutional organization of the Road Fund of Cameroon, (ii) various sources of revenue that foot the bills of the Road Fund, (iii) mode of collecting this revenue, and lastly (iv) strengths and weaknesses of the Road Fund. They intend to use these pieces of information to improve on FERA's managerial mode.

Several stakeholders involved in the resource mobilization and repayment process received the Senegalese delegation. They notably included the Minister of Finance represented by the Directorates General for Budget, Treasury and Taxation; the Ministry of Public Works represented by the Directorate General for Investment Works and lastly the Cameroon Petroleum Storage Company (SCDP).

At the end of their visit, a few lessons were learnt and could be capitalized upon by FERA

whose legal arsenal is being reviewed within the prospects of better incorporating issues pertaining to resource mobilization and financing road maintenance programmes. They included, amongst others, the monthly automatic debiting mechanism and the diversity of financing sources.

3- UATP (African Association of Public Transport)

The activities of the Road Fund at international level were also marked by its participation at the Executive Committee meeting of the African Association of Public Transport (UATP) held in Maputo, in Mozambique from 6 to 10 May 2019. The purpose of this event was to exchange ideas on best practices by authorities organizing transport in Africa as well as the challenges and keys to success for the Maputo metropolitan transport agency which was undergoing restructuring.



A crossing structure made in reinforced concrete on a rural road

I- COMMUNICATION

The Road Fund mobilized an array of tools and communication channels that enabled it to make its presence felt on the national media scene and before its key partners. As such, during 2019, several communication actions were implemented, notably: (i) dissemination of information on the area of road maintenance using the internet website www.fondsroutiercameroun.org, (ii) publishing and distributing the 2018 annual report as well as the Technical Guide for Stakeholders (in English and French), (iii) organizing a capa-

city building workshop for council executives in the West, East and North Regions, (iv) holding a support workshop on authorizing officers' programming. These various events enabled the Road Fund to strengthen its visibility and repute before road maintenance stakeholders, in particular, and public opinion, in general. Lastly, the staff showcased corporate ideals during festivities marking the celebration of the International Women's Day and International Labour Day.



2

PROGRAMME FINANCING



In accordance with the provisions of its organic instruments, the Road Fund's resources are distributed per eligible service provision type following the key defined in a decree signed by the Prime Minister and Head of Government in matters of road maintenance works. As for investment services notably road rehabilitation and upgrading operations, the Investment window ensures financing.

A- FINANCING OF ROAD MAINTENANCE PROGRAMMES(MAINTENANCE WINDOW)



Implementation of asphalt concrete pavement

The national road network is classified into the following four categories: (i) highways, (ii) national roads, (iii) regional roads, and (iv) council roads. It stretches to 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 council roads . Thanks to the publishing of the numbering and inventory of national and regional roads by Decree Nos. 2017/145 of 20 April 2017 and 2017/8389/PM of 5 September 2017, respectively, the inventory of former rural and now council roads in Cameroon is underway with the implementation of the technical assistance agreement signed between MINTP and NIS. The aim of this activity is to enable MINTP to possess a complete road map of each council, thereby including the roads and socio-economic infrastructures.

• 2019 Road Maintenance Programme.

The road maintenance programme is prepared by authorizing officers upon the notification by the Road Fund of budgets allocated to each service provision type in line with the provisions of Decree No. 2013/7696 of 27 August 2013, signed by the Prime Minister and Head of Government, amending the resources allocated to the Road Fund. These programmes are adopted by the Road Fund’s Management Committee during budget sessions and may undergo mid-term adjustments depending on the needs of each authorizing officer.

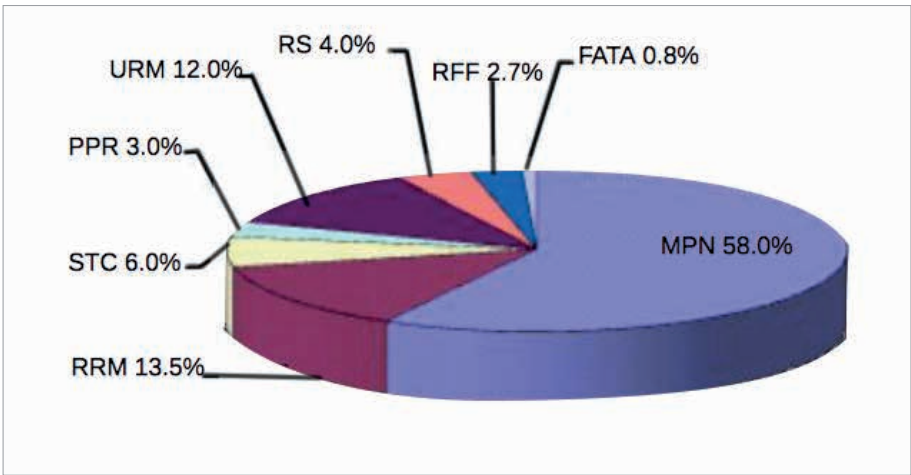
• Resource Allocation Key.

Table 1 below outlines the key to resource allocation per eligible service provision type to financing by the Road Fund’s maintenance window.

Table1: Eligible service provision and allocation key.

Service Provision Type	Abbreviation	New allocation Key
Maintenance works of classified inter-urban priority road network.	PNM	Mini 58%
Maintenance works of priority urban roads.	URM	Maxi 12%
Maintenance works and equipment of priority rural roads.	RRM	Maxi 13,5%
Road or geotechnical studies and works control.	STC	Maxi 6%
Road Safety.	RS	Maxi 4%
Routine maintenance of fixed and movable facilities required to protect public roads.	PPR	Maxi 3%
Road Fund's operating expenditure.	RFF	Maxi 2,7%
Financial, accounting and technical audit service provision	FATA	Maxi 0,8%

Chart 1: Resource Allocation Key.



Generally speaking, it has been observed that the distribution key is no longer strictly adhered to since the entry into force of the new road classification enshrined by Decree No. 2017/144 of 20 April 2017 on road classification as well as the taking into consideration of decentralization in the road maintenance sector by “main” authorizing officers, namely MINTP and MINHDU

Table 2: Resource distribution key applied during the 2019 Financial Year (in millions of CFA Francs)

	RRM (National and Re- gional roads)	PNM (Council Roads)	PRH	TSS	URM	RS	TOTAL	Rate (%)
MINTP	29 163		1 843	2 369			33 375	57%
MINHDU					5 597		5 597	10%
MINT						2 400	2 400	4%
CTD		14 600			2 120		16 720	29%
TOTAL							58 092	100%

Also, the maintenance of national and regional roads is allocated the bulk of road maintenance resources, that is, 50.20% of the Road Fund's entire budget whereas council roads, on their part, witnessed an increase, thus moving from 13.5% to 28.8% of the budget allocation for the 2019 Financial Year. This upward swing was already envisaged during the previous financial year, given the portion of the linear of about 82% representing the council road network as compared to the entire national road network. The regularization of this distribution key by a regulatory instrument remains awaited during the 2020 Financial Year.

• **Commitments of the Road Fund for the 2019 campaign**

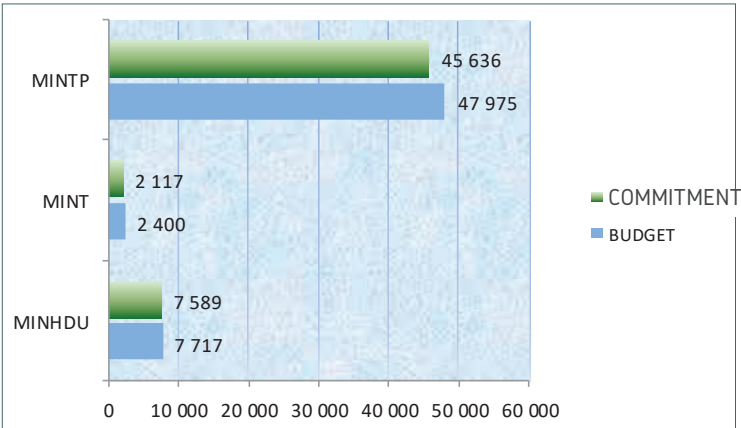
The Management Committee of the Road Fund approved authorizing officers' programmes for the 2019 Financial Year on 23 and 24 December 2018 on the basis of a budget capped at CFA Francs 60 billion tax inclusive to be collected on account of the Road User Charge (RUC) and other resources.

Projects committed by authorizing officers as at 31 December 2019 and visaed by the Road Fund for the current year, including previous resources carried forward to this financial year can be subsumed in the table below:

Table 3: Summary of commitments under the 2019 programme per authorizing officer (in millions of CFA Francs)

	Budget	Commitment	Balance	Commitment rate (%)
MINHDU	7 717	7 589	128	98,34%
MINT	2 400	2 117	283	88,21%
MINTP	47 975	45 636	2 339	95,13%
TOTAL	58 092	55 342	2 750	95,27%

Chart 2: Comparative diagram on budget-commitments per authorizing officer



Recall of the summary of commitments under the 2018 programme per authorizing officer.

Table 4: Summary of commitments under the 2018 programme per authorizing officer (in millions of CFA Francs)

	Budget	Commitment	Balance	Commitment Rate
MINHDU	12 974	12 974	0	100,00%
MINT	2 400	2 085	315	86,90%
MINTP	42 767	40 519	2 248	94,70%
TOTAL	58 141	55 577	2 563	95,60%

Since the 2017 Financial Year, the overall contract commitment rate remained significant on the whole, 87% in 2017, 96% in 2018 and 95% in 2019, thereby representing an average of 93% for the three financial years. This performance results from permanent consultation existing between the Road Fund and Implementation Follow-up Committee of Authorizing Officers' Programmes (CSEPO), as well as the organization of capacity building sessions for mayors on the Road Fund's procedures. Moreover, this vitality is also credited to a better mastery of the contract award process by the main stakeholders of the road maintenance operation chain.

The above analysis per authorizing officer enables to unveil actions carried out and performances recorded.

Concerning MINHDU, a slight decrease of its commitment rate was observed. As such, the rate dropped from 100% in 2018 to 98% in 2019. This decline of two points can be explained by the budgetary savings made on some lots during contract award. It is also worth pointing out

that MINHDU transferred to RLAs as part of the dedicated process underway, an amount of CFA Francs 2.12 billion, thereby representing a rate of 28% on the overall budget.

As for MINT, the commitment rate increased by one (1) point, thereby representing a slight increase amounting to 88% in 2019 as against 87% for the previous financial year.

As for MINTP, it recorded a commitment rate of 95%. This performance remained steady as compared to the previous financial year. Special emphasis was laid on council road maintenance with an enhancement of the budgetary envelope to CFA Francs 14.60 billion, that is 30% of the budget allocated to MINTP as against CFA Francs 8 billion for the 2018 Financial Year. It is worth specifying that the effectiveness of council project management enabled council road contracts to be committed to the tune of CFA Francs 14.57 billion, thereby representing a commitment rate of 99.79% out of the CFA Francs 14.60 billion allocated for council road maintenance.

• **Presentation of commitments in number of contracts.**

The table below summarizes the level of commitments depending on the number of contracts registered for the 2019 Financial Year.

Table 5: Distribution of contracts per authorizing officer as at 31 December 2019.

Authorizing Officer	Number of contracts in 2018	Number of contracts in 2019	Rate in %	Amount of 2019 contracts (in millions CFA Francs)
MINHDU	87	57	14,3	7 589
MINT	32	19	4,8	2 117
MINTP	59	324	81,0	45 636
Total	178	400	100	55 342

Four hundred (400) contracts were registered on account of commitments effected for the 2019 Financial Year. This number increased by 222 contracts with the involvement of council project management which is becoming, as envisaged, a glaring reality in the implementation of road maintenance programmes.

1- 2019 Resource mobilization.

Law No. 2018/022 of 11 December 2018 on the Finance Law of the Republic of Cameroon for the 2019 Financial Year included all the Road Fund's resources (RUC, weighing station fines, toll fees, and axle tax) in a ceiling of CFA Francs sixty billion. This situation remained unchanged as compared to the previous financial year despite the permanent advocacy made to authorities for a second generation road fund which intends to be a financially autonomous entity.

Cash mobilization to pay for contracted works hit the mark of 100%. This performance stems from the continuation of the monthly automatic debiting mechanism amounting to CFA Francs five billion from the single account at the Trea-

sury to the Road Fund's special account opened at the Central Bank for CFA Francs sixty billion expected in 2019.

However, the difficulty pertaining to distinctly recording the Road Fund's resources (RUC, toll fee, weighing station fines and axle tax proceeds) by services of the Treasury Central Pay Office remains a cause for concern with the obsolescence of Instruction No.00073/MINFI/SG/DGTFCM/DT of 6 June 2011 relating to the recording of the Road Fund's revenue and expenditure - Maintenance window.

The respect of the automatic debiting mechanism led to an increase in the repayment rate into the BEAC account of 15% as compared to the 2018 Financial Year.

Table 6: Comparative situation of funds repaid in 2018 and 2019 into the BEAC account (in millions of CFA Francs)

Month	2018 Financial Year	2019 Financial Year	Variation	Variation%
January	5 000	5 000	0	15%
February	3 000	5 000	2 000	
March	3 000	5 000	2 000	
April	10 000	5 000	-5 000	
May	/	5 000	5 000	
June	/	5 000	5 000	
July	5 000	5 000	0	
August	10 000	5 000	-5 000	
September	/	5 000	5 000	
October	5 000	5 000	0	
November	5 000	5 000	0	
December	5 000	5 000	0	
TOTAL	51.000	60.000	9 000	

2- Payment operations.

The deadline for processing estimates submitted for payment by the Road Fund is the main factor in appraising its performance.

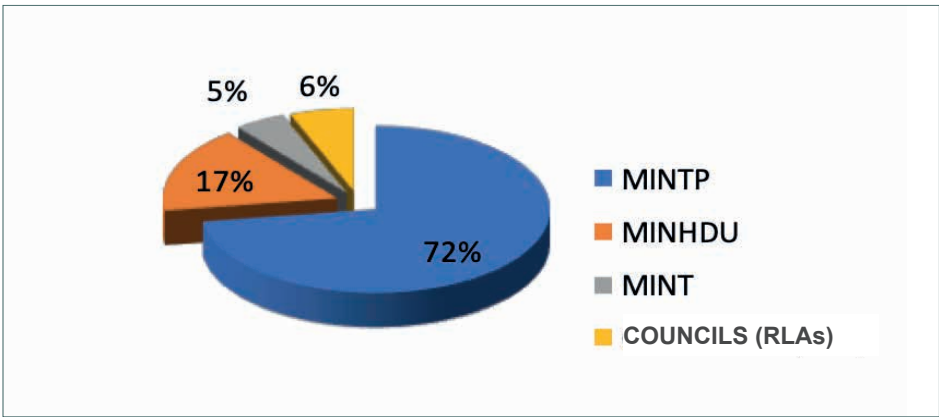
• Payment trends between 2018 and 2019.

A progress of 15.29% is recorded between the 2018 and 2019 Financial Years for payments made for authorizing officers.

Table 7: Comparative trends in payments per authorizing officer between 2018 and 2019 (in millions of CFA Francs).

Ordonnateurs	2018 Payments	2019 Payments	2019 Percen- tage	Variation (c=b-a)	Progress in %
	(a)	(b)			(d=c/a)
MINTP (including SEP)	37 181	42 363	72,64	5 182	13,94
MINHDU	10 743	9 707	16,64	-1 036	-9,64
MINT	1 481	2 762	4,74	1 281	86,50
COUNCILS (RLAs)	-	3 491	5,99	3 491	-
TOTAL	49 405	58 323	100	8 918	15,29

Chart 3: Distribution of payments per authorizing officer



After 2018 which seemed to be a year of recovery with an overall payment amount of CFA Francs 49 billion, 2019 confirmed this new era which consolidated the Road Fund in its duty as paying body. This situation stems from the effectiveness of the monthly automatic supply mechanism of the Road Fund in cash. Beyond this positive trend, the volume of pending estimates as at 31 December 2019, to the tune of CFA Francs 15 billion, remains significant and should be cleared off during the 2020 Financial Year.

The improvement of the cash situation of the Road Fund (CFA Francs 5 billion per month) and subsequent payments to the establishment enabled road maintenance activity to increase. This momentum found expression in a more significant request for payments, that is; CFA Francs 73 billion in 2019 as compared to the CFA Francs 71.9 billion observed in 2018. It is in this light that the satisfaction rate of payment requests increased by 10.75 points between 2018 and 2019.

Coverage of payment requests by repaid resources

Heading	2018 Reminder (in billions)	2019 (in billions)	Trends (in %)
Payment requests	71.9	73	1.53%
Payments effected	49.4	58	17.40%
Payment satisfaction ratio (Payments effected / payment requests)	68.7%	79.45%	10.75 points

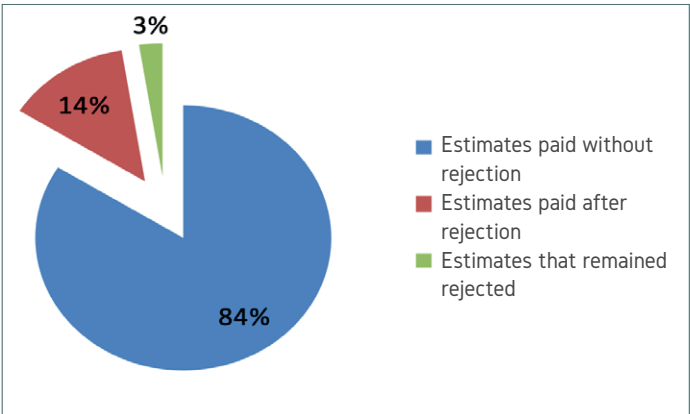
3- Statistics on the volumes of estimates processed

This part deals with the Road Fund’s level of activity in terms of processing estimates received for payment and the table below summarizes the level of activity concerning estimates.

Table 8: Statistics on the number of estimates processed as at 31 December 2019

Year	Number of estimates received	Average number of estimates processed per day	Number of estimates paid without rejection	Number of estimates paid after rejection	Estimates that remained rejected	Rejection rate
2018	958	4	682	241	35	29%
2019	908	4	762	123	23	16%

Chart 4: Structure of estimates processed in percentage



During the 2019 Financial Year, the Road Fund received 908 estimates. This number slightly reduced as compared to the 958 estimates received in 2018. The rejection rate of estimates during processing decreased from 29% to 16%, that is; a 13 point reduction. This downswing in the rejection rate is notably the result of better ownership of Road Fund procedures by new stakeholders (new enterprises, RLAs, etc.). As such, the Road Fund should continue the popularization of the “Technical Guide for Stakeholders”, in a bid to consolidating this achievement.

4 - Situation of penalties

Penalties provided for in Article 168 of the Public Contracts Code are aimed at repairing the damage which the contractor is likely to cause to the project owner by the non-observance of contractual execution timeframes or any other technical or security provision contained in the contract. However, the cumulated amount of penalties is set at ten percent (10%) of the basic contract amount inclusive of all taxes, its amendments, if need be, under penalty of termination.

Pursuant to the provisions of the above-men-

tioned Article of the Public Contracts Code, the Road Fund withholds and pays back into the Special Appropriation Account (SAA) with respect to public contracts, the proceeds from all types of penalties established during contract implementation in which it is contractually designated as paying body. This account is managed by the Public Contracts Regulatory Agency (PCRA). On account of the 2019 Financial Year, the situation of penalties withheld and remitted in a whole as well as those paid back to PCRA by the Road Fund is outlined as follows:

Table 9: Table of penalties in 2019 (in millions of CFA Francs).

Authorizing Officer	Penalties and remitted penalties in 2019			
	Penalties	Remissions	Balance	%
MINTP	101,83	12,87	88,97	61,71
MINHDU	70,45	17,58	52,87	36,67
MINT	2,34	0,00	2,34	1,62
Total	174,63	30,45	144,18	100

The amount of penalties repaid stood at CFA Francs **174.63** million as at 31 December 2019 as against CFA Francs **90.17** million over the same period in 2018, thereby showing an increase of CFA Francs **84.46** million in absolute terms and **48.37%** in relative value. This signi-

ficant upswing registered as compared to 2018 can be explained by contract implementation difficulties encountered by some service providers as a result of the Road Fund’s cash-flow problems.

4- Situation of guarantees by signature

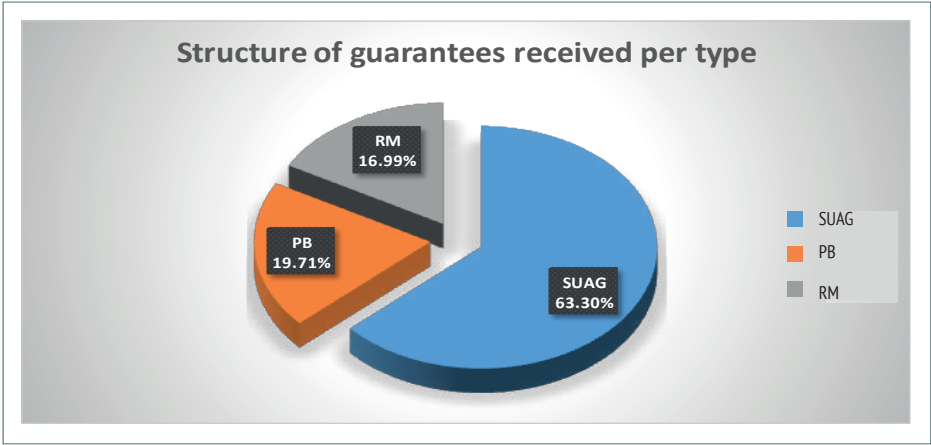
There are several types of guarantees, namely the Start-Up Advance Guarantee (SUAG), Performance Bond (PB) and Retention Money (RM). For the 2019 Financial Year, guarantees received and refunded can be analyzed as follows:

• **Guarantees received in 2019.**
During the 2019 Financial Year under review, the Road Fund received guarantees to the tune of CFA Francs 13.558 billion as against CFA Francs 38.177 billion in 2018, thereby representing a decrease of CFA Francs 24.619 billion in absolute value and 64.486% in relative terms.

Table 10: Situation of guarantees received

Type of guarantee	2019 Financial Year		%
	Number	Value (in millions CFA Francs)	
SUAG	82	8 537	63,30
PB	177	2 658	19,71
RM	82	2 291	16,99
Total	341	13 486	100

Chart 5: Structure of guarantees received per type



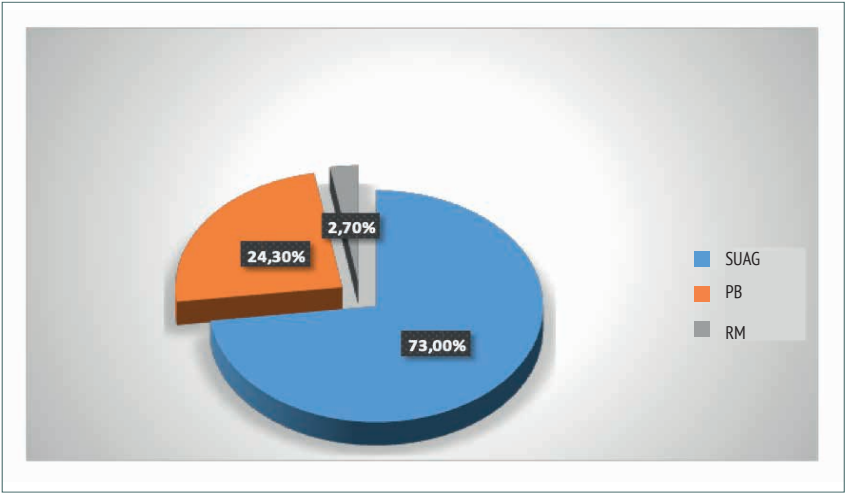
• **Guarantees refunded**

Refunded guarantees on their part stood at CFA Francs 2.708 billion as at 31 December 2019 as against CFA Francs 4.502 billion over the same period in 2018, thereby representing a decrease of CFA Francs 1.794 billion in absolute terms and 39.85% in relative value.

Tableau 11: Situation of guarantees refunded

Type of guarantee	Refunds For The 2019 Financial Year		%
	Number	Value (in millions CFA francs)	
CADD	13	1 977	73,00
CBE	43	658	24,30
CRDG	05	73	2,70
Total	61	2 707	100

Figure 6: Structure of guarantees refunded per type



B- ROAD INVESTMENT PROGRAMME FINANCING (INVESTMENT WINDOW)



Implementation of a base layer on a paved road

1- Resources of the “Investment” window programme

In accordance with its organic instruments, the Road Fund fulfills its missions of financing the road network rehabilitation and upgrading through a distinct window from the “Maintenance” window referred to as the “Investment” window.

As the years roll by, resources included under this window dwindled. For the 2019 Financial Year, they were scored zero. Yet, the Road Fund during the 2019 Financial Year received disbursement decisions issued by MINTP to the overall tune of CFA Francs 10 130 514 638 meant for the payment of estimates of projects hosted by

the Investment Window. As at now, no resource has been transferred into the Road Fund’s account opened in the books of the Public Treasury under number 00420002701 “Road Fund State Investment Window”. This situation has led to liquidity crisis in this window as a result of the existence of specialized treasury offices at the level of authorizing officers. This raises the issue of the viability of this window.

The table below outlines the trends in the annual resources transferred to the investment window over the past five years.

Table 12: Situation of annual resources transferred to the investment window (in millions of CFA Francs)

Programme (in millions of CFA Francs)	Resources received by the Road Fund per financial year					
	2015	2016	2017	2018	2019	Total
Road C2D	-	-	-	-	-	-
C2D Urban	-	-	-	-	-	-
PIB Resources	40 924	22 968	532	485	-	64 909
Transfer from the Maintenance Window	-	-	-	-	-	-
Special Emergency Programme	20 396	3 052	878	653	-	24 979
Total	61 320	26 020	1 410	1 138	0	89 888

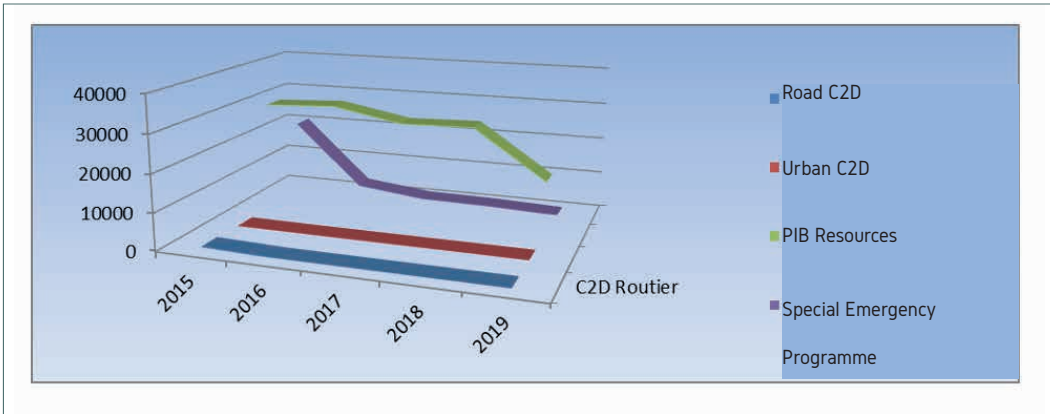
2- Payments of the “Investment” window programme

Payments represent the total sum of transfer orders issued by the Road Fund towards the Public Treasury for the settlement of services rendered by successful bidders of contracts domiciled at the “Investment” window. Over the past five years, payments varied as follows:

Table 13: Distribution of payments made by the Investment Window over the past five years (in millions of CFA francs)

Programmes	Resources received by the Road Fund per financial year					
	2015	2016	2017	2018	2019	Total
Road C2D	546	18	-	-	-	564
Urban C2D	86	-	-	-	-	86
PIB Resources	29 789	30 663	27 163	27 661	14 701	129 977
Special Emergency Programme	20 396	3 052	878	653	-	24 979
Total	50 817	33 733	28 041	28 314	14 701	155 606

Chart 7: Distribution of payments made by the Road Fund per financial year



Payments from the Investment Window have decreased over the past five years. Form CFA Francs 50.8 billion in 2015, they now represent only CFA Francs 14.7 billion in 2019. This sharp decline can be explained by the fact that some payments are directly made by specialized treasury offices placed at the level of authorizing officers.

3- Estimates pending at the Road Fund due to cash insufficiency as at 31 December 2019

As at 31 December 2019, estimates pending at the Road Fund due to inadequacy of resources stood at CFA Francs 4.440 billion including CFA Francs 2.949 billion for MINTP and CFA Francs 1.491 billion for MINHDU. They have varied over the past two years as follows:

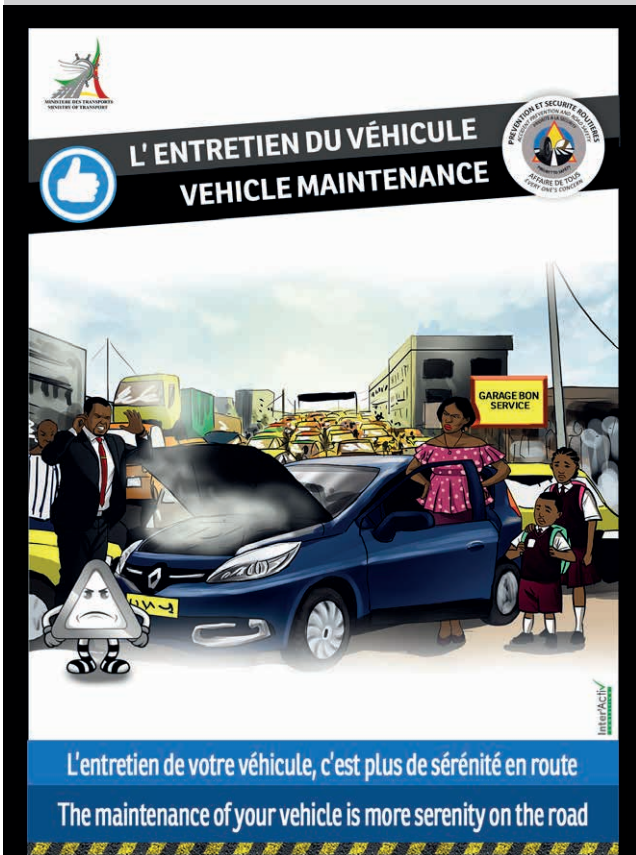
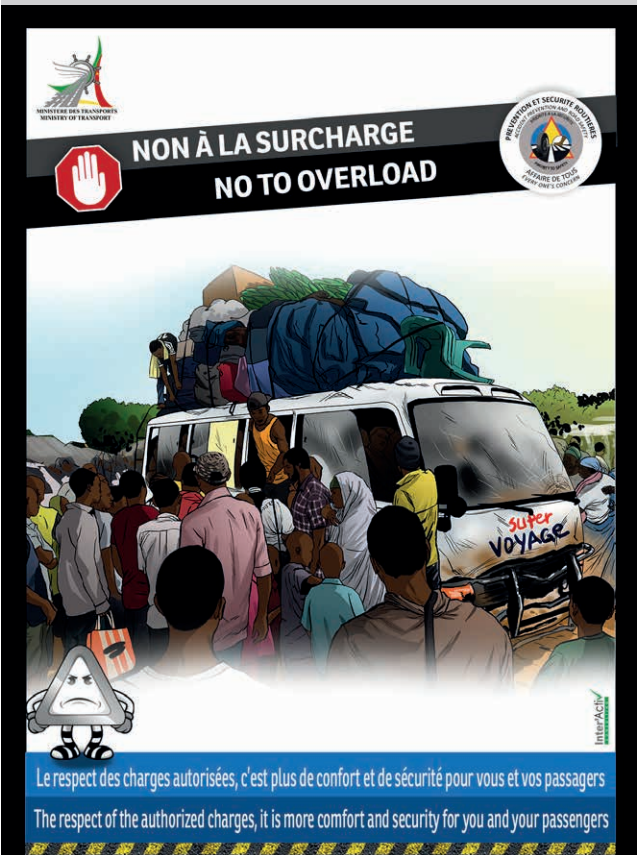
Estimates pending due to cash insufficiency	2018	2019	Variation
MINTP	3 343	2 949	(394)
MINHDU	5 323	1 491	(3 832)
Total	8 666	4 440	(4 226)

The lack of resources led to a 50% drop in estimates awaiting payments, thereby moving from CFA Francs 8.666 billion on 31 December 2018 to CFA Francs 4.440 billion as at 31 December 2019. This downswing variation can be mainly justified by the transfer in return of some estimates of the Yaounde-Nsimalen highway construction project (studies and works) of MINHDU forwarded to the Road Fund for payment. To make these payments, MINHDU submitted them to the Public Treasury for payment on the basis of resources stemming from its Public Investment Budget (PIB).

MINTP, on its part, opted to proceed with direct payments via its specialized treasury office through the change of paying body using

the channel of amendments. As such, estimates pending due to lack of MINTP resources and retained by the Road Fund have decreased from CFA Francs 3.343 billion to as 31 December 2018 to CFA Francs 2.949 billion as at 31 December 2019, thereby representing a negative variation of CFA Francs 394 million.

To conclude this analysis on estimates pending payment and retained by the Road Fund's Investment Window, it is necessary to point out that the change of the paying body of estimates linked to projects of the Road Fund is most often effected unilaterally by authorizing officers (MINTP and MINHDU). Such a situation is not without risk, most especially as concerns the probability of dual payment of the estimates in question.



C- FUNCTIONING OF THE ROAD FUND AND AUDIT SERVICES

1- Recurrent resources as at 31 December 2019.

Having come to the last year of implementation of the Three-Year (2017-2019) Strategic Plan, the Management Committee of the Road Fund adopted the recurrent, investment and audit budget for the current financial year through Resolution No. 16/FR/ADM/PCG/CG/18 of 27 December 2018 balanced in revenue and expenditure at CFA Francs 2.2 billion.

The said budget can be outlined as follows (in millions of CFA Francs):

Heading	Recurrent expenditure	Investment expenditure	Total
Functioning of RF	1 620	328,89	1 948,89
Audits	320,2	9,8	330
Construction project	-	-	-
Total	1 940,2	338,69	2 278,89

Also, the share of the “Maintenance” window, in financing the Road Fund’s recurrent and audit budget, stood at 85% for the 2019 Financial Year while that of the “Investment” window represents the remaining amount totaling CFA Francs 2.2 billion. Contrary to the 2018 Financial Year, no provision was made to finance the construction project of the Road Fund’s head office on account of the 2019 Financial Year.

2- Implementation of recurrent and investment budget as at 31 December 2019.

The Road Fund’s recurrent and investment budget is outlined as follows as at 31 December 2019 (in millions of CFA Francs):

Programme	Objective	2019 Budget	2019 Implementation	Implementation Rate
P1	Mobilizing all resources dedicated to financing programmes hosted by the “Maintenance” and “Investment” windows	26	23	88
P2	Contributing to the improvement of the consumption level of dedicated resources and guaranteeing the effectiveness and quality of interventions on the road network	124	102	82
P3	Stepping up the contribution of governance in promoting performance.	827	684	83
P4 « Support »	Routine functioning.	972	753	77
Total		1 949	1 562	80

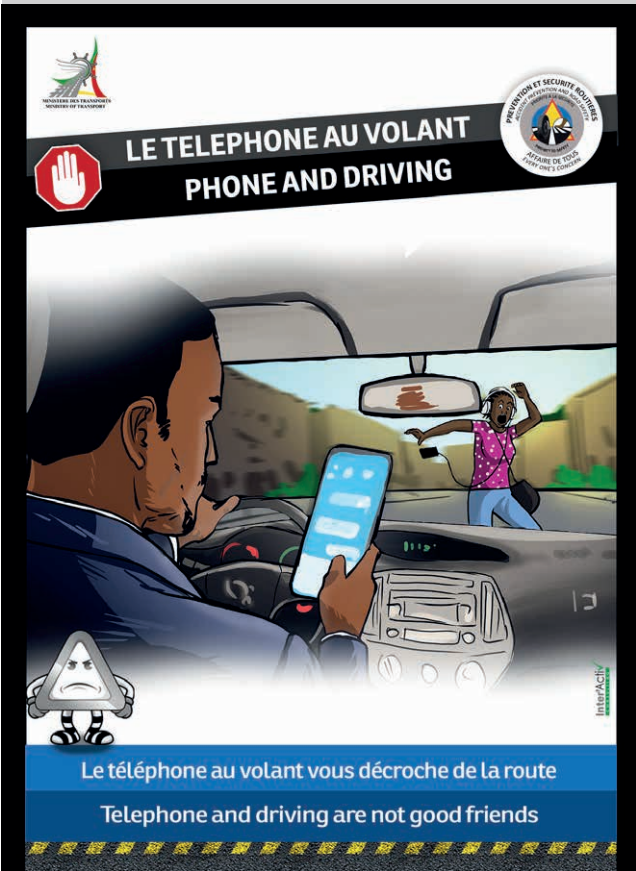
It emerges from the table above that the implementation rate of the Road Fund’s recurrent and investment budget stood at 80% in 2019 as against 70% in 2018, thus representing an increase of 10%. This increase was essentially borne by the implementation rate of programme No. 3 “Stepping up the contribution of governance in promoting performance” which rose from 61% in 2018 to 83% in 2019.

3- Implementation of the budget for audit services as at 31 December 2019.

On its part, the budget for audit services for the 2019 Financial Year evolved as follows (in millions of CFA Francs):

Heading	2019 Budget	Implementation	Percentage
Réalisation des audits techniques GI (publication)	3	-	-
Total guichet Investissement	3	-	-
Réalisation des audits techniques GE	151	116	77
Total guichet Entretien	151	116	77
Audits comptables et financiers (GE & GI)	31	-	-
Audit du processus de décaissement	42	1	2
Audits techniques et institutionnels	103	1	1
Total général	330	118	36

The implementation rate of the 2019 budget for audit services remained stable as at 31 December 2019. It stood at 36% in 2019 as against 34.85% in 2018. This status quo can be justified not only by unimplemented accounting and financial audits but also the audit for the disbursement process as well as institutional and technical audit which represent 53% of the budget for audit services.



D- TRENDS OF MAIN ROAD MAINTENANCE FINANCING ACTIVITY INDICATORS (MAINTENANCE WINDOW).

A good appraisal of the Road Fund’s activity requires an analysis of the comparative trends of some performance indicators over the past five (5) years. They notably concern (i) mobilizing resources, (ii) issuing visas on contracts resulting from authorizing officers’ annual programming and (iii) paying estimates.

1- Trends in depositing resources in the Road Fund’s account opened at the Treasury Central Pay Office.

Legally speaking, the resource base governed by the decree on the organization and functioning of the Road Fund consists of (i) Road User Charge (RUC), (ii) toll fees, (iii) weighing station fines and (iv) axle tax proceeds. With the growing road maintenance needs, public authorities have gradually raised the ceiling of its main resource which is RUC as it hit the mark of CFA Francs 60 billion until 2017. Yet, since the 2017 Financial Year, this resource is no longer deposited in compliance with Instruction No.00073/MINFI/

SG/DGTCFM/DT of 6 June 2011. On analysis, Account 42001855 of the Road Fund opened at the Treasury Central Pay Office tends to close down.

Until 2017, the Finance Law distinguished each of the resources transferred to the Road Fund. Yet, since the Finance Law of the 2018 Financial Year, RUC has been dissolved in favour of a consolidated resource. As such, it becomes impossible to henceforth appraise the mobilization level of each of the resources.

Table 14 below outlines trends in mobilized and deposited RUC over the past five (5) years.

Order N°	Financial Year	RUC	Mobilised RUC (b)	Deposited at Treasury Central Pay Office (c)	gap (b – c)	(%) Deposited
		Budget (a)				
1	2015	55 000	55 000	55 000	0	100
2	2016	60 000	60 000	60 000	0	100
3	2017	60 000	60 000	0	-60 000	0
4	2018	NA	NA	0	NA	0
5	2019	NA	NA	0	NA	0
Cumulative Amount		175 000	175 000	115 000	-60 000	65.7

Legal debtors (SONARA and SCDP) in terms of Special Tax on Petroleum Products (STPP) have integrally paid back the revenue stemming from this royalty to the Public Treasury within the process of mobilizing the Road Fund’s resources without the mobilization movement being included in the Road Fund’s statement of account opened at the Treasury Central Pay Office. This situation does not enable the Road Fund to have financial information on the share of mobilized resource during the period under review. The same holds true for other resources.

2- Comparative trends of commitment coverage by resources received in the Road Fund’s account opened at the Treasury Central Pay Office.

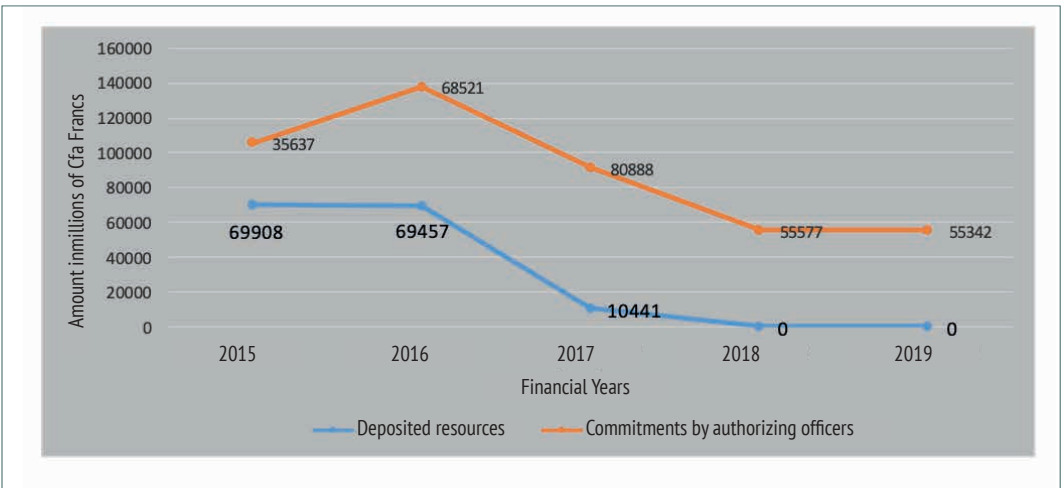
It is worth mentioning that there is a risk of not considering previous commitments taken by the Road Fund vis-à-vis third parties. Though is remains true that the automatic debiting mechanism has improved on effective liquidity at BEAC, it should be underscored that it still raises the fundamental issue of budget balance as a result

of commitments made without financial backing (corresponding resources) being factored into our account. Tabled 15 below outlines a deficit of 40.39% from commitments of authorizing officers whose resource was not deposited for backing programmes already committed.

Table 15: Comparative situation of resources – commitments as at 31 December 2019 (in millions of CFA Francs).

Financial Year	Resources received at the Treasury Central Pay Office	Commitments of Authorizing Officers	Rate of Commitment/ Received Resources (%)
2015	69 908	35 637	55
2016	69 457	68 521	98,6
2017	10 441	80 888	12,90
2018	0	55 577	NA
2019	0	55 342	NA
Total	149 806	295 965	50,61

Chart 8: Comparative situation (resources – commitments).



3- Comparative trends of the coverage of payments with received resources

The liquidity of the Road Fund is appraised by its capacity to cover on time all payment requests submitted to its Maintenance window. It therefore presents itself as a key factor in its performance concerning its missions to pay for contracted road maintenance services. Apart

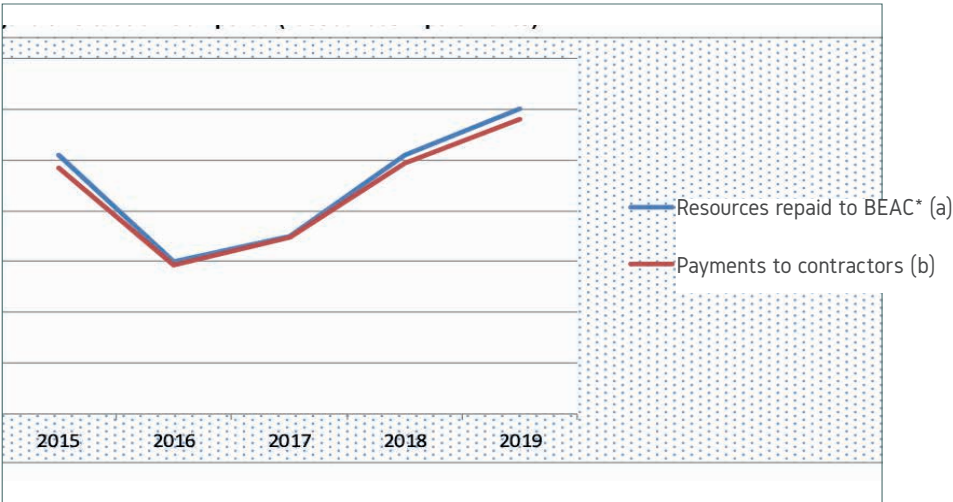
from the payment of estimates, the Road Fund makes payments pertaining to technical, accounting and financial audits as well as recurrent expenditure. The table and chart below unravel the use of cash placed at the Road Fund's disposal over the past five (5) years.

Table 16: Comparative situation of resources collected and payments made to contractors as at 31 December 2019 (in millions of CFA Francs).

Financial Year	Resources repaid to BEAC* (a)	Payments to companies (b)	Gap (a-b)	Rate of payment of repaid resources (c/b)
2016	30,000	29,383	617	98%
2017	35,000	34,868	132	100%
2018	51,000	49,405	1,595	97%
2019	60,000	58,000	2,000	97%
Total	227,000	220,156	6,844	97%


However, it is worth mentioning that the Road Fund witnessed difficulties to efficiently meet payment requests from service providers resulting from previous and current campaigns. This situation culminated into pending payments to the tune of CFA Francs 14 billion on average over the past five (5) years.

Chart 9: Comparative situation (resources – payments).



3

CHALLENGES AND PROSPECTS OF THE ROAD FUND



In 2019, the Road Fund enjoyed the best of situations in terms of cash-flow. This improvement can be explained by the continuous smooth implementation of Amendment No. 1 of the agreement governing the operation of the Road Fund's special account domiciled at the Central Bank. This Amendment enabled the Road Fund to receive CFA Francs 60 billion (that is CFA Francs 5 billion per month), thereby contributing to slightly reduce the cash stress observed several years ago.

Yet, many difficulties persist in the road maintenance sector and constitute challenges which the Road Fund is confronted with. Among these challenges feature, amongst others, the following: (i) works under the supervision of the administration, (ii) council project management, (iii) performance of local SMEs of the PBW sector and (iv) optimum resource consumption.

At the level of resources, road maintenance financing needs stood at CFA Francs 120 billion while the Road Fund's resources remained capped at CFA Francs 60 billion; thus, an increase in these resources remains a major cause for concern and could be done concomitantly through the following: (i) automating tollgates, (ii) removing ceilings on resources, (iii) clearly distinguishing each resource and (iv) searching for new resources.

The Road Fund also continues its advocacy actions so that increased financial autonomy should be guaranteed to it through the transition to a second generation fund.

A- CHALLENGES

1- Works under the supervision of the administration

Works under the supervision of the administration was not implemented in 2019 because it was not possible for the Institution to make funds available for the various categories of works. This situation can be explained by the signing on 13 August 2018 of Amendment No.1 to the Agreement governing the functioning of the Road Fund's special account between the Minister of Finance and the National Director of BEAC. In fact, the Amendment in question does not make provisions for disbursement of funds meant for works under the supervision of the administration.

To remedy the above-mentioned situation, the

same parties signed Amendment No. 2 to the Agreement governing the Road Fund's transit account. This Amendment enshrines the disbursement to regional pay offices by the Road Fund of resources necessary for works under the supervision of the administration and recurrent expenditure for the benefit of managers. Having overcome this hurdle, it is now left to clearly define the disbursement modalities so that in 2020 the said works should be carried out hitch-free.

Consequently, during the period under review, no cash was put at Road Fund's disposal for works under MINTP direct labour. The total amount therefore remained stagnant at CFA Francs 1 119 107 536 between 2016 and 2019 for carrying out works by direct labour in accordance with the table below:

Table 17: Disbursement of funds for works under MINTP direct labour between 2016 and 2019.

DISBURSEMENT	PERiod				TOTAL
	2016	2017	2018	2019	
	657 325 124	255 000 000	206 782 412	0	1 119 107 536

- Council project management

The operationalization of council project management witnessed rather mixed results in 2019. As for positive points, the following can be retained:

- better mastery of procedures by council executives thanks to their continuous capacity building by the Road Fund's services;
- better monitoring of work implementation on council roads, thereby resulting in a significant increase of the volume of estimates forwarded to the Road Fund's services for processing as compared to the 2018 Financial Year.

As for areas to be improved upon, it is worth mentioning mainly the following:

- the role of authorizing officers of RLAs which is still not fully exercised by the latter. In fact, authorizing officers of government (MINHDU and MINTP) continued to perform a great part of the prerogatives of RLAs;
- the relatively meagre resources allocated to council road maintenance: CFA Francs 15 billion out of CFA Francs 60 billion, thereby representing 25% while council roads account for more than 80% of the road network to be maintained. Moreover, the overall road maintenance resources

have remained static despite the constant increase of the network to be maintained;

- the inter-council cooperation process did not witness significant progress.

- Performance of local SMEs

One of the factors, and not the least of them, in the delay or poor execution of maintenance and rehabilitation works is the weak technical and financial capacity of several local SMEs of the PBW sector.

The categorization process, which consists in awarding contracts to companies depending on their capacities, has witnessed some implementation delay. This delay is a serious impediment to the overall performance of the road maintenance system.

The Road Fund's advocacy campaign for resolving this issue is aligned with the following:

- speeding up the categorization process in 2020;
- providing State support for the advent of "national champion" through the professionalization of PBW companies.

- Optimal resource consumption

The resource consumption rate is an indicator to be rigorously monitored. In fact, there is a real risk of poor execution of works on the field while cash remains stable or increases. Such a situation will lead to the following problems:

- a serious threat to the principle of annuality of road maintenance projects which will spread over several years and amplify the unsustainability of the Road Fund's commitments. For, these projects will affect the cash-flow situation for the subsequent years;
- estimates paid by the Road Fund will not enable to consume all available cash and the Road

Fund will find itself (as was the case in 2011) back in an excess liquidity situation.

Thus, several links in the road maintenance chain should be neatly interwoven to enable an optimal consumption of resources dedicated to this sector. They entail, amongst others:

- programming through the selection of mature projects;
- awarding contract by way of anticipation and (ii) awarding contract to companies depending on their real technical and financial capacities;
- executing via an efficient project monitoring;
- effecting on sight payment of estimates.



Building of drainage structures in local materials.

B- PROSPECTS

1- IMPROVING ROAD REVENUE COLLECTION

• Automation of toll gates

The automation project of fourteen (14) toll gates is an important prospect for the State of Cameroon. It entails rendering these tollgates increasingly profitable for the State out of the forty-five (45) which represent 75% of overall revenue stemming from tollgate proceeds. The outcome of this government resolve will lead, amongst others, to:

- improved service quality at toll gates;
- optimized road toll revenue (loss reduction);
- increased resources for the Road Fund.

In 2019, in a press release dated 24 April, the Prime Minister selected the grouping dubbed 'Razel-Bec-Egis Projects S.A.' as the successful bidder of the "partnership contract for designing, financing, constructing, equipping, operating and ensuring maintenance of fourteen (14) automated toll gates on some tarred roads of the Cameroon road network".

The contract being already a reality, the automation of the shortlisted tollgates will be materialized in the near future.

• Removing ceilings on resources

The 2019 Finance Law maintained as was previously the case the ceiling of all resources to CFA Francs 60 billion. This ceiling leads to two (2) major difficulties for the Road Fund, notably:

- traceability of resources: it is difficult to know what is the share of each resource in the overall budget;
- limitation of the Road Fund's resources to ceiling largely less than the real annual needs in terms of road maintenance which stands at CFA Francs 120 billion per year according to a study conducted by MINTP.

To efficiently meet the needs of road users, public authorities would have to devote more efforts in order to match real road maintenance needs with resources allocated thereto. The removing of ceilings on the Road Fund's resources will strongly contribute to achieving this objective.

• Distinguishing resources

Reverting to distinguishing resources (RUC, toll fees, weighing station proceeds and axle tax) as evidenced before 2018, will make it possible to possess specific analytical information on the share of each resource in road maintenance. This new order led to the reduction of resources meant for road maintenance. In fact, before this situation, RUC alone was capped at CFA Francs 60 billion. Other resources were added to this amount. This drop comes in while road maintenance needs are on the increase.

To date, the Road Fund's resources are likened to an allocation; a situation which is not commensurate with real road use.

The Road Fund will continue its advocacy actions so that a clear distinction between its various resources should be taken into account in subsequent finance laws. As such, more means will be dedicated to road maintenance.

• Search for additional resources

In a bid to increasing resources dedicated to road maintenance, several avenues can be explored. We can mention the following, amongst others:

- deducting a percentage on driving licences;
- deducting a percentage on car registration documents;
- deducting a percentage on lubricants;
- carrying out fundraising and borrowing;
- etc.

In fact, resources cannot remain static or even reduce while needs are constantly growing as a result of (i) serious deterioration of major stretches of the road network and (ii) regular increase of the network to be maintained. These factors are perfectly correlated with population growth and economic activity.

• Second generation road fund

Given the drop in performance of road maintenance which can be explained notably by cash stress and non-respect of the calendar of annual road maintenance implementation programmes, the Road Fund and its partners have for some years now embarked on an indepth reflection on

the transition to a second generation road fund. In fact, this transition requires an adjustment in order to meet the exigencies of a second generation road fund, notably:

- a solid legal dispensation, administrative autonomy as well as specific rules and regulations;
- a financing body and not an institution providing road maintenance services;
- a stringent control function, notably a pu-

blic-public board of directors;

- revenues incremental to the budget allocation and stemming from usual royalties directly paid into the Road Fund’s bank account;
- sound financial management systems backed by a less cumbersome and efficient institution;
- independent and regular financial and technical audits

Criteria for a second generation Road Fund	Level of ownership in Cameroon	Solutions
1. A solid legal dispensation, administrative autonomy and clear rules and regulations.	Satisfactory: There exist a law setting up the Road Fund and a decree organizing its functioning and ensuring its financial autonomy.	
2. A financing body and not an institution providing road maintenance services.	Effective: Service provision linked to road maintenance is carried out by companies.	
3. A stringent control function, notably a public-private board of directors.	Satisfactory: The Management Committee is made up of members of the public sector, private sector and Regional and Local Authorities (RLAs).	
4. Revenues incremental to budgetary allocations and stemming from usual royalties directly paid into the Road Fund’s bank account.	Not effective: Funds still transit through the Public Treasury before being repaid into the Road Fund’s account opened at the Central Bank.	Giving the Road Fund the treasury privilege in resource collection and repayment.
5. Sound financial management systems backed by a less cumbersome and efficient administrative institution.	Not effective: Funds still transit through the Public Treasury before being repaid into the Road Fund’s account opened at the Central Bank.	
6. Independent and regular financial and technical audits.	Very good: The Road Fund carries out annual technical and financial audits since its inception.	

With regard to the transition process to a second generation road fund already underway, it seems that some criteria have already been met. Yet, the entire ownership of criteria for the second generation road fund as prescribed in the Accra Declaration of 29 September 2006 remains dependent on reorganizing the Road Fund’s legal and regulatory framework.

CONCLUSION



During 2019, the Road Fund's salient activities were satisfactorily carried out at the programming and financial levels.

Concerning programme management, notably council project management, the support of council executives in terms of ownership of the Road Fund's procedures begun a few years ago has started to bear fruits as per the significant volume of payments related to council road maintenance services carried out in 2019 (CFA Francs 3.4 billion in 2019 as against CFA Francs 0 in 2018). This support will be strengthened during upcoming years on the strength of the revised technical guide for stakeholders. This is an essential tool in mastering procedures by dedicated actors through clarifying the chain of the Road Fund's financial operations and defining the roles and responsibilities of various stakeholders as well as their interactions.

At the financial level, despite the still high threshold of estimates pending payment (CFA

Francs 15 billion as at 31 December 2019), payment operations were consistently and fluidly carried out and even witnessed a remarkable improvement (CFA Francs 58.3 billion in 2019 as against CFA Francs 49.4 billion in 2018) during the year under review. This improvement stems from the implementation of the automatic debiting mechanism of the single account of the Public Treasury for the Road Fund's account opened at BEAC.

As for challenges to be overcome, the Road Fund should devote itself to the implementation of some actions with the support of other actors in the intervention chain. They entail amongst others (i) increasing and making sustainable resources allocated to road maintenance, (ii) supporting mayors in the exercise of their prerogatives of project owner of council road projects, (iii) clearing arrears owed to companies and (iv) consolidating the account of works carried out using direct labour.

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4

ANNEXE

Annexe

The Road Fund and capacity building

Theme	Duration (in days)	Number of participants	Institution	Objectives
Administrative writing	3	20	E & T SOLUTIONS	<ul style="list-style-type: none"> - master the drafting methodology, style, and administrative vocabulary; - acquire knowledge on various types of administrative letters; - understand the difference between the types of document giving injunctions and information.
Use of advanced Excel functions	03	20	E & T SOLUTIONS	<ul style="list-style-type: none"> - discover and master basic and advanced functionalities ; - master the creation of a calculation model on the basis of native formulas and cell coordinates; - apply pivot tables.
Contract award procedures	21	01	SETYM	<ul style="list-style-type: none"> - develop a detailed understanding of contract award procedures in accordance with directives from the World Bank and other donors; - master the new contract award dispensation adopted by the World Bank in 2016 and obtain information on new guidelines; - understand activities, procedures, standards and principles underlying supply and work contracts as well as the selection of consultants; - define and plan all activities of the invitation to tender process and request for the expression of interest.
Use of Gendata FR	02	15	In-house	<ul style="list-style-type: none"> - master the roles and functionalities of the GENDATA FR application; - put all the stakeholders of the recurrent expenditure chain on the same wavelength concerning GENDATA FR – related procedures.

Theme	Duration (in days)	Number of participants	Institution	Objectives
Public - Private Partnership	21	01	SETYM	<ul style="list-style-type: none"> - master analysis tools of investment projects, financing decisions, rules and parameters; - learn to manage infrastructure in terms of capital projects; - master the context, guiding principles, strategic classification and choice of public-private partnerships; - understand PPP mechanics: prior conditions, preparation, structuring, contract award, funding, etc.
Physical and digital archiving	21	02	Pan-African Institute for Development	<ul style="list-style-type: none"> - know management techniques of current archives; - know documentary management techniques; - master electronic management of documents.
Planning and drafting the programme-based budget	03	20	Ets CARLETAS	<ul style="list-style-type: none"> - master essential notions of programme-based budgeting; - possess tools necessary for drafting a Mid-Term Expenditure Framework (MTEF); - understand the drafting of: i) an Administrative Performance Project (APP) and (ii) an Administrative Performance Report (APR).
Monitoring/ Evaluation	21	01	SETYM	<ul style="list-style-type: none"> - master the process and steps necessary for setting up and operating a result-based monitoring and evaluation system; - know techniques and tools for sound planning, monitoring and evaluating project performance results in the short, medium and long term; - use the best practices for performance data collection and communication.



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