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**GPOBA**

The Global Partnership on Output-Based Aid

NEWS RELEASE

News Release No. 2008/4

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### **Cameroon: GPOBA Grants US\$5.25 million to Improve Access to Water Services in Urban and Periurban Areas**

**Yaoundé, Cameroon – April 7, 2008** – The World Bank, acting as an administrator for the Global Partnership on Output-Based Aid (GPOBA), today signed a grant agreement for US\$5.25 million with Cameroon’s state-owned asset holding company Camwater to expand access to urban and periurban water supply for poor households.

Under the project, an estimated 40,000 households will be connected to the water supply in urban and periurban areas countrywide over four years, providing access to safe piped water for an estimated 240,000 people and increasing the total number of water connections in the country by about 18 percent.

*“The GPOBA project will make a direct and tangible contribution to achieving the water Millennium Development Goals in Cameroon by subsidizing connections to the water distribution network for some of the country’s poorest households,”* said **Basile Atangana Kouna**, Director General of Camwater.

The project is introducing an innovative Output-Based Aid approach, designed to ensure ownership and demand-driven service provision, and to set the basis for long-term operational and financial sustainability. All the connections will be pre-financed by Camwater and the GPOBA subsidy will only be paid once the connections and services have been verified by an independent expert. While Camwater is the nominal recipient of the GPOBA grant, the project will be implemented by the Camerounaise des Eaux, the newly formed company replacing the former Cameroon National Water Company (SNEC), whose management has been transferred to a consortium including ONEP of Morocco, competitively selected to run the national water utility under a 10-year lease contract in September 2007.

Only 35 percent of the urban population in Cameroon currently has access to piped water, with development of the water distribution network limited to the richer neighborhoods. The GPOBA program will initially benefit low-income families located in the neighborhoods without a distribution network who have to obtain water either from unsafe local wells, street vendors or privately managed standpipes at a much higher price.

*“The individual household connections will have direct positive economic and health impacts, in particular through time savings for women and children in the poorer neighborhoods as they won’t have to spend time fetching water anymore, allowing them to use this time to study or develop income generating activities,”* said **Xavier Chauvot de Beauchêne**, Infrastructure Specialist and the project’s manager for GPOBA and the World Bank. *“The introduction, wished by the Government, of a private operator will also significantly improve the quality of water supply service provision in Cameroon.”*

Each beneficiary household will be required to pay an upfront contribution of 10 percent of the connection fee; the GPOBA subsidy will cover the remaining 90 percent up to a ceiling of 44,000 FCFA or around US\$88 at the current exchange rate. For the very poorest families (those who cannot afford to make an upfront payment), community fountains will be provided under an Urban and Water Development Support project financed by the International Development Association (IDA), the concessional arm of the World Bank.

The Global Partnership on Output-Based Aid (GPOBA) is a multi-donor trust fund administered by the World Bank. GPOBA was established in 2003 to develop output-based aid (OBA) approaches across a variety of sectors including infrastructure, health, and education. OBA subsidies are designed to create incentives for efficiency and the long-term success of development projects.

GPOBA’s current donors are the UK’s Department for International Development (DFID), the International Finance Corporation (IFC), which is a member of the World Bank Group, the Directorate-General for International Cooperation of the Dutch Ministry of Foreign Affairs (DGIS), AusAid of Australia, and the Swedish International Development Cooperation (Sida).

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