

Resumption of Japanese ODA Loans for Cameroon

-Developing Central West Africa through the Construction of Cross-border Highway Infrastructure-

1. On March 31, JICA (President Sadako Ogata) signed an agreement with the Republic of Cameroon to provide a Japanese ODA loan of up to just under 4.54 billion yen for the Transport Facilitation Program for the Bemenda-Mamfe-Ekok/Mfum-Abakaliki-Enugu Corridor. After a review of structural reform efforts and solid macro-economic management under an international framework, this loan is a step in the resumption of Japanese ODA loans for sub-Saharan African nations, which are already receiving debt-reduction measures from the international community. This Japanese ODA loan marks the first such loan to Cameroon in 22 years. This aid will be jointly financed, with the African Development Bank (AfDB) assisting through the Enhanced Private Sector Assistance for Africa (EPSA for Africa) program. Established by the Japanese government in 2005, EPSA for Africa is an initiative aimed at supporting the comprehensive development of Africa's private sector. For its first five years, JICA has slated funds with a limit of one billion dollars are for Japanese ODA loans to be provided in cooperation with the AfDB.
2. The Transport Facilitation Program for the Bemenda-Mamfe-Ekok/Mfum-Abakaliki-Enugu Corridor aims to augment transportation capacity and improve access to social services for local inhabitants by constructing 440 kilometers of international trunk roadway between Bamenda in Cameroon and Enugu in Nigeria, along with accompanying infrastructures such as feeder roads, schools, health centers, water stations and markets. This will contribute toward promoting bilateral economic integration and improving the living standards of those who live along the planned routes. It is hoped that these measures, which also include the establishment of one-stop border posts, will facilitate smooth customs clearances between the two countries. Furthermore, JICA is planning to look into technical cooperation to provide operation, maintenance and management of the customs facilities once they are constructed. The project will be jointly financed by the AfDB and JICA; the Japanese ODA loan provided by JICA will be used to construct a 90-kilometer section of the total road length, running between Bachuo Akagbe, Mamfe and Ekok, in addition to the accompanying social infrastructures.
3. As the importance of African intraregional economic integration has come to be more widely recognized, the building of transportation infrastructures is understood to be a requirement to ensure the smooth distribution of goods across borders. Playing a major part in this is the New Partnership for Africa's Development (NEPAD), a program dedicated to the comprehensive development of Africa's economy and society. NEPAD was adopted at the 2001 summit of the Organization for African Unity, when it was decided that, rather than relying on foreign countries for aid, Africa would take responsibility for alleviating poverty and achieving sustainable growth. Although sub-Saharan Africa's roadways bear the brunt of over 90 percent of the region's passenger and freight traffic, their level of coverage is extremely low compared to other regions of the world—a mere 0.03 kilometer of road per square kilometer of land, compared to the average of 0.2 in Asia. This scarcity is a factor in the high cost of inland transit in the sub-Saharan region, hindering economic development. In 2001, transportation costs accounted for 13.8% of the total cost of imports in sub-Saharan countries, more than twice the world average of 6%, a figure rising to 20.7% for landlocked sub-Saharan countries.
4. Cameroon is situated in Central West Africa, sharing borders with Nigeria, Chad, the Central African Republic and the Republic of the Congo. The country is a base for goods distribution in Central West Africa, with the international port of Douala acting as a major trade channel particularly for landlocked countries such as Chad and the Central African Republic.
5. As mentioned above, Cameroon shares a border with Nigeria, the most populous country in Africa, and the renovation of road transport networks linking the two countries is long-overdue. Roads are commonly unpaved or deteriorated, making passage difficult in the rainy season. This is a hindrance to the distribution of goods as well as economic stimulation and the betterment of the life quality of local inhabitants, which is why the improvement of main roads linking the countries is so strongly desired.
6. Based on the results reached at the Fourth Tokyo International Conference on African Development (TICAD IV) held in Yokohama in May 2008, JICA will proactively study continuing support in Africa with Japanese ODA loans, following the policy of the Japanese government to expand support for Africa. This policy is specifically aimed at continuing support for sub-Saharan countries having a favorable debt repayment ability. Support will be given in such important areas as infrastructure development, private sector education and agricultural development.

(For further details, [click here.](#))

The Map of Japanese ODA Loan projects (PDF/498KB)

Reference

Loan Amount and Terms

Project Name	Amount (Mil. Yen)	Interest Rate (% / year)	Repayment /Grace Period (years)	Terms of Procurement
Transport Facilitation Program for the Bemenda-Mamfe-Ekok/Mfum-Abakaiiki-Enugu Corridor	4,540	0.65	40/10	Untied

Executing agency:

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Republic of Cameroon
Transport Facilitation Program for the
Bamenda-Mamfe-Ekok/Mfum-Abakaliki-Enugu Corridor

