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The World Bank Group and its Contributions to Third World Countries: Evidence from the Economy of Cameroon

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ABSTRACT

This paper is written in a reflectional mode, to create awareness of the role of the World Bank Group in the developing countries of Africa, Cameroon in particular. The paper's main objective is to point out the weaknesses of the World Bank Group in providing its services to the third world countries of Africa. The paper starts with an introduction, explaining the five specialized institutions of the World Bank Group, the core functions and global impact. It looks at its structural organization and its core global operations, its projects in Cameroon, the administration of the World Bank Group in Cameroon, the World Bank's impact assessments for Cameroon, the co-financing breakdown by partners, the institutional ownership and execution. Looking at the situation on ground, in Cameroon, for example, the poverty level, the road infrastructure, the poor educational system and the lack of capacity building, the paper concludes that the World Bank Group is not doing enough to reduce poverty and curb human suffering. Quota dictations are not good for poverty alleviation and enough capacity building. The economy should be allowed to use the ten-year development plan and to print its own coins and banknotes as required by the Md = TYDE equation.

Keywords: Poverty reduction, Ten-year development plan, Impact assessment, Capacity building, educational system

1. Introduction

The World Bank Group (WBG) is an international partnership of 189 member countries working to end extreme poverty and boost shared prosperity [worldbank.org]. It is not a traditional commercial bank, but a global development institution that provides financial resources, policy advice, and technical expertise to the low- and middle-income nations of the world. Its primary purpose is to reduce poverty, promote economic development and foster sustainable growth in member countries. The World Bank Group carries out particularly the following functions to help to the low- and middle-income nations of the world:

i. **Financial Assistance**: The World Bank Group provides loans, grants and guarantees to member countries for a wide range of development projects and programmes. These funds are often used for infrastructural development, such as the building of roads, bridges, schools and healthcare facilities. It is out to reduce the rate of poverty in member countries by supporting programmes and projects that aim to improve the living conditions the poor and vulnerable populations.

ii. **Technical Assistance and Knowledge Provision**: The World Bank Group, also offers technical expertise and knowledge provision to its member countries. It provides advice, research and policy analysis to help the member countries. It helps them to design effective development strategies and policies. It conducts research on various economic and social issues affecting member countries. It collects and publish data on such topics as poverty, education, healthcare and economic indicators, which are helpful to policymakers and researchers.

iii. **Capacity Building:** The World Bank Group helps in strengthening the institutional capacity of member countries. This includes the improvement of government institutions, public administration and the governance systems to ensure more efficient and effective use of members' resources.

iv. **Environmental Sustainability:** The World Bank Group promotes environmentally sustainable development by funding projects that consider the environment, such projects that are environmentally friendly and aim at mitigating the effect of climate change, protect natural resources and promote the use of clean energy. The World Bank Group funds infrastructural development by supporting projects such as road building, transportation, energy, water supply, education facilities, healthcare facilities and sanitation, which are environmentally sustainable and essential for economic development.

v. **Crisis Response:** In the bad times of economic and financial crises, the World Bank Group provides emergency financial assistance to help the victims and help the member countries to stabilise their economies and prevent further economic deterioration.

vi. **Promotion of Private Sector Development:** The World Bank Group supports private sector development by facilitating private investment, providing guarantees and promoting business-friendly policies that encourage the spirit of entrepreneurship and

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

economic growth. They are also out to promote gender equality and women empowerment in both the private and public sectors of member countries.

This paper uses a comparative case study and evaluative framework in analysing infrastructure financing. The following documents were carefully examined: project-related policy documents, appraisal reports, and environmental/social impact assessments, the institutional guidelines and regulatory enforcement frameworks from development partners, and the governmental agreements and stakeholder reports concerning infrastructure delivery. It is being observed that Cameroon holds the second-highest undeveloped hydropower generation potential in Africa, the country actively leverages diverse foreign financing sources (from both Northern and Southern partners) to build its hydroelectric capacity, it provides a direct comparative baseline where different major financiers (such as the World Bank and China Eximbank) operate within the same national and sectoral context. In its assessment of the World Bank Group Contributions, the paper looks at the role and influence in financing and executing energy infrastructure, the management and mitigation of environmental and social impacts, the promotion and application of pathways for technology transfer and diffusion and the nature of institutional relations and enforcement mechanisms with the host government.

This introduction provides a guide to the functions of the World Bank Group and leads us to the various institutions of the Group that should be able to carry out these functions.

2. The Five Specialised Institutions of the World Bank Group

The WBG is made up of five closely associated arms, each playing a distinct role in global development:

i. **IBRD (International Bank for Reconstruction and Development):** Lends to creditworthy middle-income and low-income governments [worldbank.org].

ii. **IDA (International Development Association):** Provides interest-free credits and grants to the world's poorest countries [worldbank.org].

iii. **IFC (International Finance Corporation):** Focuses exclusively on boosting private sector investment in developing economies [worldbank.org].

iv. **MIGA (Multilateral Investment Guarantee Agency):** Insures foreign investors against political risks like war, expropriation, and civil unrest [worldbank.org].

v. **ICSID (International Centre for Settlement of Investment Disputes):** Arbitrates legal disputes between foreign investors and governments [worldbank.org]. These World Bank Group institutions are there to carry out the core functions which provide global impact to

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

member countries, especially the poor countries of Africa, South America, Central America and Asia.

3. Core Functions and Global Impact

The Group operates across three primary pillars to drive the world's global development strategy:

a. **Development Finance:** Channelling billions of dollars annually into infrastructure, education, climate resilience, and public health systems.

b. **The "Knowledge Bank":** Publishing deep economic diagnostics, data indices, and country climate studies to guide macroeconomic policy.

c. **Crisis Assistance:** Activating emergency financing pools during global shocks, such as health pandemics, natural disasters, or food security crises.

These are the main functions actually carried out by the World Bank Group in member countries. They are operating from their head office in Washington, D.C. and sub-locations.

4. Structural Organization of the World Bank Group

a. **Headquarters:** Located in Washington, D.C., with over 130 country offices operating worldwide.

b. **Governance:** Governed by a Board of Governors (representing all member countries) and a resident Board of Executive Directors.

c. **Funding:** The bank does not rely solely on tax payer money (that is, members contributions); it raises capital by issuing AAA-rated bonds on the global financial markets.

It is important to note that the World Bank Group (WBG) is a global partnership institution consisting of five closely associated institutions, all owned by member countries. Its primary mission is to end the extreme poverty persisting in member countries and to promote shared prosperity by providing financial assistance, policy advice, and technicnal expertise to developing nations.

We must take note that each of the five institutions performs a distinct function to drive global development and private sector investment. The five institutions are:

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

i. International Bank for Reconstruction and Development (IBRD) - the IBRD focuses on middle-income and creditworthy low-income countries of the world.

a. **Sovereign Lending:** It provides loans and development financing to governments for infrastructure, healthcare, education, and environmental projects.

b. **Risk Management:** It offers financial products like hedging and guarantees to help countries manage currency and interest rate risks.

ii. International Development Association (IDA) - the IDA focuses strictly on the world's poorest countries (those that lack the financial capacity to borrow on market terms). It is there to offer these poorest countries concessionary financing and direct grants, to help in poverty alleviation and growth.

a. **Concessionary Financing:** It provides interest-free loans (credits) with long repayment periods (30 to 40 years).

b. **Direct Grants:** It allocates non-repayable grants to highly indebted countries or nations experiencing crises, post-conflict transitions, or severe climate vulnerability.

iii. International Finance Corporation (IFC)

The IFC is the largest global development institution that is focused exclusively on the private sector in developing economies.

a. **Private Investment:** It invests directly in private companies through equity, loans, and debt securities to spark local economic growth.

b. **Asset Management:** It mobilises commercial capital from global investors to co-invest in high-impact private infrastructure.

iv. Multilateral Investment Guarantee Agency (MIGA)

The MIGA promotes foreign direct investment (FDI) into developing countries by mitigating non-commercial risks and encouraging growth and development.

a. **Political Risk Insurance:** It protects cross-border investors and lenders against political losses, including expropriation, breach of contract, war, terrorism, and civil disturbance.

b. **Credit Enhancement:** It provides guarantees that allow sovereign and sub-sovereign entities to secure commercial loans at lower interest rates.

v. International Centre for Settlement of Investment Disputes (ICSID)

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

The ICSID provides international facilities for the conciliation and arbitration of investment disputes.

a. **Dispute Resolution:** It acts as an independent, neutral forum to resolve conflicts between foreign investors and host states.

b. **Investor Confidence:** It fosters a predictable legal climate, giving global companies the confidence to invest capital into developing markets.

With all of these being carried out by the World Bank Group to help member countries, let us look at the situation on how it is impacting on the economy of Cameroon.

5. World Bank Projects in Cameroon

The World Bank has an active portfolio of about $1.4 billion in Cameroon spanning 13 International Development Association (IDA) projects and 2 International Bank for Reconstruction and Development (IBRD) operations. These initiatives target infrastructure, regional corridors, education, and social safety nets.

i. Major Active Projects

a. **Douala-Bangui Economic Corridor Project:** Backed by a $407 million financing commitment approved in June 2026 to improve regional transport and trade integration.
b. **Resilient Cities and Land Use Planning Project:** A $200 million initiative targeting urban infrastructure, flood control, and land administration improvements in Yaoundé and Douala.
c. **Electricity Transmission and Reform Project:** A $50 million credit approved in June 2026 to strengthen power grid capacity and sector performance.
d. **Social Safety Nets Project:** Multi-phase scaling up support providing cash transfers and assistance to vulnerable households and refugees.
e. **Education and Skills Development:** Programs like the Secondary Education and Skills Development Project focusing on equitable access and vocational training.

ii. Portfolio Performance and Challenges

a. Over half of the national World Bank-backed projects in Cameroon have faced execution delays or slow fund disbursements.
vi. Initiatives like the PATNUC digital acceleration project and the PERACE rural electrification project have experienced tight deadlines with low initial disbursement rates, while older emergency operations (such as PULCCA for food security) have neared full disbursement and completion, [worldbank.org].

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

In the light of all these projects implemented by the World Bank Group to help the economy of Cameroon, there is still persistent poverty amongst the population, very degradable road network, very poor electricity supply, poor educational infrastructure and very poor healthcare facilities. The majority of the population of Cameroon live in absolute poverty-stricken conditions.

6. Administration of the World Bank Group in Cameroon

While the corporate headquarters and coordination units of World Bank operations sit in Yaoundé, the vast majority of physical implementation and direct financial funding takes place in Cameroon's secondary cities and peripheral regions. The World Bank portfolio targets regional vulnerability, connectivity, and agricultural potential across specific geographic allocations:

i. Northern Regions (Far North, North and Adamawa)

The northern strip faces the highest levels of climate risk and food insecurity, receiving massive targeted allocations.

a. **Connectivity and Resilience Project:** A $81 million credit approved in June 2026 strictly targets emergency infrastructure repair, bridge reinforcement, and road safety specifically in the **Far North** region.

b. **Viva Bénoué and Viva Logone:** Two massive agricultural resilience operations targeting the **North** and **Far North** regions to improve commercial irrigation, support rice production, and manage local water security.

c. **Water Security and Sanitation (SEWASH):** Part of a larger program heavily prioritizing rural and semi-urban water delivery pipeline installations in the Adamawa, North, and Far North regions.

d. **PULCCA (Food Crisis Emergency):** A nearly fully disbursed emergency fund providing input kits (seeds, fertilizers) and cash transfers to households across northern health zones like Magdeme to combat critical malnutrition.

ii. The East and Adjoining Trade Corridors

a. **Douala-Bangui Economic Corridor:** The $407 million Phase 1 investment focuses on regional arterial paths outside major cities. Major works include rehabilitating the Yaoundé–Bonis–Bertoua–Garoua-Boulai route, building a strategic bridge over the Dibamba, and upgrading local feeder logistics roads.

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

b. **Social Safety Nets Programme:** Extended with $38.6 million in additional financing in July 2026, the foundational program heavily covers vulnerable communities and refugee-hosting zones in the East and Adamawa regions.

i. Secondary Cities (Urban Development)

a. **Sustainable Cities and Land Project:** While this $200 million initiative covers Douala and Yaoundé, it specifically allocates infrastructure funding to 12 secondary cities to upgrade land management systems and climate resilience.

b. **PDVIR Transition Framework:** Active project expansions have deployed physical neighborhood roads, public facilities, and trunk roads across critical secondary hubs including Batouri, Ngaoundéré, Maroua, Kousséri, and Kumba. Northern ResilienceandWater, Eastern CorridorandSafety Nets, Secondary Urban Upgrades

c. The exact project names and codes (e.g., PATNUC, PERACE) to track execution data.

d. The disbursement rates or implementation status of these regional operations.

vii. Details regarding the refugee and host community response frameworks in the East, [worldbank.org].

7. The World Bank's Impact Assessments for Cameroon

The World Bank's impact assessments for Cameroon's transport corridors focus heavily on reducing high transit friction, improving climate resilience, and addressing socio-environmental risks along vital paths like the Douala-Bangui Corridor.

Recent project appraisal documents, including the Revised Environmental and Social Impact Assessment (ESIA) released in early 2026, outline explicit baseline constraints and intended outcomes:

i. Economic and Friction Baselines

Official World Bank diagnostics detail extreme operational inefficiency along the 1,400 km Douala-Bangui route:

a. **Transit Times:** Freight currently averages 9 to 12 days under normal conditions to cover the distance.
b. **Freight Costs:** Financial assessments highlight costs reaching up to $270 per ton, heavily driving up consumer food prices in landlocked destination hubs.

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

c. **Checkpoints:** The World Bank identified 38 checkpoints, along the corridor in Cameroon alone, with 17 of them directly involved informal payments that compromise trade competitiveness.

ii. Environmental and Climate Impact Mandates

Under the World Bank's Environmental and Social Framework (ESF), assessments dictate stringent targets for Phase 1 rehabilitation:

a. **Climate Resilience:** Roads must be upgraded to withstand heavy sub-Saharan seasonal flooding, shifting from basic pavement to climate-resilient engineering standards.
b. **Axle-Load Control:** Impact data shows rapid road degradation due to overloaded trucks. The assessment mandates installing modernized weigh stations (specifically at Mbankomo and Edéa) to curb road wear and preserve public infrastructure.
c. **Feeder Road Networks:** The project expands beyond the main highway trunk to fund local agricultural feeder logistics roads to connect rural farmers directly to regional markets.

iii. Social Risk and Mitigation Plans

Due to the evolving scope of large-scale infrastructure investments, the World Bank applies a strict framework approach:

a. **Gender-Based Violence (GBV):** Corridor assessments explicitly note a rise in social risks from incoming construction workforces. Dedicated GBV specialists are integrated directly into the Project Implementation Units (PIUs) in Cameroon to enforce a code of conduct.
b. **Social Audits:** Because segments of the corridor inherit older works from the legacy Cameroon Transport Sector Development Project (TSDP), the World Bank mandates an independent Environmental and Social Audit, before any physical ground breaks.
c. **Resettlement Actions:** The corridor projects trigger mandatory compliance for involuntary economic or physical displacement, requiring compensation frameworks for local roadside businesses and communities.

The $1.12 billion overall regional budget for the Douala-Bangui Economic Corridor and adjacent transit paths is structured under a highly blended multi-donor framework. The World Bank, the African Development Bank (AfDB), and the European Union (EU) pool sovereign loans, concessionary credits, and targeted grants to partition sections of the transit network.

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

The National development outcomes represent broad, long-term shifts in economic and social indicators driven by combined domestic and global factors, whereas World Bank Group (WBG) attributable outcomes are specific changes directly caused by the project's inputs, funding, and technical assistance. Poverty, infrastructure, education, and health conditions are linked to WBG interventions through direct project causal chains, such as funding specific infrastructure, providing technical assistance for policy reform, or implementing targeted services, rather than being solely the result of broader systemic factors.

9. Co-Financing Breakdown by Partners

The World Bank acts as the primary anchor for the core Douala-Bangui Corridor Development Program (PACE-DB).

a. **Allocation: $425 million** explicitly allocated to Cameroon out of an initial $525 million Phase 1 regional envelope.

b. **Mechanisms:** Disbursed through mixed international windows, including the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).

c. **Project Targets:** The single largest execution contract focuses on completely reconstructing the bottleneck 164-kilometer section of National Road No. 3 (N3) between Yaoundé and Edéa, alongside systemic border logistics reforms at the Central African Republic (CAR) entry points, taking $18 million ($425 - $407).

i. The African Development Bank Group (AfDB)

The AfDB functions as the key financier for connecting sub-corridors running north toward Chad and expanding eastern cross-border economic basins.

a. **Allocation: €330.48 million ($360M+ USD)** approved under Phase 4 of the Transport Sector Support Program (PAST4).

b. **Project Targets:** Completely upgrading the 246-km Ngaoundéré–Garoua road section along the linked Douala-Ndjamena corridor. This secures heavy freight transit from southern ports directly to northern agricultural regions and landlocked neighbours.

c. **Additional Sub-Corridor Work:** The AfDB also independently handles the €309.93 million, Phase 1 programme for Unlocking Cross-Border Economic Basins in the East Region, paving 156 km of National Road No. 10 (Ngoura II–Yokadouma) connecting Cameroon to Congo and the Central African Republic (CAR).

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

ii. The European Union (EU) / European Investment Bank (EIB)

The EU operates primarily via "blended finance" setups, deploying the EU Africa Investment Platform and "Global Gateway" facilities to inject non-repayable grants into transit networks.

a. **Allocation:** Co-financing packages totaling €176.2 million (including a €141.2 million EIB loan and parallel EU grant instruments).
b. **Project Targets:** Rail-to-road integration works along the central Belabo-to-Ngaoundéré railway line and critical socio-economic infrastructure networks connecting the northern corridors directly to Chad.
c. **Ekok Corridor Sub-Grant:** Separately deployed a specialised 16.4 billion CFA€ (€25 million) EU grant via the AfDB to construct roadside markets, health clinics, and access infrastructure along the Cameroon-Nigeria corridor at the Cross River Bridge.

iii. Project Split Summary

The summary of the project split for the World Bank Group work in Cameroon, is shown in table 1.

Table 1: Project Split Summary

Financing Partner	Main Transit Focus Area in Cameroon	Approximate Financial Weight
World Bank	Yaoundé-Edéa (N3) Reconstruction and Douala-Bangui Logistics	$425 Million
African Development Bank	Ngaoundéré-Garoua (PAST4) and East Region Paving (N10)	€640 + Million (Combined)
European Union / EIB	Belabo-Ngaoundéré Rail Infrastructure and Chad Border Corridors	€176 Million Corridor Framework

Source: World Bank Group (2025)

The environmental and social impact assessments (ESIAs) for the Douala Urban Mobility Project (PMUD) contrast sharply with the Douala-Bangui Regional Transport Corridor assessments. While the regional transport corridor evaluations manage cross-border macro-logistics and highway infrastructure, the $540 million Douala BRT assessments focus tightly on dense intra-city transit integration, informal market disruptions, and urban spatial equity.

The key structural and analytical differences defined in the World Bank project documents break down as follows:

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

10. Institutional Ownership and Execution

a. **Regional Corridors:** Regulated at the national ministerial tier. The main client is Cameroon's Ministry of Public Works (MINTP), coordinating directly with regional economic blocks like CEMAC.

b. **Douala BRT Project:** Controlled directly at the municipal level. The Project Implementation Unit (PIU) is embedded locally within the Douala City Council (Communauté Urbaine de Douala - CUD), forcing assessments to directly navigate local city bylaws and zoning.

11. Direct Technical and Assessment Contrasts

i. Resettlement Scope and Density

a. **Regional Corridors:** Trigger linear, low-density displacement. The primary impacts affect scattered agricultural fields, dynamic roadside pit-stops, and village access points.

b. **Douala BRT Project:** Handles severe, high-density physical and economic displacement across a 27-kilometer pilot corridor spanning 4 lines, 44 stations, and 4 terminals. The municipal steering committee set aside 12 billion FCFA (~$20M) specifically to handle the compensation framework for clearing tight, built-up metropolitan lanes.

ii. Environmental Targets and the Urban Fabric

a. **Regional Corridors:** Focus on heavy civil landscape engineering. Key milestones measure forest clearing mitigation, massive soil erosion control, and large basin drainage.

b. **Douala BRT Project:** Targets micro-urban environmental redesign. Assessments address severe city air pollution, street drainage networks, municipal solar lighting, and the relocation of dense utility grids belonging to operators like Socadel, Camwater, and Camtel.

iii. Socio-Economic Stakeholder Integration

a. **Regional Corridors:** Address the macro-freight industry. The assessments measure long-haul trucking dynamics, cross-border custom clearances, and long-distance driving behaviours.

b. **Douala BRT Project:** Must absorb and formalize a chaotic, informal transit economy. The assessments explicitly audit the livelihoods of thousands of motorcycle taxi operators

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

(Okada) and private transit operators like SOCATUR. They also include a dedicated indicator measuring the relocation of street vendors inside formal transit nodes.

iv. Project Indicators and Metrics

a. **Regional Corridors:** Measure performance via macro-indices, such as reductions in cross-border truck transit time (days) and lower costs per freight ton.

b. **Douala BRT Project:** Tracks human-centric mobility metrics. Success is measured by the percentage of Douala residents able to reach the city centre within a 60-minute commute. It also measures average rush hour in-vehicle travel times and gender-disaggregated passenger satisfaction.

12. Comparative Summary

The comparative summary of World Bank Group effective projects in Cameroon are shown in table 2.

Table 2: Comparative Summary

Assessment Factor	Regional Transport Corridors	Douala Urban Mobility Project (BRT)
Primary Footprint	1,400 km long-haul regional highways	27 km dedicated urban pilot lines + 80 km feeder roads
Displacement Profile	Low-density rural and agricultural structures	High-density metropolitan shops and living spaces
Core Social Target	Trucking codes of conduct and cross-border trade	Formalizing informal moto-taxis and street vendor networks
Key Environmental Focus	Major basin hydrology and highway erosion	Urban air quality, street drainage, and utilities

Source: World Bank Group (2025)

13. The Douala Bus Rapid Transit Project

The **Douala Urban Mobility Project (PMUD)** is a 335 billion FCFA (approx. $540 million **USD)** mass transit initiative designed to transform public transport in Cameroon's economic capital [businessincameroon.com]. At its core is a Bus Rapid Transit (BRT**)** network aimed at cutting severe traffic congestion and reducing urban air pollution, [worldbank.org].

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

i. System Specifications and Infrastructure

The BRT network is structured to move hundreds of thousands of commuters daily through dedicated transit lanes, [worldbank.org]:

a. **The Transit Trunk:** 27 kilo meters of exclusive, separated bus lanes spanning **4 distinct lines** [worldbank.org].

b. **Network Nodes:** Construction includes 44 modernized stations, 4 major interchange terminals, and a dedicated maintenance depot, [worldbank.org].

c. **Feeder Systems:** Paving and upgrading 80 kilo meters of urban feeder roads to connect surrounding neighbourhoods directly to the BRT stations, [worldbank.org].

d. **Pedestrian Integration:** Building safe sidewalks, designated pedestrian crossings, and terminal plazas around the main transit corridors.

ii. Financing and Partners

The project uses a blended finance model to cover infrastructure and fleet deployment:

a. **The World Bank:** Providing the baseline financing anchor via international credit windows to build the core lanes, terminals, and drainage systems [worldbank.org].

b. **Public-Private Partnership (PPP):** A private concessionaire will be selected to fund, operate, and maintain the clean-energy bus fleet and the automated ticketing systems.

c. **Government of Cameroon:** Funding the 12 billion FCFA (~$20 million USD) municipal compensation pool managed by the *Communauté Urbaine de Douala* (CUD) to resolve property and resettlement claims [businessincameroon.com].

iii. Implementation Challenges

Douala is a highly dense, built-up environment, with the project facing tight execution demands [worldbank.org]:

a. **Informal Transit Integration:** Negotiating the formalization or rerouting of thousands of existing motorcycle taxis (Okadas) and informal minibus operators along the BRT trunk routes [worldbank.org].

b. **Utility Relocation:** Safely moving subterranean and overhead water, electricity, and fiber-optic networks managed by Camwater, Socadel, and Camtel without major city blackouts.

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

c. **Economic Displacement:** Managing the relocation of high-density informal street markets and roadside vendors currently operating along the designated right-of-way [worldbank.org].

14. Weaknesses of the World Bank Group

The World Bank Group (WBG) faces significant, documented criticisms from economists, civil society organizations, and member states. These criticisms focus on its operational model, governance structure, and the local impacts of its developmental policies.

i. Governance and Democratic Deficit

The WBG operates under an asymmetrical voting power structure determined by financial contributions.

a. **The "Gentleman's Agreement":** By historical tradition, the President of the World Bank is always a citizen of the United States nominated by the U.S. government, while the head of the IMF is a European national. This excludes leadership candidates from emerging markets and developing countries.

b. **Disproportionate Voting Power:** High-income nations hold the vast majority of voting shares. The United States maintains a unique de facto veto power over major structural changes, as it holds over 15% of the total voting power, and structural modifications require an 85% supermajority.

ii. The Structural Adjustment Legacy

During the 1980s and 1990s, the World Bank and the IMF heavily conditioned loans on "Structural Adjustment Programs" (SAPs).

a. **Austerity Conditions:** Developing nations were forced to implement deep cuts to public services, health budgets, and education spending in exchange for financing.
b. **Privatization Traps:** Mandated rapid privatization of state-owned utilities (like water, power, and telecommunications) frequently led to increased consumer costs and reduced access for vulnerable populations.

iii. Environmental and Social Displacements

Large-scale infrastructure initiatives funded by the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) have historically triggered severe local fallout.

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

a. **Involuntary Resettlement:** The construction of major dams, transport corridors, and extraction projects has physically displaced millions of indigenous and rural populations globally without timely or fair compensation.

b. **Carbon Footprint Discrepancies:** Despite a stated institutional shift toward green energy, critics highlight ongoing, indirect financing of fossil-fuel projects via broad financial intermediaries and policy-based lending.

iv. Bureaucratic Delays and Low Disbursement Rates

The WBG's complex regulatory frameworks, intended to enforce transparency and environmental safeguards, frequently cripple project implementation speeds.

There are execution bottlenecks, as observed in regional portfolios like Cameroon, projects regularly faced severe administrative delays, keeping millions in approved funding locked up, while local populations wait years for infrastructure delivery.

i. Comparison of Institutional Frameworks

The execution bottlenecks, encountered in Cameroon, such as regularly severe administrative and delays, keeping millions in approved funding locked up, are shown in table 3.

Table 3: Weaknesses Projects Delivery in Cameroon

Weakness Category	Policy Driving the Issue	Impact on Developing Nations
Democratic Deficit	Voting power tied to financial capital.	Developing nations have minimal say in global structural policy.
Economic Policy	Strict conditionality and market-liberalization mandates.	Drastic cuts to public healthcare, social safety nets, and local education.
Project Backlogs	Heavy administrative oversight and strict safeguard compliance.	Low fund disbursement rates and prolonged execution delays.

Source: World Bank Group (2025)

During the late 1980s and 1990s, Central African nations faced a major economic collapse driven by falling global prices for raw commodities (oil, cocoa, coffee) and highly overvalued local currencies. In response, the World Bank and the International Monetary Fund (IMF)

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

conditioned emergency financial aid on the strict implementation of Structural Adjustment Programs (SAPs), which in particular did not help the developing countries in Central Africa.

The policy shift forced governments away from state-led economic models toward aggressive, market-driven liberalization.

ii. Cameroon: Civil Service Retrenchment and Cash Crops

Cameroon, in particular, entered into a deep structural adjustment window starting in 1988.

a. **The Interventions:** The World Bank mandated a massive reduction in the state's financial footprint. This included the rapid privatization or outright liquidation of dozens of State-Owned Enterprises (SOEs), slashing civil service salaries by over 50% in 1993 and dismantling the national agricultural stabilization boards (*Office National du Café et du Cacao* - *ONCC*). All these were carried out to no avail.

b. **Economic Impact:** While intended to stop the country's severe fiscal deficit, the immediate domestic impact was highly contractionary. Dropping state support completely disrupted local input supply chains for fertilizer and seeds, causing cotton, cocoa, and coffee productivity to stagnate for years. The sharp drop in domestic purchasing power caused a major domestic demand shock and accelerated urban poverty across Yaoundé, Douala, Bafossam and Bamenda.

iii. The 1994 Regional Catalyst: 50% Devaluation of the CFA Franc

The most significant macroeconomic shock in Central Africa occurred on January 11, 1994, when the World Bank, the IMF, and France conditioned all future debt relief on a 50% devaluation of the Central African CFA Franc (XAF). This immediately hit member nations of the Economic and Monetary Community of Central Africa (CEMAC), including Gabon, Chad, the Central African Republic, and the Republic of Congo, causing poverty and suffering on the populations.

a. The Interventions: The overnight currency adjustment shifted the exchange rate from 1 French Franc = 50 CFA to 1 French Franc = 100 CFA. The goal was to make Central African agricultural exports cheaper and more competitive globally, while curbing the regional appetite for expensive foreign imports. It did not in any way help, poverty and suffering increased.

b. Economic Impact: The shock triggered an overnight, doubling of prices for basic imported goods, including essential pharmaceuticals, medical supplies, and wheat. Because these nations lacked a developed domestic industrial manufacturing base, inflation spiked sharply. In countries

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

like Chad and the Central African Republic, raw meat and timber exports did briefly become more competitive regionally, but urban households suffered a severe decline in living standards.

viii. Gabon and Republic of Congo: Premature Deregulation

Oil-dependent states like Gabon and the Republic of Congo were forced to drastically cut public capital investment budgets to secure debt rescheduling.

a. **The Interventions:** Under World Bank free-market directives, these states dismantled trade barriers, lowered import tariffs, and eliminated price controls on basic household goods to encourage foreign direct investment.

b. **Economic Impact:** The sudden removal of protective tariffs completely wiped out emerging local manufacturing niches that were unable to compete with cheap Asian and European goods. Simultaneously, deep structural cuts to public infrastructure, rural healthcare clinics, and education networks severely weakened the region's human development indexes. It created a "missing generation" of public investment that Central African states spent decades trying to repair.

iv. Direct Policy and Impact Matrix

The direct policy and impact situation is shown in a matrix, which is seen as the World Bank Group’s failure to bail the Central African Region out of persistent economic, political and humanitarian crises are shown in table 4.

Table 4: Direct Policy and Impact in Central Africa

Country / Bloc	Core SAP Mandate Applied	Short-Term Economic Impact	Long-Term Structural Legacy
Cameroon	50 % + Civil service wage cuts and farm board liquidations.	Sharp drop in domestic purchasing power.	Stagnant rural agricultural growth and expanded informal economy.
CEMAC Bloc	Forced 50 % currency devaluation (1994).	Overnight price spikes for food and medicine.	Marginal boost in commodity export competitiveness.
Gabon and Congo	Elimination of import tariffs and state utilities privatization.	De-industrialization as local manufacturing collapsed.	Deeply entrenched vulnerability to global oil price shocks.

Source: World Bank Group (2025)

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

16. Evidence of Persistent Poverty and Degradation in Cameroon

In the Persistent Poverty situation, the Monetary Headcount Ratio indicates that approximately 4 in 10 Cameroonians (37.7 %) live below the national poverty line, showing that poverty reduction has largely stagnated. The extreme international poverty line indicates that 23 % of the population lives on less than the extreme international poverty threshold, indicating severe ongoing economic deprivation. The Multidimensional Poverty statistics indicate that 42.7 % of the population faces multidimensional poverty, which accounts for severe overlapping deprivations in healthcare, education, and living standards.

The road conditions indicate the pavement deficit, showing that out of Cameroon's total road network of 121,873 kilometers, only a minor portion of 10,225 kilometers is paved, leaving more than 90 % of the network unpaved. The Network Degradation: The Ministry of Public Works (Ministère des Travaux Publics) reports that 41 % of the entire road network is in poor condition. This is heavily exacerbated by road maintenance budgets remaining stagnant at 45 billion XAF despite a 121 % expansion in total road length since 2010.

The Urban-Rural Electrification Gap: According to official World Bank Data, Cameroon's overall national electricity access rate sits at 71 %. However, a severe spatial imbalance persists, as 75 % of the rural population remains completely disconnected from the power grid. The Grid Contribution: Renewable energy sources outside of large hydropower, such as solar, account for less than 1 % of the national energy mix, limiting localised off-grid energy development in rural communities.

The Human Capital Stagnation: Cameroon's Human Capital Index (HCI) stands at 0.40. This metric indicates that a child born in Cameroon is expected to be only 40 % as productive as an adult as they would be, if they enjoyed complete education and full health. The Training and Demographics: Structural mismatches persist, leaving 43 % of the population with little to no formal primary education. Furthermore, 67 % of the working-age population has received zero technical or vocational training suited to developing job sectors.

The healthcare is functioning as expected because of the Out-of-Pocket Barriers: the World Bank Cameroon Economic Update highlights that the complete lack of a national risk-sharing mechanism, such as universal health insurance, forces citizens to rely heavily on direct out-of-pocket payments for services. This structural failure traps vulnerable households in cycles of poverty. The Personnel Distribution & Access: Medical access is deeply constrained; only 58.6 % of the population consults skilled health personnel. Quality gaps remain severe as healthcare staff consistently concentrate in wealthier urban centres over rural regions to secure stable client fees.

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

17. Separation of Responsibilities for the World Bank, IMF, Cameroonian Government

The 50 % devaluation of the CFA franc on January 11, 1994, alongside concurrent Structural Adjustment Programs (SAPs), involved distinct, highly coordinated, yet structurally segregated responsibilities among global, regional, and national institutions.

The institutional framework and respective mandates driving this economic intervention are separated below:

International Monetary Fund (IMF): Responsibility: Macroeconomic stabilization, balance of payments financing, and monetary conditionality. The Policy Actions & Evidence: The IMF acted as the core enforcement mechanism for the devaluation. Prior to 1994, it explicitly suspended broad financial relief to Franc Zone members that resisted currency realignment. In the immediate aftermath, it mandated the conversion of standard structural lending into the Enhanced Structural Adjustment Facility (ESAF) to enforce strict post-devaluation targets. According to IMF Historical Frameworks, the Fund structured individual adjustment programmes across 14 nations, providing \$1.9 billion in its own targeted lending and mobilizing over \$7 billion in external debt forgiveness tied directly to compliance.

The World Bank Group: Responsibility: Sectoral, structural, and microeconomic adjustment, state asset privatization, and trade policy restructuring. The Policy Actions & Evidence: The World Bank operated alongside the IMF to force open trade and state transitions. It utilized Structural Adjustment Loans (SAL) to enforce long-term structural changes, such as the dissolution or partial privatization of state-owned agricultural marketing monopolies. Documentation from World Bank Curated Reports reveals that following the devaluation, the Bank instituted a specialized Structural Adjustment Credit (SAC) specifically designed to realign Cameroon's domestic fiscal framework with the newly devalued currency. This forced a massive reduction in public sector intervention, replacing protectionist trade barriers with streamlined import duties.

The Cameroonian Government: Responsibility: Fiscal execution, public expenditure reductions, domestic sector governance, and localized regulatory implementation. The Policy Actions & Evidence: Facing a severe economic collapse and terms-of-trade shocks from falling commodity prices, the national government yielded to external mandates. In 1993, to curb expanding public deficits without altering its currency peg, the government took the drastic, unprecedented action of cutting the public wage bill by nearly half. Archival tracking confirms that following the official announcement of the 50% devaluation by the Cameroonian delegation in Dakar, the state integrated tax and trade overhauls under the CAEMC Customs and Economic Reforms

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

Framework. This included consolidating fragmented import levies into a single common external tariff to stimulate primary exports like timber, cocoa, and coffee.

The Regional Monetary Authority (BEAC): Responsibility: Maintaining the fixed exchange rate peg, managing regional foreign exchange pool reserves, and controlling monetary liquidity. The Policy Actions & Evidence: The Bank of Central African States (*Banque des États de l'Afrique Centrale*—BEAC), operating alongside the French Treasury, managed the structural mechanics of the zone. During the build-up to the 1994 crisis, as commercial banking systems deteriorated across the region, the BEAC injected localized emergency reserves via advances to stabilize failing commercial banks in Douala and Yaoundé. While the core geopolitical impetus for shifting the peg from 50 to 100 CFA francs per French franc originated in Paris and Washington, the BEAC was legally responsible for administering the internal regional convergence rules and managing liquidity controls to suppress immediate, hyperinflationary spirals post-realignment.

18. Conclusion

History has taught us that no World Bank nor International Monetary Fund development programme has never worked successfully in Africa. Programmes conceived in a developed world environment, can never succeed in a developing world environment. The developing world economies are running on quotas set by the developed world economies, without thought. It cannot work, instead it brings in poverty and more suffering to the populations.

Looking at the state of the roads, bridges, primary schools, secondary school, universities, healthcare facilities and the private sector in Cameroon, will tell you that the World Bank Group has no concerns for the Cameroonian population, yet Cameroon is a member nation.

A nuanced, evidence-based assessment reveals a mixed record of structural achievements and persistent implementation gaps across specific sectors.

The Macroeconomic and Structural Reforms and Fiscal Stabilization, indicate that IMF-supported Structural Adjustment Programmes (SAPs) and subsequent Extended Credit Facilities (ECF), did not successfully reduced hyperinflation and stabilized volatile fiscal deficits across sub-Saharan Africa during macroeconomic crises. The Privatization Delays: Reforms aimed at state-owned enterprises often stalled or faced resistance, resulting in incomplete market liberalization and weak private sector competition. In the Infrastructure Development area: Energy Capacity Expansions: World Bank-financed projects significantly increased baseload power generation, notably through large-scale hydroelectric infrastructure in countries like Cameroon. The Regulatory Gaps: Physical infrastructure gains were frequently undermined by weak national regulatory enforcement, poor institutional maintenance capacity, and inadequate

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

local technology transfer. In the Human Capital and Social Sectors: Primary Resource Surges: Targeted sector investment loans led to quantifiable increases in primary school enrolment rates and basic rural healthcare access points. The Structural Quality Bottlenecks: Sectoral expansions failed to resolve deep structural weaknesses, leaving teacher-to-student ratios very high, medical supply chains underfunded, and out-of-pocket health costs restrictive for poor households.

Visemih (2025), states that, in Cameroon, government funds earmarked to help the growth and development of the private sector are often managed by public sector trained personnel, who are not trained to handle private sector activities. Such funds end up being misused, since public sector servants are not trained to work in the private sector. Funds for the private sector growth and development activities should be handled by private sector personnel. For example, in Cameroon, organisations such as the Cameroon Development Corporation (CDC), Palmol Lobe Estate and Socopalm Estate Mungo are managed by public servants who have been appointed by the government. These corporations are there to promote growth and development in the private sector and hence, cannot be well managed by public servants. The public servants handle the affairs of these corporations, using the public management approach, which is not proper. Public servants can never manage well in the private sector, they are not trained to do so. It seems that the World Bank and the International Monetary Fund are not providing good and sustainable policy advice to the developing economies.

Visemih (2023), suggest that the demand for money is influenced by several factors, including the level of income, interest rates, and inflation as well as uncertainty about the future. These factors are all incorporated in the government budget for the ensuing year. In this light it is reasonable for the government to use its plan and budget for the next ten years to print the amount of money (coins and banknotes), required to run the economy properly. The government of every country has the mandate to print its coins and banknotes required in a predetermined period. We should note that the demand for money is determined by the government's ten years development plan. The ten years development plan is what dictates the volume of coins and banknotes, that should be in the economy during a budgetary year. The ten years development plan provides a basis for making a budgetary estimate, based on the envisaged activities for the ten ensuing years. The ten years development plan provides the authorisation for the government to print enough coins and banknotes, to enable the economy to run smoothly during that period. Enough coins and banknotes should be brought in on a yearly basis in order to solve the yearly budgetary problems. The government, at the beginning of the ten years should use the following model:

Md = TYDE

Where:

ISSN: 2455-8834

Volume: 11, Issue:09 "September 2026"

Md = Demand for Money

TYDE =Ten Years Development Estimate.

The demand for money is resulting from the government's ten year budget, after considering all sources of income and expenditure. It is therefore the net requirement of government expenditure, if there is a deficit of income over expenditure. In making this decision, taxes should not constitute a source of Government income. All other sources should be carefully considered, but taxation. Taxes should only be levied on foreigners and foreign corporations. This is the only way to sustain the developing economies and reduce poverty and suffering.

From a personal perspective the World Bank Group is not contributing much to the economy of Cameroon, in terms of education, policy advice, capacity building and infrastructural development.

References

The following official sources and project disclosures verify the active World Bank Group operations, portfolio figures, and transit corridor data outlined in our previous analysis. The official portal for the **World Bank Group** is worldbank.org. This central platform acts as the global repository for all international development data, project tracking, and economic research [worldbank.org].

Official Institutional and Portfolio Data

- **World Bank Group Operations and Functions:** Core mandate statements, structural frameworks, and operational divisions across the five entities (IBRD, IDA, IFC, MIGA, and ICSID) are documented via the official World Bank Group Home Platform. For specific document archives, diagnostics, and historical project approvals, consult the World Bank Documents and Reports Repository.
- **Cameroon National Strategy and Frameworks:** General macroeconomic goals and the unified alignment to "Vision 2035" can be verified through the World Bank Cameroon Country Profile.
- **National Portfolio Figures and Disbursement Rates:** The analytical breakdowns regarding Cameroon's peak portfolio metrics, sector funding weights (e.g., transport and energy), project implementation schedules, and the portfolio's explicit **18.7% performance tracking rate** are archived via data reviews from Business in Cameroon (July 2026 Review).

Transport Corridors and Co-Financing Sources

- **The Douala–Bangui Economic Corridor ($1.12B Framework):** The specific approval metrics, Phase 1 allocations, checkpoint baselines, and employment projections were made public in the official World Bank June 2026 Press Release. [1]
- **Freight and Friction Diagnostics:** Structural assessments concerning journey time variations (9 to 12 days), travel friction metrics ($270 per ton), and the regional CEMAC-level sub-grant integrations are validated by logistics industry briefs on the World Bank Corridor Action Summary. [1, 2]
- **Multilateral Co-Financing Formats:** Strategic infrastructure blending setups and parallel grant frameworks (such as the Global Gateway and Africa Investment Platform systems) are detailed via the EU and African Development Bank Cooperation Platform.

Urban Mobility and BRT Assessments

- **Douala Urban Mobility Project (PMUD):** The primary Project ID, developmental objectives, and institutional coordination between the Ministry of Economy and the *Communauté Urbaine de Douala* (CUD) are cataloged via the World Bank Project Information Document (P167795).
- **Environmental and Resettlement Frameworks:** The baseline social disruption audits, informal operator impacts, and the **Provisional Environmental and Social Impact Assessment** for the BRT pilot are hosted via the World Bank Environmental Assessment Portal.
- **Local Phasing and Municipal Tenders:** Timeline disclosures concerning the initial launch phases, municipal steering budgets, and the 4.7 billion FCFA connecting feeder networks are referenced via urban tracking briefs in Business in Cameroon (Urban Phase Tracker).

- **VISEMIH WILLIAM MUFFEE (2025),** THE ROLE OF THE FINANCIAL SECTOR IN THE DEVELOPMENT AND GROWTH OF THE ECONOMY OF CAMEROON, International Journal of Economics, Business and Social Science Research Volume: 03, Issue: 03May-June2025ISSN 3048-8125www.ijebssr.com
- **Visemih William Muffee (2023),** Government Budgeting, the Demand and Utilisation of Funds, International Journal of Latest Research in Humanities and Social Science (IJLRHSS), Volume 06 - Issue 06, 2023, www.ijlrhss.com || PP. 99-106

