

REPUBLIC OF CAMEROON

Peace – Work – Fatherland

MINISTRY OF THE ECONOMY, PLANNING
AND REGIONAL DEVELOPMENT



REPORT ON CAMEROON ECONOMY IN 2023

CAMEROON FACES THE CHALLENGES OF GLOBAL
GEO-ECONOMIC DEPOLARIZATION



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LIST OF ACRONYMS

ACC	Adaptation to Climate Change
AE	Commitment Authorisation
AEP	Drinking water supply
AFD	Agence Française de Développement
AIC	Climate smart agriculture
ALUCAM	Aluminium of Cameroon
AMM	Product licence
AN	National Assembly
APE	Economic Partnership Agreement
APEX	Export Promotion Agency
API	Investment Promotion Agency
BAD	African Development Bank
BDEAC	Banque de Développement des Etats de l’Afrique Centrale
BDP	Balance of Payments
BEAC	Bank of Central African States
BID	Islamic Development Bank
BIP	Public Investment Budget
BM	World Bank
BTP	Buildings and Public Works
C2D	Debt Reduction and Development Contract
CAA	Autonomous Sinking Fund
CAM	Cameroon
CAMTEL	Cameroon Telecommunications
CAMWATER	Cameroon Water Utilities Corporation
CAN	African Cup of Nations
CARPA	Support Council for Partnership Contracts
CAS	Trust Fund
CBMT	Medium-term budgetary framework
CCNUCC	United Nations Framework Convention on Climate Change
CDC	Cameroon Development Corporation
CDEC	Deposits and Consignments Fund

CDHC	Cameroon Human Rights Commission
CDMT	Medium-term expenditure framework
CEAC	Centres d'Education et d'Actions Communautaires aux Communes
CEEAC	Economic Community of Central African States
CEMAC	Economic and Monetary Community of Central Africa
CNUCED	United Nations Conference on Trade and Development
CICAM	Industrial Cotton Company of Cameroon
CO2	Carbon Dioxide
CONSUPE	Superior State Control Office
COTIE	Comité Technique Interministériel d'Experts chargé de l'Examen des dossiers de maturité des projets
CTD	Regional and Local Authorities
CTS	Technical Committee for Monitoring Economic Programmes
CP	Payment Credits
CPIA	Evaluation of National Policies and Institutions
CRS	Sectoral Reform Contract
CRTV	Cameroon Radio Television
CSPH	Hydrocarbon Price Stabilisation Fund
CSU	Universal Health Coverage
CTR	Technical Commission for the Rehabilitation of Public and Parastatal Companies
DA	Excise Duty
DGB	Directorate General of Budget
DGD	Directorate General of Customs
DGEPIP	Directorate General of the Economy and Public Investments Programming
DGI	Directorate General of Taxation
DGSN	General Delegation for National Security
DP	Division de la Prévision
DPO	Development Policy Operation
DTS	Special Drawing Rights
DUP	Declaration of Public Utility
EMF	Microfinance institution

EEP	Public Establishments and Corporations
EP	Public Corporations
FCFA	Franc de la Coopération Financière en Afrique Centrale
FCP	Counterparty Fund
FEC	Extended Credit Facility
FEM	World Economic Forum
FINEX	External financing
FMI	International Monetary Fund
FODECC	Cocoa and Coffee Sub-Sector Development Fund (CCODEF)
FRD	Facility for Resilience and Sustainability
GPL	Liquefied Petroleum Gas
GTCI	Global Talent Competitiveness Index
IDA	International Development Association
IDE	Foreign Direct Investment
INS	National Institute of Statistics
INSEAD	European Institute of Business Administration
IS	Corporate tax
ICG	Initiative on Guided Trade
Km	Kilometre
Kv	Kilovolt
LFI	Initial Finance Law
LFR	Amended Finance Law
MEDC	Extended Fund Facility
MINAC	Ministry of Arts and Culture
MINADER	Ministry of Agriculture and Rural Development
MINAS	Ministry of Social Affairs
MINCOM	Ministry of Communication
MINCOMMERCE	Ministry of Trade
MINDCAF	Ministry of State Property, Surveys and Land Tenure
MINDDEVEL	Ministry of Decentralisation and Local Development
MINEDUB	Ministry of Basic Education
MINEE	Ministry of Water Resources and Energy
MINEPAT	Ministry of the Economy, Planning and Regional Development

MINEPDED	Ministry of the Environment, Nature Protection and Sustainable Development
MINEPIA	Ministry of Livestock, Fisheries and Animal Industries
MINESEC	Ministry of Secondary Education
MINFI	Ministry of Finance
MINFOPRA	Ministry of Public Service and Administrative Reforms
MINHDU	Ministry of Housing and Urban Development
MINJEC	Ministry of Youth and Civic Education
MINMAP	Ministry of Public Contracts
MINMIDT	Ministry of Mines, Industry and Technological Development
MINPMEESA	Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts
MINPOSTEL	Ministry of Posts and Telecommunications
MINPROFF	Ministry of Women Empowerment and the Family
MINRESI	Ministry of Scientific Research and Innovation
MINSANTE	Ministry of Public Health
MINSEP	Ministry of Sports and Physical Education
MINT	Ministry of Transport
MINTOURL	Ministry of Tourism and Leisure
MINTP	Ministry of Public Works
MW	Megawatt
NBE	State Budget Nomenclature
NO	North-West
OMC	World Trade Organisation
ONG	Non-Governmental Organisation
OPEP	Organisation of Petroleum Exporting Countries
OSC	Civil Society Organisation
OT	Treasury bonds
PAD	Port Authority of Douala
PAEPYS	Projet d’Alimentation en Eau Potable de la ville de Yaoundé et de ses environs
PAIRPEV	Projet d’appui à l’insertion et la réinsertion socio-professionnelle des personnes vulnérables
PAK	Port Authority of Kribi

PAPSS	Pan-African Payment and Settlement System
PAREC	Cameroon Education Reform Support Project
PARPAC	Support Programme for Strengthening Agricultural Production in Cameroon
PCA	Chairman of the Board of Directors
PDFP	Public Finance Dialogue Platform
PDU	Urban Development Plan
PEF	Economic and Financial Programme
PEFA	Public Expenditure and Financial Accountability
PFNL	Non-timber forest products
PGRGFP	Global Public Finance Management Reform Plan
PIB	Gross Domestic Product
PIP	Priority Investment Programme
PLADDT	Local Territorial Planning and Sustainable Development Plan
PLANUT	Three-year emergency plan to accelerate economic growth
PM	Prime Minister
PME	Small and Medium Enterprise
PNIA	National Agricultural Investment Programme
PNG	Government Net Position
PNUD	United Nations Development Programme
PPP	Public Private Partnership
PPRD	Presidential Plan for Reconstruction and Development)
PPRD/NOSO	Presidential Plan for Reconstruction and Development of the North-West and South-West Regions
PRC	Presidency of the Republic of Cameroon
PRD	Regional Development Plan
PROBMIS	Programme Budget Management Information System
PROLAC	Projet Régional et de Développement du Lac Tchad
PRRTERS	Project to upgrade electricity transmission networks and reform the sector
PSV	Socially Vulnerable Person

PTF	Technical and Financial Partner
PTS-J	Three year special youth plan
PZTN	National Territorial Zoning Plan
RESUC	Unified Social Register of Cameroon
RIE	East interconnected network
RIO	Ordinary Internal Resources
RIS	South interconnected network
RR	Regional Meetings
RT	Transferred Resources
RU	United Kingdom
S&P	Standard & Poor's
SAN	Food and Nutrition Security
SDSR	Rural Sector Development Strategy
SEND	Balances Committed Not Disbursed
SIDA	Acquired Immunodeficiency Syndrome
SND-30	National Development Strategy 2020-2030
SNADDT	National Territorial Planning and Sustainable Development Plan
SNH	National Hydrocarbons Corporation
SO	South-West
SONAMINES	National Mining Corporation
SONARA	National Refining Corporation
SPM	Prime Minister's Office
SRADDT	Regional Territorial Planning and Sustainable Development Plan
SUCAM	Universal Health of Cameroon
TIAO	Bid interest rate
TIC	Information and Communication Technology
TIMP	Weighted average interbank rate
TRANSFAGRI	Integrated programme for the development and processing of agricultural and agri-food products
TVA	Value Added Tax
USA	United States of America
USD	United States Dollar
UE	European Union

VIH	Human Immunodeficiency Virus
ZES	Specialised Economic Zone
ZLECAF	African Continental Free Trade Area

OVERVIEW

2 023 will have been another year to test the resilience of the Cameroonian economy in a context of constellation of challenges, certainly not new if they are taken in isolation, but their superposition and combination are. The main forces that helped shape Cameroon's macroeconomic trajectory in 2023 were high inflation, which remained well above the EU standard of 3%, the non-economic shocks and the persistence of security tensions in certain regions, and the geo-economic decoupling that accentuates the disruption of supply chains, while offering the opportunity for economic relocation through the "friendshoring" model. With a growth rate of 3.3%, Cameroon's resilience has held up in 2023, maintained by (i) the maturity of several investment projects, both public and private sector, particularly in the manufacturing sector, (ii) rising domestic demand, despite inflationary pressures, and (iii) an improvement in the business climate, through increased facilitation of administrative compliance by private sector operators.

Growth has slowed, but has been remarkably resilient, in line with the dynamics of the non-oil sector. Since 2021, the trend of private investment is an indicator of the role that the private sector now plays in the wealth creation process.

Implementation of policies and strategies continued during the period under review. With regard to NDS30, satisfactory progress has been made in the rural sector, the industries and services sector, infrastructure and the transfer of skills to the RLA. Universal health coverage is taking shape and generating enthusiastic support among priority target populations. As for the implementation strategy of the AfCFTA, the first exchanges were recorded in order to ensure greater integration into the global and regional economy.

Faced with the accumulation of shocks and various changes, as well as the advent of geo-economic fragmentation, the following levers for action are proposed to strengthen the long-term resilience of the Cameroonian economy. The first lever is the accelerated continuation of the implementation of the structural policies included in the NDS30, the only ones able to ensure the structural transformation of the Cameroonian economy, and allow convergence with the newly industrialized countries (NPI) The second lever is to better document and analyze the current geopolitical context, with the aim of defining a more comfortable position for Cameroon and guaranteeing international trade, technology transfer and the availability of FDI necessary for the structuring ambition of the Cameroonian economy. The third lever of action is to ensure the sustainability and consolidation of public finances, through a stronger mobilization of domestic resources, without prejudice to economic activity, and an increased rationalization of public spending. It is important to create substantial budgetary margins to finance productive investment and social spending on the one hand, and to maintain prudent debt management on the other.

In perspective, the projected growth rate for 2024 would be 4.1%. This anticipated evolution depends on a greater resilience of the national economy in the face of environmental uncertainties, fuelled by geopolitical tensions and the beginnings of a geo-economic fragmentation that could widen, At the national level, the indicators of threats are inflation, which increased in 2023, the evolution of the situation in regions facing security crises, which will depend in part on the pace of implementation of the Reconstruction and Development Plans (PPRD) of those regions.

EXECUTIVE SUMMARY

Global economic growth continued to weaken in 2023, due in particular to the negative effects of inflationary pressures on global demand and energy supply difficulties in euro area countries. This is mainly due to increased geopolitical instability and widening geo-economic fragmentation, with their effects on trade and capital movements. Thus, according to the IMF's April 2024 World Economic Outlook, global growth stood at 3.2% in 2023 from 3.5% the previous year. In advanced economies, growth was 1.6%, while it was 4.3% in emerging and developing countries and 3.3% in sub-Saharan Africa. In the CEMAC area, due to the decline in oil activity, the growth rate fell by 0.6 points to 2.2%.

At national level, due to inflationary pressures supported by the increase in fuel prices at the pump and the high level of global prices, economic activity slowed down in 2023. Thus, the secondary sector recorded a growth of 2, 2% in 2023 compared to 2.7% in 2022, linked in particular to the slowdown in the agri-food industries and the decline in oil production. Likewise, the primary (2.5% versus 3.2%) and tertiary (3.9% versus 4.3%) sectors also experienced a slowdown, despite the encouraging performances observed in agricultural production and tourism and financial activities and telecommunications. The overall growth rate thus stood at 3.3% compared to 3.6% in 2022.

As a result of an unfavourable trend in the terms of trade, driven by a sharper fall in the prices of the main export products, in particular crude oil, natural gas and cotton, the trade cover ratio in 2023 deteriorated. It fell by 11.2 points to 59.7%. Thus, the trade balance, structurally in deficit, deteriorated by 589 billion CFAF to -2,017 billion CFAF.

In connection with the increase in prices at the pumps, the implementation of the State budget was marked mainly by the reduction of subsidies and the mobilization of additional funding for the clearance of the social debt and the raising the salaries of civil servants. This situation led to the adoption in June 2023 of an order amending and supplementing certain provisions of the finance law of this financial year, thus increasing the State budget from 381.8 billion CFA francs (+6%) to 6 726.9 billion CFA francs, including 6642,5 billion CFAF for the general budget and 84.4 billion CFAF for the Special Allocation Accounts. At the end of December 2023, total revenue mobilised stood at CFAF 4,842.5 billion, an increase of CFAF 449.4 billion compared with the same period in 2022, due to the broadening of the tax base, the extension of the taxpayer base and customs measures to promote import-substitution. Compared to the annual target of FCFA 4,679.5 billion provided for in the amended finance law, the rate of revenue realization at this date is 103% against 107.7% at the end of 2022. Over the period under review, net expenditures and loans amounted to FCFA 5,105.4

billion compared to FCFA 4,724.9 billion, an increase of FCFA 380.5 billion. The execution rate is 92% an increase of 5.1 points compared to 2022. In short, and in accordance with the commitments made under the current Economic Programme, the overall budget deficit (scheduling basis) should be -125.2 billion CFA francs, or nearly 0.4% of GDP.

During 2023, Cameroon continued its prudent debt policy aimed at meeting the State's financing needs at a lower cost, and meeting its payment obligations towards its partners. To this effect, at the end of the year, the stock of direct and public guaranteed debt (excluding residual payments) increased by CFAF 87 billion, or 0.3% of GDP to CFAF 12 484 billion (43.1% of GDP). This change is mainly attributable to an increase in domestic debt (+248 billion CFA francs, or 0.9% of GDP), while external debt recorded a decline (-91 billion CFA francs, or 0.3% of GDP). It should be noted that the increase in domestic debt is mainly due to the increase in the issuance of public securities and SDR allocations.

Improving the competitiveness of the economy and the business climate is on track. Cameroon has made progress in most world rankings, notably due to the facilitation of administrative compliance procedures. This progress contributed to FDI inflows of FCFA 610.3 billion, up FCFA 33.2 billion on the previous year. Combined with the resources of local investors, these investment flows have made it possible to carry out several large-scale projects, particularly in the manufacturing sub-sector. However, the government should step up its efforts to (i) digitise public administration; (ii) facilitate access to factors of production; (iii) promote innovation within companies; and (iv) improve the supply of infrastructure.

In terms of public investment, more than three quarters of the 2023 PIB is concentrated on developing infrastructure and production. The commitment, liquidation and ordering rates were 71.3%, 67.26% and 67.26% respectively at the end of December 2023. Despite the significant increase in the contract award rate, this underperformance is attributable to a low level of disbursement of external financing, due to delays in the implementation of certain major road projects. Particular emphasis should therefore be placed in the short term on speeding up the execution of these projects.

Despite the persistence of the effects of the Covid-19 pandemic and the Russian-Ukrainian crisis on the global and national economy, the implementation of the NDS30 continues. The reviews conducted in 2023 for the year 2022 focused on (05) of the seven (07) sectors concerned, namely:

(i) the industries and services sector, where the processes of setting up agro-industrial technopoles, industrial parks in the timber sector, restructuring CICAM, increasing the availability of inputs for the mining-metallurgy-siderurgy sector and structuring the chemical-pharmaceutical sector are continuing. Measures

are also being taken to promote tourism and Made in Cameroon both at home and abroad, through a specialised agency;

(ii) the rural sector, where agricultural and fisheries productivity has increased;

(iii) the infrastructure sector, where the supply of water and electricity has improved, as well as the quality of roads, sanitation and ICT services, but efforts must be made in the construction of social housing, as well as in the digitalisation of the cadastre and the increase of serviced plots;

(iv) the Governance sector, where the transfer of competences to the regions and RLA has intensified; and,

(v) the Other Social Services and Social Protection sector, where the main achievements concerned the extension of the Unified Social Register of Cameroon (RESUC) and the strengthening of the activities of supervision and development of women and youth.

Universal Health Coverage (UHC) is beginning to take shape. The launch of the pilot phase took place on 12 April 2023 in the city of Bertoua with the aim of: i) testing and honing the tools and approaches adopted in the implementation of the UHC; and ii) to raise public awareness of the forthcoming reform. The regions concerned are Far North, North, Adamawa, East and South for the management of pregnant women and new-borns up to 42 days of life. By the end of 2023, nearly one million people had been enrolled nationwide for a wider basket of care than the pilot phase.

The implementation of the economic and financial program 2021-2024 with the IMF continued satisfactorily. For the 2023 financial year, the program was the subject of three (03) reviews all considered conclusive by the Executive Board of the IMF sitting at its sessions of March 09, 2023 (third review), June 29, 2023 (fourth review) and December 22, 2023 (fifth review, coupled with consultations under Article IV of the IMF Statute). The approval of these reviews resulted in disbursements of budgetary support amounting to SDR 55.2 million per review, or about 45 billion CFA francs. The actions implemented under this program have been consistent with the structural reforms undertaken with the other TFPs namely the World Bank, the African Development Bank and the European Union. It should also be noted that the programme has been approved by IMF staff and is due to end in 2025..

The operationalization of the African Continental Free Trade Area (AfCFTA) also continues. As part of the intensification of the Guided Trade Initiative (ICG), in July 2023 our country recorded its first imports under the AfCFTA regime through a cargo of resin from Tunisia. In addition, a mission to assess the effectiveness and efficiency of the free cross-border movement of goods within the Central African region was carried out by the General Secretariat of the

AfCFTA. At the international level, negotiations were held with the adoption by the AU Conference of protocols on investment, intellectual property rights and competition policy. The Guided Trade Initiative (GTI), a pilot project involving eight African countries including Cameroon, was also stepped up.

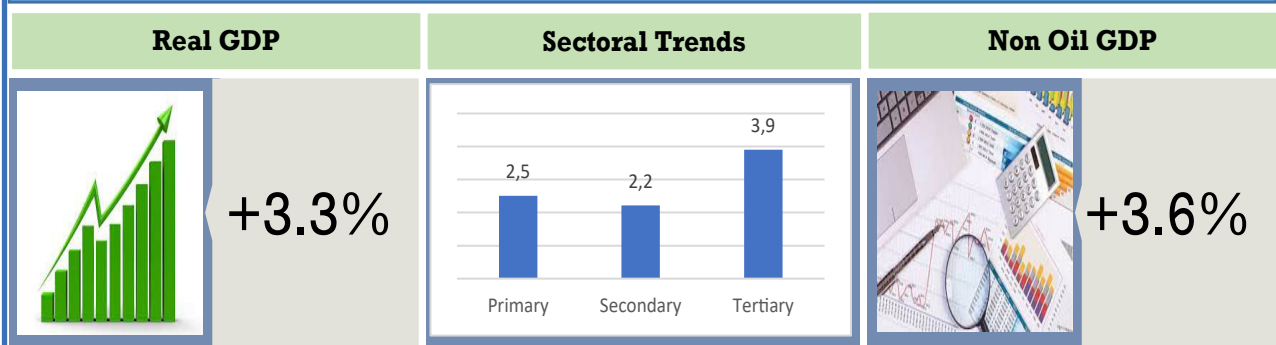
The global fragmentation that is taking shape at world level is having harmful effects on Cameroon. The country faced in 2022 a significant increase in measures harmful to the fluidity of its international trade, as well as a reorientation of trading partners for certain products. In addition, the flow of FDI has shifted, inflationary pressures have intensified despite government measures, and international financial conditions remain more rigid than in the past.

In view, despite the high uncertainties related to the geopolitical situation and international geo-economic fragmentation, the economic outlook for the 2024-2026 period remains satisfactory. The growth rate is estimated at 4.5% in 2024 and 5% on average over the period 2025-2026. Inflationary pressures are expected to continue in 2024 in relation to higher fuel prices at the pump and the international context, before gradually easing in the medium term. The budget deficit is expected to remain below 1% throughout the period, keeping the debt level below 45% of GDP.

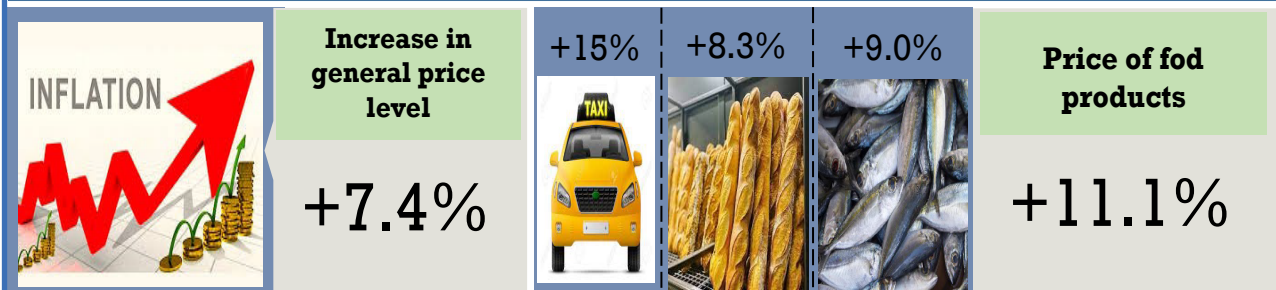
However, there are several factors that can influence these projections. These include (i) the resurgence of security crises in the North-West, South-West and Far-North regions; (ii) commodity price fluctuations; (iii) the persistence of inflationary pressures; (iv) failure to implement structural reforms on time; (v) weak mobilization of non-oil resources.

THE CAMEROONIAN ECONOMY IN FIGURES IN 2023

TRENDS IN NATIONAL ECONOMIC ACTIVITY



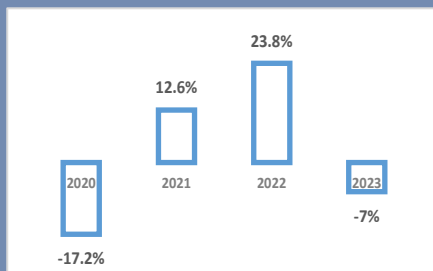
INFLATION



TRADING EXCHANGE



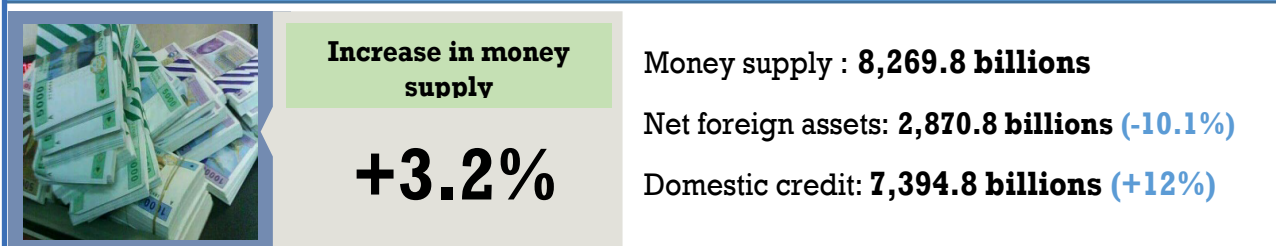
Terms of trade



Deterioration of the terms of trade

Supported by a significant fall in export prices

MONETARIST SITUATION



PUBLIC FINANCES (in billions CFAF)

Internal revenues and donations



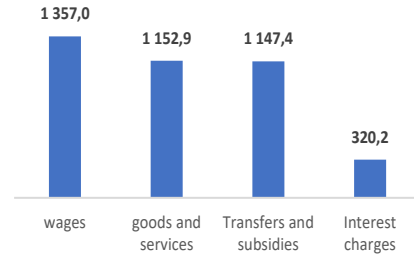
in billions CFAF

Petroleum Rev.	877
Non Petro Rev.	3 965.5
Donations	139.4
TOTAL	4 981.9



Current Expenditures

3 977.4
billions



PUBLIC INVESTMENT BUDGET

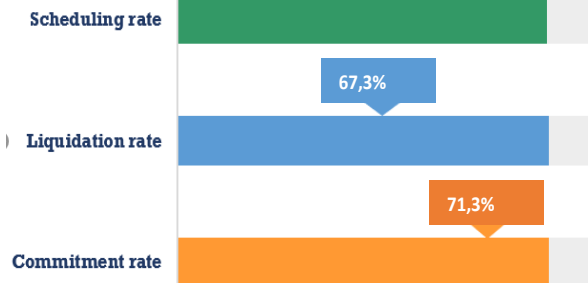


PIB

1 393.3 in
payment credits

At the end of sept.

67,3%



PUBLIC DEFICIT

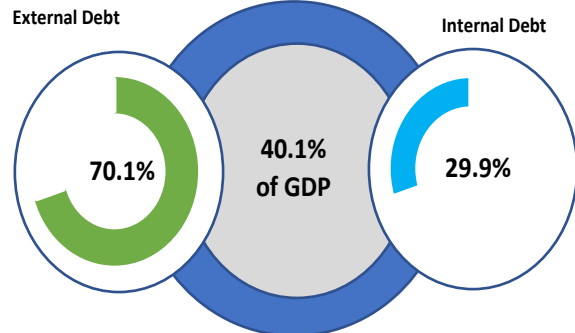


Budget deficit
(sched. basis)

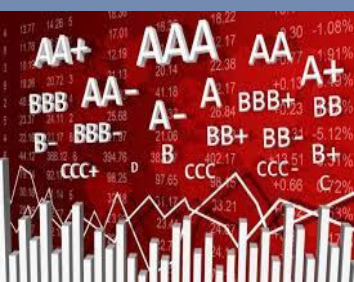
-180.6
billions
-0.6% of
GDP

CENTRAL GOVERNMENT DEBT excluding P.A.R.

11 625



SOVERIGN RATINGS



CCC+

Caal

CCC+



INTERNATIONAL ECONOMIC SITUATION

Global economic growth continued to weaken in 2023, reflecting the lingering effects of inflationary pressures on global demand and the energy supply difficulties of euro area countries. Thus, the slowdown in growth is more pronounced in advanced economies. Conversely, in emerging and developing economies, there is some reversal of the trend due to the resumption of activities at the level of some leading countries, such as China, Russia and Brazil. In the CEMAC area, activity slowed in line with the decline in the prices of energy products (oil and gas) on the international market.

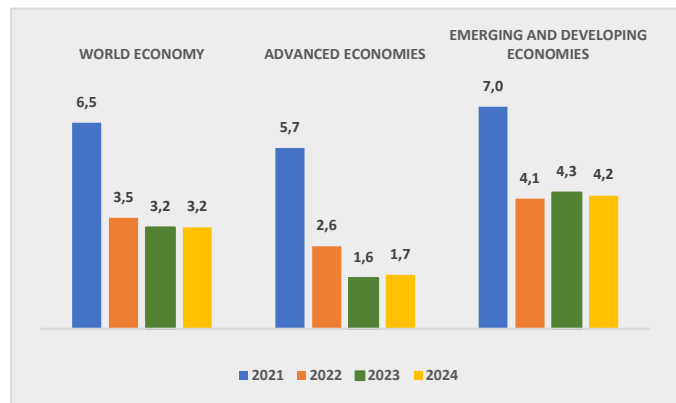
After a difficult 2022, disrupted by the consequences of the Russo-Ukrainian conflict, the year 2023 took place in an international context characterized in particular by: (i) the persistence of inflationary tensions, in particular on the prices of food and energy products whose supply has fallen sharply in Europe; (ii) still rigid financial conditions in connection with the continuation of the restrictive policies of the central banks necessary to combat inflation; and (iii) expanding geo-economic fragmentation and its effects on trade and capital movements; and (iv) deepening geopolitical instability in the Middle East with the advent of the Hamas-Israel conflict.

Global economic slowdown continues in 2023 ...

According to the april 2024 World Economic Outlook (IMF), global growth in 2023 is expected to continue its slowdown from the previous year. Thus, the real growth rate of global GDP is estimated at 3.2% in 2023 against 3.5% in 2022. This trend is mainly explained by the deceleration observed in the economies.

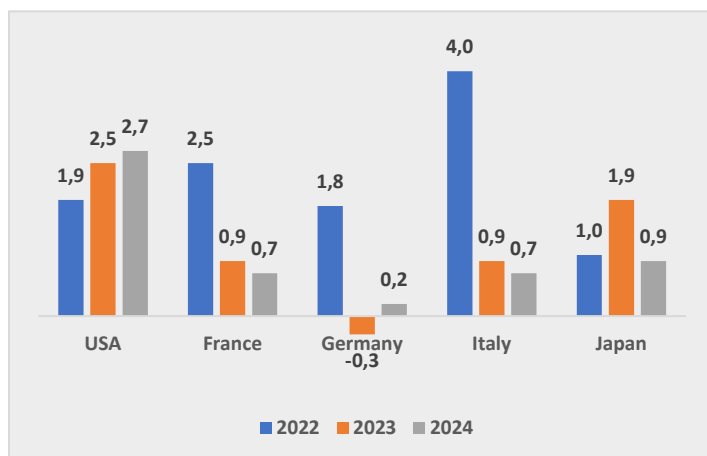
Indeed, **in advanced economies**, growth is estimated at 1.6% in 2023 against 2.6% in 2022, a decline of one point of growth. This change is mainly due to the underperformances recorded in the euro area (0.4% in 2023 against 3.4% in 2022), in line with the decline in demand and the persistence of supply difficulties in energy. The difficulties are much

Graph 1 : Evolution of global growth



Source : IMF (2024), update of the global economic outlook.

Graph 2 : Growth trends in some advanced countries



Source : IMF (2024), update of the global economic outlook.

more pronounced in Germany (-0.3% against 1.8%), France (0.9% against 2.5%), Italy (0.9% against 4.0%) and Spain (2.5% against 5.8%).

Outside the euro area, restrictive monetary policies also dampened demand and slowed growth in the UK (0.1% versus 4.3%) and Canada (1.1% versus 3.8%).

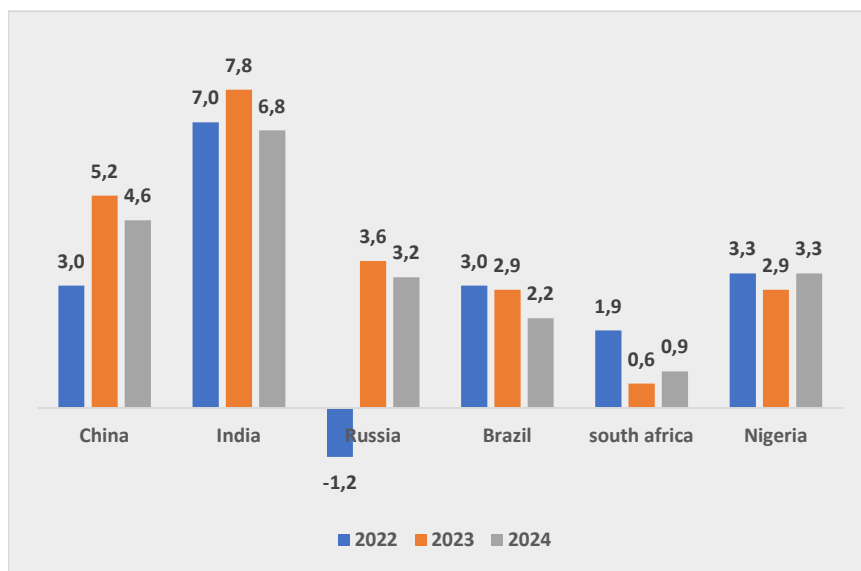
In contrast, growth in the United States is set to accelerate in 2023, thanks to the resilience of domestic demand. Domestic demand rose to 2.5% in 2023 from 1.9% in 2022, driven in

particular by purchases of durable goods. Similarly, Japan's economy is set to grow by 1.9% in 2023, compared with 1% in 2022, supported by rising exports.

In emerging and developing economies, growth is estimated at 4.3% as in 2023. This has benefited from the acceleration recorded in (i) China (5.2% in 2023 against 3% in 2022), with the dissipation of outbreaks of COVID and the recovery of industrial activity; and (ii) Russia (3.6% against -1.2%), whose economy is gradually adapting to the economic sanctions introduced in 2022.

These evolutions helped to offset the slowdowns observed in the economies of Latin America and the Caribbean (1.5% against 4.2%), the Middle East and Central Asia (2% against 5.5%) and Sub-Saharan Africa (3.3% against 4%).

Graph 3 :Growth trends in selected emerging and developing countries

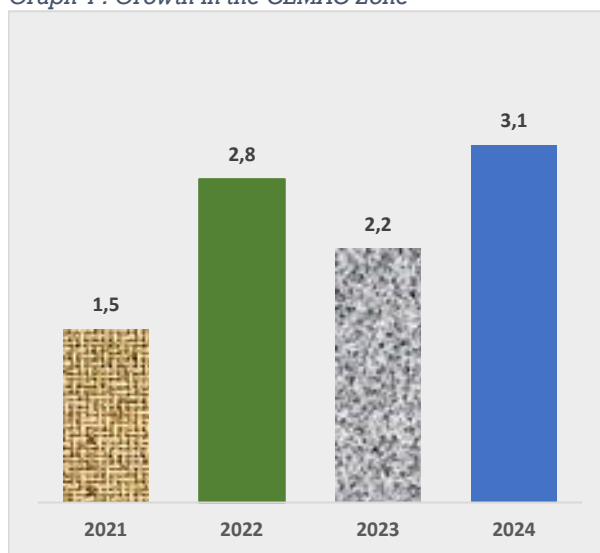


Source : IMF (2024), update of the global economic outlook.

In sub-Saharan Africa in particular, the decline in the growth rate is linked to the persistent effects of inflation and rigid financial conditions on real demand and business productivity. As a result, the two largest economies in the region recorded growth rates of 2.8% and 0.6% respectively for Nigeria and South Africa, down 0.5 points and 1.3 points respectively.

In CEMAC, growth in 2023 slowed to 2.2% from 2.8% in 2022, a decline of 0.6 points. This situation is due to the decline in oil activity, whose exports have consequently decreased.

Graph 4 : Growth in the CEMAC Zone



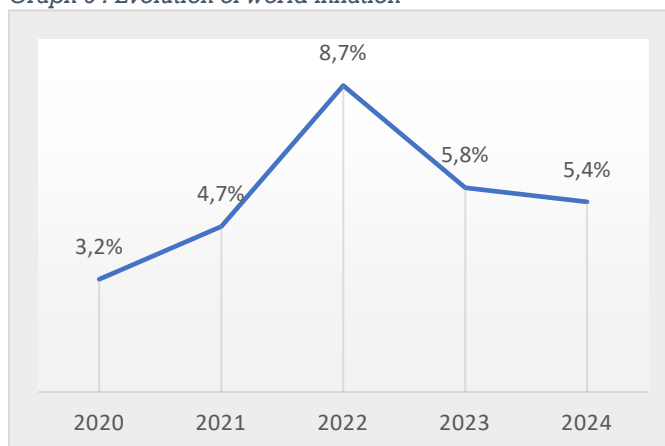
Source : IMF (2024), Regional Economic Outlook.

...with continued high inflation

After an acceleration between 2020 and 2022 due to the post-COVID economic recovery and supply difficulties related to the consequences of the war in Ukraine, global inflation is expected to gradually ease over the next few years, although still above pre-war periods.

In this vein, it would stand at 5.8% in 2023 against 8.7% in 2022, in connection with the implementation of restrictive monetary and fiscal policies in most economies of the world, even though the effect of these policies has been mitigated by the widening of geo-economic fragmentation in 2023 and its consequences on the overall supply.

Graph 5 : Evolution of world inflation



Source : IMF (2024), World Economic Outlook Update.

The reduction in inflation has been greater in the advanced countries. The inflation rate is 3.1%, compared with 7.3% in 2022, a fall of 4.2 points. Emerging and developing economies recorded average inflation of 8.0%, compared with 9.8% in 2022, a fall of 1.8 points.

NATIONAL ECONOMIC SITUATION

The national economic situation was marked in 2023 by: (i) the persistence of inflationary pressures at the global level, induced by the consequences of the Russian-Ukrainian conflict and the rise of fuel prices at the pump at the national level; (ii) the appreciation of the dollar which has contributed to eroding the competitiveness of our economy, reducing the purchasing power of households and increasing pressure on the state budget; (iii) the continuation of a policy of tightening of financial conditions by the central banks, with a view to containing inflation; (iv) accelerating the implementation of the National Development Strategy (NDS30) with a particular focus on import-substitution policy; (v) the continued improvement of the socio-economic situation in the Far North, North-West and South-West Regions ...

CHAPTER I : ECONOMIC ACTIVITY IN 2023

I.1. REAL ECONOMY

I.1.1 GDP Growth

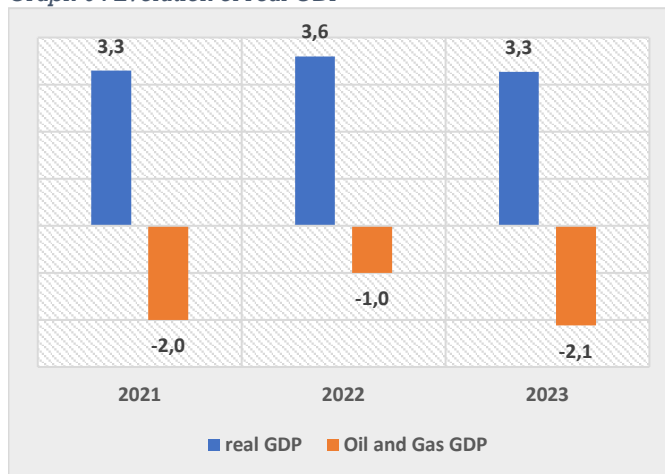
Due to a difficult international environment, economic activity at national level recorded a slowdown in 2023. According to the latest estimates, the real GDP growth rate should stand at 3.3% in 2023 after 3.6% in 2022, 3.3% in 2021 and 0.3% in 2020.

Although this growth is below the initial forecast (4.2%), remains essentially driven by the performance of the non-oil sector, which is expected to reach 3.6% after 3.8% in 2022 and 3.5% in 2021. On the other hand, as in 2021 (-2%) and 2022 (-1%), the oil sector is expected to record negative growth in 2023 (-2.1%), linked to the fall in yields from oil wells in operation.

On a sectoral level, growth in 2023 should be driven by both **the tertiary sector (3.9% compared with 4.3% in 2022)** and **the primary sector (2.5% compared with 3.2% in 2022)**, due to an improvement in domestic demand and access to production inputs; despite the price increase.

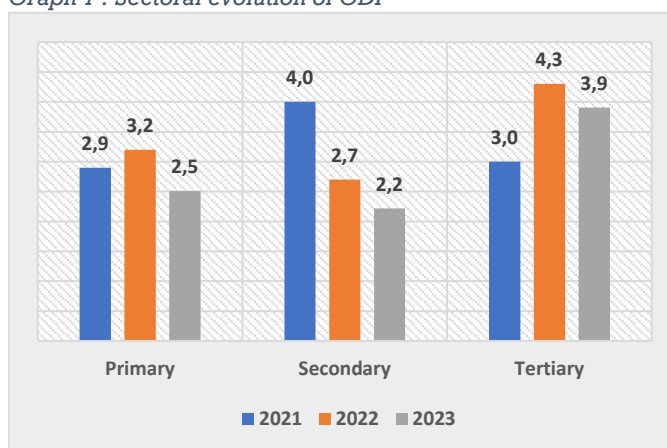
For the **secondary sector**, the slowdown initiated since last year is expected to continue, with growth estimated at 2.2% in 2023 after **2.7% in 2022 and 4% in 2021**.

Graph 6 : Evolution of real GDP



Source : Macroeconomic framework unit (2023).

Graph 7 : Sectoral evolution of GDP



Source : Macroeconomic framework unit (2023).

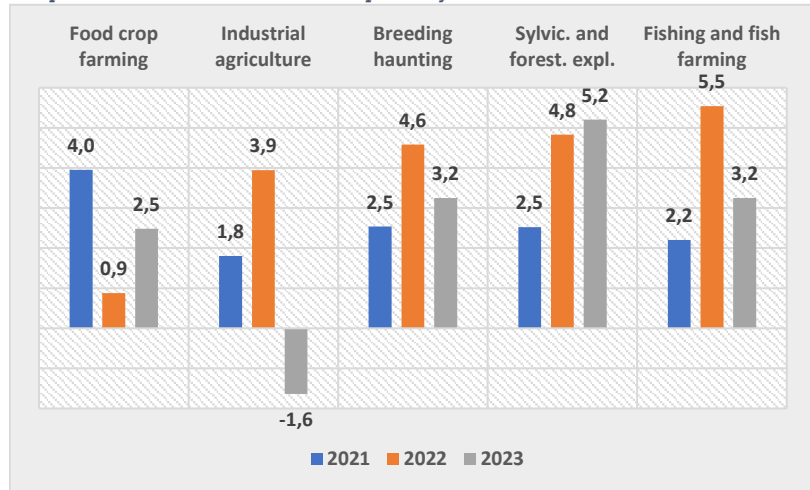
I.1.2 GDP growth by sector

A. Primary Sector

In 2023, growth in the primary sector (2.5% against 3.2% in 2022) is mainly supported by the good performance observed in subsistence agriculture (2.5% against 0.9% in 2022), forestry and logging (5.2% against 4.8% in 2022). Also, it is worth noting the satisfactory performance in the livestock sectors (3.2%) and fisheries (3.2).

These evolutions are reflected in (i) the continued implementation of programmes to encourage local fish production and reduce the acquisition costs of agricultural and livestock inputs (exemption from import duties on seeds and fertilizers in particular); (ii) the increase in Chinese demand induced by the resurgence of activity in this country.

Graph 8 : Evolution of GDP in the primary sector



Source : Macroeconomic framework unit (2023).

In contrast, activity in the industrial agriculture and logging industry declined sharply with a growth rate of -1.6% in 2023, after growth of 3.9% in 2022. This decline is the consequence of the poor performance recorded in the cocoa, banana and cotton sectors.

B. Secondary Sector

The secondary sector is expected to experience a slowdown in activity in 2023 in connection with the continuation of the downward trend in the extractive industries and the slowdown recorded by the agri-food industries. The growth rate in this sector is estimated at 2.2% in 2023 against 2.7% in 2022.

This poor performance of said agri-food industries is notably supported by the effects of inflationary pressures which reduce company margins as well as the dynamism of domestic demand. In this regard, the growth rates of the agri-food industries should be close to 3.8% in 2023 compared to 4.9% in 2022.

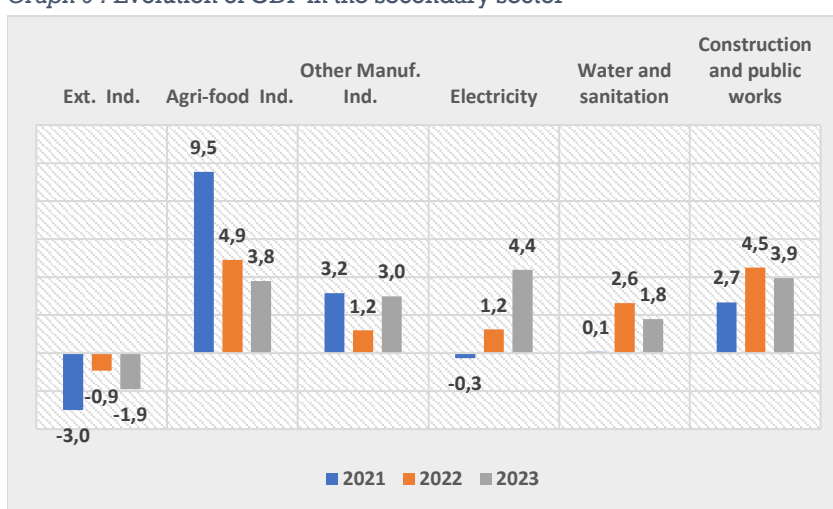
However, it should be noted that in the manufacturing industries branch, the country continues to record the entry into operation of new operators, as well

as the expansion of the capacities of certain existing industries. To this effect, we can note:

- (i) The entry into production of the Cameroonian company Gracedom Bottling Company, in the brewing industry. This company has invested 50 billion CFAF for the installation of three production lines of sodas of the Coca-Cola, Fanta and Sprite brands ;
- (ii) Increasing the capacity of operators in the cocoa, steel and cement processing sectors to better address growing domestic and sub-regional demand ;
- (iii) Improving energy supply in relation to increasing industrial demand.

In addition, because of the inflationary context that has weighed on the production costs and food security of the populations, the companies of these sectors benefited from the incentives set forth by the Government. As an example, beverages incorporating local inputs benefited from a 30% excise duty discount in the 2023 finance law, which encouraged local transformation and investment in the sector. Also, it should be noted that the customs exemptions on equipment, instituted as part of the 2021 post-pandemic recovery, allowed companies to gradually improve and increase their physical capital stock.

Graph 9 : Evolution of GDP in the secondary sector



Source : Macroeconomic framework unit (2023).

As for other manufacturing industries, they are expected to record growth of 3.0% in 2023 compared to 1.2% in 2022. This development also supported the increase in energy supply which stood at 4.4% in 2023 compared to 1.2% in 2022.

Regarding construction, its dynamism continued with growth estimated at 3.9% in 2023 after 4.5% in 2022.

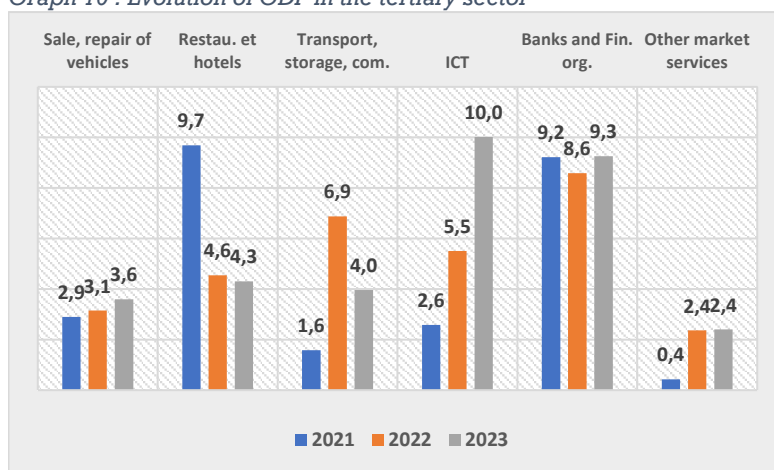
As for hydrocarbon production, it will continue to decline in 2023 in line with the decline in oil production. The increase in gas production is not yet able to compensate for this decline. Its growth is expected to be **-2.1% in 2023 after -1.0% in 2022.**

C. Tertiary sector

The services sector should benefit from the induced effects of the dynamism of activities in the two upstream sectors (primary and secondary), as well as from domestic demand. The evolution in this sector should also slow down in 2023 standing at 3.9% in 2023 against 4.3% in 2022, in line with the good performance observed in several branches of activity, such as: (i) restaurants and hotels (+4.3% in 2023 against +4.6% in 2022), Transport, warehouses, communications (+4.0% against versus +6.9.

However, the dynamism observed last year in certain branches of activity continued. Thus, we can particularly note the case of the Banks and financial organizations branches (+9.3% after +8.6%); Information and telecommunications (+10% after 5.5%) and Commerce and repair (+3.6% after 3.1%).

Graph 10 : Evolution of GDP in the tertiary sector



Source : Macroeconomic framework unit (2023).

This dynamism stems mainly from: (i) the consolidation of domestic and international tourism activity; (ii) the recapitalisation of banks previously in difficulty and the continuation of government measures to facilitate access to finance in the private sector, notably with the implementation of the national financial inclusion strategy; and (iii) the extension of the digitalization of activities in various sectors (commerce, financial services, education, government, etc.).

It should be noted that other non-market services recorded an increase of 3% in 2023 against 3.3% in 2022, driven in particular by the increase in education and health services.

I.1.3 Employment trends in GDP

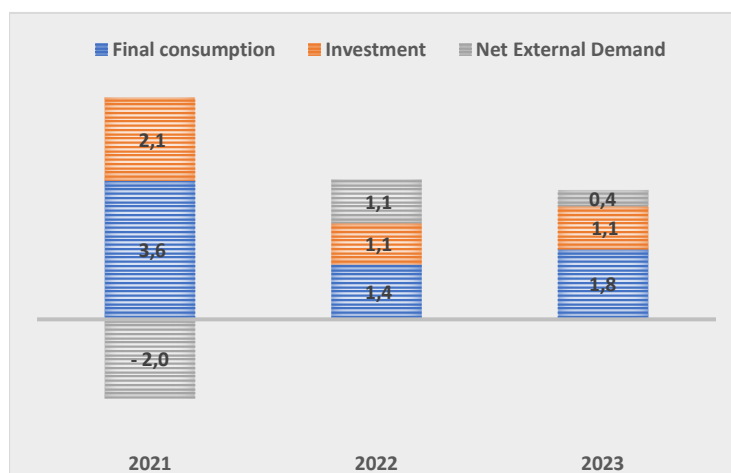
Domestic demand continues to drive GDP growth in 2023. Its contribution is estimated at 2.9 points compared to a contribution from net external demand which stands at 0.4 points.

Concerning final consumption, it recorded a growth of 2.1% in 2023 against 3.1% in 2022, driven by the increase in private consumption. Public consumption having recorded an increase of 0.2, mainly induced by the compensatory measures taken by the Government in

favor of the populations in order to mitigate the impact of the increase in fuel prices at the pump. However, due to higher inflation, the ratio of final consumption to GDP rose from 84.9% in 2022 to 86.6% in 2023.

Gross fixed capital formation rose by 6.3% compared with 6.1% the year before. This development is mainly attributable to the significant increase in private investment (+12.7% in 2023 compared to 5.1% in 2022). As for public investment, it fell sharply (-14.9% in 2023 compared to 9.5% in 2022) linked to the drop in capital expenditure on external financing. Moreover, the investment rate stood at 18.2% against 18% in 2022.

Graph 11 : Contribution of jobs to GDP growth



Source : MINEPAT/DGEPIP (2023).

Table 1 : Employment trends in GDP

	Real evolution in %				Evolution in % of GDP			
	2020	2021	2022	2023	2020	2021	2022	2023
Domestic demand					103,3	103,7	102,7	104,7
Final consumption	0,4	4,4	3,1	2,1	85,6	85,6	84,9	86,5
Private Sector	0,3	4,7	4,2	2,4	73,3	73,5	74,0	76,2
Public Administration	1,1	2,6	-3,4	0,2	12,3	12,0	11,0	10,3
Gross fixed capital formation	-4,2	4,9	6,1	6,3	18,2	18,2	18,0	18,2
Private sector	5,5	4,8	5,1	12,7	14,1	14,1	13,9	14,9
Public Administration	-27,6	5,0	9,5	-14,9	4,1	4,1	4,1	3,3
External demand					-3,3	-3,7	-2,7	-4,9
Exports of goods and services	-14,4	3,5	3,3	-9,6	15,2	16,5	19,3	16,0
Imports of goods and services	-17,1	12,8	3,6	8,0	18,5	20,2	22,0	20,9
GDP	0,3	3,6	3,6	3,3	100	100	100	100

Source : MINEPAT/DGEPIP (2023).

As regards net external demand, it fell sharply in relation to the decline in total exports of goods and services (-9.6% against 3.3%), driven by the slowdown in demand from some of our main trading partners, and increased local processing

of agricultural products. As for imports, they were up 8.0% in 2023 against 3.6% in 2022, driven by essential goods and fuels despite the inflationary context.

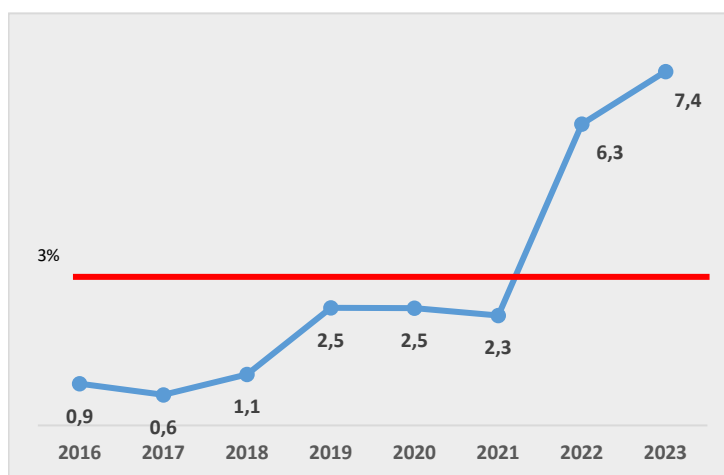
1.1.4 Inflation

The widening of geopolitical fragmentation in 2023 has accentuated the disorganization of production chains and the reduction of global supply, maintaining a persistence of inflationary pressures at the international level.

1.1.4.1 Evolution of the general price level

As for inflation, it accelerated in 2023 to be around **7.4%** on an annual average, after **6.3%** in 2022 and **2.3%** in 2021, due to the combined effects of the increase in fuel prices at the pump recorded at the beginning of the year and the consequences of the conflict in Ukraine.

Graph 12 : Evolution of inflation in Cameroon



Source : NIS (2024).

Regionally, prices rose more sharply in 2023 in the cities of Ngaoundere (+8.4%), Bertoua (+8.0%), Douala (+7.7%) and Maroua (7.6%). In contrast, inflation was more moderate in the cities of Bamenda and Buea, with levels of 6% and 6.8% respectively.

1.1.4.2 Main determinants of inflation

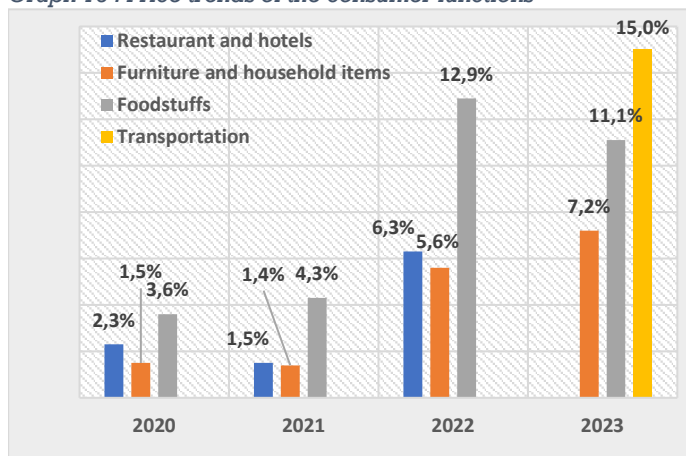
The main determinants of the increase in the general level of prices in 2023 are in particular the following three functions: (i) **furniture, household goods and household maintenance** (+7.2% in 2023 against +5.6% in 2022); (ii) **transport** (+15.0% against +2.7%); (iii) **food and non-alcoholic beverages**, with an estimated increase of +10.8% in 2023 compared to 12.7% in 2022.

Although the evolution of consumer prices for the latter function (food and non-alcoholic beverages) has historically been the main factor accelerating inflation, it should be noted that in 2023, transport prices accounted for the acceleration compared to the previous year. The prices of the transport function thus saw an increase of 15% in 2023 against 2.7% in 2022, in connection with the revaluation at the beginning of the year of the prices of fuels at the pump of 15% for the Super and 25.2% for the Gasoil. Also, it should be noted that the transport function represents the third largest household consumption item with an estimated weight of 11.3% of total consumption expenditure, directly after the

functions "food and non-alcoholic beverages" (31.8%), and "housing, water, electricity, gas and other fuels" (12.9%).

However, the rise in prices of food and non-alcoholic beverages remained significant (10.8%), although moderate compared to 2022 (12.7%). It was mainly driven by higher prices for vegetables (22.2%) and fruit (14.3%). Prices for breads and cereals (8.3%), meat (5.2%), fish and seafood (9%) and oils and fats (5.7%) were more contained, although still on the rise.

Graph 13 : Price trends of the consumer functions



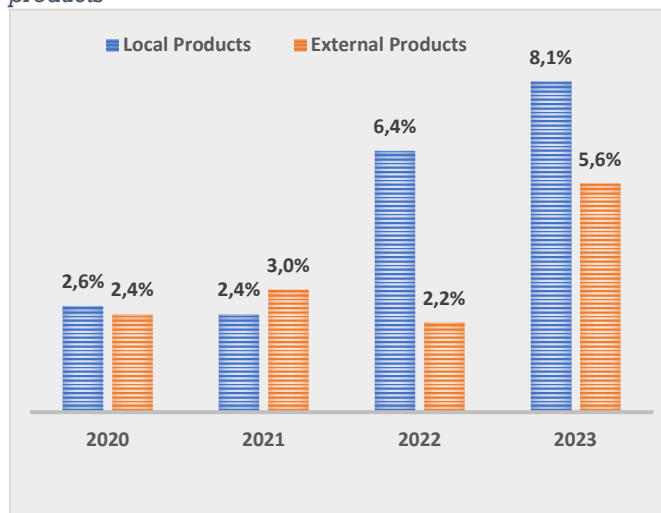
Source : NIS (2024).

I.1.4.3 Sources of inflation

Inflation remains mainly driven by rising prices of local products (8.1%) in 2023. However, the dynamics of these prices were partly explained by the increase in the production costs of companies in relation to the increase in the prices of imported inputs.

Prices of imported products rose by 5.6% (+3.4 points compared to 2022), in line with the continued rise in international food and energy prices.

Graph 14 : Evolution of inflation according to the origin of products

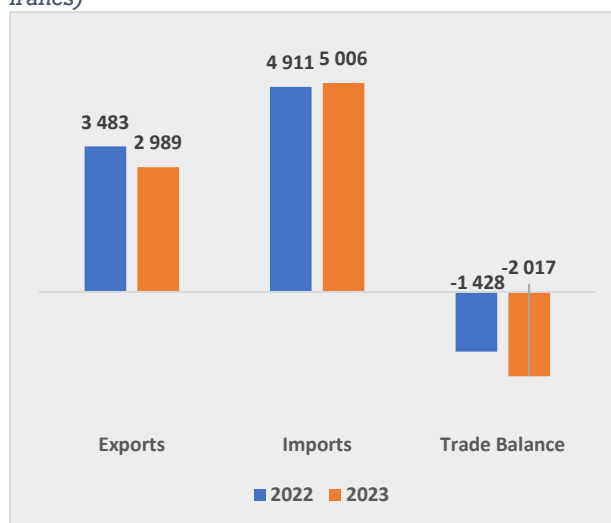


Source : NIS (2024).

I.2. TRADE

Due to a lukewarm 2022, fuelled by the effects of the Russian-Ukrainian conflict, the prices of energy products (oil and gas) as well as some major exported products experienced a significant decline in 2023. This situation weighed on the value of exports in Cameroon and led to a significant drop in the rate of coverage of imports by its exports, which ranged from January to December 2023 to 59.7%, a decrease of 11.2 points compared to 2022. Thus, the trade balance, which is structurally deficit, fell by CFAF 589 billion to -2017 billion CFAF.

Graph 15 : Evolution of foreign trade (in billion CFA francs)



Source : Based on DGD/MINFI data (2024).

I.2.1 Exports of goods

According to foreign trade statistics, the value of exports in Cameroon during the year 2023 stood at **2989 billion CFA francs** against **3483 billion CFA francs** in 2022, a decrease of 14.2%. This development was particularly driven by the decline in hydrocarbon exports (-25.3%), in conjunction with the sharp decline in crude oil prices. Exports of crude **petroleum oils** fell by 13.6% and 25.6% respectively in volume and value.

Exports excluding hydrocarbons in value terms increased by 4.0% year-on-year. However, it should be noted that export volumes of several major commodities declined between 2023 and 2022. Among these products include:

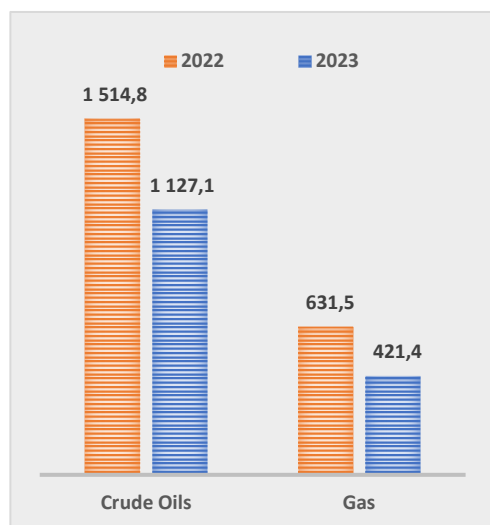
- (i) **Raw cocoa beans**, whose volumes were down 23.5%, while the value was up 12.9% due to the good performance of world prices;
- (ii) **Raw timber in logs**, whose exports fell by 20.0% in volume and 16.6% in value;
- (iii) **Iron or steel bars**, whose exports fell by 12.0% in volume and 8.7% in value;
- (iv) **Raw cotton**, which fell by 14.6% in volume and 4.8% in value;
- (v) **Cocoa pasta and butter**, whose exports fell by 2.8% and 19.2% respectively in volume terms, while values showed changes of +19% and -2.9% respectively;
- (vi) **Fresh bananas**, whose export volumes fell by 4.6% while values rose by 1.6%;
- (vii) **Raw rubber**, whose exports fell by 9.4% in volume and by 26.5% in value;

(viii) **Wood veneer sheets**, whose exports decreased by 4.9% in volume and by 11.3% in value;

Moreover, it is noted that some manufactured products continue to gain export market shares, particularly in Sub-Saharan Africa. These include in particular:

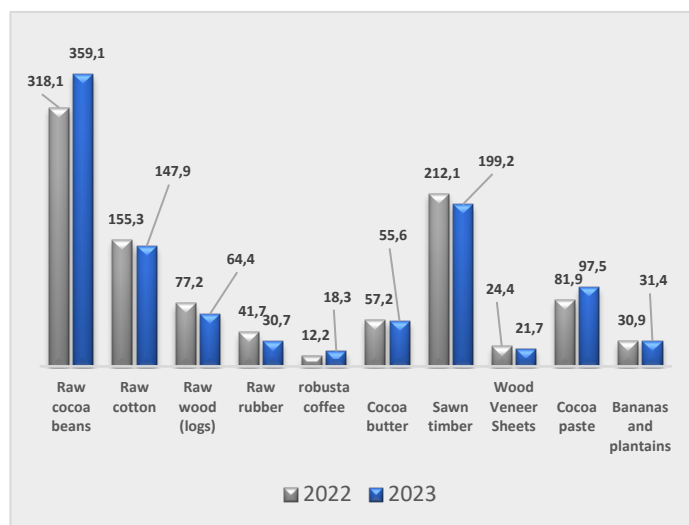
- **Household soaps in pieces**, with an increase of 59.2% in volume and 91.6% in export value;
- **Aluminum plate**, whose exports grew by 90.8% in volume and 80.2% in value
- **Chocolates and other cocoa preparations**, whose exports grew by +18.4% in volume and 17.2% in value;
- **Bottles, bottles and bottles**, with exports up 12.1% in value and 19.5% in volume ;
- **Ethylene polymer bags and pouches**, whose exports grew by 96.9% in volume and 46.0% in value.
- **Sawn timber**, with exports up 26.0%, despite a 6.1% decline in value.

Graph 16 : Exports of hydrocarbons (billion CFAF)



Source : Based on DGD/MINFI data (2024).

Graph 17 : Exports of main non hydrocarbon products (in billion CFAF)



Source : Based on DGD/MINFI data (2024).

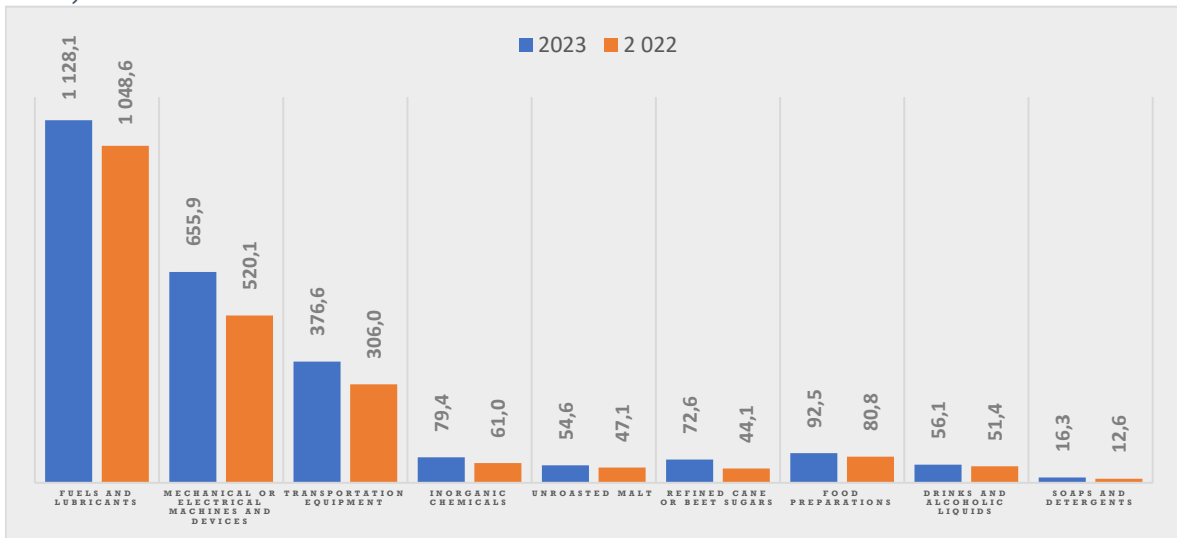
I.2.2 Imports of goods

Imports of goods in 2023 posted a bill of about **5005.8 billion CFAF** against 4911 billion CFAF in the previous year, an increase of 1.9% year-on-year. These imports were particularly supported by the year-on-year dynamism of some major products, such as:

- (i) **Fuels and lubricants**, imports of which amounted to 1 128 billion CFAF, up 7.6%;

- (ii) **Mechanical and electrical machinery and equipment**, with imports of 656 billion CFAF, up +26.1%;
- (iii) **Transportation materials**, with a bill of CFAF 376.6 billion, up 23.1%;
- (iv) **Maize**, whose imports increased by 138% to 7.9 billion CFAF;
- (v) **Unroasted malt**, with imports of 54.6 billion CFAF, up 16.0% in value;
- (vi) **Refined sugars from cane or beet**, whose imports amounted to 72.6 billion CFA francs, up 64.4%;
- (vii) **Inorganic chemicals**, with imports of 79.5 billion CFAF, up 30.3%;
- (viii) **Food preparations based on cereals, fruit and vegetables**, imports of which amounted to 92.5 billion CFA francs, up 14.5%;
- (ix) **Laundry soap**, with imports of CFAF 16.3 billion, an improvement of 29.1%;
- (x) **Alcoholic beverages and liquids**, whose imports amounted to CFAF 56.1 billion, up 9.2%.

Graph 18 : Evolution of the main products that contributed to the increase in imports in 2023 (in billion CFA francs)

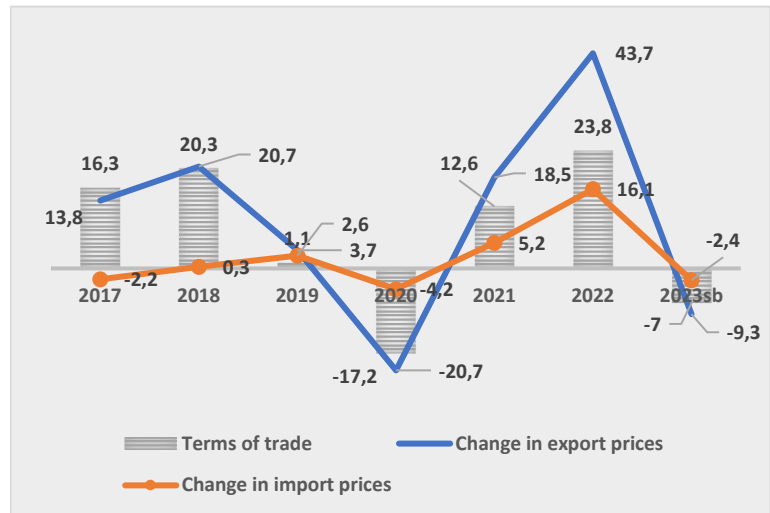


Source : Based on DGD/MINFI data (2024).

1.2.3 Terms of trade

According to estimates produced by the Bank of Central African States (BEAC), Cameroon's terms of trade are expected to fall by 7% in 2023 after an increase of more than 23% the previous year. This deterioration is linked to a more pronounced fall in export prices (-9.3%), due in particular to the sharp fall in international prices of crude oil, natural gas, cotton, and rubber, which are our main export products. Import prices are expected to fall only slightly (-2.4%), due to the composition of these imports in basic necessities, some of which remained rising (notably rice).

Graph 19 : Change in terms of trade



Source : BEAC (2023).

1.3. MONETARY SITUATION

Like most central banks around the world, BEAC's policy in 2023 was characterised by tighter monetary conditions. This has resulted in an increase in key policy rates such as (i) the Bid Interest Rate (TIAO) and the Marginal Lending Facility Rate, which rose by 50 basis points to 5% and 6.75% respectively from April 2023; and (ii) Weighted Average Interbank Rate (TIMP), which remained above 6% from July 2023.

1.3.1 Money supply

At the end of December 2023, the money supply (M2) recorded an increase of 3.2% year-on-year, from 8,010.1 billion CFA francs to 8,269.8 billion CFA francs. This development was supported by a 10.1% increase in cash circulation to CFAF 1,802.3 billion, and 1.5% of bank deposits (+10.4% for quasi-money and -4.9% for cash) to CFAF 6,467.5 billion. The evolution of deposits, combined with a decline in bank reserves (-2.7%) led to a deterioration of bank liquidity by 1 point to put it at 23%.

1.3.2 Counterparties of the money supply

As regards money supply counterparties, at the end of December 2023 there was a sharp decline in net foreign assets and a significant increase in domestic credit, compared to the situation at the end of December 2022.

As for net foreign assets, they decreased by 10.1% to CFAF 2870.8 billion in December 2023, in line with the decline in BEAC's external assets and the increase in external liabilities of all players in the monetary system. Thus, the official reserves of Cameroon are at the end of December 2023 at 2930.1 billion CFAF, a decrease of 8.2% compared to the end of December 2022.

Table 2 : Monetary situation at end-December 2022 (in billion CFAF)

	Dec-22	Dec-23	Variation (en %)
	a	b	b/a
COUNTERPARTIES	9 817,3	10 265,7	4,6
NET EXTERNAL ASSETS	3 194,0	2 870,8	-10,1
Net Foreign assets of BEAC	1 854,1	1 525,7	-17,7
Net Foreign assets of BCM and AIBE	1 340,0	1 345,1	0,4
DOMESTIC CREDIT	6 623,3	7 394,9	11,6
Net claims on the State	2 133,2	2 371,0	11,2
PNG	2 134,2	2 479,7	16,2%
Loans to the economy	4 490,1	5 023,8	11,9
Loans to the private sector	4 006,5	4 513,9	12,7
RESOURCES	9 817,3	10 265,7	4,6
MONEY SUPPLY	8 010,1	8 269,8	3,2
Banknote circulation	1 637,6	1 802,3	10,1
Cashless money	3 729,4	3 548,4	-4,9
Quasi money	2 643,1	2 919,1	10,4
Other net items	1 807,2	1 995,9	10,4

Source : BEAC (2024).

With regard to domestic credit, its outstanding amount rose by 11.6% to 7,394.8 billion CFA francs, an increase in absolute value of 771.5 billion CFA francs. This increase is the result of a simultaneous increase in credits to the economy (+11.9%) and net claims to the State (+11.2%).

Credit to the economy increased 11.9% year-on-year to CFA Francs 2,371 billion in December 2023. This development is largely explained by the increase in private sector commitments (+12.7%), despite the context of tightening monetary conditions. The analysis of the stock of credits to the economy shows that a large part of them are in the short term (54.1%), against 42.3% and 3.6% respectively for the medium and the long term. Compared to 2022, the share of long- and short-term loans increased slightly at the expense of the medium and the long term. Compared to 2022, the share of long- and short-term loans increased slightly at the expense of the medium term.

The net position of the State vis-à-vis the banking system remained debtor, going from 2 133.2 billion CFA francs to 2 371 billion CFA francs during the period under review (+ 11.2%). This evolution is related to the dynamics of the Net Position of the Government (PNG) debtor vis-à-vis:

- the BEAC (29.1%), due to the drop in deposits (-24.3%) due to draws on budget support. It should be noted that the outstanding public securities of Cameroon held by the BEAC for monetary policy purposes amounted to CFAF 13.7 billion at the end of December 2023, up 0.25%;
- the banking system (14.1%), in line with Cameroon's dynamism on the capital markets. Thus, at the end of December 2023, outstanding treasury bills and treasury bonds held by local banks increased by 69% to CFAF 371.7 billion and 10.3% bringing the amount to CFAF 907.2 billion respectively;
- IMF (14.6%), due to disbursements under the economic programme and SDR drawing.

I.4. PUBLIC FINANCE

During 2023, the implementation of the State budget took place in a context marked by the will of the public authorities to:

- (i) substantially reduce the cost of the fuel price subsidy. To this effect, an increase in fuel prices at the pump was carried out on 1 February 2023, accompanied by compensation measures relating to the revaluation of salaries and the Guaranteed Minimum Wage (GMW) ;
- (ii) gradually clear the inventory of arrears on the shortfalls of the marqueteurs;
- (iii) mitigate the perverse effects of inflation on the purchasing power of households;
- (iv) gradually reduce the wage debt, particularly for staff in the education and health sectors;
- (v) continue mobilising budgetary support from technical and financial partners;
- (vi) mitigate the effects of the fall in world oil prices.

Thus, in order to take account of the budgetary implications of these evolutions, the Government adopted in June 2023 an ordinance amending and supplementing certain provisions of the Finance Act for this financial year. Thus, the State budget was increased to 6726.9 billion CFAF, including 6642.5 billion CFAF for the general budget and 84.4 billion CFAF for the Special Purpose Accounts, against 6345.1 billion CFAF in the initial finance law; an increase of 381,8 billion in absolute value and 6% in relative value.

I.4.1 Internal revenue

Total budgetary revenues mobilized until the end of November 2023 amount to **CFAF 4,842.5 billion**, recording an increase of CFAF 449.4 billion compared to the same period in 2022. This change is mainly due to the sustained performance of non-oil revenues, up CFAF 546.2 billion compared to the previous year, while

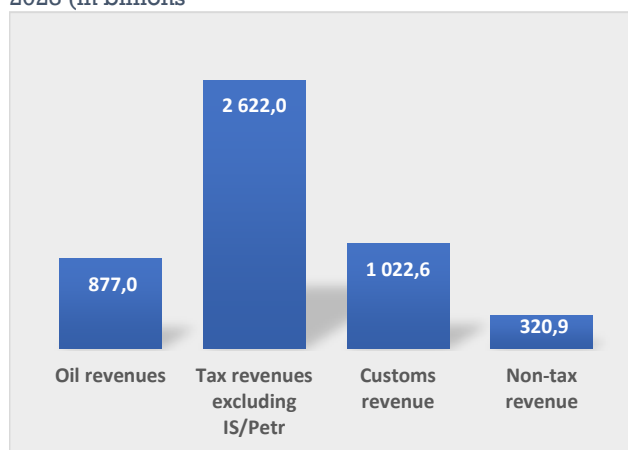
oil revenues fell CFAF 96.8 billion over the same period. Compared to the annual target of CFAF 4 679.5 billion provided for in the amending finance law, the rate of revenue realization at this date is 103% against 107.7% in 2022.

The **oil revenues** mobilized reached **877 billion CFAF** in 2023, compared to 973.8 billion CFAF in 2022, a decline of 96.8 billion CFAF (-10%). This underperformance can be explained by the decline in oil prices. Compared to the annual target of 841.8 billion CFAF, the implementation rate stands at 104%.

On the other hand, as a result of domestic mobilization efforts, **non-oil revenues** increased significantly, from 3 419.3 billion CFAF in 2022 to **3 965.5 billion CFAF** in 2023, an increase of 546.2 billion CFAF (+16%). Compared to the mobilization target for the year 2023 which stands at 3 837.7 billion CFAF, the achievement rate in 2023 is 103%. This mobilization rate is 102% for tax revenue mobilization and 119% for non-tax revenue mobilization.

With regard to tax administration, revenues mobilized in 2023 amounted to 2 622 billion CFAF, an increase of 336.1 billion CFAF compared to 2022. On the other hand, the rate of mobilization of these revenues compared to the forecasts of the LFR is 101% while it stood at 104.6% in 2022. This momentum was mainly driven by the good performance of (i) registration and stamp duties, in conjunction with the increase in applied tariffs (+171.5 billion CFAF between 2023 and 2022); (ii) the tax on non-oil companies, despite the reduction in the rate on SMEs (+70.1 billion CFAF) ; (iii) income from movable capital, the rate of which has increased for certain destinations (+47.7 billion CFAF); and (iv) taxes on the sale of petroleum products, the scope of which has been extended to include natural gas for industrial use (+27.4 billion CFAF).

Graph 20 : Situation of domestic revenue mobilization in 2023 (in billions)



Sources : MINFI/DP (2024).

As for the customs administration, the mobilization in 2023 stands at 1 022.6 billion CFAF, against an annual forecast of 973.7 billion CFAF, an increase of 48.9 billion CFAF and a mobilization rate of 105%. This increase is due in particular to the improvement in the yields of certain taxes such as: (i) customs duties on imports (+24.3 billion FCFA between 2022 and 2023); (ii) import VAT (+36.2 billion FCFA); (iii) IT tax (+21.6 billion FCFA); (iv) excise duties and export duties (+27.3 billion FCFA).

In addition to the improvement in economic activity, this performance is also supported by the effects of the strengthening of import-substitution measures, implemented by the Government to encourage local processing. These measures notably focused on the increase and extension of the scope of import excise duties on certain locally manufactured products, and the increase in export duties on exports of lightly processed products.

The **non-tax revenues** collected in 2023 amounted to **320.9 billion CFAF**, representing a completion rate of 119% compared to the annual target of XOF269.3 billion, and an increase of 38% (+88.6 billion CFAF) compared to 2022. They were driven by a better mobilisation of the estates' revenues, and an increase in pension contributions and dividend payments.

As for the **donations** mobilized in 2023, they amount to **139.4 billion CFA francs**, far above the target of 101 billion CFA francs provided for in the Finance Act, a rate of achievement of 138%.

1.4.2 Public expenditures

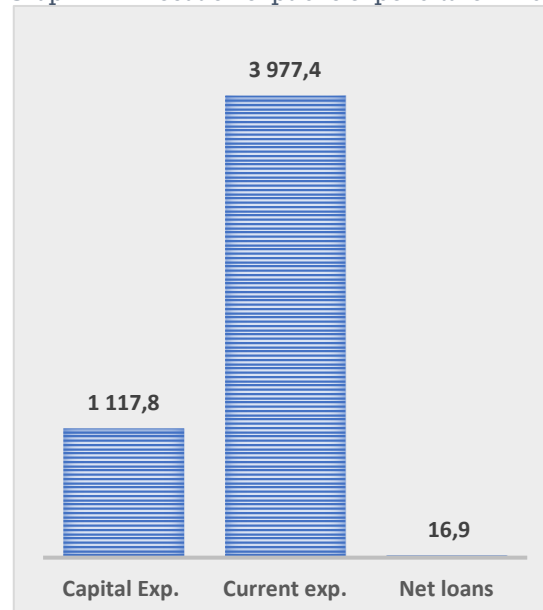
Net expenditures and loans at the in 2023 were **5 112.2 billion CFAF**, compared to **CFAF 4 724.9 billion** in 2022, an increase of 386.8 billion CFAF. Compared to the year-end target (5 118.5 billion CFAF), the execution rate is 92%, down 4.4 points compared to 2022.

This expenditure is broken down into **current** expenditure of **3 977.4 billion CFAF**, **capital expenditure** of CFAF 1 117.8 billion, and net loans of **CFAF 16.9 billion**.

As for current expenditures, they are **3 977.4 billion CFA francs** in 2023 against 3 448.3 billion CFA francs in 2022, an increase of 529.2 billion CFA francs. Compared to the year-end target, the execution rate is **97.0%**. However, it should be noted that wage expenditure has increased by CFAF 163.9 billion compared to the last year, in connection with the wage enhancement in February 2023, and the continuation of the policy of reducing the wage debt.

These current expenses executed in 2023 are broken down as follows: salaries for 1 357 billion CFA francs, expenses for goods and services up to 1 152.9 billion CFAF, transfers and subsidies for 1 147.4 billion CFAF and interest payments on debt valued at 320.2 billion CFAF.

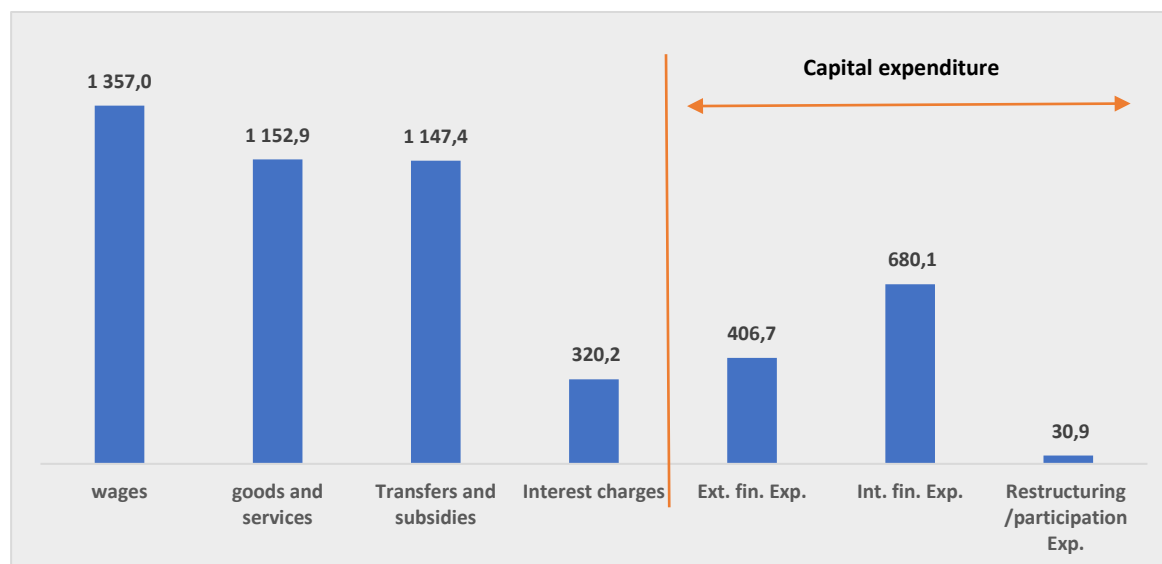
Graph 21 : Execution of public expenditure in 2023



Source : MINFI/DP (2024).

As for capital expenditure, the execution in 2023 stood at **1 117.8 billion CFAF** compared to 1 278.8 billion CFAF in 2022, a decline of 161.1 billion CFAF and an execution rate of 75% compared to the LFR.

Graph 22 : Composition of current and capital expenditure in 2023 (NBE 2019)



Source : MINFI/DP (2024).

In terms of structure, executed capital expenditure is broken down into expenditure on external financing for an amount of CFAF 406.7 billion, expenditure on own resources for an amount of CFAF 680.1 billion, participation expenditure for a value of 28.5 billion CFAF and in restructuring/rehabilitation expenses for an amount of 2.4 billion CFAF.

As for the overall budget balance (basis including grants), it shows a deficit of 180.6 billion FCFA, or 0.6% of GDP. The LFR forecast a budget deficit of -247.6 billion CFAF or nearly 0.8% of GDP.

I.4.3 Public debt

During 2023, Cameroon continued its debt policy aimed at meeting the State's financing needs at a lower cost, and meeting its payment obligations towards its partners. The aim is to maintain the viability and sustainability of its debt. To achieve this, the Government has mobilised both domestic and external resources.

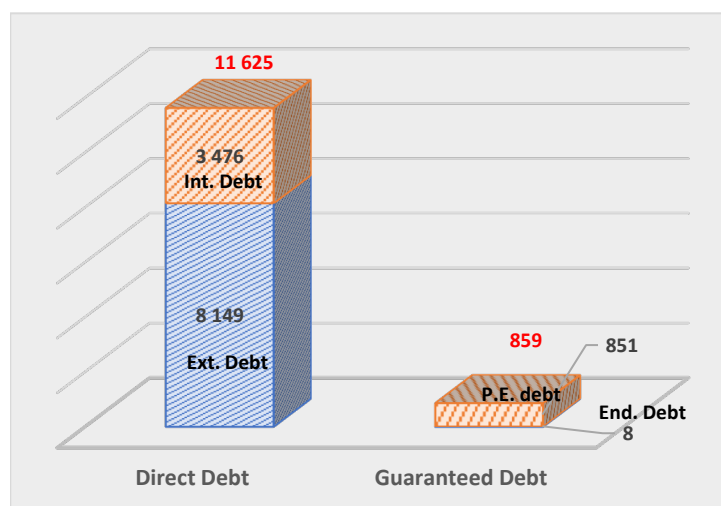
1.4.3.1 Outstanding debt

At the end of 2023, the stock of direct and public guaranteed debt (excluding outstanding debt) increased by 157 billion CFAF to 11 625 billion CFAF (40% of GDP). This change is mainly attributable to the increase in domestic debt of CFAF 248 billion (2.1% of GDP), due to the sharp increase in issues of medium and long-term public securities (OT, OTA) and the increase in SDR allocations. The external debt having recorded a decline of 91 billion FCFA..

As for public companies, their debt fell by 78 billion FCFA compared to the previous year to stand at 851 billion FCFA, a drop of 8.4%.

At the end of December 2023, outstanding public debt amounted to CFAF 12,645 billion, broken down into (i) 91.9% direct debt of the Central Government, valued at CFAF 11,625 billion (thus 40.1% of GDP); (ii) 6.7% debt of public enterprises, valued at CFAF 851 billion, thus 2.9% of GDP, (iii) 1.3% outstanding payments and (iv) 0.1% endorsed debt, valued at CFAF 8 billion, that is 0.03% of GDP.

Graph 23 : Structure of direct debt and public guarantee outstanding in 2023 (in billions)

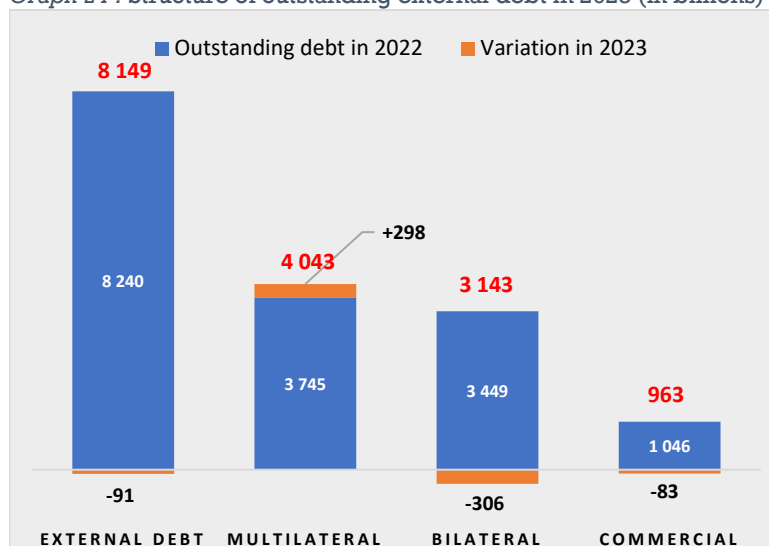


Source : CAA (2024).

A. External debt

At the end of December 2023, outstanding external debt amounted to CFAF 8,149 billion (or 28.1% of GDP), down 1.1% (CFAF -91 billion) compared with the end of December 2022. This decline is attributable to the combined fall in bilateral debt (CFAF -306 billion) and commercial debt (CFAF -83 billion), which offset the increase in multilateral debt (CFAF +298 billion).

Graph 24 : Structure of outstanding external debt in 2023 (in billions)



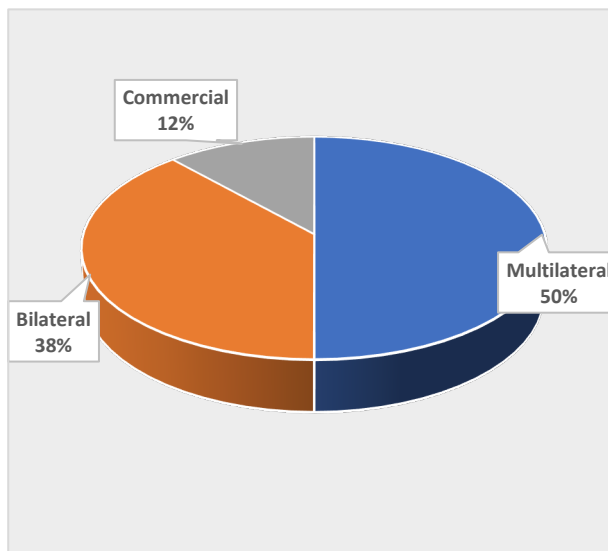
Source : CAA (2023).

This external debt stock breaks down into multilateral debt worth CFAF 4043 billion (50%), bilateral debt worth CFAF 3143 billion (38%) and commercial debt worth CFAF 963 billion (12%).

The substantial increase in multilateral debt was caused by the acceleration in the implementation of projects financed by certain technical and financial partners such as the World Bank, the IDB and the ADB, as well as budgetary support from the IMF with the holding of three reviews of the Economic and Financial Programme (EFP), from the ADB within the framework of the PARPAC and from the World Bank within the framework of the OPD.

On the other hand, the reduction in bilateral and commercial debt is in line with the reduction in non-concessional loans and compliance with the non-concessional debt ceiling set by the PEF.

Graph 25 : Structure of outstanding external debt (in %)

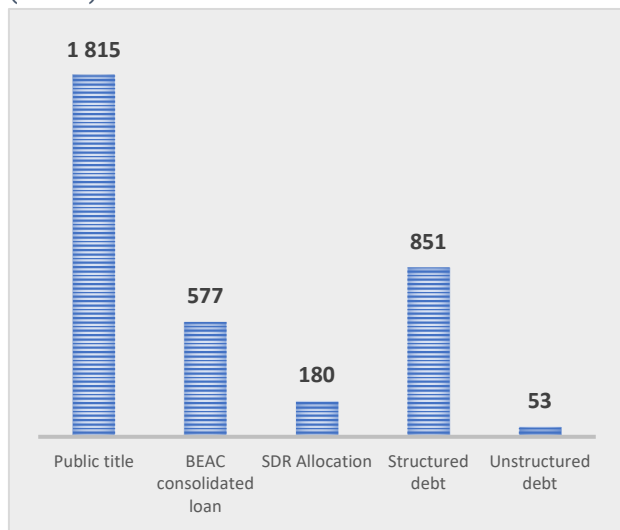


Source : CAA (2024).

Domestic debt

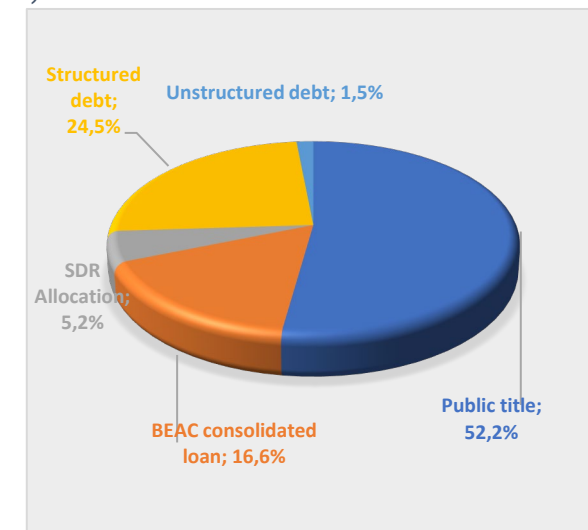
At the end of December 2023, outstanding domestic debt (excluding outstanding payments) is estimated at CFAF 3476 billion (or 12% of GDP), up 7.7% (+248 billion) compared with the end of December 2022. This increase is mainly attributable to the rise in issues of government securities (16.9%) and the SDR allocation (50%).

Graph 26 : Breakdown of outstanding domestic debt (billion)



Source : CAA (2024).

Graph 27 : Structure of outstanding domestic debt (in %)



Source : CAA (2024).

This domestic debt is made up of 52.2% public securities (CFAF 1,815 billion), 24.5% structured debt (CFAF 851 billion), 16.6% consolidated borrowing from the central bank (CFAF 577 billion), 5.2% SDR allocations (CFAF 180 billion) and 1.5% unstructured debt (CFAF 53 billion).

I.4.3.2 Public debt servicing

For the 2023 financial year, central government debt servicing paid by the State amounted to CFAF 1 245.4 billion. This breaks down into CFAF 990.3 billion for repayment of principal and CFAF 255.1 billion for payment of interest. This service was mainly devoted to the payment of external debt (64.2%) against 35.8% for domestic debt .

A. External debt

During the 2023 financial year, external debt servicing amounted to CFAF 800 billion, of which CFAF 590 billion was for repayment of principal (thus 73.7% of total servicing) and CFAF 210 billion for interest payments (that is 26.3% of total servicing).

Depending on the category of partners, this service is mainly devoted to the repayment of bilateral debt, which is much higher than the payment of service on multilateral and commercial debt, which are at almost the same level. **Bilateral debt service** is estimated at CFAF 466.6 billion (58.3% of the total), of which CFAF 369 billion is principal and CFAF 97.6 billion interest. **Multilateral debt servicing** is estimated at CFAF 169.8 billion (or 21% of total external debt servicing), of which **CFAF 169.8 billion** is for principal payments and CFAF 58 billion for interest. **Commercial debt service** amounted to CFAF 163.6 billion (20.5% of the total), of which CFAF 109.2 billion was principal and CFAF 54.4 billion interest.

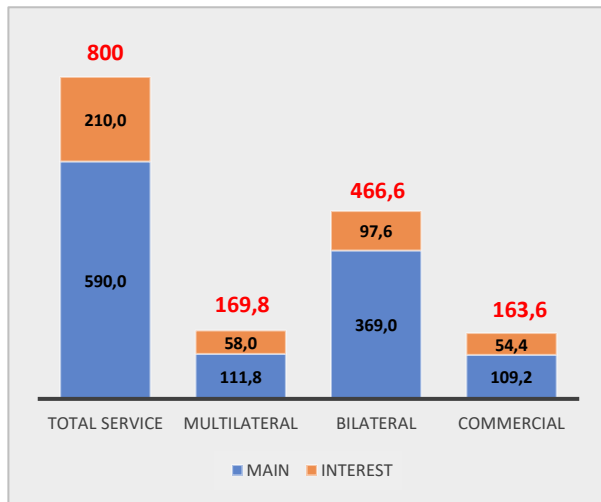
B. Domestic debt

The volume of domestic debt serviced during the 2023 financial year amounted to CFAF 445.5 billion, of which CFAF 400.4 billion was repayment of principal (that is 90% of total servicing) and CFAF 45.1 billion interest (thus 10%).

As regards the breakdown by category, this service is mainly oriented towards the payment of public securities for an amount of CFAF 225.3 billion (50.6%), structured debt for an amount of CFAF 217.4 billion (48.8%) and unstructured debt for an amount of CFAF 2.8 billion (0.6%).

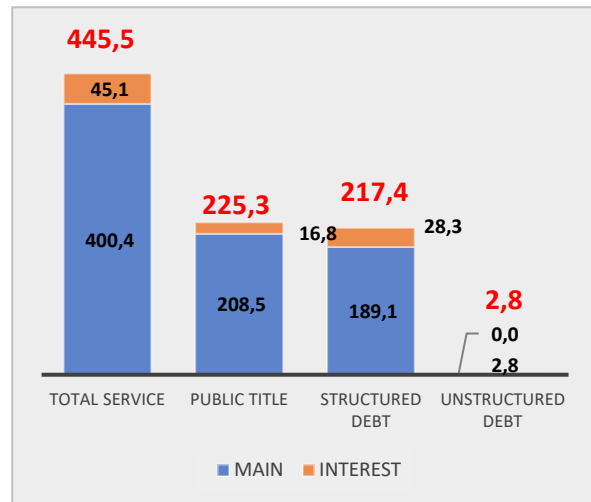
Debt service payments break down by item as follows: CFAF 208.5 billion in principal and CFAF 16.8 billion in interest for **government securities**, principal payments of CFAF 189.1 billion and CFAF 28.3 billion in interest payments for **structured debt**, and principal payments of CFAF 2.8 billion for **unstructured debt**.

Graph 28 : Breakdown of external debt servicing (in billions)



Source : CAA (2024).

Graph 29 : Breakdown of domestic debt servicing (in billions)

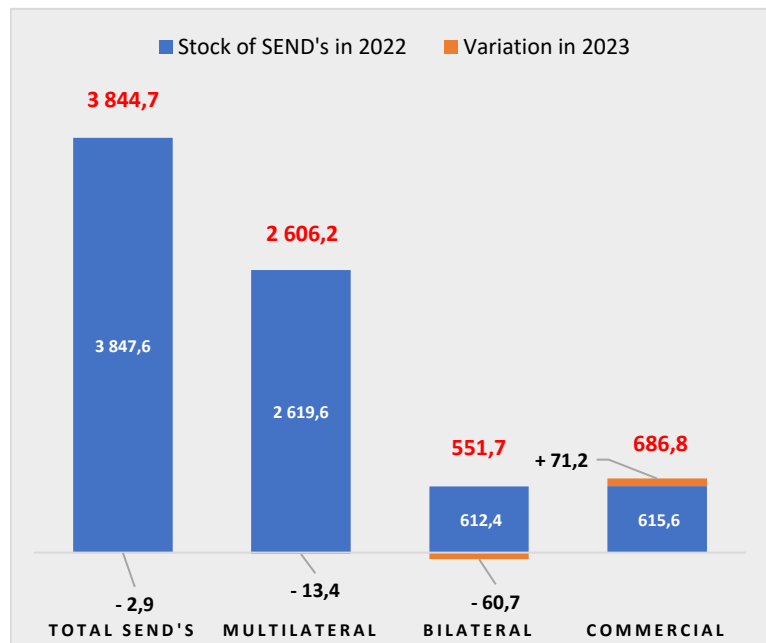


Source : CAA (2024).

I.4.3.3 Change in External Undisbursed Commitment Balances (SEND's)

At 31 December 2023, Undisbursed Commitment Balances excluding budget support are estimated at CFAF 3 844.7 billion, compared with an estimate of CFAF 3 847.6 billion at 31 December 2022, thus a slight decrease of CFAF 2.9 billion. By type of creditor, we observe a decrease in SEND's for multilateral and bilateral creditors of CFAF 13.4 and 60.7 billion respectively by 0.5% and 9.9%. On the other hand, SEND's from trading partners rose by 11.6% compared with the previous year, to CFAF 686.8 billion.

Graph 30 : Evolution of External Undisbursed Committed Balances (SEND's) (in billion FCFA)



CAA (2024).

Source :

1.5. SOVEREIGN RATING AND MULTILATERAL CONVERGENCE

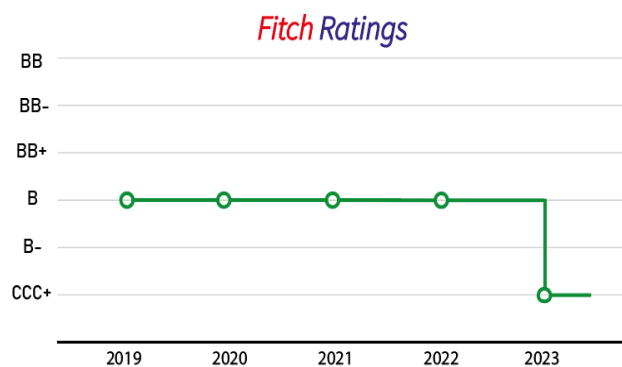
1.5.1 Sovereign rating of Cameroon

Cameroon's sovereign rating deteriorated in 2023, marked by a downward revision of its ratings in 2022 by the rating agencies. Moody's lowered Cameroon's rating by two notches, from B2 to Caa1, with a stable outlook. Similarly, SP (Standard and Poor's) Global Ratings downgraded the country's rating from B- to CCC+, while Fitch Ratings maintained a B rating but with a negative outlook.

This downgrade is mainly due to several factors:

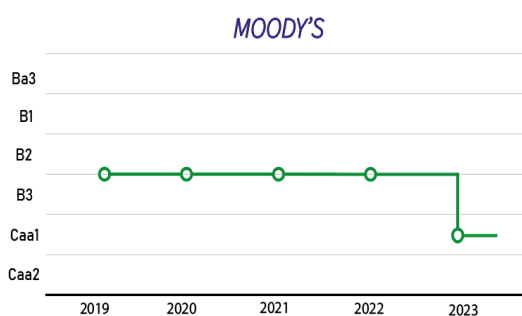
- The security situation in the North-West, South-West and Far-North Regions, which is leading to off-budget spending, creating pressure on liquidity;
- Weak public finance management, characterised by delays in debt service payments and a continuing accumulation of domestic arrears;
- Limitations in financing, due to low liquidity, high competition on the regional bond market and high costs associated with borrowing on the international market;
- Inflationary pressures, particularly on transport and food prices.

Graph 31 : Evolution in Cameroon's rating by Fitch Ratings



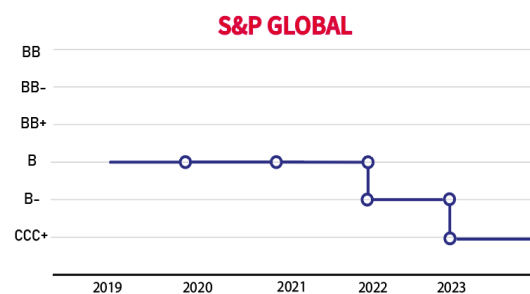
Source : Fitch Ratings (2023).

Graph 32 : Moody's rating of Cameroon



Source : Fitch Ratings (2023).

Graph 33 : Change in Cameroon's Standard and Poor's rating



Source : Fitch Ratings (2023).

However, a number of factors could lead to a return to the country's previous ratings. These include:

- Continued economic growth thanks to the relative diversification of the Cameroonian economy;

- The adoption of a fiscal policy aimed at increasing the mobilisation of non-oil revenues and maintaining a moderate level of debt;
- The strategy of investing in key infrastructure, particularly in the energy and transport sectors, in order to sustain growth in the medium term.

1.5.2 Multilateral convergence

Despite the persistence of geopolitical uncertainties at international level, the authorities have pursued policy measures to ensure compliance with the CEMAC zone's multilateral convergence criteria, which assess the performance of countries in the sub-region. This performance is assessed on the basis of four (04) criteria, namely :

- (1) **The reference budget balance** to be above -1.5% of GDP;
- (2) **Average annual** inflation rate below 3%;
- (3) **The ratio of public debt stock** (domestic and foreign public debt) to GDP to be less than or equal to 70%;
- (4) **The absence of internal and external arrears on day-to-day** management.

During the 2023 financial year, Cameroon met only one of the four criteria, namely the ratio of public debt to GDP, which stood at 43%. As in the previous year, the inflation rate criterion largely exceeded the convergence standard, with an estimated rate of 7.4% in 2023.

Public debt outstanding is estimated at CFAF 12 664 billion, or 43.6% of GDP, compared with 44.7% the previous year. This outstanding debt is down year-on-year and remains below the CEMAC convergence criterion of 70%, reflecting Cameroon's compliance with its debt strategy.

Table 3 : Implementation of multilateral convergence criteria in Cameroon

Convergence criteria	Norm	2018	2019	2020	2021	2022	2023
Reference budget balance (% of GDP)	> -1,5%	-2,8	-4,1	-3,3	-2,5	-3,0	-1,7
Average annual inflation rate	< 3%	1,1	2,5	2,5	2,3	6,3	7,4
Total public debt stock/nominal GDP	≤ 70%	33,3	36,0	40,3	45,3	44,7	43,6
Absence of arrears							

Source : DGEPIP-MINEPAT (*= estimation – provisional data) (2023).

As for the inflation rate, taking into account the shocks facing the country, the inflation rate at the end of 2023 is estimated at 7.4%, above the 6.3% in 2022, thus exceeding the 3% threshold set by the CEMAC. This underperformance is due in particular to the combined effects of persistent inflationary pressures at global level and higher fuel prices at the pump.

The reference budget balance is expected to be around -1.7%, below the minimum level of -1.5% recommended by the convergence criteria. This situation

should be helped by the significant increase in expenditure on subsidising the price of petroleum products at the pump.

In conclusion, the criterion concerning the absence of arrears on current management should not be met. This is partly due to difficulties in mobilising domestic financing.

In addition to the convergence criteria, new surveillance indicators have been in force in the CEMAC zone since 2017, and they serve as warning signals for various risks to the macroeconomic framework.

An analysis of these indicators indicates that in 2023: (i) the investment rate should be below the target of 20% of GDP; (ii) the tax burden would exceed the threshold of 11.8%; and (iii) the wage bill would continue to weigh on public finances.

Table 4 : Multilateral surveillance indicators

Units	Indicators	Norms	2018	2019	2020	2021	2022	2023*
1- Growth	1. Real GDP growth rate	≥ 7%	4,1	3,5	0,3	3,3	3,6	3,9
	2. Investment rate (% GDP)	≥ 20%	19,5	18,9	18,2	18,2	18,0	17,5
2- Currency and price	1. Currency hedge ratio	≥ 20%	75,8	66,9	65,7		72	69,9
	2. Inflation rate	≤ 3%	1,1	2,5	2,5	2,3	6,3	7,4
3- Public Finance	1. Primary fiscal balance excluding oil revenues (% non-oil GDP)	/	-4,5	-5,3	-4,6	-4,0	-4,1	-2,7
	2. Tax ratio excluding oil revenues (non-oil revenues/non-oil GDP)	≥ 17%	12,7	12,8	11,5	12,2	13,1	13,6
	3. Debt service/tax revenue	/	18,8	25,4	22,6	36,2	36,9	57,3
	4. Payroll/tax revenue	≤ 35%	37,6	35,2	41,1	38,1	37,4	36,6
	5. Operating expenditure/tax revenue	/	90,3	99,4	102,8	100,0	101,6	61,7
	6. Share of productive investment in total expenditure	/			27,2	27,1	27,1	17,4
4- External balance	1. Current account balance excluding grants (%GDP)	≤ 5%	-2,8	-4,1	-3,9	-3,7	-3,4	-3,5
	1. External debt servicing (% of exports)	/	9,4	11,5	10,2	12,1	16,1	16,9

Source : DGEPIP-MINEPAT (*= estimation-provisional data) (2023).

CHAPTER II : COMPETITIVENESS AND INVESTMENT

Strengthening the competitiveness of the Cameroonian economy and promoting investment are necessary to accelerate economic growth. This chapter reviews the actions undertaken in 2023 to strengthen the competitiveness of the economy, and presents an overview of the competitiveness of the national economy. It also analyses the dynamics of public and private investments, and reviews the process of tariff dismantling in the framework of the EPA with the European Union.

II.1. STATE OF COMPETITIVENESS IN 2023

II.2.1 *Strengthening competitiveness in 2023*

The actions undertaken by the Government in 2023 to strengthen the competitiveness of the Cameroonian economy have focused on: (i) improving the business environment; (ii) upgrading companies; (iii) adopting specific incentives; (iv) facilitating access to finance.

With respect to improving the business environment, progress has been made in the following areas:

- **The reduction of the tax burden of taxpayers** through: (i) the continuation of the policy of lowering tax rates with the reduction from 28% to 25% of the Corporate Tax rate for SMEs; (ii) the extension of the 50% reduction in the advance rate of income tax to companies producing pharmaceuticals and fertilizers; (iii) the increase in the deductibility rate of damage and breakages exposed by companies in the brewing sector by 0,5% to 1% of the total production volume, in order to take into account the reality of losses ;
- **The strengthening of legal certainty** through: (i) the legal framework of the compliance dialogue procedure in order to avoid transforming this instrument of promoting fiscal citizenship into real tax controls; (ii) the establishment of the transfer pricing pre-agreement procedure to enable companies to protect themselves against subsequent adjustments; (iii) the consecration of a mechanism to improve the quality of emissions in the context of tax audits through the opening of a remedy to the Chief Tax Officer when the amount of adjustments envisaged is likely to cause manifest prejudice to the taxpayer; (iv) the legal framework for advances received by certain economic operators in the context of the anticipated financing of subsequent exports; (v) the legal framework for financial settlements made from Cameroon for goods not intended for national territory (triangular trade) ;
- **Simplification of procedures** by: (i) streamlining the suspension of payment regime; (ii) extending the time limit for the investigation of

contentious claims, from 30 to 45 days at the level of the Director General of Taxes, given the ever-increasing complexity of the issues raised during tax audits; (iii) the automation of the procedure for the remission of penalties and late payment interest in line with the digitization reforms of procedures; (iv) clarification of the procedures for extending the time-limits for the closure of a retrospective inspection where the failure to comply with the time-limits is

In addition, **new specific incentives, including tax incentives**, have been implemented to strengthen the competitiveness of our businesses and promote the development of certain priority local production sectors. Thus, we note:

- **Strengthening the common law system for the promotion of the agricultural sector (agriculture, livestock and fisheries).** This included the granting of specific tax advantages to companies in these sectors, both in the investment phase and in the operating phase
- **Promoting the processing of local raw material.** For this purpose, companies that process the local raw material benefit from a 50% reduction in the monthly instalment, income tax and minimum collection. Also, the rationalization of some previous provisions that had been taken to promote the use of local inputs, was carried out, to take into account the inflationary context. These include measures to promote beverages produced from local raw materials and the application of specific excise duties on non-returnable packaging.

With regard to **facilitating access to corporate finance and consolidating** the post-Covid-19 recovery, the Government has renewed the CFAF 200 billion guarantee fund for domestic borrowing from credit institutions (Banks and EMF). 85% of this allocation, or a portfolio of 170 billion CFAF, is reserved for the banking sector, and 15%, or 30 billion CFAF is intended for EMFs. The Government's partner credit institutions in this scheme are made up of 14 banks and 28 microfinance institutions.

II.2.2 Competitiveness performance

Cameroon's competitiveness performance is assessed using, on the one hand, data from the business opinion survey conducted by the Competitiveness Committee on behalf of the World Economic Forum (WEF); and on the other hand, rankings published by international institutions. These rankings are related to the World Bank's Country Policy and Institutions Assessment (CPIA) and the Global Talent Competitiveness Index of the European Institute of Business Administration (INSEAD).

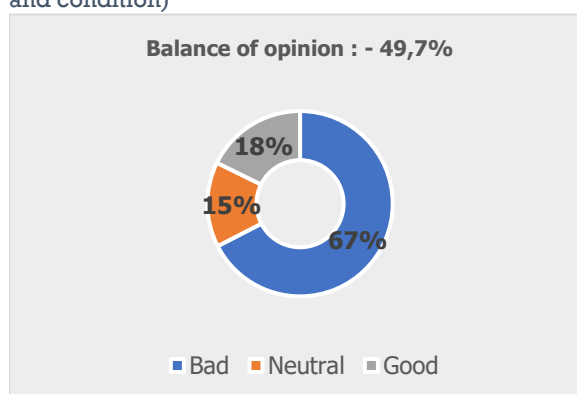
II.2.2.1 According to the opinion survey of corporate executives

In 2023, an opinion survey was conducted covering different industries and distributed in the central, coastal and western regions. It aimed to assess the different competitiveness pillars of the Cameroonian economy and was structured around five themes: (i) Infrastructure, (ii) Dynamism and capacity of the private sector; (iii) Business environment; (iv) Labour and employment; (v) Innovation ecosystem.

To evaluate the different pillars of competitiveness in 2023, it was used, the data of the survey carried out by the Competitiveness Committee on a sample of 200 companies covering different branches of activity and distributed in the Central Regions, coastal and western. Based on the perception of business leaders on different factors affecting national competitiveness, the survey allows an evaluation of public policies. The topics are grouped into five themes: (i) Infrastructure, (ii) Private sector dynamism and capacity; (iii) Business environment; (iv) Labour and employment; (v) Innovation ecosystem.

As far as infrastructure is concerned, it appears from the perception of two out of three entrepreneurs that the quality (extent and condition) of roads is considered poor. Indeed, the balance of opinion is -49.7% largely in favour of a negative perception of the quality of the road network. This perception is also the same for transport services (rail, air, public) which are considered ineffective by the majority of companies.

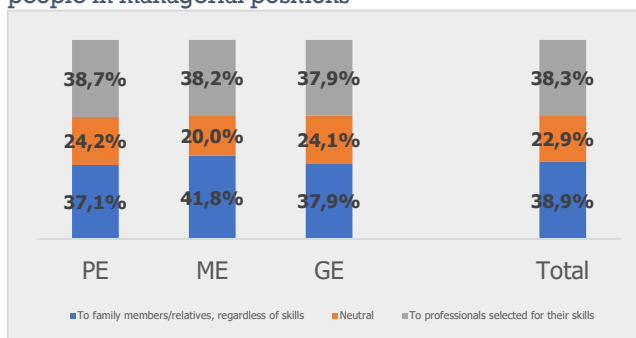
Graph 34 : Business perception of road quality (extent and condition)



Source : Competitiveness Committee (2023).

Regarding the **dynamism and capacity of the private sector**, it was a question of evaluating the adoption of managerial practices in line with competitiveness considerations. It appears that the inclusion of skills is not always shared by managers in the selection of management staff. As much as 39% of business leaders consider the criterion of competence in the selection of staff, 38% favor the use of family

Graph 35 : Companies' perception of the selection of people in managerial positions



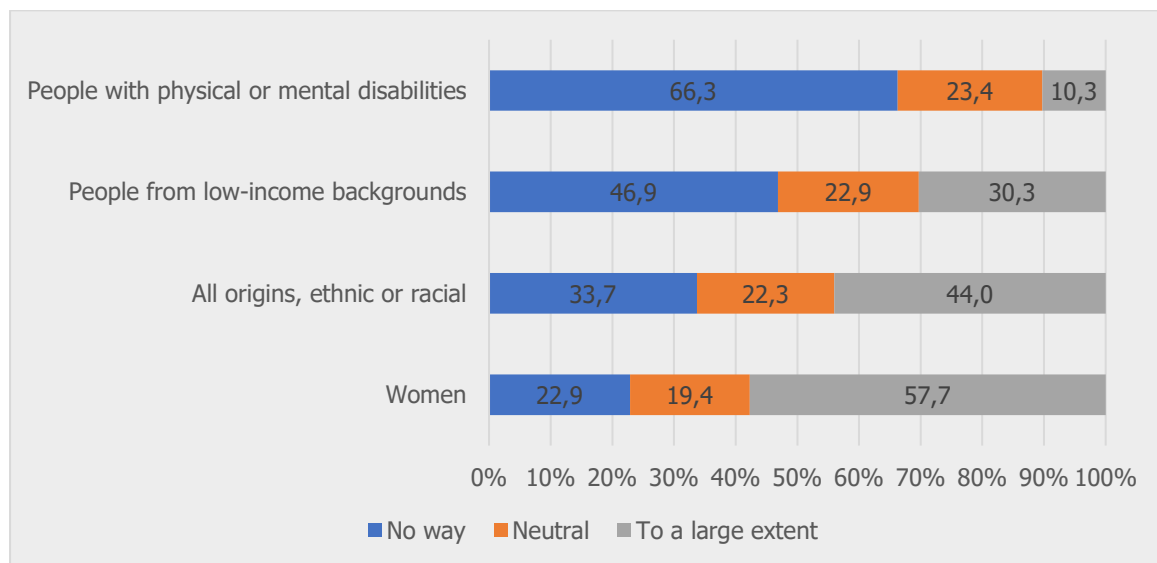
Source : Competitiveness Committee (2023).

members or people with whom the owners have friendly relations, regardless of their skills, irrespective of their skills.

It is also noted that the majority of entrepreneurs surveyed do not have an entrepreneurial risk-taking culture and are reluctant to make decisions aimed at upsetting the established order. Similarly, nearly half of those in charge are unwilling to open their capital to other investors in order to seize growth opportunities.

On the other hand, there is little evidence of gender discrimination in access to positions of responsibility. But it is still predominant for people with disabilities or from disadvantaged backgrounds.

Graph 36 : Corporate opinions on social inclusion in executive selection



Source : Competitiveness Committee (2023).

In terms of the **business environment**, more than half of the business leaders surveyed find it difficult to comply with government requirements, such as licensing, certifications and other approvals. In addition, most feel that the payment of «bribes» is frequent for obtaining services provided by the administration.

With regard to access to **finance**, **business** leaders stress that it is difficult overall to mobilise the long-term credits needed to strengthen the viability of their investment.

Overall, business leaders confirm that long-term financing is not easily available, this is the opinion of more than 5 out of 10 business leaders. The same is true of the mobilization of finance by SMEs across the financial sector.

In terms of **work and employment**, the majority of business leaders believe that the skills they need are available in the local labour market. However, some difficulties are sometimes observed in terms of the digital and energy transition.

With regard to the **innovation ecosystem**, start-ups that propose innovative projects face enormous difficulties in mobilizing funding. Also, companies are unlikely to support research and development.

II.2.2.2 According to the World Bank

The World Bank produced its report on the Evaluation of National Policies and Institutions (CPIA) for Africa in September 2023. The report examines the quality of policies and institutions in 39 sub-Saharan African countries eligible for credit from the International Development Association (IDA).

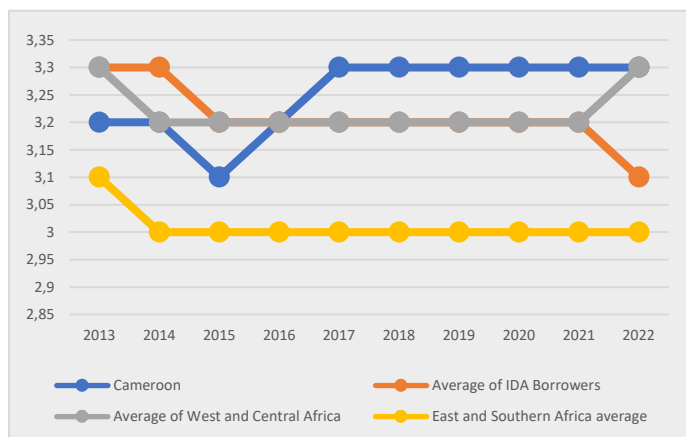
The CPIA scores, on a scale of 1 to 6, quantify each country's performance against 16 criteria, grouped into four groups, which represent the political and institutional arrangements for an effective growth and poverty reduction strategy. These four groups are: (i) economic management; (ii) structural policies; (iii) social inclusion and equity policies; (iv) public sector management and institutions.

At the end of the last evaluation of the CPIA which focused on the year 2022, Cameroon preserved its overall score which is 3.3; but, nevertheless, progressed one place to occupy the 16th rank. However, this score, which has been reached since 2017, has remained unchanged, and has seen a slight increase in the implementation of structural policies.

Indeed, with regard to the implementation of **structural policies**, Cameroon's score increased from 3,2 in 2021 to 3.3 in 2022 due in part to progress in reducing the burden on businesses of operational licensing, permitting, compliance and inspection requirements through a digitized platform.

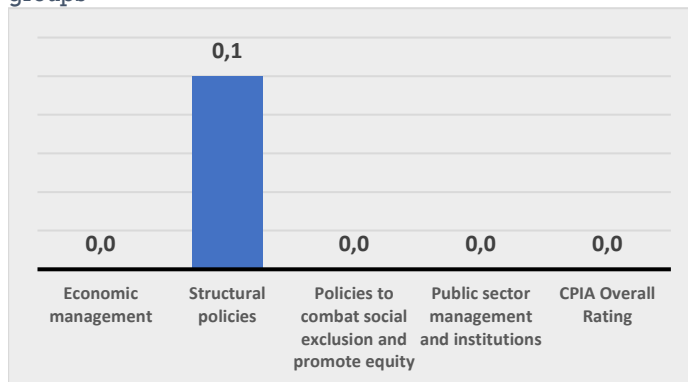
In this group of criteria, the best performing countries in West and Central Africa scored 3.8 or 4, including Togo, Senegal, Ivory Coast and Cape Verde.

Graph 37 : Evolution of Cameroon's rating under the CPIA



Source : World Bank (2023).

Graph 38 : Evolution of Cameroon's scores from 2021 to 2022 by groups



Source : World Bank (2023).

II.2.2.3 According to the Global Talent Competitiveness Index of the European Institute of Business Administration

The Global Talent Competitiveness Index assesses all the policies and practices that enable a country to develop, retain, attract and strengthen a skilled workforce. Cameroon recorded a score of 25.9 in this index in 2023, up 1.4 points compared to 2022. Cameroon thus rose from 119th to 118th in the world ranking. This performance can be explained in particular by the improvement of scores in the following pillars:

- facilitators, which refer to all measures and actions taken by the Government to promote the development of economic activities and improve working conditions;
- the country’s attractiveness, which includes criteria such as: the presence in the country of migrants, international students; the prevalence of foreign ownership; the tolerance of migrants, the tolerance of minorities, etc.;
- capacity for development through quality training, access to opportunities, etc.;
- the ability to retain talent through quality of life and social assistance

Table 5 : Evolution of Cameroon’s scores on the different pillars of the global talent competitiveness index between 2022 and 2023

	2022	2023	Variation
Facilitatos	24,3	34,2	+9,9
Ability to attract	35,5	46,2	+10,7
Development ability	22,6	25,5	+2,9
Retention Capacity	24,8	34,2	+9,4
Professional and Technical Skills	30,7	29,1	-1,6
Cameroon	24,5	25,9	+1,4

Source : A partir des Rapports GTCI de l'INSEAD (2023).

II.2. DYNAMICS OF PUBLIC INVESTMENT

For several years, Cameroon has paid particular attention to infrastructure development. Concerning public investment, the Government had planned for the financial year 2023, in accordance with the LFR of 25 July 2023, an endowment of 1 400.92 billion CFA francs in Commitment Authorization (AE) and 1 359.25 billion CFA francs in Payment Appropriations (CP).

According to the guidelines of the Presidential Circular of 30 August 2022 on the preparation of the State budget for the financial year 2023, the BIP’s economic priorities included:

- finalization and commissioning of the remaining first generation major projects;

- further preparation of major second generation projects;
- strengthening social cohesion and the decentralisation process;
- continued implementation of import/substitution through actions to increase local production and reduce dependence on imports;
- further reconstruction of crisis-affected regions, in particular those of the North-West, South-West and Far-North;
- the maintenance of safety and health surveillance.

II.2.1 Public Investment Project Bank

In 2023, the Bank's consolidation of public investment projects continued with a focus on supporting administrations and institutions in the bank's centralization and updating process. These activities included: (i) raising awareness of the importance of sound portfolios in line with new reforms in force; (ii) capacity building on the formulation of projects and the completion of project sheets in the PROBMIS application; (iii) the extraction, analysis and processing of the various data from PROBMIS and;(iv) the production of the Public Investment Project Bank Centralization and Update Report. These activities have resulted in:

- The registration of **5,107 public investment projects, including 716 new** projects with the various public administrations and institutions;
- The programming for the year 2023 of 80% of the projects under execution, or 352 of the **437** projects under execution in accordance with the requirements of the reform on the programming of public investments

II.2.2 Priority Investment Programme

The Priority Investment Programme (PIP) is a programming tool for the Government's priority projects over a period of three (03) years. Priority refers to the national scope of the projects and their impact on the achievement of the objectives set out in the National Development Strategy (SND30). It is an instrument that is downstream of SND30 and upstream of the budget process. Thus, during the 2023 financial year, the PIP prepared covered the period 2024-2026. This PIP was produced in a context marked by severe constraints on the financing of public investment.

A- Budgetary space: strong pressure in 2024

The programming work carried out in 2023 for the projection of the budgetary space for the triennium 2024-2026, has highlighted a financing requirement of about CFAF 4,336.9 billion, including CFAF 2,099.5 billion in 2024, 1 323.6 billion CFAF in 2025 and 913.8 billion CFAF in 2026.

In terms of source of financing for the first year (2024), this need was broken down into 61.8% from external resources (1296.6 billion CFA francs) and 38.2% from internal resources (802.9 billion CFA francs). In addition, considering the investment ceilings indicated in the Medium-Term Budgetary Framework (CBMT), the volume of resources provisioned for 2024 amounted to 1 322.3 billion CFA francs, including 718.7 billion CFA francs from external financing and 603,6 billion CFA francs on domestic financing. This highlighted a negative budgetary space of **-777.2** billion CFA francs, of which **-577.8** billion CFA francs in external resources and **-199.3** billion CFA francs in internal resources.

The consequence of this situation is that administrations are being asked to be more rational in their choice of projects to be included in the budget. Nevertheless, it should be noted that the inability of the current allocations to cover the commitments entered into could lead to longer project implementation times and a deterioration in the financial situation of the contracting undertakings.

Table 6 : Summary of the PIP by priority

Nature	Total cost	2024			2025			2026		
		CBMT	Prog	Esp. Bud.	CBMT	Prog	Esp. Bud.	CBMT	Prog	Esp. Bud.
Ext Res.	2788,3	718,7	1296,6	-577,8	730,4	897,7	-167,3	730,4	594	136,4
Int Res	1548,6	603,6	802,9	-199,3	896,2	425,9	470,3	896,2	319,8	576,3
Total	4336,9	1 322,3	2 099,5	-777,2	1 626,6	1 323,6	303	1 626,6	913,8	712,8

Source : DGEPIP-MINEPAT (2022).

B- Priority Investment Programme for the 2024-2026 triennium

The PIP 2024-2026, presented by Administration, does not include projects with a start date beyond 2026. Also, these projects are presented according to the priority areas of intervention of the SND30. This approach makes it possible to better highlight the anchoring of these projects with the new strategy.

The PIP 2024-2026 is composed of 72 projects of which 43 are running and 29 not started. Of the 29 projects not started, 11 are scheduled in 2024, 10 in 2025 and 8 in 2026. Most of these are energy projects (32%), road projects (19.4%), rail and maritime transport infrastructure projects (11.1%) and agro-pastoral projects (11.1%). The table below gives the summary by axis

Table 7 : Summary of the programming of PIP 2023-2025 projects

Area of intervention	EN COURS	2024	2025	2026	Overall total
Development of agricultural productivity and production / Agropastoral production	5	2	1		8
Development of productive infrastructure/Energy infrastructure	11	4	3	5	23
Development of productive infrastructure/telecommunications infrastructure	1				1
Health	2				2

Infrastructure and transport / Rail and sea transport	5	1	1	1	8
Infrastructure and transport / Roads	9	2	2	1	14
Infrastructure development / Urban modernisation		1	1	1	3
Education and training	2	1	2		5
Development of productive infrastructure	5		0		5
Development of extractive industries	3				3
TOTAL	43	11	10	8	72

Source : DGEPIP-MINEPAT (2022).

Detailed information on the 2024-2026 Priority Investment Programme is set out in Annex 4.

II.2.3 Preparation of public investment projects in 2023

In order to ensure a better preparation of the public investment budget in 2022, several sessions of the various Internal Commissions for the Maturation of Public Investment Projects, as well as a session of the Interministerial Technical Committee of Experts in charge of the Review (COTIE) project maturity files were held. This committee is responsible for ensuring the quality and completeness of the maturity elements of all public investment projects, the cost of which is greater than or equal to CFAF 100,000,000 (one hundred million). Such projects should first be examined and considered mature by the Internal Maturing Commissions for Public Investment Projects. For projects of less than 100 million, the said Internal Commissions are competent.

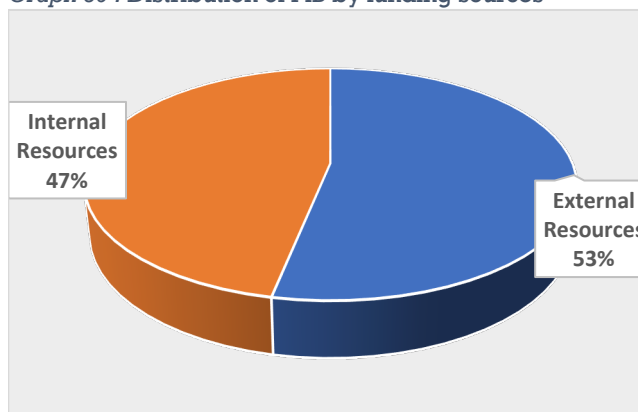
In fiscal year 2023, two (02) COTIE sessions were held, 84 projects were reviewed, 68 were approved for maturity. However, the operation of this new system has some difficulties which are: the absence of Internal Maturing Commissions in some institutions and public companies (EEP); the absence of State engineers in some Internal Maturing Commissions; the exclusion of operating expenses of Internal Maturing Commissions from the budgets of Administrations and public institutions; insufficient resources dedicated to the functioning of the maturity assessment bodies (COTIE and RR).

II.2.4 Presentation of the Public Investment Budget (PIB) 2023

Within the framework of the State budget for the financial year 2023, the finance law promulgated on December 27, 2022 was revised on **June 02, 2023**, by order of the President of the Republic **N°2023/001**, to take into account changes in the economic environment, national and international financial and socio-political developments in the first months of fiscal year 2023.

Thus, the Public Investment Budget (BIP) which was adopted in the Initial Finance Law (LFI) 2023 to 1,386.8 billion in Payment Appropriations was revised down from 27.55 billion CFAF to 1,359.25 billion CFAF in the Amended Finance Law (LFR). Compared to LFR 2022, the public investment budget recorded a decrease of FCFA 119.75 billion (or -8.1%). In terms of funding sources, it was composed of 53.2% of external resources, and 46.8% of internal resources.

Graph 39 : Distribution of PIB by funding sources



Source : DGEPIP-MINEPAT (2023).

Table 8 : Distribution of the PIB by sources of funding and mass (in billion CFAF)

Sources de Financing	PIB 2022 (LFR)	PIB 2023 (LFR)	Absolute change between 2022 and 2023 (+/-)	Relative change between 2022 and 2023 (%)
Internal resources	699,2	635,8	-63,4	-9,1%
Special internal resources (c2d+abs)	18,7	16,7	-2	-10,7%
Rehabilitation/participation	19	13,5	-5,5	-28,9%
Regular internal resources (rio)	401,3	415,8	14,5	3,6%
Planut	63,0	63,2	0,2	0%
Three-year special plan for youth (PTSJ)	3	4	1	33,3%
CPF in taxes and customs duties/actual expenditure	133,2	122,7	-10,5	-7,9%
Autres rio	401,3	415,8	14,5	3,6%
External resources	779,8	723,5	-56,3	-7,2%
Overall PIB	1419	1359,3	-59,7	-4,2%

Source : DGEPIP-MINEPAT (2023).

A. Presentation of the Public Investment Budget (BIP) by sector

PIB 2023 expenditure was mainly allocated to the infrastructure sector (70.2% of the overall envelope), with the objective of promoting the completion of projects under execution. This particular attention to this sector for several years, reflects the will of the Government to accelerate growth and transform in the medium or long term the socio-economic landscape of Cameroon.

The "Production and Trade" sector also concentrated a large part of public investment resources, or 89 billion CFAF (6.5% of the total envelope of BIP 2023).

Thus, these two priority sectors (infrastructure and production) concentrated more than three-quarters of the overall allocation of the BIP, representing a level of intervention consistent with the structural transformation of the Cameroonian economy targeted by the SND30.

Table 9 : Distribution of PIB by sector (in billion CFAF)

SECTORS	BIP 2022	BIP 2023	Variation	
	(a)	(b)	b-a	b/a
Sovereignty	39,8	44,6	4,8	12,06%
Defence and security	8,8	15,4	6,6	75,00%
General and financial administration	97,1	91,8	-5,3	-5,46%
Education, training and research	52,9	40	-12,9	-24,39%
Communication, culture, leisure and spor	9,8	9,4	-0,4	-4,08%
Health	89,3	44	-45,3	-50,73%
Social affairs and employment	13	15,7	2,7	20,77%
Infrastructures	912,6	954,6	42	4,60%
Production and trade	144,2	89	-55,2	-38,28%
Common expenditure	51,5	54,7	3,2	6,21%
TOTAL	1 419,0	1 359,2	-59,8	-4,21%

Source : DGEPIP-MINEPAT (2023).

B. Evolution in resources transferred to regional and local authorities

The volume of PIB 2023 resources transferred to the RLAs rose from CFAF 112.3 billion in 2022 to CFAF 114.9 billion in 2023, an increase of 4.5% compared with 2022. These resources accounted for 18.3% of Ordinary Internal Resources (OIR) in 2023.

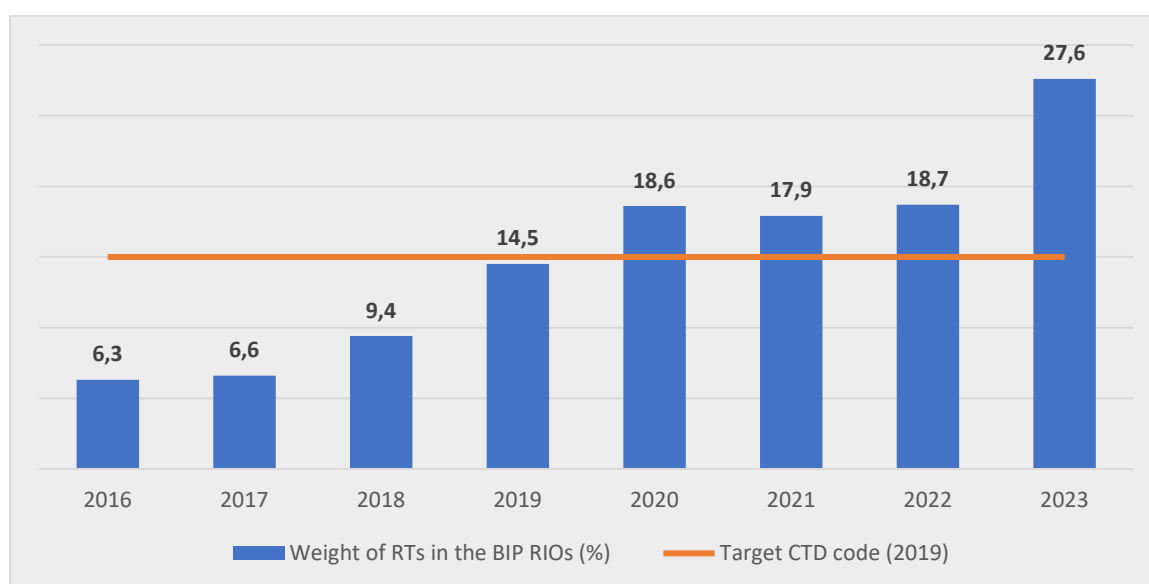
The volume of these resources should gradually increase with the transfer of capital resources to the Regions.

Table 10 : Evolution of PIB Transferred Resources in Payment Appropriations from 2017 to 2023 (in billion CFAP)

	2017	2018	2019	2020	2021	2022	2023
Regular Internal Resources (RIO) of the BIP	893,6	635	636,3	523,6	570,9	601,5	628,3
Relative change RIO (%)	-2,7	-28,9	0,2	-17,7	9,0	5,4	4,5
Resources Transferred (RT) from BIP	58,9	59,6	92	97,6	102	112,3	114,9
Relative change RT (%)	1,4	1,2	54,4	6,1	4,5	10,1	2,3
Weight of RT in BIP RIO (%)	6,6	9,4	14,5	18,6	17,9	18,7	27,6

Source : DGEPIP-MINEPAT (2023).

Graph 40 : Change in the share of transferred resources in ordinary internal resources over the period 2016-2023 (in %)



Source : DGEPIP-MINEPAT (2023).

II.2.5 Monitoring the execution of public investment

In accordance with Circular No00456/C/MINFI of 30 December 2022 on Instructions relating to the Implementation of Finance Laws, the Monitoring and Control of the Implementation of the State Budget and Other Public Entities for the financial year 2023 (in particular point 521), **MINEPAT** organized quarterly reviews of the implementation of the Public Investment Budget (BIP), in collaboration with MINFI, MINMAP and CAA. This exercise makes it possible to evaluate the implementation of projects and propose corrective actions, if necessary.

A. Contracting status of centrally managed projects

For the projects financed by the centrally managed appropriations, 803 contracts were programmed for the financial year 2023, and 559 Tender Documents were expected in Procurement Commissions. The procurement situation is as follows:

- market allocation rate: 96.3% versus 82.9% at 31 December 2022, an increase of 13.4 points ;
- 88.4% versus 78.9% at the end of the fourth quarter of fiscal 2022, an increase of 9.5 points;
- receipt rate: 71.1% versus 66.3% in the same period of 2022, an increase of 4.8 points.

In general, at the end of the year, there was an improvement in performance in the project contracting process for 2022. This situation is explained in particular by a better impregnation of the texts and regulatory procedures in the matter; and the improvement of the functioning of the PROBMIS application.

In addition, 17 administrations, compared with 09 at the same period last year, received all the contracts listed in their market programming journals. MINMIDT, CDHC MINDCAF, MINAC, MINRESI, DGSN, CONSUPE, MINJEC, MINSEP, MINCOM, MINTOURL, MINEPDED, MINPROFF, MINDDEVEL, MINPMEESA, MINPOSTEL, MINT.

B. Status of PIB Implementation

B 1. Financial execution

The initial **allocations of the PIB** for the financial year 2023 were **1,386.8 billion CFA** francs in Payment Appropriations (CP)). This allocation, modified through a Amending Finance Law, has increased to CFAF 1359.25 billion in Payment Appropriations (CP). Also, during execution, transfers and transfers of appropriations from the Operating Budget to the BIP impacted the allocation of the BIP 2023.

Thus, the revised allocation of BIP 2023 at the end of the fourth quarter of the year, increased to CFAF 1,393.7 billion, an increase of CFAF 34.3 billion (+0.3%).

At the end of 2023, the commitment, liquidation and ordering rates of the BIP are **71.31%**, **67.26%** and **67.26%** respectively.

With regard to centrally managed internal resources, for a current allocation of 520.4 billion (in CP), the implementation situation shows at the end of the fourth quarter:

- A commitment rate of 84.58%, compared to 85.90% in the same period of fiscal 2022, a decrease of 1.32 pt;
- a liquidation rate of 84.41%, compared to 85.90% at end-December 2022, a decrease of 1.49 points ;
- an order rate of 84.41%, compared to 84.89% in the same period of 2022, a decrease of 0.75 points

As regards the financial implementation of projects with joint financing, it has a disbursement volume of 411.9 billion, or 56.94% of the ceiling set in the 2023 Finance Act.

The unsatisfactory performance in donor disbursements is due to the fact that many projects that have received significant provisions in the 2023 Finance Act are still in the process of being started and for some, the agreements are being signed in 2023. These include the following:

- **Rehabilitation of the Ngaoundere-Garoua-Kousseri road (N1):** this project divided into two main lots received a CFAF budget entry of 27 billion in 2023;
- **Rehabilitation of the Magada-Guidiguis-Yagoua road (141 km): Lot 1: Magada-Guidiguis (68.3 km) and Lot 2: Guidiguis-Yagoua (68.537 km):** this project received CFAF 10 billion in 2023;
- **Construction of Ring Road: Lot 1: Kumbo-Nkambe-Misaje including Nkambe bypass (96 km); Lot 2: Misaje-Dumbo-Nigerian border (50 km); Lot 3: Bamenda-Wum (80 km); Lot 4: Carrefour Bambui-Ndop-Babungo-Babessi including the ramp:** This project has experienced significant delays due to security disruptions in the Northwest Zone;
- **Construction of the Ebolowa-Akom II-Kribi road, Ebolowa and Kribi bypass including Akom II ramp:** the project received CFAF 14.55 billion in 2023 while the agreement is still being signed.

B 2. Physical execution

The situation of the physical execution of BIP projects shows, as of September 30, 2023, an execution rate of **40.77% against 56.10%** in the same period of 2022, a decrease of **15.33 points**. This fall is particularly explained by the underperformance observed in the execution of externally funded projects.

Indeed, projects under external financing have a physical achievement rate of **33.11% against 61.78%** in the same period in 2022, a decrease of **28.67 points**. This underperformance can be explained in particular by:

- the preponderance of jointly funded projects whose agreements are signed between 2019 and 2023. Indeed, the years 2018-2020 are marked by the acceleration of large projects with external financing as a prelude to CAN 2021. These terminal projects have exited the portfolio in favour of new financing agreements for projects that are struggling to reach cruising speed due, for the most part, to insufficient maturity;
- the persistence of delays in contracting investment operations.

For the BIP on internal resources, the execution rate is **50.51%** compared to 46.98% in the same period in 2022, an increase of **3.53 points**.

C. One-time delegations and transfers of appropriations

At the end of the fourth quarter of fiscal year 2023, 18.22 billion were the subject of one-time delegations and transfers to managers in the regions (14.08 billion) and diplomatic missions (4.14 billion).

Table 11 : Presentation of one-off appropriations by Region (in billion CFAF)

Region/Diplomatic Mission	Amount (in billion CFAF)
One-off appropriations for the regions	14,08
One-off delegations of appropriations for diplomatic missions	4,14
Grand total	18,22

Source : DGEPIP-MINEPAT (2023).

These one-off delegations and transfers contributed, inter alia, to:

- Taking charge of certain emergency operations throughout the territory;
- The purchase of vehicles for the benefit of certain administrations, diplomatic missions and for the monitoring of road sites at the MINTP;
- The clearance of arrears of services performed during previous years;
- Compensation for persons who suffer loss of land rights and/or destruction of property in the context of development projects;
- Improvement of the BIP's administrative and participatory monitoring system

Table 12 : Presentation of one-off delegations/transfers of appropriations by Region (in million CFAF)

Region	RFP Amount)
One-off delegations and transfers of appropriations to managers in regions	14 179,4
ADAMAWA	283,1
CENTRE	4 287,2
EAST	733,1
FAR-NORTH	1 402,7
LITTORAL	945,9
NORTH-WEST	1 016,1
NORDTH	728,1
WEST	2 004,6
SOUTH-WEST	1 420
SOUTH	1 258,5
Ad hoc delegations of appropriations to diplomatic missions	4 142,1
AFRICA	15
ASIA	1 099
EUROPE	3 028,1
Ad hoc delegations of appropriations to diplomatic missions	18 221,5

Source : DGEPIP-MINEPAT (2023).

D. Status of Unauthorized Expenditure

I. Expenses not incurred

The amount of expenses not incurred at the end of the fourth quarter of the fiscal year 2023, amounts to 80.26 billion CFAF, or 15.44% of the endowment of the

BIP 2023 to central management financed from internal resources. The projects concerned are those, on the one hand, that have not been contractualized and on the other hand, that have been contractualized and whose performance of the services is in progress or completed beyond the regulatory deadline.

II. Expenditure incurred without authorization

At December 31, 2023, the volume of expenses incurred and not ordered is **CFAF 848.94 million** against **CFAF 2.7 billion** in the same period in 2022, a decrease of CFAF 1.85 billion. These expenses could usefully be examined at the conference on carryovers, organised by MINFI at the beginning of the financial year, as follows:

- Construction of the Headquarters of the Garoua customs sector: CFAF 200 million;
- Construction of the headquarters building of the Customs sector (phase 2) NORTHWEST: CFAF 270 million;
- Construction of the headquarters of the Customs Sector in KRIBI: CFAF 270 million;
- Special interventions for the construction/rehabilitation of health facilities: CFAF 108.94 million.

E. Key Findings and Challenges

The main findings and difficulties encountered in 2023 as part of the implementation of the BIP are as follows:

- Insufficient reporting on the execution of projects with joint financing and those under investment transfers and Counterparty Funds;
- the execution of projects covered by transfers/investment grants in the margin of the expenditure memorandum validated by MINEPAT;
- delay in the physical execution of certain annual and multiannual projects due to delays in the contracting procedures, the release of rights of way and the failure of certain contracting companies;
- The lack of budget coverage in the MINTP BIP to cover outstanding accounts for a total CFAF amount of 111,096,011,163 (one hundred and eleven billion ninety-six million eleven thousand one hundred and seventy-three).

II.2.6 Control of the execution of the PIB

As part of its missions to control the implementation of public investment projects, the Ministry in charge of Public Investment carried out in 2023 the control of 1,000 public investment projects throughout the national territory. The controlled projects covered the years 2020 to 2023 and concerned the sectors: (i) education; (ii) infrastructure; (iii) production and trade; and (iv) health

The activities carried out included:

- **The monthly controls on public investment**, which consisted of checking certain projects carried out for the financial year 2022, and monitoring the implementation status of projects registered in BIP 2023;
- **Spot checks on the state of implementation of certain public investment projects**. These missions are part of the various denunciations of poor execution of certain projects or the requests for payment of the statements sent to MINEPAT. It also aims to verify the effectiveness and conformity of the implementation status of the projects concerned;
- **Controls on the implementation of public investment projects in urban communities**. The Government transfers skills and resources to the CTD each year. Thus, nearly 100 billion CFA francs were transferred to urban communities during the period 2020-2023. In 2023, monitoring missions were organized in all 14 urban communities to monitor the state of implementation of the 81 projects financed by these resources for the 2020-2022 financial years;
- **Controls on the use of investment grants granted to PE, CTD, NGOs and other bodies for the financial year 2022**. In this context, 80 beneficiary structures were visited;

II.2.7 Evolution of major infrastructure projects

In 2023, the Government continued the implementation and commissioning of some major infrastructure projects, particularly in the transport, energy, water and real estate sectors. In addition, some projects are in preparation for the industrial development policy guidelines of our country included in the SND30

A. Energy sector

Developments in the energy sector in 2023 included:

- i) The commissioning of the Lom Pangar reservoir dam foot plant with a capacity of 30 Mw divided into 04 groups of 7.5 Mw;
- ii) The final acceptance in August 2023 of the construction of the 15 Mw Mekin Dam;
- iii) The signing on 20 April 2023 of a memorandum of understanding for the development of the BINI Hydroelectric Dam in WARAK, with a capacity of 75 Mw, in PPP mode with Savannah energy RMC Limited;
- iv) The launching of water on 18 July 2023, and the commissioning of the first turbine of the Nachtigal hydroelectric dam, to inject 60 MW of the expected 420 MW into the grid.

B. Water Sector

In the water sector, work continued to improve supply capacity, with the aim of reducing the water deficit in both urban, peri-urban and rural areas. Thus, the continuation of the work of:

- **Drinking Water Supply of the city of Yaounde and its surroundings from the Sanaga River (PAEPYS)**, whose physical achievement rate is 97%. The main advances concern the construction of the raw water collection and pumping station at Nachtigal; the construction of the Emana water treatment plant Batchenga; the construction of the Nkometou III treated water and Nyom treated water pumping station; the construction of the 90Kv/30 kV Nkometou III transformer station;
- **Construction of the drinking water supply system of the Port of Kribi and its dependencies** which has a physical achievement rate of 94%. The work of: construction of storage areas; formwork, reinforcement and concreting of the sails of drain chambers and suction cups.

For projects in preparation, we note:

- The reconfiguration of the drinking water supply system in the city of Yaounde;
- The project to rehabilitate and extend the capacity of the water treatment and distribution system for the cities of Buea, Tiko and Mutengene;
- The project to rehabilitate and extend the Japoma station in Douala;
- The drinking water supply project for the city of Douala;
- The project to rehabilitate and extend the capacity of the Akomnyada station;
- The project to design, rehabilitate and build a drinking water supply system for 20 semi-urban centres in Cameroon;
- The drinking water supply project in 4 centres (Mbouda, Galim, Fontem, Tombel);
- The rehabilitation project of 350 SCANWATER stations.

C. Road transport sector

In this sector, several major projects are underway and should make it possible to densify the national road network. The progress of this work is as follows:

- **The connection works of the first phase of the Yaounde-Douala motorway**, whose overall physical achievement rate is 94%. The work

in progress concerns the construction of the infrastructure necessary for the operation (buildings, toll booths, weighing stations,...). It should be noted that the final acceptance of the current section took place on 29 December 2022;

- **The Kribi-Lolabe** motorway has a physical achievement rate of 100%. The operation of the infrastructure began in July 2022 in accordance with the Public-Private Partnership Agreement signed in November 2020 with CFHEC;
- **The work of the second phase of the east entrance of Douala**, whose physical achievement rate is 32%. The work is being implemented by MAG and the completion date is March 2025;
- **The construction of the Batchenga-Ntui-Yoko-Lena-Tibati-Ngatt road**, whose physical completion rates for the various sections **Ntui-Ndjole (lot 2A)**, **Ndjole –Mankim (lot 2 B)**, **Mankim-Meteing: (lot 3)** are **28.06%**, **19.83%** and **32.62%** respectively. Completion of the work is planned for December 2024

D. Rail Transportation Sector

In this sector, the main major projects under implementation are: (i) the construction of the second phase of the deep water port of Kribi; (ii) the construction of the drinking water supply system of the Port of Kribi.

- Regarding **the construction of the second phase of the deep water port of Kribi**, the physical achievement rate at the end of December 2023 is 61%. The main advances of the project included the works of the Phase 1 (100%) and Phase 2 (97%), the construction of the North Dike (65.27%), the container wharf (73.89%), and the acquisition of equipment for the terminal;

Regarding the **construction of the second phase of the deep water port of Kribi**, the physical achievement rate at the end of December 2023 is 61%. The main advances of the project included the works of the Phase 1 (100%) and Phase 2 (97%), the construction of the North Dike (65.27%), the container wharf (73.89%), and the acquisition of equipment for the terminal;

II.3. TRENDS IN PRIVATE INVESTMENT

Private investment increased in 2023. According to Balance of Payments (BOP) estimates, net inflows amounted to 610.3 billion CFAF, thus an increase of CFAF 33.2 billion on the previous year. This financing coupled with internal financing made it possible to carry out several large-scale projects, particularly in the manufacturing sub-sector. Also, the Government continued to promote the development of private investment through the continued implementation of the incentive regime of the 2013 law.

II.3.1 Investment in the agricultural sector

In the agricultural sector, these include:

The construction of a poultry farm and a food production unit in Bamendjou in the Western Highlands. This new farm, worth CFAF 3 billion, will have a modern production unit with an initial capacity of 80,000 laying hens. It will be accompanied by the establishment of (i) a 40,000-capacity brood farm to supply local farmers and (ii) an egg farm.

II.3.2 Investment in the manufacturing sector

In the manufacturing sector, we note in particular:

- **The start of the construction of a tire manufacturing plant in the locality of Bonomo in the Moungo by the company Cameroon Tyre Factory.** The 400 billion project is financed by several financial partners such as BDEAC and Afreximbank. Cameroon Development Cooperation (CDC) is also a partner in the project and will provide the raw material;
- **The renovation of the SOCAVER Number 1 furnace to provide an annual melting capacity of 15,000 tonnes**, particularly for split glass. This will increase its production capacity by nearly 50% to 100,000 bottles per day. This \$3.5 billion investment was put into operation on July 5, 2023;
- **The start of the construction of a bitumen production plant with an annual production capacity of 250,000 tonnes in Kribi by All Bitumen SA.** The 100 billion CFAF project also includes the construction of a mini oil refinery of 10,000 barrels per day. It will reduce bitumen imports by almost 50,000 tonnes per year.
- **The construction in Kribi of a wheat-to-flour plant with a production capacity of 12,000 bags of flour of 50 kg per day by the Cadyst Group.** The CFAF 13.5 billion plant was commissioned on January 10, 2024 and provides the country with a modern wheat processing unit, which could help reduce wheat imports from nearly 920,000 tonnes in 2022;
- **The construction of an industrial complex for the manufacture of refined palm oil and derived foods in douala by Novia Industrie SARL.** This production unit, which was commissioned in 2023, has a daily production capacity of 500 tonnes of refined oil and 160 tonnes of soaps and required an investment of about CFAF 50 billion
- **The construction of an industrial oil mill in Baku in the Western region by the company SAAGRY SA.** The company has set up a palm grove in the area. The cost of the entire project is 4.9 billion CFA F;

- **The start of the construction of a new production unit of 250 million preforms and 300 million caps per year by the company Mitchimie.** The CFAF 7 billion investment is expected to be operational in 2025;
- **The start in March 2023 of the construction of an agro-industrial park on an area of 113 hectares in the Nde Division (precisely in Badounga and Bagoua) by the company Belle folie SA.** This CFAF 52 billion project has received government support through the guarantee mechanism set up to support the private sector;
- **The construction of a wheat processing unit in the city of Douala by the company World Food Industry.** This unit has been operational since December 2023 and has a production capacity of 160 tonnes of flour per day;
- **Continued expansion of CIMAF's cement production capacity at its Douala plant from 500,000 tonnes to 1.5 million tonnes.** The new units of this plant which required an investment of 26 billion CFAF should be operational during the first half of 2024.
- **The start of the project to build a ceramic tile production plant in Kribi, by the company Keda Cameroon Céramics LTD,** a subsidiary of the Chinese Keda Industrial Group CO. Ltd, presented as the leading producer of ceramics in Asia, and second in the world. In this respect, the company had concluded a contract with SNH in September 2022 to supply natural gas by pipeline for its operation.

II.3.3 Investment in the services sector

In the service sector, we can highlight:

- **The continuation of the construction work of the headquarters of the BGF I Bank in Douala.** The infrastructure worth CFAF 10 billion is expected to be operational in 2024;
- **The construction of a supermarket in Douala called «BUT by Arno».** The 600 million CFAF infrastructure opened on 16 March 2023;
- **The construction of the Star Mall shopping center for CFAF 3.5 billion by the Dutch company Dee lite** in Yaounde on an area of 7,500 m², spread over three levels and including nine shops. The said shopping centre opened on 14 December 2023;
- **The construction of a 5-star Krystal Palace hotel in Yaounde, the opening of which is planned for 2024**

II.4. PROCESS FOR DISMANTLING THE EPA TARIFFS

II.4.1 Review of implementation

The implementation of the Economic Partnership Agreements with the European Union, Great Britain and Northern Ireland continued in 2023, with the completion of the 7th phase of the tariff dismantling process, as well as the start of the 8th phase.

This 7th phase also resulted in the dismantling of 30% of the third group's products, with high tax yield. These are fuels, cement, passenger vehicles, passenger vehicles, motorcycles, cereals such as wheat, rye, barley, sorghum, children's food preparations, tiles, sinks, sink, crockery, statuettes, ceramic pipes, etc. flat-rolled products of iron or steel, bars and profiles of iron or steel, papers of a kind used for toilet paper, for make-up remover, television receivers, video monitors and video projectors, tractors for semi-trailers, etc.

As for the 8th phase, it should be completed in August 2024 and aims to dismantle 100% for Group 1 and 2 products and 40% for Group 3 products

Table 13 : Dismantling schedule and percentage of tariff reduction by product

PRODUCT GROUP	04/08/14-03/08/15	04/08/15-03/08/16	04/08/16-03/08/17	04/08/17-03/08/18	04/08/18-03/08/19	04/08/19-31/12/20	01/01/21-03/08/21	04/08/21-03/08/22	04/08/22-03/08/23	04/08/23-03/08/24	04/08/24-02/08/25	04/08/25-03/08/26	04/08/26-03/08/27	04/08/27-03/08/28	04/08/28-03/08/29	04/08/29-03/08/30
1	0%	0%	25%	50%	75%	100%	100%	100%	100%	100%	10	100%	100%	100%	100%	100%
2	0%	0%	0%	15%	30%	45%	60%	75%	90%	100%	10	100%	100%	100%	100%	100%
3	0%	0%	0%	0%	0%	0%	10%	20%	30%	40%	50	60%	70%	80%	90%	100%
5	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
PRODUCT GROUP	PRODUCT GROUP									Phase in progress	Phases not started					

Source : MINFI/DGD (2023).

At 31 December 2023, the amount of the tax write-off of the CAM-EU EPA is estimated at 70.5 billion CFAF since the start of the dismantling. The APE CAM-RU is valued at CFAF 687.4 million. The main products benefiting from these agreements are presented in the following tables.

Table 14 : Breakdown of EPA tax losses by product category. Period: 04/08/2016 to 31/12/2023

rank	PRODUCT CHAPTER	Revenue Losses	
		In million CFA	Share (%)
1	25: Salt; sulphur; earth and stone; plaster, lime and cement	7 950,6	11,3%
2	84: Nuclear reactors, boilers, machinery, apparatus and mechanical appliances; parts thereof..	10 641,1	15,1%
3	33: Essential oils and resinoids; perfumery or toilet preparations and cosmetic preparations.	4 741,2	6,7%
4	48: Paper and paperboard; Articles of cellulose pulp, of paper or of paperboard.	11 783,5	16,7%
5	87: Motor vehicles, tractors, cycles and other land vehicles, parts and accessories thereof	3 886,8	5,5%

rank	PRODUCT CHAPTER	Revenue Losses	
		In million CFA	Share (%)
6	85: Machines, apparatus and equipment for recording or reproducing sound, apparatus for recording or reproducing images and sound on television, parts and accessories thereof.	4 997,7	7,1%
7	39: Plastics and articles thereof	3 174,9	4,5%
8	28: norganic chemicals; inorganic or organic compounds of precious metals, radioactive elements, rare earth metals of isotopes	3 796,9	5,4%
9	27: Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	3 047,1	4,3%
10	31: Fertilizer.	1 657,8	2,4%
11	38: Miscellaneous chemical products.	2 560,8	3,6%
12	23: Residues and waste from the food industries; prepared animal feeding stuffs.	488,4	0,7%
13	73: Articles of iron or steel.	1 743,0	2,5%
14	29: Organic chemicals.	1 995,7	2,8%
15	10 Cereals	293,1	0,4%
16	83: Miscellaneous articles of base metals.	898,1	1,3%
17	86: Railway vehicles and railway or similar track equipment, mechanical (including electromechanical) signalling equipment for communication routes.	1 322,9	1,9%
18	21: Miscellaneous food preparations.	620,6	0,9%
19	90: optical, photographic or cinematographic instruments and apparatus; medical and surgical instruments and apparatus; parts and accessories thereof.	751,5	1,1%
20	35: Albuminoids; modified starch products; glues; enzymes.	452,1	0,6%
21	32: Tanning or dyeing extracts; tannins and their derivatives; pigments and other colouring matters; paints and varnishes, mastics; inks.	535,6	0,8%
22	19: preparations with a basis of cereals, flour, starch or milk; pastries.	105,0	0,1%
23	01: Live animals	272,1	0,4%
24	72: Fonte, fer et acier.	140,6	0,2%
25	30: Live animals.	180,5	0,3%
	Total major products	68 037,4	96,5%
	Overall Total	70 516,2	100,0%

Source : MINFI/DGD (2023).

It should be noted that the main beneficiaries of the CAM-EU and CAM-UK EPAs are large companies, which operate in the sectors of the food industry (breweries and grain products manufacturing), cement plants, energy, construction, paper manufacturing and distribution.

However, since the national economic fabric is mainly made up of small and medium-sized enterprises, the effect of the EPA on economic activity is not very noticeable, particularly with regard to job creation, growth and diversification of exports.

II.4.2 Outlook

In view of the above, the complementary actions to be implemented to improve the effects of the CAM-EU and CAM-RU EPAs concern:

- Negotiation of appointment clauses on trade in services and investments;
- The holding of focus groups by sector of activity for monitoring the implementation of EPAs with the private sector;
- Strengthening the capacity of Small and Medium-sized Enterprises (SMEs) to take better advantage of the opportunities offered by EPAs;

CHAPTER III : IMPLEMENTATION OF POLICIES AND STRATEGIES

As part of its long-term development vision, Cameroon is implementing its new strategy for the period 2020-2030. Some of the main areas of intervention of this strategy concern the implementation of universal health coverage and import-substitution policy. In support of this strategy, Cameroon has concluded with the IMF a new second generation program, supported by the Extended Credit Facility (ECF) and the Extended Credit Facility (MEDC) over the period 2021-2024.

In this chapter, the progress recorded in 2023, on the implementation of: (i) the National Development Strategy (SND 30); (ii) universal health coverage; (iii) import-substitution policy; (iv) the Economic and Financial Programme (PEF) and the associated structural reforms, will be presented. Also, a focus will be made on the implementation of the African Continental Free Trade Area (AfCFTA) and the Economic Partnership Agreement with the European Union.

III.1. NATIONAL DEVELOPMENT STRATEGY (NDS30)

The persistence of the effects of the Covid-19 pandemic and the Russian-Ukrainian crisis on the global and national economy has undeniably had an impact on the continued implementation of the SND30. As part of this implementation, the sectoral reviews carried out each year make it possible to assess the effects of these shocks, highlight the developments and identify shortcomings.

Thus, in 2023, said reviews on the achievements of the year 2022, were held for five (05) of the seven (07) sectors with the participation of public administrations, the private sector, representatives of Regional and Local Authorities, Civil Society Organizations, as well as Technical and Financial Partners. These sectors are: (i) industries and services; (ii) rural; (iii) infrastructure; (iv) governance; and (v) other social services and social protection. Reviews of the health and education sectors are expected in 2024

III.1.1 Rural sector

The guidelines of the SND30 of the rural sector are included in the Rural Sector Development Strategy (SDSR/PNIA), through: (i) the sustainable increase of agro-production, sylvo-pastoral, fisheries and the productivity of priority value chains; (ii) improvement of the collective infrastructural environment and access to inputs and markets; (iii) resilience of production systems, sustainable management of natural resources and Nutritional Food Security (NFS) in the face of climate change; and; (iv) strengthening the governance and human capital of rural sector actors.

With regard to the **development of productivity and agricultural production**, the actions carried out by the Government in 2022 were primarily oriented towards increasing agricultural production with a particular focus on priority sectors such as: rice, maize, millet/sorghum, plantain, cassava, soybeans, palm oil, potato, and cashew. Thus, we note that agricultural activity continued to improve for several speculations in 2022. For this purpose, we should note that:

- **Paddy rice production** increased by 3.3% to 364,666 tonnes, in line with the resumption of production activity in the North-West region and the increase in area planted at SEMRY;
- **Maize production** grew by 2.1% between 2021 (2,452,400 tonnes) and 2022 (2,503,500 tonnes), due in particular to favourable weather conditions, an increase in the area under cultivation (+10.5%) and an improvement in average yields of 2,4 tonnes/ha in 2017 to 2.8 tonnes/ha in 2022;
- **Millet/sorghum production** remained almost stable between 2021 and 2022 at 1,012,600 tonnes, despite the invasion of granivorous birds, grasshoppers and locusts, on several farms in the northern and far north regions;
- **cassava production** was up 2.3% from 2021 to 6,162,537 tonnes, in line with the gradual resumption of agricultural activities in the South-West region;
- **Potato production** remained on an upward trend, due to the increase in production in the West and Adamawa region, due to the availability of certified high-yielding seeds to producers. In 2022, production amounted to 277 400 tonnes;

With regard to **the animal and fisheries sectors**, the Government's actions aimed in particular at increasing the supply of animal proteins, the development of animal industries and increased domestic fish production to reduce import dependence and improve food and nutrition security. Thus, it is noted that:

- Annual **meat and offal production in 2022** is estimated at about 290,735 tonnes, representing a 7% increase compared to 2021 (270,158 tonnes). 44% of this production consists of beef, which remains the most consumed animal protein;
- **Fisheries production** in 2022 will also be 4% higher than in 2021, rising from 223,420 tonnes to 233,363 tonnes. This production is broken down as follows: (i) small-scale maritime fishing, which accounts for 79% or 184,642 tonnes of total production; (ii) inland fishing (11%) equivalent to 25,246 tonnes; (iii) industrial fishing, which accounts for 6% or 14,922 tonnes; (iv) and aquaculture, which accounts for 4% or 8,224 tonnes.
- **Fish production also** increased 4% in 2022 from 223,420 tonnes to 233,363 tonnes. This production is broken down as follows: (i) artisanal sea fishing, which represents 79% or 184,642 tonnes of total production; (ii) inland

fishing (11%) equivalent to 25,246 tonnes; (iii) industrial fishing, which represents 6% or 14,922 tonnes; (iv) and aquaculture 4% representing a production of 8224 tonnes

In terms of **forestry activity**, interventions in 2022 were conducted through the following flagship activities::

- (i) **Promotion of species and marketing of wood.** For this purpose, two new species have been selected for promotion in 2022: *Sterculia rhinopetala* (Lotofa) and *Cordia platythyrsa* (Cordia). Legal wood production in 2022 decreased slightly to 2,802,764 m³ from 2,870,118 m³ a year earlier;
- (ii) **Strengthening wood processing** by improving the competitiveness of artisans and industrialists to increase value added;
- (iii) **The development of wood energy sectors.** Thus, the quantity of legal wood energy placed on the market increased from 33,501.1 to 42,732.5 metric tons, due to the capitalization of the acquisitions of the Wood Energy Project in the Northern and Extreme Regions North, and increasing coal production from sawmill scrap;
- (iv) **Development and diversification of NTFP streams.** In 2022, approximately 5,600 tonnes of NTFP were commercialized compared to 4,860 tonnes in 2021. This development is linked to awareness campaigns and the popularization of texts on the exploitation of NTFPs, and the significant increase in the titles of holdings of said products.

As regards the infrastructure environment and access to inputs, several actions were carried out in 2022, including:

- **The opening up of production basins**, where 1890.6 km of rural tracks over the 2,000 km planned have been rehabilitated and/or built by MINADER. 94.5%, for an allocated amount of 14,267,000,000 CFA francs;
- **Access to inputs**, with particular emphasis on hydro-agricultural developments. The area of farmed hydro land increased from 56,000 ha to 170,611 ha between 2019 and 2022. They should experience a significant increase with the effective implementation of projects such as: (i) the Valorization of Investments in the Valley of the Benue (VIVA BENUE), of which the Irrigation and Drainage Infrastructure sub-component plans to rehabilitate 1,122 ha and develop 3,494 ha on the right bank, including construction work on 15 ha, 7 km of dyke along the Benue and the development of 4,953 ha left bank including the construction of 18.1 km of dyke along the Benue; (ii) the Valorization of Investments in the Valley of the Logone (VIVA LOGONE) Since 2021, the rehabilitation of 12,210 ha of rice fields and related works in the Far North;

- **the development of innovative financing mechanisms and adapted and accessible** agricultural insurance systems. In 2022, the following initiatives to encourage private investment in agriculture were implemented: (i) The Credit Facilitation Fund for the Development of Agricultural, Livestock and Fish Farming Value Chains of PD CVA and PD CVEP (MINADER-MINEPIA) with the objective of rationalizing the methods of intervention and positively impacting the development of the value chains of the agricultural, livestock and fish farming sectors; (ii) the Refinancing Fund of Microfinance Institutions (EMF) PEA Jeunes, with the objective of raising the interest of MFIs and relieving their cash flow pressures; (iii) the PADFA II Innovation Fund with the objective of providing co-financing to eligible innovation micro-projects :

In terms of strengthening the resilience of production systems, sustainable management of natural resources, food and nutrition security in the face of climate change and multifaceted shocks, several activities were carried out, including:

- The establishment of 12 nurseries with 211,628 plants including 112,696 NWFP, 98,932 bamboo and 9,000 mangrove plants;
- Restoration of 39,644 ha of land at the Bamboo Project sites;
- Biodiversity enrichment of 260,285 ha of forest landscapes;
- The training and support of 929 people (813 men and 116 women) on the establishment of plantations, the development of value chains of NTFPs and bamboo;
- Assessing opportunities for forest landscape restoration in Waza, Mbalmayo and Douala-Edea as part of the Restoration Initiative project;
- The development, validation, editing and multiplication of the Harmonized Action Plan 2020-2030 for the restoration of degraded forest lands and landscapes;
- The development, validation, publication and multiplication of the Manual on the integration of bamboo in agroforestry in Cameroon;
- The creation and operation of the local monitoring committee for restoration activities in each of the localities of Waza, Mbalmayo and Douala and Edea;
- Carrying out basic surveys to identify the needs of beneficiaries (Baham, Bangou, Mbalmayo, Moutourwa) as part of the project Restoration Challenge Grant Platform for Smallholders and Communities with Blockchain-Enabled Crowdfunding;
- Continued support for 05 (five) municipalities in the fight against water hyacinth.

III.1.2 Infrastructure Sector

As regards the infrastructure sector, its development is one of the priorities of the SND30 in order to lead to the structural transformation of the national economy. Thus, the priorities of the sector for the period 2022-2023 included: (i) the completion or continuation of infrastructure projects under execution; (ii) maintenance of existing infrastructure and development of new infrastructure; and (iii) continuation or initiation of reforms in the sector. As such, the main achievements are presented by field

With regard to **energy infrastructure**, the efforts made in terms of energy supply in the development of hydroelectricity, renewable energies, thermal and biomass have increased installed generation capacity from 1,528 MW in 2020 to 1,700 MW in 2023 from 1,616 MW in 2022, to a target of 3,000 MW. Transit capacity (energy transmission) installed in the grid has increased from 1,222 MW in 2020 to 1,369 MW in 2022, to 1,500 MW in 2023. The amount of energy available for final consumption increased from 1,398,168 Toe in 2020 to 1,800,000 Toe in 2023, an annual average increase of 8.79% over the period.

As for access to energy, the objective was to improve the access of households and economic operators to energy, by increasing its rate to 70% by 2022. During the period, it was estimated at 72.3% in 2022 and 73% in 2023. The electricity supply ratio has risen from 41% in 2020 to 44% in 2022 and 48% in 2023. The share of renewable energies in the energy mix rose from 0.08% in 2020 to 0.14% in 2022, then to 0.18% in 2023. The rate of access to domestic gas (LPG) increased from 27.96% in 2020 to 34.87% in 2022 and 37% in 2023.

For the **hydraulics and sanitation sub-sector**, installed drinking water production capacity is 686,059 m³ per day in 2023, with a reference value of 543,384 m³ per day in 2020. The rate of water service has changed from 50.8% (2020) to 53% in 2022. The service rate in basic sanitation infrastructure increased from 32.6% in 2020 to 32.66% in 2022 and 33.24% in 2023. With regard to access to drinking water, the continued implementation of the Three-Year Water Emergency Plan has increased the number of works from 1631 in 2021 to 1747 in 2022 and 1957 in 2023. The rate of access to drinking water rose from 72.9% in 2020 to 74.5% in 2022.

In the postal, **telecommunications and ICT sub-sector**, the implementation of reforms, the realization of multiple projects and the acquisition of various equipment has made it possible to increase the ICT Development Index by 2,68 in 2020 to 3.5 in 2022 and the National Cybersecurity Index from 0.11 in 2021 to 0.15 in 2022. The digital divide has fallen from 58% (2020) to 39% in 2022 and 35% in 2023, with an expected decline of 65% in 2022. The deployed fiber optic line has increased from 23,000 (2020) to 24,000 in 2022. Internet penetration has risen from 52.69% in 2020 to 61% in 2022 and 65% in 2023, above the target of

55% in 2022. The data transfer rate is 100 Gb/s in 2022 against a target of 178.95 Gb/s at this date. In addition, the integrated postal development index rose from 38.52 in 2020 to 47.04 in 2022 and 47.53 in 2023.

In terms of **urban modernization**, the number of social housing units built under the government's program has increased from 2,400 units in 2020 to 2,850 units in 2023. This number remains below the 2022 target of 17,000 units. This number remains below the 2022 target of 17,000 dwellings. Moreover, the proportion of households living in decent housing is almost stagnant from 35% in 2020 to 35.06% in 2022, far from the target of 50% expected by that date; and the area of developed urban areas has increased from 1,370 ha in 2020 to 1,1429 ha in 2022.

The Urban Road Linear built/rehabilitated/maintained was estimated at 750.9 km in 2020. New lines were built, 219.5 km in 2021, 133.1 km in 2022 and 150 km in 2023. With regard to urban planning, the proportion of RLAs with a PDU increased from 26% in 2020 to 37.52% in 2022.

For the **State Properties and Surveys**, there is an 80% increase in cadastral revenues in 2020. However, the rate of modernization of the Cadastre remained stable at 4.22%, despite the acquisition of some specific equipment of the cadastre. As for the production of viable parcels as part of the constitution of Crown subdivisions whose objective is to have 50,000 plots of building land by 2030, the number of serviced building parcels, which was 3,031 in 2019, has not changed significantly to date.

The proportion of level cadastre services increased from 10.1% (2018) to 25% in 2021. The coverage rate of the national territory in basic technical infrastructure increased from 10% (2018) to 13.65% in 2021. The number of administrative buildings rehabilitated increased from 68 in 2021 to 75 in 2022.

In terms of **Infrastructure sector funding**, there has been an overall increase in the sector's BIP share compared to the overall BIP in recent years, from 41.2% in 2018 to 61.3% in 2022. The same is true of the share of the infrastructure sector budget in the State budget, which rose from 13.6% in 2018 to 18.1% in 2022. It is therefore a question in the future of promoting innovative financing mechanisms, in particular public-private partnership approaches and project-finance during the implementation of the SND30; with the aim of reducing the share of public funding in the construction of infrastructure. The projects can thus be structured so that they can themselves ensure the reimbursement of the resources mobilized for their implementation. This requires significant improvement in the project preparation processes taking into account their financial, economic and social profitability. A legal and institutional framework has been put in place by the State to allow: the use of private sector capacities, whether domestic or foreign companies; and the execution of public interest projects through Public-Private Partnership contracts.

III.1.3 Industries and Services

As regards the industrial and services sector, two guidelines are defined for the development of manufacturing and only one for the development of market non-financial services.

The guidelines relating to the manufacturing industry concern: (i) the promotion of the manufacturing industry and (ii) technological catch-up, in order to facilitate the global economic integration of Cameroon and accelerate the reduction of our dependence on imports, while increasing exports.

. With regard to the **development of industries**, efforts to significantly improve the supply and quality of electricity to industries are continuing. To this end, several electrification transport lines have been built, such as the (i) 225 KV transmission line linking Ahala (Yaounde) to Abong Mbang; (ii) 225 KV linking Nkongsamba and Bafoussam; ...

Significant progress has been made in the implementation of **the agro-industrial** cluster of Ouassa Baboute. To this end, 2/3 of the compensation due to the people whose assets were affected in the implementation of the project were paid. The final third is expected to be paid in 2023. A call for expressions of interest for a promoter has been launched. As well as, the commission of evaluation of the tenders submitted to the call for expression of interest was set up in the Services of the Prime Minister. Also, the capacity building of agro-industrial units in these priority sectors can be noted, in order to make available consumer products with the effect of rebalancing the trade balance and promoting local industry.

At the level of **the wood sector**, the creation of industrial parks for specialized economic zones (zes) for wood processing in Edea and Bertoua was continued in order to materialize the operational phase of this sector. In Edea the site of the late CELLUCAM of nearly 80 ha, intended to host one of these projects is currently being dismantled and decontaminated. For Bertoua, 120 ha have already been mobilised for the project, as well as a DUP of an additional 1000 ha. In addition, a technical partner in this case the Africa Finance Corporation (AFC) was mobilized.

In the **textile-leather-garment sector**, the implementation of the restructuring plan of the Industrial Cotton Farm of Cameroon (CICAM) continues. The option to resize the CICAM to two industrial sites, instead of three planned in the service plan to reduce operating costs, is being finalized. Indeed, the site of SOLICAM (CICAM II) has been sold to another company since April 21, 2022. The dismantling operations of the industrial facilities on the site have indeed started and should be completed in November 2022. Anything that should allow the company to get back on track while waiting for the continuation of investments, in order to renew the production tool.

The **mining-metallurgy-steel sector** is characterized by a strong dependence on the outside. In 2021, a trade deficit of CFAF -356 billion was observed. However, it should be noted that in 2022 three (3) operating licences were awarded, including the kribi-lobed iron exploitation licence, the Mballam iron exploitation project and the Bipindi Grand Zambi exploitation project. This augurs progress that could be recorded in the exploitation of these deposits from 2023, in accordance with the Very High Instructions of the Head of State in its address to the Nation on December 31, 2023. Regarding ALUCAM, the Government continued to support the implementation of the actions provided for in the short term of the restructuring plan.

In terms of refining activities, monitoring of the implementation of the project to build a bitumen unit in Cameroon by the company ALL BITUMEN CAMEROON PLC continues. To this end, MINFI has obtained an agreement in principle for financial support in the form of a direct State grant of CFA francs 1,500,000,000 (one billion five hundred million), for the completion of the feasibility study of the aforementioned project

In the **chemical-pharmaceutical sector**, discussions within a platform bringing together all the stakeholders in the sector have been initiated with the aim of enabling Cameroon to create a genuine industry capable of producing certain inputs and basic pharmaceutical products locally. Ultimately, this will enable the country to deal more effectively with any health crises that may arise.

In the field of construction-professional-scientific services the NDS30 plans to build a strong national capacity for the management of industrial and infrastructural projects and programs, in operational alignment with international standards and best practices in this area. It is also envisaged to create the conditions for the development of the national orders of critical professional disciplines, in order to guarantee their contribution to the imperative of accelerated and transforming industrialization of the national economy.

As regards the development of market non-financial services, this includes promoting the development of (i) tourism; (ii) trade; (iii) transport; (iv) arts and culture; (v) real estate; and (vi) employment.

In the **field of tourism**, the definition of investment priorities around two or three flagship tourism products is not yet complete. The consultations and reflections led to the choice of Cameroonian gastronomy as one of the products to develop and enhance. As a result, a technical secretariat has been created for the maturation of this project. The continuation of the policy of progressive disengagement of hotel management by MINTOUL is underway. The draft status of these establishments under development will take into account the provisions of the Decree of the Head of State stipulating that rents from the State hotel fleet abound in the Special Assignment Account (CAS).

Regarding the strengthening and enhancement of the tourism offer, we note among other things the operationalization of the nautical resorts of Maga and Lagdo since the beginning of 2022, and the work of elaboration of the Master Plan of Development of tourist sites in progress. The Structuring of actors in the tourism and leisure sector is underway with the training of 75 Town Halls on certain skills in tourism and leisure, the development and signing of certain legal frameworks framing the activity. As part of the promotion of the tourism and leisure offer, partnership frameworks have been concluded with website promoters with the aim of strengthening the destination Cameroon. Similarly, an agreement was signed with the CRTV for the dissemination of tourism products of Cameroon in order to arouse the interest of the populations to the leisures and to value the internal tourism.

At the level of **trade**, actions have been undertaken to create an Export Promotion Agency in accordance with the guidelines of the Investment Charter. Among other things, the development and transmission in the Services of the Prime Minister of a draft text on the creation, organization and operation of the Export Promotion Agency (APEX), but also the development and validation of a National Export Strategy. Continuing the irradiation policy of the national, sub-regional and regional market by products stamped «made in Cameroon», at least 15 promoters of local products have benefited from the ease of integration of their products in the supermarkets of the Super and Hypermarkets. Moreover, the exhibition in the “made in Cameroon” Showcases of the cities of Yaounde (Carrefour-MEEC, Odza and Carrefour-Tsinga), Douala (Deido, Bonaberi, and Bonanjo), Ebolowa, Sangmelima and Ngaoundere allowed one thousand five hundred (1,500) to be referenced.

In terms of e-commerce development, 53 companies benefited from capacity building. A diagnosis of the information and business intelligence systems was conducted and led to the definition of the architecture and functional specification of the National Business Intelligence System, which will facilitate the development of a commercial defence strategy at Cameroon. Work is underway to revise the said law allowing the transformation of the *National Competition Commission* (CNC) into a National Competition Authority (ANC).

III.1.4 Governance Sector

With regard to this sector, several strategic axes are envisaged for its optimal deployment. These are: (i) decentralisation and local development; (ii) strengthening the rule of law and the security of persons and property; (iii) improving the public service of the State; (iv) economic and financial governance; (v) spatial planning; (vi) the promotion of bilingualism, multiculturalism and citizenship.

As regards **decentralisation and local development**, it is noted that :

- Several texts, laws, decrees and decrees have been signed and promulgated. However, it should be noted that there is a set of texts that have been developed and are being finalized;
- The transfer of powers from the State to the municipalities and urban communities shows an appreciable balance. 63 competencies were transferred by 20 sectoral ministries from 2010 to 2015;

A physical census of municipal staff was launched throughout the territory, with the aim of evaluating the wage bill, identifying the profiles of staff, and better taking charge of them and organizing their training, their deployment and remuneration for the emergence of a local public service.

With regard to strengthening the rule of law and the security of persons and property, several actions have been carried out, including:

- Improving access to justice through the intensification of infrastructure, strengthening human resources, as well as prison policy and the social reintegration of prisoners. In fiscal 2022, significant progress was made in the construction of courthouses and modern courthouse complexes;

- Improvement of prison policy, overcrowding and conditions of detention. To this end, the supply of places in prisons was increased by 1500 places between 2021 and 2022 with the operationalization of the Central Prison of Douala Ngoma. However, the prison population remains worrying, it went from 30,567 inmates in 2021 to 34,883 inmates as of October 02, 2023, an increase of 4,316 inmates in two years;

- Strengthening the capacities of Civil Society Organizations (CSOs) involved in the field of Human Rights, through: (i) strengthening the capacities of CSOs in 117 activities organized in the 10 regions; (ii) the establishment of a partner CSO file with around 765 CSOs;

- The densification of operational units for border security in the Eastern, Far North and North-West and South-West Regions.

As regards the improvement of the public service of the State, the areas of intervention are: (i) the modernization of public administration; (ii) the optimization of the functioning of public administration; (iii) the improvement of the management of human resources of the State; and (iv) the strengthening of the fight against corruption, misappropriation of funds and conflicts of interest.

With regard to the modernization of public administration, actions have been taken to reduce the costs of goods and services within public administration, notably through the orientation of public procurement to support the national economy. To this end, the Prime Minister Head of Government has adopted circular no. 00001/PR/MINMAP/CAB of 05 April 2022 which establishes that during

the award of a contract as part of an international consultation, a margin of preference shall be given to equivalent tenders and in order of priority to tenders submitted by nationals.

As for the optimization of the functioning of public administration, the dematerialization of procedures continued and was consolidated during 2022, driven in particular by: MINFI, MINCOMMERCE and MINMIDT.

In order to improve the management of the State's human resources, a referral from the various administrations was made in order to collect their personnel needs and to develop a recruitment plan for the public service for the fiscal year 2024. As part of the establishment of the local public service, the draft texts related to it have already been developed by MINDDEVEL with the support of MINFOPRA, and transmitted to SPMs.

With regard to the strengthening of the fight against corruption, embezzlement and conflicts of interest, within the framework of the prevention of corruption and massive embezzlement, the CONSUPE carried out several actions in particular the establishment of two collaboration platforms (information sharing) with institutional and non-institutional partners for the protection of public assets; the development of a synergy of actions with national and international stakeholders to fight against attacks on the public fortune (03 memoranda of understanding/ signed convention).

In terms of economic and financial governance, the objectives of the SND30 are to (i) modernize public financial management; (ii) improve debt management; (iii) streamline the management of public institutions; (iv) improving the business climate; (v) strengthening development cooperation and partnership; (vi) diaspora contribution to development; (vii) regulation and surveillance of the national economic area. In this context, the actions carried out concerned in particular:

- Reducing the tax burden on taxpayers, particularly businesses;
- The promulgation of Law no. 2023/008 of 25 July 2023 establishing the General Regime of Partnership Contracts;
- The operationalization of the Deposits and Consignments Fund (CDEC) by the President of the Republic who, on January 20, 2023, appointed the main officers of this structure.

With regard to spatial planning, particular emphasis is placed on the development of spatial planning tools such as the National Territorial Zoning Plan (PNZ); the National Territorial Planning and Sustainable Development Plan (SNADDT) which has been available since 2023; the Regional Territorial Planning and Sustainable Development Plan; the SNADDT revision and update guide, the Contracts-Plans/*Plan Implementation Agreement* between the State and the RLA; the reference framework of the *State-Council Contracts-Plans*. In addition to

these tools, we note the following achievements: the production of a methodological guide for the development of Local Territorial Planning and Sustainable Development Plan (PLADDT) and the development of PLADDT in the Pilot Councils such as: MINTOM, NGONG, MBANGASSINA and YOKO.

III.1.5 Other social services and social protection

In this sector, the objective is to broaden the social coverage of the populations, in particular the most vulnerable by gradually integrating all the social categories hitherto on the fringes of the system. To do this, actions are carried out in the areas of (i) social security and decent work, (ii) social transfers, (iii) social action, (iv) gender and equity promotion, and (v) communication for social development.

S' With regard to social security and decent work, the actions focused on:

- **Boosting the voluntary insurance system.** To this end, the number of voluntary insured persons was increased to 1,185,081 thanks to the registration of 70,840 new compulsory insured persons and 35,552 new voluntary insured persons. Similarly, the benefits of 296,312 beneficiaries were paid, for a total amount of 127.9 billion CFA francs;
- **The extension of the personal and material scope of a formal social security system.** For example, 515,649 informal sector workers received social benefits. Phase 1 of Universal Health Coverage was launched on 12 April 2023 in Mandjou in the East Region. This launch resulted in the pre-registration of approximately 1,690,000 people, followed by a final enrolment of 1,052,849 people. Similarly, 98% of people on dialysis enrolled paid their annual contribution;
- **the promotion of social dialogue**, whose activities have made it possible to: (i) draw up 8,029 conciliation minutes in the context of the resolution of individual and collective labour disputes; (ii) continue the dialogue with teaching staff in order to find solutions to their demands; (iii) register 21 new trade unions bringing the number of professional organizations to 1,088; (iv) hold negotiations that have resulted in the lifting of several strike notices in various industries.

With regard to social transfers, the actions carried out concerned:

- The extension of the Unified Social Register of Cameroon (RESUC) to 8 new Communes, bringing the number of Socially Vulnerable Persons (PSV) registered to 122,528 for 29 Communes. Targeting has been refined to achieve 100% of expected outputs in the target municipalities;
- The distribution of 2,972,613 essential textbooks (French, English, mathematics) to nearly 750,000 students in SIL/CI1 and CP/CI2 classes in

12,866 public schools, as part of the implementation of the World Bank-funded PAREC Program ;

- The opening of new dialysis centres in Bafoussam, Douala and Buea, as well as a significant reduction in the cost of hemodialysis;
- The granting of credits and the facilitation of training sessions for people living with disabilities through the Project to support the socio-professional integration and reintegration of vulnerable people (PAIRPEV);
- Improving the treatment of socially vulnerable inmates, including 148 inmates living with HIV/AIDS;
- The granting of certain tax exemptions that have made it possible to reduce the prices to households of certain consumer goods such as rice and wheat.

As far as social action is concerned, it was in:

- Strengthen child protection through the reintegration of more than 20,000 children into foster homes and families, and provide support to 188,340 child victims of emergencies;
- Insert 1,860 vulnerable people, provide public assistance to 55,000 beneficiaries, mentor 55,000 disabled and indigenous people;
- To strengthen the capacity of self-management of young people, as well as to improve the quality of socio-educational support services and the protection of civil and moral values. These actions have notably promoted an increase in the proportion of young people involved in the decision-making process, a significant increase (+2,842) in the number of companies owned by young people supervised by MINJEC structures, an improvement in the rate of territorial coverage of youth support structures;
- Start the work of proofreading and updating the project document and technical tools related to the implementation of the national solidarity fund.
- Promotion of gender and equity.
- With regard to the promotion of gender and equity, the actions implemented focused on the equitable access of girls and boys, men and women to education, training and information on the one hand, and strengthening women's entrepreneurship and youth programs. Thus, they concerned:
 - Capacity building of women and young people on the creation of income-generating activities and project development, and support for access to bank credit and financial support for the implementation of income-generating activities,
 - Support, guidance and socio-economic integration of displaced girls;

- Strengthening the supervision of young people through the construction of multifunctional centres for the promotion of young people;
- Raising awareness of gender-based violence and providing guidance to victims;
- Supporting administrations in taking gender into account in their strategic performance frameworks.

With regard to Communication for Social Development, the proliferation of national, regional and local information processing and resource centres has made 08 communication infrastructures operational. Also, the development of community radios continued, allowing the creation and operationalization of 8 information exchange platforms.

III.2. UNIVERSAL HEALTH COVERAGE

III.2.1 Objective and principles of Universal Health Coverage

Universal Health Coverage (UHC) is a health system reform that aims to ensure an individual has access to all the quality health services he needs when and where he needs, without financial hardship or poverty because of the cost of care. It is essential to achieving health for all and health equity. The implementation of UHC in Cameroon is governed by the following four guiding principles:

- ✓ **Universality:** which aims to cover the entire population without discrimination;
- ✓ **National solidarity:** pillar of the system through contributory equity and equity in access to care;
- ✓ **General responsibility of the State:** it guarantees the proper functioning of the system, health being a public good and social protection a right enshrined in the constitution;
- ✓ **Compulsory affiliation:** the system will impose itself on the entire population without exception.

The project is divided into four areas of intervention:

- ✓ **governance:** it will be about ensuring the pooling of interventions and financing;
- ✓ **Population coverage:** the objective is to gradually extend the coverage of the population through a health social protection mechanism to people not covered. Priority being given to the most vulnerable populations;
- ✓ **Coverage of services:** this will ensure real use of essential services through the definition of a health care package that meets the needs of populations.

- ✓ **protection against financial risk in health:** the objective is to reduce direct household spending on health services at the risk of not falling into poverty. As a reminder, the contribution of households to total health spending is estimated at 72%. (CS 2019).

III.2.2 State of implementation of Universal Health Coverage

Universal Health Coverage (UHC) is a major reform in the health sector that aims to profoundly transform access to health care and improve the quality of their offer, without their cost causing financial difficulties for users. It will be implemented in Cameroon through several phases.

The first phase was officially launched in Cameroon on April 12, 2023 in the city of Bertoua, is structured around a basket of care covering preventive, promotional and curative aspects. The priority target population consists of pregnant women, children under 5 years of age, and people of all ages with certain specific pathologies.

The different treatment includes: (i) vaccination; (ii) nutrition and community health; (iii) treatment of tuberculosis, HIV, kidney failure; (iii) consultation and treatment of simple and severe cases of malaria for children aged 0 to 5 years; caring of pregnant women and their newborns up to 42 days of life. This basket of care should gradually expand as much as the target population, depending on the lifting of certain legal, financial and social constraints.

With regard to pregnant women and newborns, it should be noted that the regions covered in this phase are those of the Far North, North, Adamawa, East and South.

Objectives include: (i) enrollment of 60% of targets within 5 years; (ii) coverage of 60% of targets in services delivered within 5 years; and (iii) reduction of 2/3 direct payment of services covered by priority targets within 5 years.

With regard to enlistment, there is a fairly favourable enthusiasm among the population is perceptible. In fact, by the end of 2023, nearly one and a half million people were already receiving the care provided under Universal Health Coverage. Specifically, we note that:

- ❖ 118,304 pregnant women have been enrolled in this process and receive benefits such as prenatal consultations, childbirth or newborn management. For these various treatments, these women simply subscribe to a health check of 6000 CFAF;
- ❖ 652,883 children under 5 were enrolled, for nearly 778,211 consultations completed. 124,872 were treated for simple malaria and 88,860 for severe malaria;
- ❖ 150,215 HIV patients are treated free of charge according to protocols, and 11,299 enrolled TB patients also receive free care;

- ❖ 1284 patients on hemodialysis, are enrolled and regularly follow their hemodialysis sessions, 98% against 48% in 2022. It should be noted that patients with kidney failure pay only 15,000 CFA francs to benefit from dialysis sessions for one year, thereby saving 505 000 CFA francs per year.

In terms of funding, the Government is supported by certain technical and financial partners. Thus, we note that in 2023, UHC was funded to the tune of 50.4% by the State of Cameroon and 49.6% by partners. Also, the Government is looking for innovative mechanisms to promote the implementation of this project. Thus, in August 2020 he signed with the *Société Santé Universelle du Cameroun* (SUCAM) a public-private partnership contract, in order to promote the supply of technical and IT resources necessary for the proper functioning of the CSU.:

III.3. ECONOMIC AND FINANCIAL PROGRAMME AND STRUCTURAL REFORMS

III.3.1 Mise en œuvre du Programme Economique et Financier

Cameroon continues to implement its economic and financial programme (PEF) supported by the Extended Credit Facility (ECF) and the International Monetary Fund (IMF) Extended Credit Facility (MEDC). This program, concluded on June 29, 2021 with this institution, will strengthen the external viability of the country and realise a strong and inclusive growth, supported by adequate funding and fiscal policy consistent with the fight against the expansion of the coronavirus pandemic (COVID-19), the recovery of economic growth and poverty reduction.

For the 2023 financial year, the program was the subject of three (03) reviews all considered conclusive by the Executive Board of the IMF sitting at its sessions of March 09, 2023 (third review), June 29, 2023 (fourth review) and December 22, 2023 (fifth review, coupled with consultations under Article IV of the IMF Statute). The approval of these reviews resulted in disbursements of budgetary support amounting to SDR 55.2 million per review, or about CFA francs 45 billion. This financial support was made possible by the performance of the implementation of the programme, assessed against the quantitative performance criteria, indicative targets, structural reforms and the economic outlook of the country.

Quantitatively, all quantitative performance criteria have always been met, with the exception of the ongoing criterion on non-accumulation of new external arrears that was missed in the fourth and fifth reviews.

Table 15 : Quantitative Performance Criteria (QPC) under the FEC and MEDC Agreements

	End-June 2022 (3rd review)		End-Dec. 2022 (4th revue)		End-June 2023 (5th review))
A. Quantitative performance criteria					
Basic primary non-oil budget balance (commitment basis)	Respected	Respected	Respected	Respected	Respected
Central government net domestic financing rate (excluding IMF funding)	Respected	Respected	Respected	Respected	Respected
Central government net loans from the Central Bank (excluding the IMF Funding)	Respected	Respected	Respected	Respected	Respected
Rate for the disbursements on non-concessional external loans	Respected	Respected	Respected	Respected	Respected
B. Continuous quantitative performance criteria					
New external arrears accumulation limit	Respected	Respected	Respected	Respected	Respected
Present value (PV) of contracting and guarantee new external loans	Respected	Respected	Respected	Respected	Respected

Source : CTS (2024).

In addition, three (03) of the five (05) indicative targets were missed: the ceiling on net accumulation of domestic arrears, the ceiling on direct HNS interventions and the share of expenditure executed in exceptional procedures. The need to support safe spending and subsidizing fuel prices at the pump has not helped to meet the targets.

As regards structural reforms, twelve (12) of the fifteen (15) included in the programme and expected during 2023 were implemented. The other three (03) were postponed to 2024 due to the specificity or complexity of certain tasks. These are:

- The completion of the drafting of all texts implementing the 2016 Mining Code (Law No 2016/017 of 14 December 2016). In addition, this law was revised in 2023 to take into account the creation of the National Mining Corporation (SONAMINES);
- The establishment of the inventory of the respective debts between the public enterprises and the State, and between the public enterprises themselves at the end of 2020, and the adoption of a debt clearance plan between the State and the public enterprises. Although the inventory of debts between the State and public enterprises and the related clearance

plan are available, the inventory of debts between public enterprises, based on their financial statements, is still expected.

- The revision of Law No. 2013/004 of 18 April 2013 to streamline these incentives and promote healthy competition between economic operators. As an intermediate step to this reform, an action plan with recommendations to eliminate corporate tax exemptions (including minimum tax) to promote healthy competition between economic actors was developed before the end of October 2023.

Table 16 : Indicative targets under the ECF and MEDC agreements

	End-June 2022 (3rd review)		End-June 2022 (3rd review)		nd-June. 2023 (5th review)
Minimum on non-oil revenue	Respected	Respected	Respected	Respected	Respected
Limit on net accumulation of domestic arrears	Not Respected	Not Respected	Not Respected	Not Respected	Not Respected
Limit on Poverty reduction social expenditure	Respected	Respected	Respected	Respected	Respected
Limit for direct interventions of SNH	Not Respected	Not Respected	Not Respected	Not Respected	Not Respected
Percentage of expenditure carried out under exceptional procedures out of authorised expenditure (payment order)	Not Respected		Not Respected		Not Respected

Source : CTS (2024).

As regards structural reforms, twelve (12) of the fifteen (15) measures included in the programme and expected to be implemented in 2023 have been implemented. The other three (03) have been postponed until 2024 due to the specificity or complexity of certain tasks to be accomplished. These are as follows

- The completion of the drafting of all the application texts of the 2016 Mining Code (Law no2016/017 of 14 December 2016). This law was also revised in 2023 to take into account the creation of the National Mining Corporation (SONAMINES);
- Drawing up an inventory of the respective debts between public companies and the State, and between the public companies themselves at the end of 2020, and adopting a plan to settle the respective debts between the State and the public companies. Although the inventory of debts between the State and public enterprises and the related settlement plan are available, the

inventory of debts between public enterprises, based on their financial statements, is still awaited.

- The revision of Law N°2013/004 of 18 April 2013 with a view to rationalising these incentives and promoting healthy competition between economic operators. As an intermediate step to this reform, an action plan including recommendations to eliminate corporate tax exemptions (including the minimum tax) in order to promote healthy competition between economic players has been drawn up by the end of October 2023.

The full status of all the structural reforms expected in 2023 is set out in the table above.

Table 17 : Progress in implementing the structural benchmarks

N°	Structural reforms	Deadline	Administrations / Organisations concerned	Observations
1	Make the Deposits and Consignments Fund operational	Dec. 2022	PRC	Observed The leaders (Board Chairman, DG and DGA) were appointed on January 20, 2023
2	In collaboration with the World Bank, develop a study on options for reforming the fuel price structure to phase out fuel subsidies, developing targeted measures to protect the most vulnerable households	Dec. 2022	MINFI (DGB, CTR), CSPH, INS	Observed A report on the study in question was sent to the IMF on 23 January 2023. <i>Etape restante</i> : Refinement of the accompanying measures proposed in the report with the World Bank, with a view to benefiting from the assistance of this institution for their implementation.
3	Prepare and publish an audit of the Supreme Court Audit Chamber on COVID-19 expenses for the 2021 fiscal year	March 2023	Audit Bench	Observed
4	In consultation with IMF staff, develop and publish an action plan for strengthening frameworks for preparing, publishing and monitoring public expenditure audits, including recommendations for strengthening relevant institutions, including the Supreme Court Audit Chamber	April 2023	Audit Bench	Observed An action plan has been sent to the IMF. Discussions will continue in light of the March 2023 technical assistance mission.
5	Adopt a legal and regulatory framework to govern public-private partnerships (PPPs) so that all projects of this nature are subject to a single framework.	June 2023	SPM, MINEPAT (CARPA) and MINFI	Observed Promulgation of law no. 2023/008 of 25 July 2023 establishing the general regime for public-private partnership contracts

N°	Structural reforms	Deadline	Administrations / Organisations concerned	Observations
6	<p>Project and debt management Implement the October 2021 decree governing project management units.</p>	August 2023	MINEPAT /SPM	<p>Observed Three draft texts have been signed (The PM's decree on remuneration was signed on 06/10/2023 and the decree on the evaluation criteria for experts was signed by the Prime Minister).</p>
7	Elaborate a restructuring plan for SONARA, including the industrial and financial options envisaged.	Sept. 2023	SONARA	<p>Observed A detailed action plan, annexed to the restructuring plan, has been validated by the President of the Republic. However, the Fund's experts consider that this detailed plan cannot be implemented in all respects, which means that the measure cannot be implemented.</p>
8	Complete the drafting of all texts implementing the Mining Code of 2016 ((Law no. 2016/017 of 14 December 2016) and publish them.	Sept. 2023	MINMIDT/SPM/P RC	<p>Postponed to June 2024 The creation of SONAMINES requires a review of the law. The subsequent project will be submitted to Parliament in March 2024. Following its adoption, the implementing texts will be published as soon as possible.</p>
9	Complete the audits of the State's payment arrears and adopt a plan for clearing the arrears certified by these audits.	Sep. 2023	MINFI (DGB)	<p>Observed The audit report is available and a provisional clearance plan has been prepared and validated.</p>
10	Draw up an inventory of the respective debts between public companies and the State and between public companies themselves at the end of 2020, and adopt a plan to clear the respective debts between the State and public companies.	Sept. 2023	MINFI (CTR et DGB)	<p>Postponed to April 2024 The respective debts between public corporations and the State have been inventoried. The settlement plan for each of these debts is appended to the agreement signed between the State and the corporations. The finalisation of the inventory of debts between public corporations is experiencing some difficulties due to the unavailability of data relating to the cross-debts of public corporations.</p>
11	Publish a diagnosis of governance vulnerabilities, including corruption, which would include the most economically relevant state functions, namely: i) fiscal governance; ii) financial sector supervision; iii) market regulation; iv) the rule of law; and v) the fight against money laundering and the financing of terrorism (AML/CFT).	Sept. 2023	MINFI	<p>Observed Report published on the IMF website on 17 December 2023</p>

N°	Structural reforms	Deadline	Administrations / Organisations concerned	Observations
12	Revenue administration. Increase the number of taxable persons from 13,500 by the end of December 2022 to 14850 by ending October 2023	Oct. 2023	DGI	Observed The number of VAT payers actually increased from 13,500 to 14,850 between December 2022 and April 2023
13	Business climate. Draw up an action plan including recommendations to eliminate corporate tax exemptions (including the minimum tax) in order to promote healthy competition between economic actors, excluding companies operating in the agricultural, livestock and fisheries sectors.	Oct. 2023	DGI	Observed <i>The draft action plan is available and, based on the aide-memoire provided by the IMF mission, certain exemptions are being proposed for elimination.</i>
14	Enter a budget allocation in the Finance Law of year N+1 for the clearance of the stock of the remains to be paid (RAPs) of more than 90 days at the end of the fiscal year N	Dec 23	DGB	Observed <i>A provisional endowment of 100 billion was included in the 2024 finance bill</i>
15	Revise Law No. 2013/004 of 18 April 2013 to rationalise these incentives and promote healthy competition between economic operators	Dec. 2023	API /MINMIDT /PRC	Postponed to November 2024 <i>In order to pursue this work, it was first necessary to draw up an action plan including recommendations for eliminating corporation tax exemptions (including the minimum tax) in order to promote healthy competition between economic players. The preparation of this action plan is the subject of a structural reform which is expected to be completed by the end of October 2023.</i>

Source : CTS (2024).

In terms of prospects, they were always favourable at the end of the various reviews, despite a difficult economic and security context, exacerbated by the Russian-Ukrainian conflict and geopolitical tensions in the Middle East. In addition, the economic and financial policy measures adopted by the Cameroonian authorities were considered satisfactory by the Board of Directors of the Fund.

In addition, at the conclusion of the fifth review, the Board of Directors of the Fund also approved the extension of the program of twelve (12) in order to deepen the structural reforms undertaken and address other emerging issues such as the reduction of climate change risks. Thus, technical discussions between the Cameroonian side and the country team of this institution took place from November 27 to December 11, 2023 to structure access to the Facility for Resilience and Sustainability (FRD) IMF, set up in 2022.

The reform measures identified in this framework, numbering eight (08), are consistent with the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement on Climate Change, and are structured around four pillars namely (i) strengthening the institutional framework for governance and policy coordination related to climate change; (ii) integrating the climate agenda into the public financial management process, paying particular attention to public investment; (iii) strengthening the Government's adaptation efforts with particular attention to the national disaster risk management framework; and (iv) strengthening mitigation efforts to reduce dependence on CO₂-emitting energy resources and paying particular attention to the sustainable management of forest ecosystems that sequester CO₂. Their satisfactory implementation will allow Cameroon to benefit from a total of 138 million Special Drawing Rights (SDRs), or about 110 billion CFA francs under this Facility during the eighteen (18) months reserved for their implementation.

III.3.2 Implementation of structural reforms

Beyond the reforms carried out with the International Monetary Fund, Cameroon has implemented a set of reforms in collaboration with the other Technical and Financial Partners (World Bank, European Union, African Development Bank).

The reforms agreed with the World Bank were implemented as part of Cameroon's "second operation to support Development Policies for fiscal sustainability, inclusive growth and sustainable development." , to support the disbursement of budget support of \$200 million for fiscal year 2023. These reforms aim to: (i) improve fiscal sustainability, governance and public sector management; (ii) ensure equitable access to services and improve women's economic participation; and (iii) support sustainable infrastructure development.

In terms of improving fiscal sustainability, governance and public sector management, reforms included:

- The operationalization of Law No. 2019/024 of 24 December 2019 on the General Code of Decentralized Territorial Collectivities, which took the form of the transfer of competences to the regions in the fields of health and secondary education, as well as the adoption of a law on local taxation;
- The signing of performance contracts for two public companies (Port Autonome de Douala and Camair-co);
- - The definition of the procedures for approving and terminating the activities of payment service providers by electronic means;
- - The determination of the principles, rules and measures for managing the treasury of the State and other public entities;

- Reorganisation of the Treasury and Budgetary Regulation Committee.

As regards equitable access to services and the improvement of women's economic participation, the reforms adopted concern:

- The establishment of the procedure manual of the criteria for targeting persons likely to benefit from the social assistance benefits of the Unified Social Register of Cameroon (RESUC);
- The regulation of the costs of parents' associations and the definition of the conditions for redeployment and/or assignment of teachers to administrative positions in the ministries of guardianship, in order to ensure equity in the education sector.

As regards support for sustainable infrastructure development, **the reforms focused on:**

- The definition of water management and water infrastructure maintenance procedures in irrigated areas;
- The establishment of a second generation Road Fund to ensure sustainable financing of the operation and maintenance of the road network.
- The reforms concluded with the European Union were carried out under the «Sectoral Reform Contract (CRS)». The reforms concerned:
 - Further operationalization of the Rural Sector Development Strategy (SDSR) and the National Agricultural Investment Plan (PNIA);
 - **The improvement of public financial management**, through the implementation of the reforms envisaged in the Global Plan of Reforms of Public Financial Management (PGRGFP) for the year 2022-2023, adopted on 15 December 2021 at the 10th session of the Steering Committee of the Platform for Dialogue on Public Finance (PDFP). These reforms include: (i) capacity building for budget preparation and improved program budgeting; (ii) capacity building for fiscal citizenship and fiscal resource mobilization; (iii) strengthening the capacity to monitor and control the implementation of budgets; (iv) developing internal audits and external controls; and (v) establishing and strengthening the support functions for **Public Finance Management**.
 - **Strengthening budgetary transparency** by making budgetary information available to the general public. To this end, several documents have been published on government websites including the Finance Act and its appendices, the amending and settlement finance laws, the 5th edition of the citizen budget, budget implementation reports at the end of 2022, the 2023 calendar of public finance statistics. In addition, Cameroon underwent a **PEFA assessment in 2023 after those in 2017 and 2007, which was published;**

- **Improving the performance of the agricultural sector**, through: (i) implementing operational mechanisms to strengthen the resilience of food production systems; (ii) support for agricultural production through the definition of a mechanism for sustainable intensification and agro-ecological transition; ((iii) the strengthening of the agricultural council for the adoption of measures of Adaptation to Climate Change (ACC), agroecology and sustainable intensification (Climate Smart Agriculture/ AIC).
- The reforms agreed with the African Development Bank were implemented under the Cameroon Agricultural Production Enhancement Support Program (PARPAC) for the period from July 2022 to July 2024. These reforms focused on: (i) increasing food production by facilitating access to agricultural inputs; (ii) supporting the agricultural extension system and supporting food resilience; and; (iii) the implementation of the conditions precedent to the disbursement of the two loan tranches.

With regard to increasing food production by facilitating access to agricultural inputs, the aim was to subsidize up to 30% of the purchase price, the acquisition of essential inputs to improve productivity for smallholder farmers; as well as the expansion of the use of the producer window mechanism already in place to target food chains; and; to operationalize the manual of procedures for subsidizing agricultural inputs and equipment through awareness and extension workshops throughout the territory.

Regarding support to the agricultural extension and food resilience support system, it was to support agricultural advisory and extension services but also to strengthen food resilience through: (i) support for the allocation of staff to agricultural posts; (ii) operationalization of the reform of framework agreements; (iii) analysis of industrial performance of the four wheat varieties identified by Cameroon for large-scale deployment; (iv) the introduction of flour from local foods in the composition of bread; (v) the establishment of producer organizations in the cereal, vegetable and potato sectors; (vi) the promotion of agriculture and climate technologies intelligent.

As regards the reforms carried out to ensure the disbursement of the various loan tranches, they concerned: (i) the provision of the audit report made by the Supreme Court's Audit Chamber, on the emergency budget support operation in response to the Covid-19 pandemic; (ii) the extension of the grant management system of the Cocoa and Coffee Sub-Sector Development Fund (FODECC) to other sectors (but rice, potatoes and oil palm, millet, soybeans, tomatoes/vegetable gardens, poultry); (iii) the start of the process of transferring public seed farms to private operators; (iv) the formation of the 100 multipliers of composite seeds and hybrids; (v) the retrocession of agricultural posts (PA) and the Centres d'Education et d'Actions Communautaires aux Communes (CEAC); (vi) the analysis of the four varieties of wheat for intensive and industrial use; (vi) the adoption of a national

plan for the development of wheat farming; and (vii) the adoption of a Pest and Pesticide Management Action Plan.

III.4. AFRICAN CONTINENTAL FREE TRADE AREA

The African Continental Free Trade Area (AfCFTA), which came into force on 1 January 2021, aims to stimulate economic growth in African countries and reduce poverty. Cameroon¹ ratified the agreement on 31 October 2019. The implementation of this agreement is still in the start-up phase in several African countries. This has prompted the African Union to adopt "Accelerating the African Continental Free Trade Area (AfCFTA)" as its theme for the 2023 financial year.

III.4.1 Implementation Update

As part of the implementation of the AfCFTA in 2023, negotiations continued with the adoption by the AU Conference of protocols on investment, intellectual property rights and competition policy. Also, we have also seen the intensification of the guided trade initiative (IGC) which, as a reminder, is a pilot project involving eight African countries including Cameroon. This phase aims to test the operational, institutional and legal environment of the implementation of this agreement.

Officially launched on October 7, 2022, the IGC enabled the countries² concerned in 2023 to increase the level of their trade at preferential tariffs for several products (96 specifically), even if they remain below the expected objectives. It should also be noted that its trade is facilitated by the use of the Pan-African Payment and Settlement System (PAPSS) which facilitates instant cross-border payments in local currencies between African markets.

At the level of Cameroon, the first imports under the AfCFTA regime of a cargo of resin from Tunisia (another pilot country) to the deep-water port of Kribi on July 3, 2023³. Imported by Inoda Industries, the resin is intended to enter as a component in the manufacture of paint. In addition, and in order to streamline intra-Community trade, a mission to assess the effectiveness and efficiency of the free cross-border movement of goods within the Central African region through its corridors Libreville/ Yaounde, Libreville/Brazzaville, led by a delegation from the General Secretariat of the African Continental Free Trade Area, also took place in 2023.

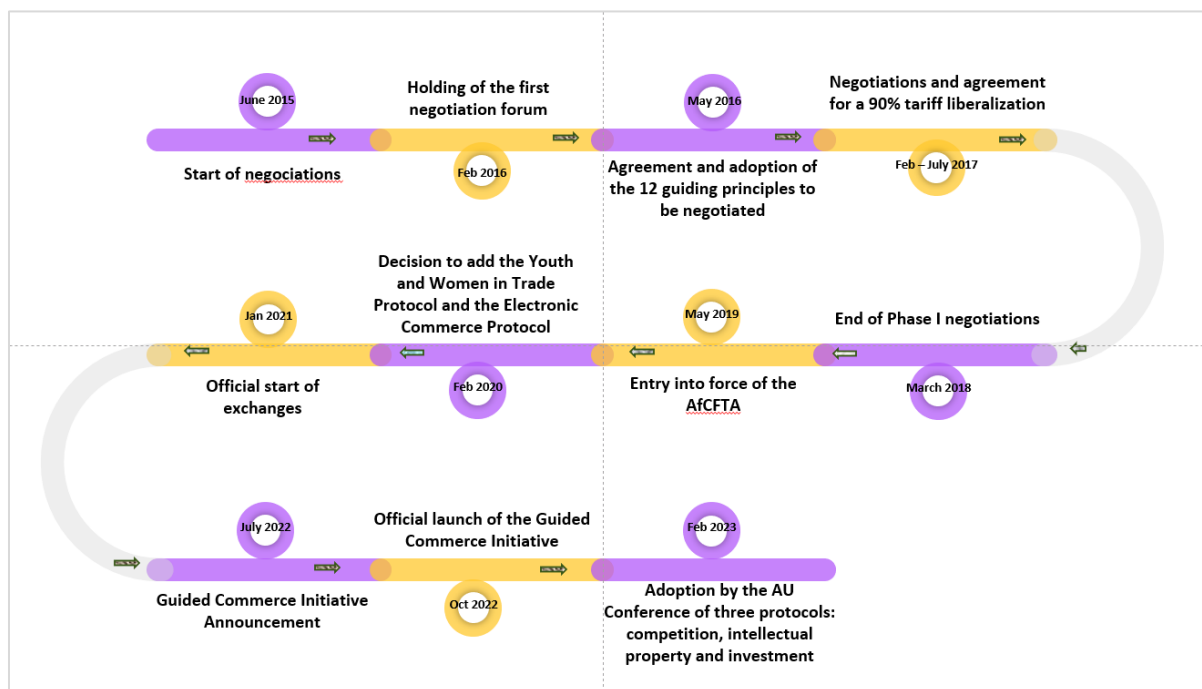
¹ Decree N°2019/586 of 31 October 2019

² The eight countries participating in the IGC are Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tanzania and Tunisia and represent five regions in Africa

³ This first operation involved 60 tons of resin worth €90,000 and thus marks the beginning of a new era of pan-African trade

The successful implementation of this phase has made it possible to register the integration of 24 new countries into this regime, thus offering Cameroon the opportunity to diversify its trading partners.

Graph 41 : Timeline and milestones achieved by the AfCFTA



Source : CEA (2023)

III.4.2 Perspectives

In terms of prospects, and given the magnitude of the new challenges related to the configuration of the AfCFTA, it is more than urgent to set up a program to support Cameroonian companies in seizing the opportunities of this vast continental market of about 1.3 billion consumers, in accordance with the requirements of the National Strategy for the Development of the African Continental Free Trade Area and the ever-growing complaints of information and support from Cameroonian companies.

Thus, two groups of recommendations can be formulated, namely: (i) the strengthening of the national system and the increased involvement of companies in the sophistication and labelling of «Made in Cameroon» products, and (ii) economic diversification and structural transformation to increase the supply of finished or semi-finished products for export.

As regards the strengthening of the AfCFTA's national valuation system and the increased involvement of companies in the sophistication and labeling of «Made in Cameroon» products, the following concerns:

- ✓ Boost the activities of the National Monitoring and Evaluation Committee on the implementation of the AfCFTA;
- ✓ Set up a programme to support the private sector in seizing the opportunities of the AfCFTA;
- ✓ Finalize the list of CEMAC specific commitments for trade in services to be submitted to the AfCFTA Secretariat;

On economic diversification and structural transformation to increase export supply, it is suggested to:

- ✓ Strengthen the value chain approach in priority growth sectors by supporting the competitiveness of strategic segments to bring out real captains of industries;
- ✓ Revitalize the initiative «One Village One Product» which consists in identifying and promoting Cameroon's cultural and tourism products.

III.5. OTHER POLICIES IMPLEMENTED

III.5.1 Emergence and promotion of national champion companies

In the Cameroonian context, a **National Champion is an existing Cameroonian company capable of international expansion in its field of activity, which is innovative, competitive and offensive, and whose industrial development objective is consistent with the policy implemented at national level.** These companies should receive government support for their development and influence, and to face competition from multinationals.

The selection criteria adopted, validated in Douala as part of the MINEPAT/Private Sector consultations in 2017, focus in particular **on (i) strengthening the local industrial fabric** (creation of wealth and jobs, contribution to the creation of added value); **(ii) reducing the current account deficit** (contribution to increasing exports or import-substitution); **(iii) the structuring nature of the company's activity** (contribution to the development of other sectors); **(iv) the development of local entrepreneurship and sub-contracting activity** (share capital mainly held by Cameroonians and sub-contractors under Cameroonian law); **(v) the innovative nature and coverage of the sub-regional and international market.**

In consultation with the private sector and other ministerial departments, a number of companies have been declared champions in the agro-industry, transport and electronics sectors, with a view to receiving financial and non-financial support from the Government. These companies include :

- **The Company Soya Beans Proceeding Industry of Cameroon (Soproicam):** agroindustrial company producing soybean meal for animal feed, which will develop and boost the livestock sector, whose

oil cake imports are around 15 billion CFA francs each year and limit imports of refined oil;

- **La Société de Transformation de Bus (Sotrabus)** : a company that assembles buses for public transport with a capacity of 45 to 70 seats, which will develop businesses in the steel and iron sectors, and limit vehicle imports; it plans to produce all types of vehicle, including those for the army, which already uses its buses;
- **Zng Smart Cards Factory**: an industrial company producing magnetic cards and designing electronic systems. This innovative project will boost the electronics sector in Cameroon;
- **La Société Camerounaise de Production du Riz (SCPR)** : a large-scale paddy rice producer and manufacturer of woven polypropylene packaging. It will help to meet part of the ever-increasing local demand for packaging and the shortfall in local rice production, thereby contributing to the development of the agri-food industry;
- **La société Agroindustrielle Camerounaise (AGROCAM)** : a company that produces day-old chicks for brooding and laying (25,000 a year in line with international standards), hatching eggs to the highest quality standards, and adapted egg trays. It will further develop the agri-food industry by boosting the poultry sector.

In addition to the financial support requested by these companies, which is in the region of 20 billion FCFA, it was also noted that they had non-financial needs, in particular exposure and state support to affirm their status as National Champions.

However, the emphasis in 2023 will be on non-financial support. Field visits have been made to National Champion companies to collect economic data and draw up a statement of support needs. These needs were used to identify the various ministerial departments responsible for implementing each non-financial support measure, and consultations with the stakeholders were used to study the possibilities for covering these support measures.

In addition, work to organize the day of the companies «National Champions» are also underway. The objective of this day is to promote companies already selected from national economic actors (public administrations, private companies, households, employers' organizations, consular chambers, etc.) and international (technical and financial partners, investors, etc.) to improve their visibility.

III.5.2 . Measures to adapt the Cameroonian economy to shocks and changes

As part of the implementation of the National Development Strategy for the period 2020-2030 (NDS30), the Government has undertaken to put in place a

monitoring and economic intelligence system, the aim of which is to constantly scrutinise the national and international environment in order to detect warning signals that could hinder or slow down our progress towards emergence by 2035.

For the past two decades, socio-economic indicators have struggled to evolve in line with the projections of the national development frameworks adopted by the Government. This unsatisfactory record can be explained in particular by the succession of shocks and changes that the Cameroonian economy has undergone, for which the country has had to take a series of urgent measures to deal with them.

In terms of shocks, the country has experienced: (i) in 2008, the food crisis due to the rise in prices of staple foods; (ii) from 2014 to 2016, the fall in oil prices, which led to a foreign exchange crisis and the conclusion of an Economic and Financial Programme (EFP) with the IMF, supported by the Extended Credit Facility (ECF); (iii) from 2014 to the present day, the security crises in the Far North, South West and North West regions; (iv) the currency crisis of 2019; (v) the SONARA fire in 2019; (vi) from 2020 to the present day, the health crisis linked to the Covid-19 pandemic; (vii) and since 24 February 2022, the Russian-Ukrainian conflict.

In terms of changes, we have seen: (i) in 2016, the entry into force of the Economic Partnership Agreement (EPA) with the European Union; (ii) on 1 January 2021, the entry into force of the African Continental Free Trade Area (AfCFTA); (iii) and on 9 March 2021, the signing of the post-Brexit agreement with the United Kingdom.

To deal with these various shocks and changes, the Government has adopted a series of measures. These included: the creation of Economic Disaster Zones, measures to support the private sector, the establishment of Reconstruction and Development Plans, the signing of reform programmes with technical and financial partners, and the implementation of structural reforms. Very often, these interventions have had unintended effects, including the diversion of public spending to more productive uses, a fall in budget revenues, a deterioration in the external position, inflation and a significant reduction in household purchasing power.

In addition, the analysis of government interventions shows some limitations, namely: (i) the absence of an economic contingency plan that defines and provides a framework for economic management before, during and after the occurrence of a shock or change; (ii) the heavy dependence on technical and financial support from foreign partners; (iii) the inadequacy of the early warning and forecasting system; (iv) the low (or late) mobilisation of financial resources; and (v) the low involvement of the RLA and the private sector.

Based on these observations, a mechanism for reducing the vulnerability of the Cameroonian economy is being developed to better prepare the Government's response to future shocks and changes. It covers :

- ❖ **Anticipatory measures**, aimed at: (i) strengthening local supply by continuing to implement the import/substitution policy efficiently; (ii) decentralised management and crisis prevention; (iii) strengthening the economic alert and monitoring system; and (iv) supporting research and innovation;

- ❖ **Action measures**, relating to the implementation of emergency and contingency plans designed to ensure efficient coverage of the consequences of shocks/mutations through the following actions: (i) setting up a crisis management unit; (ii) raising the awareness of civil society, the private sector and TFPs about the impact of the shock or change in order to ensure the support of all stakeholders; (iii) mobilising financial resources; (iv) drawing up and implementing a response plan;

- ❖ **Adaptation and mitigation measures**, focusing on the development and implementation of a plan to revive economic activity, taking into account the financial and non-financial support to be provided to the sectors that have been affected, or those with a high leverage effect.

III.5.3 . Promotion of local Content

As part of the implementation of its import-substitution policy, the State has identified key sectors towards which its actions should converge, in particular the agropastoral sector. In this sector, a set of products with a significant impact on the deficit of our trade balance were selected as priorities. These include rice, wheat, corn, soy, milk, palm oil and fish.

For a better appreciation of the evolution of the local supply in relation to the imports of said products, MINEPAT has chosen to follow the **rate of local content**, understood here as the share of local production in the total supply available locally.

Thus, as regards the **evolution of local content in 2023** compared to 2022, there was an improvement for rice (+35.5%), wheat (+6.0%), soya (+87.5%) and milk (+0.8%). On the other hand, it was down for certain products such as maize (-0.8%) and palm oil (-2%).

In terms of prospects for 2026, four (04) scenarios have been realized, namely:

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- **The reference scenario:** this simulates the evolution of local content on the basis of actions already implemented at local level to boost local production and limit imports, all other things being equal. The scenario shows that, by 2026, the local content rate should rise to 99% for maize, 98.2% for milk, 47.3% for fish, 35% for rice and 9.6% for wheat. However, it should fall to around 67.5% for palm oil and 39.8% for soya.
- **The optimal scenario:** This simulates the evolution of local content for each product with the efficient implementation of actions that should lead to the achievement of the objectives expected under the **Integrated Plan for Agropastoral and Fisheries Import-Substitution (PIISAH)** by 2026, both in terms of production and import reduction. In this scenario, local content will improve relative to the reference scenario for rice (+85%), soya (+78.5%), fish (+69%), palm oil (+32.3%), wheat (+17.3%), milk (+2%) and maize (1%).
- **The scenario of the occurrence of an exogenous shock:** This simulates the evolution of local content in the context of an international crisis (the Covid-19 crisis and the Russo-Ukrainian conflict), the impact of which for the country would be essentially on the rise in world prices for the product concerned and therefore on the costs of importing the said product, leading to specific variations in the quantities imported for each product. The forecast of this increase is based on retrospective observation of the various factors that have led to an exceptional rise in the price of the product concerned in Cameroon over the last ten years. In this scenario, compared with the reference scenario, the local content rates obtained would show negative deviations for rice (-7.8%), maize (-0.06%), palm oil (-3.1%) and fish (-9.5%). This situation will lead to a significant increase in government spending on imports for all products.
- **The scenario of the occurrence of an endogenous shock:** This simulates the evolution of local content in the event of the occurrence of a factor at national level (climate change, security crisis, etc.), the impact of which would be a fall in local production of the product concerned and a compensatory rise in imports of the said product by 2026. According to this scenario, the occurrence of an endogenous shock should lead to a depreciation in the outlook for the local content rate compared with the reference scenario, particularly for rice (-27%), wheat (-3%), palm oil (-5%), fish (-7%), soya (-12.5%), milk (-1%) and maize (-0.15%). It should be noted that this situation will also lead to an increase in government spending on imports for all products, but to a lesser extent than in the case of exogenous shocks.

From the above, it can be seen that, whatever scenario is adopted, there are still many challenges to be met in order to improve local content in the agro-pastoral sector. These include: the obsolescence/absence of quality processing equipment; poor development of production basins; scarcity of financing; high cost of production inputs and plant materials; unfavourable price competitiveness for local production; local consumption oriented towards imported products; difficulties in accessing energy and modern production systems/methods; climate change; isolation of production basins; difficulties in accessing financing for SMEs and agricultural entrepreneurs.

To address these various challenges, several priority actions to be implemented have been proposed, including:

- ✓ **permanent monitoring of the evolution of local content** in the agro-pastoral sector, in order to determine the actions to be prioritised by the Government in terms of import/substitution policy;
- ✓ developing the country's independence from the outside world in terms of access to agricultural inputs, materials and equipment;
- ✓ strengthening the energy supply;
- ✓ redirecting local consumption towards local products;
- ✓ increasing the presence of local products on our markets;
- ✓ improving the competitiveness of local production;
- ✓ aligning local production with international norms and standards;
- ✓ strengthening the resilience of agricultural businesses and entrepreneurs;
- ✓ capitalising on the opportunities offered by green financing to increase local production;
- ✓ controlling the effects of national inflation.

CHAPTER IV : GEOECONOMIC FRAGMENTATION AND IMPLICATIONS FOR THE CAMEROONIAN ECONOMY

Globalisation has been for several decades a boon for the development of the world economy. It has been a factor in accelerating industrial development as well as global trade and financial exchanges. In recent years, however, **the global economy has been facing what could well be its greatest test since the Second World War**. We are witnessing a geo-economic segmentation that has been accentuated by the conflict between Russia and Ukraine, and is leading to fears of negative consequences for both the global economy and that of the countries of sub-Saharan Africa..

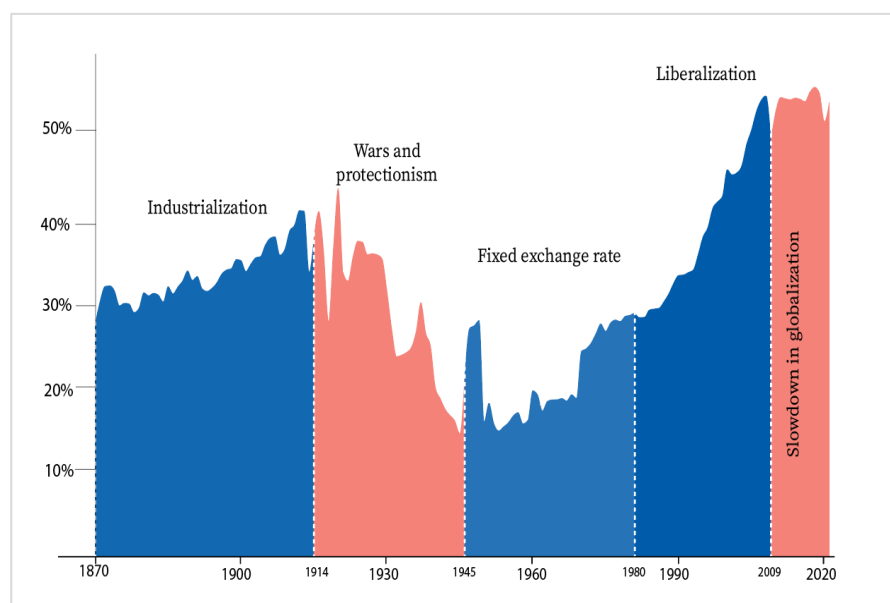
This chapter aims in particular to highlight recent developments in geo-economic fragmentation, its consequences on the global economy, and the potential implications for Cameroonian economy.

IV.1. GEOECONOMIC FRAGMENTATION

IV.1.1 From globalization to geo-economic breakdown

The history of world trade has been mainly structured around four major periods. The **first period**, from 1870 to 1914, was marked by industrialization, with significant progress in the field of transportation and cost reduction. As a result, it led to an increase in trade over the entire period. The **second period**, from 1914 to 1945, was punctuated by international conflicts and the rise of protectionism. A During this period, trade became regionalized in favor of currency zones due to the introduction of trade barriers and the collapse of the gold standard. This has led to a significant reduction in the volume of trade on a global scale.

Graph 42 : Evolution of international trade (Exports and Imports) as a percentage of GDP



Source : IMF (2023)

The **third period**, from 1945 to 1980, was the Bretton Woods era, marked by the hegemony of the United States, which became the dominant economic power, and the dollar, then pegged to gold, supported a system where other exchange rates were pegged to the greenback. Thus, there is a rapid economic boom in Europe, Japan and developing countries. Many countries are relaxing controls on capital movements and a gradual reversal of the trend is taking place in trade, which is on the rise. However, it should be noted that this period was also weakened in the early 1970s by the end of dollar-gold convertibility and the transition by many countries to the floating exchange rate system.

The **fourth period, from 1980 to 2008**, was marked by greater liberalization of trade, with the gradual removal of trade barriers in China and other major emerging countries, and by unprecedented international economic cooperation, including the end of the Cold War (1991) and the integration of the former Soviet bloc. Also, the World Trade Organization (1995) was set up to monitor trade agreements, serve as a negotiating framework and ensure the settlement of disputes between countries. During this period, there has been a surge in international trade and capital flows, the development of multinationals, the amplification of the digital revolution and the interdependence of global financial systems. This situation has significantly improved the world's wealth, and the standard of living of billions of people. In effect, since the end of the Cold War, the size of the global economy has nearly tripled, and nearly 1.5 billion people have been lifted out of extreme poverty.

However, in the aftermath of the 2008 financial crisis, the Arab Spring and the war in Syria, the annexation of Crimea in 2014 and Brexit, international movements of goods, services and capital began to stagnate. This situation has gradually increased in recent years with the: (i) the persistence of trade tensions between the world's two largest economies, China and the United States; (ii) the Covid-19 pandemic, which has led to a confinement of nations within their borders and revived human anxieties and fragilities; (iii) the Russian-Ukrainian armed conflict, and the adoption of sanctions against Russia by some Western countries which seems to have organized the world into three blocs, based on the vote at the United Nations on sanctions against Russia in 2022 ("For", "Against", "Abstain").

This situation has significantly disrupted international financial and trade flows around the world, and raises the threat of a new Cold War, which will mark a fifth period, with the result that the globe will gradually fragment into competing economic and political blocs.

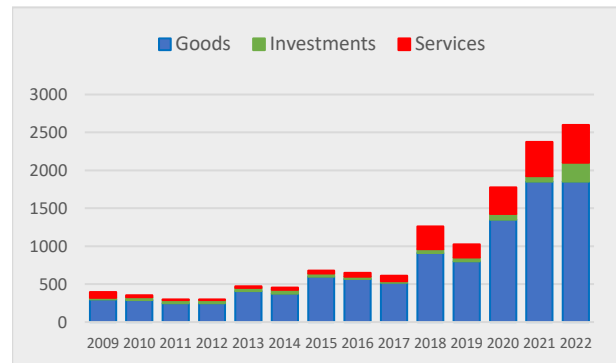
IV.1.2 Resurgence of trade liberalisation constraints

The international environment in recent years has been characterized by a political reversal of global economic integration, often guided by strategic and geopolitical considerations. Thus, the trade and industrial policies of the great

powers are now aimed more at the objectives of power than at global economic prosperity.

According to data from the Global Trade Alert, the number of trade restrictions imposed by countries on goods, capital and services has gradually increased since 2008, before accelerating from 2018 onwards with a record level of 3000 restrictions in 2023 (3 times more than in 2019), due to the: (i) growing trade tensions between the US and China; (ii) rising populism and increased scepticism about the benefits of globalization; (iii) the armed conflict between Ukraine and Russia.

Graph 43 : Changes in the number of trade restrictions imposed each year worldwide



Source : Global Trade Alert (2023)

As a result, governments are beginning to pay increasing attention to strategies to reduce the exposure of supply chains to geopolitical tensions. Thus, the direction of trade and foreign investment now seems to be guided more by geopolitical considerations than by economic or competitiveness considerations. For example, there has been a sharp increase in the use of terms such as "relocation", "offshoring to friendly countries" and "offshoring".

It is in this context that the U.S. Secretary of the Treasury has invited the American companies to move away from countries in geopolitical tension with the United States and to relocate their supply chains to a large number of trusted countries. Similarly, European countries are also putting in place strategies to strengthen the integration of supply chains with member countries. On China's side, guidelines have been issued to replace imported technologies with local solutions in a bid to reduce the country's dependence on geopolitical competitors. As far as Russia is concerned, it is redirecting its trade more outside the EU, the United States and countries deemed unfriendly.

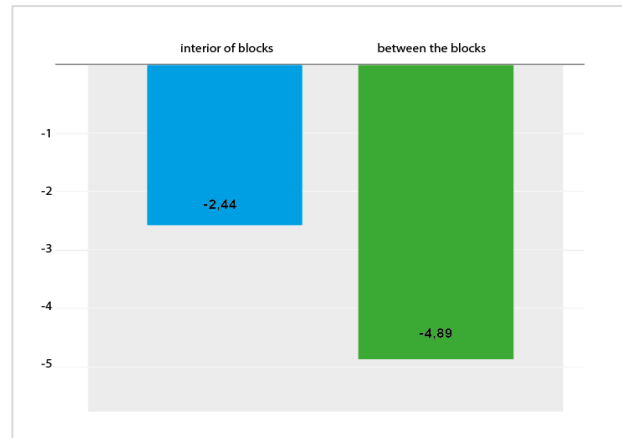
This situation tends to favor a reconfiguration of economic and political alliances into two (02) major blocs, one of which is formed around the USA and the European Union, and the other around China and Russia. Alongside the latter, a third non-aligned bloc has also been formed, bringing together emerging and

African countries, most of which abstained from voting against Russia at the United Nations.

This reconfiguration is also observed in terms of trade between these different countries. Thus, according to the IMF (2023), trade within the blocs has decreased by 2.44% since the beginning of the Russia-Ukraine crisis, while between the blocs it has decreased by 4.89%.

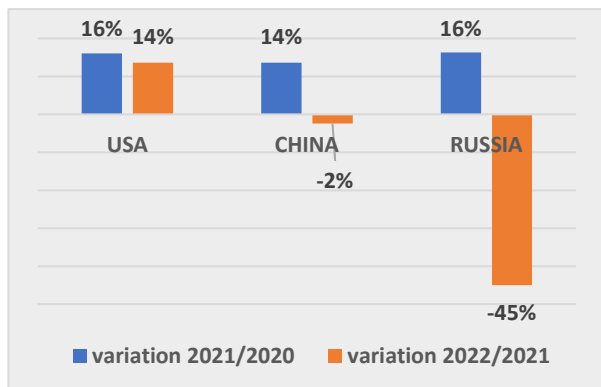
Specifically, it should be noted that in recent years, imports from both China and Russia by the United States and the European Union countries have declined significantly from both China and Russia, while they have intensified between these two partners. As far as exports are concerned, similar developments can be observed with these two groups of partners.

Graph 44 : Trade growth declines since the beginning of the conflict in Ukraine



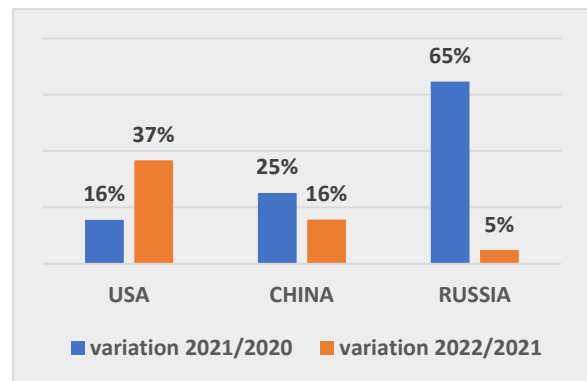
Source : IMF (2023)

Graph 45 : Evolution of EU exports with China, Russia and the United States



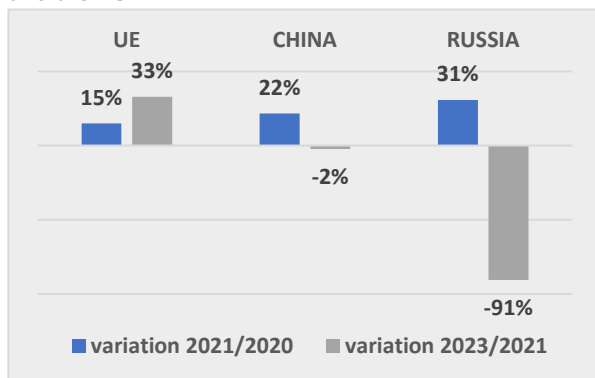
Source : Trade Map (2024)

Graph 46 : Evolution of EU imports with China, Russia and the United States



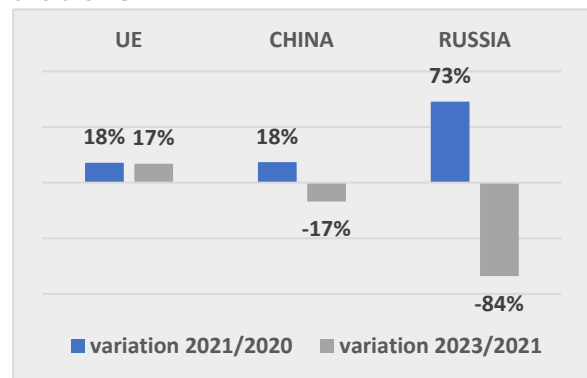
Source : Trade Map (2024)

Graph 47 : Evolution of US exports with China, Russia and the EU



Source : Trade Map (2024)

Graph 48 : Evolution of US imports with China, Russia and the EU



Source : Trade Map (2024)

Thus, the development of these economic and political alliances has also promoted:

- i) A reorientation of investment and trade from traditional partners to intermediary countries. China, for example, has lost its position as the United States' leading trading partner to Mexico, India and Vietnam. These same countries have also benefited from a larger share of exports from China. The same is true for foreign direct investment flows;
- ii) The renewed interest of the BRICS, which was joined in 2023 by five new countries (Iran, Egypt, Ethiopia, Saudi Arabia and the United Arab Emirates). This geopolitical bloc of ten countries represents nearly half of the world's population (46%) and a third (32%) of the world's GDP in 2023;
- iii) The orientation of OPEC's decisions in favour of the preservation of the interests of the organisation in general and of Russia in particular;
- iv) The emergence of a new group in the Sahel (Alliance of Sahel States (AES)) comprising Mali, Burkina Faso and Niger, as well as the latter's desire to withdraw from the Economic Community of West African States (ECOWAS) ;
- v) The organisation of summits between the major powers and Africa (China/Africa, Russia/Africa, USA/Africa, etc., ...).

IV.2. CONSEQUENCE FOR THE GLOBAL ECONOMY

Just as global economic integration has had a positive impact on the global economy, the ever-increasing geoeconomic fragmentation is gradually having negative consequences through certain channels. Thus, we can note: (i) a slowdown in global growth and the emergence of inflationary pressures; (ii) a reduction/redirection of capital flows and technology transfers; (iii) a reduction in the competitiveness of enterprises; and (iv) increased uncertainty and volatility in financial markets.

IV.2.1 Slowing global growth and inflationary pressures

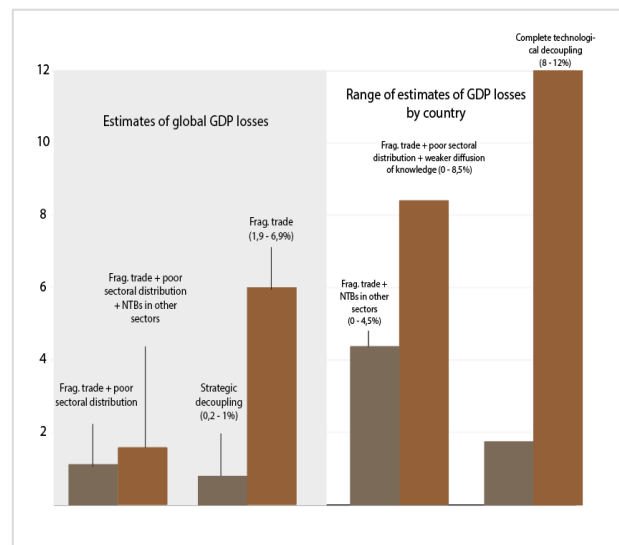
As a result of the gradual increase in geoeconomic segmentation, the global economy is increasingly experiencing a significant increase in trade-restrictive measures. This phenomenon, which has been greatly amplified by the Russian-Ukrainian conflict, has led to:

- An increase in the disruption of global supply chains, particularly for certain raw materials and energy products. This situation has also led to longer supply lead times, higher costs and lower global industrial production. For example, the share of intermediate goods in world trade fell by 2.5 points between the first half of 2023 and the average of the previous three years, to 48.5%;

- A reorientation of supply zones with a consequent decrease in world trade in goods;
- Persistent inflationary pressures. Indeed, geo-economic unbundling has increased supply constraints and kept world prices high. According to IMF data, the general level of consumer prices in the world reached 8.7% and 6.8% in 2022 and 2023 respectively, and should be 5.8% in 2024.

Also, economists show that this situation contributes strongly to the slowdown in global growth observed for several years. In addition, recent studies by IMF experts and some researchers, taking into account several modes of fragmentation, have highlighted that the long-term cost of world trade fragmentation could range from 0.2 percent of world output in a scenario of limited fragmentation to nearly 7 percent in a scenario of high fragmentation. This loss could be as high as 12% of GDP, including the cost of technology decoupling. In sub-Saharan Africa, the contraction in growth could be in the order of 4% of GDP.

Graph 49 : Long-term losses due to fragmentation of world trade, as % of GDP



Source : EMU (2023)

IV.2.2 Reduction of capital flows and transfer of technology and knowledge

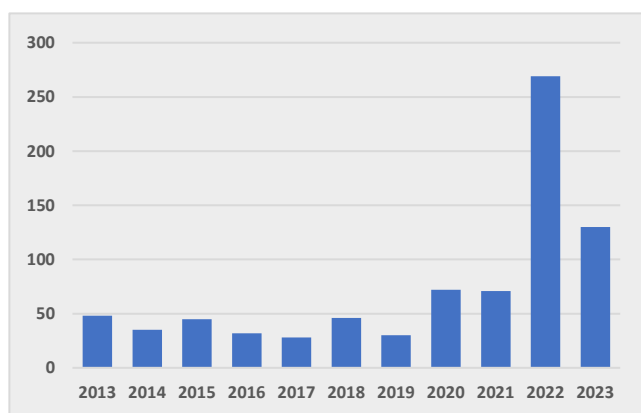
In addition to its implications for trade flows, geoeconomic fragmentation is also expected to manifest itself in increased restrictions on capital flows and technology transfers. According to Global Trade Alert data, the number of such restrictions has increased over the past four years, reaching a record level in 2022. In terms of the types of measures adopted, there are more restrictions on FDI (56%) and capital controls (43%). There are still few measures concerning intellectual property.

The countries that have mainly adopted these restrictive measures include China, Russia, Western countries led by the United States of America, Canada, Great Britain and EU countries.

The effects on FDI flows were immediately visible. Thus, at the global level, FDI flows decreased in 2022 by 12% to USD 1,294.7 billion. Similarly, these flows declined in 2023 in almost all regions of the world. Specifically, they fell by 23% in the EU, 3% in the US, 6% in China and 9% in developing countries. At the global

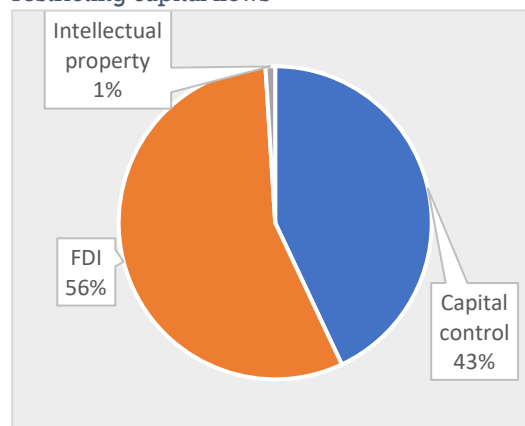
level, FDI flows (excluding Luxembourg and the Netherlands) plunged by a further 18%.

Graph 50 : Trends in the number of interventions by countries on restrictions on capital flows



Source : Global Trade Alert (2023)

Graph 51 : Breakdown of types of measures restricting capital flows



Source : Global Trade Alert (2023)

In sub-Saharan Africa, and according to the IMF's April 2003 Regional Outlook report, the region could lose about \$10 billion in FDI inflows and official development assistance, equivalent to half a percent of GDP per year, according to an average estimate over the 2017–19 period. In the long term, trade restrictions and declining FDI could also hamper much-needed export-led growth and technology transfer.

In addition, data on bilateral flows of cross-border mergers and acquisitions (Dealogic, EY analysis, 2022) indicate that between:

- (i) China and the United States, they fell from \$62.6 billion in 2016 to \$23.6 billion in 2021, a decline of 62.3% in 4 years;
- (ii) China and the European Union, they fell from \$38.9 billion in 2016 to \$6.9 billion in 2021, a decrease of 82.3%;
- (iii) the European Union and the United States of America, this value has increased significantly, rising from \$155.7 billion in 2016 to \$231.9 billion in 2021 (+48.9%).

This trend is expected to continue with the commitment of Western countries and U.S. government states to reduce their dependence on China by supporting massive investments in strategic industries in their countries or to friendly countries.

IV.2.3 Contraction of States' Financing Opportunities

Geoeconomic fragmentation is expected to contribute to a further tightening of international financing conditions, which are already very restrictive due to the restrictive monetary policies put in place in most countries around the world to combat inflation.

Indeed, funding should also be mainly directed towards friendly/allied countries in a context of fragmentation, with a crowding-out effect on other partners. Even if some countries could see a significant increase in this financing within their bloc in the medium term, the under-optimization of the capital orientation could lead to an increase in the long term of multilateral financing, which could lead to an increase in the rates backed by this financing, as well as a scarcity of concessional financing.

In such a context, public debt would tend to accumulate under two effects: (i) the interest rate effect, which would have a particular impact on the variable part of the existing debt and the servicing of the new (short-term) debt; (ii) the growth effect, due to the slowdown in activity due to difficulties in financing development projects (medium and long term).

In addition, development funding through grants is expected to be less diversified and could decline due to the pressures faced by donor countries that are also involved in geopolitical tensions. By way of illustration, bilateral Official Development Assistance (ODA) disbursement by Development Assistance Committee countries to least developed countries and sub-Saharan Africa has fallen by 0.7% and 7.8% respectively in 2021 and 2022, as a result of the war in Ukraine (OCDE, 2023).

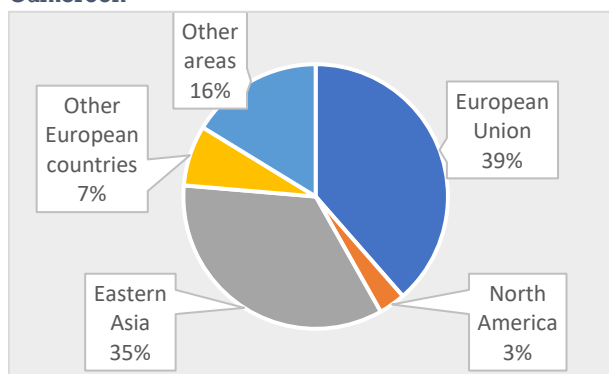
IV.3. IMPACT ON THE CAMEROONIAN ECONOMY

IV.3.1 Negative risks to the Cameroonian economy

Like sub-Saharan Africa, Cameroon is also likely to suffer the negative effects of geo-economic fragmentation. These effects, which are not yet very visible, could deteriorate further if the global economy were to be divided into relatively isolated trading blocs.

Thus, whatever Cameroon chooses, the country would lose access to many of its current trading partners. Indeed, Cameroon's trade with the rest of the world is important with the countries of the European Union and the United States (nearly 42% of trade), as well as with those of East Asia and Russia (nearly 37%). This structuring highlights the fact that a high degree of geoeconomic fragmentation is likely to lead to a disruption not only in the country's

Graph 52 : Evolution of trade (Export Import) from Cameroon



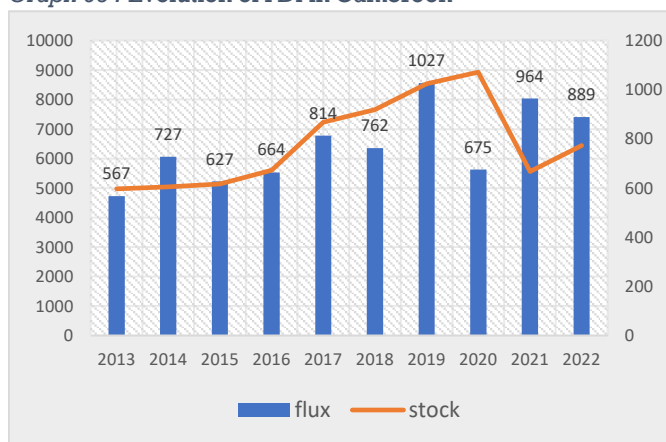
Source : Global Trade Alert (2023)

supply chains, but also in the search for new outlets to evacuate the surpluses in our raw material production.

The disruption of supply chains would also have an impact on rising supply costs and household consumer prices. For example, the recent disruption of supply chains and geopolitical tensions have contributed to the inflationary pressures recorded in 2022 (+6.3%) and 2023 (+7.4%).

In addition, capital inflows and technology transfers would be disrupted. As a result, some countries could be forced to reduce capital flows to Cameroon. This could reduce the volume of inward FDI as well as the resources of multilateral partners and Official Development Assistance. According to the UNCTAD report, widening geopolitical risk and economic fragmentation have put downward pressure on global FDI in general, and in Cameroon in particular. The report notes that inward FDI to Cameroon fell by 7.8% in 2022 to \$889 million U.S dollars.

Graph 53 : Evolution of FDI in Cameroon



Source : UNCTAD (2023)

This geoeconomic segmentation, which would exert pressure on inflation in the world, will also lead to a tightening of monetary policies by central banks, and consequently an increase in the debt burden on developing countries, including Cameroon.

This could therefore lead to further growth losses, jeopardize the implementation of our development strategy and lead the country to revisit its development model in the short, medium and long term.

IV.3.2 Positive risks to the Cameroonian economy

The risks of an aggravation of the geo-economic fragmentation are very feared because of the disturbances that it should induce both at the global level and in all the countries. However, it should also be noted that it could help sub-Saharan African countries in general, and Cameroon in particular, to revisit their development model and seek new and much more advantageous geo-economic partnerships.

As a result, the country may be more likely to strengthen its resilience, with a focus on deepening regional integration and increasing its self-sufficiency, in order to counteract possible external shocks. This includes:

- The strengthening of regional integration, particularly in the context of the rationalisation of ECCAS and CEMAC, as well as the implementation of the African Continental Free Trade Area (AfCFTA) in order to diversify partners and guarantee the sustainability of our external position;
- Reducing infrastructure deficits by encouraging private sector investment in infrastructure;
- Deepening domestic financial markets, to broaden sources of financing and reduce the volatility associated with excessive dependence on foreign capital inflows;
- Strengthening its production base by increasing the level of local processing of exported commodities.

The country could also position itself strategically to take advantage of the reorientation of trade and possible new FDI flows. This could be done through:

- Improving the business environment to take advantage of friendshoring, where countries reorganize their global supply chains by choosing like-minded partners. Such measures could be promoted in particular by reducing barriers to entry, regulation and taxation; a dissipation of uncertainties surrounding domestic public policies, in particular by improving governance, which could reduce the country's perceived level of risk and help attract more foreign investment
- An improved business environment, in order to take advantage of "friendshoring", whereby countries reorganize their global supply chains by choosing like-minded partners. Such measures could be encouraged in by reducing regulatory and fiscal barriers to entry; Easing uncertainties around domestic public policies, including by improving governance, which could reduce the country's perceived level of risk and help attract more foreign investment;
- Identification and development of sectors likely to benefit from the reorientation of trade, in order to maximize our country's chances. The country can also turn to trade promotion agencies to assist in identifying potential opportunities, building the skills and capacity of exporters, and ultimately reorienting production to take advantage of new trade flows. The country can leverage its abundant agricultural workforce and resources to become a production hub and one of the leading food exporters, provided it undertakes the necessary investments in human capital and sustainable agricultural practices.

CHAPTER V : PERSPECTIVES AND ANALYSIS OF MACRO-BUDGETARY RISKS

Despite the gloomy international and domestic economic environment, the short- and medium-term economic outlook remains favourable. However, the achievement of growth objectives may be jeopardised by the occurrence of certain risks to be identified.

V.1. SHORT AND MEDIUM-TERM PROSPECTS

According to the latest forecasts, the dynamics of economic activity at national level should continue and consolidate over the next three years. Thus, the real GDP growth rate would be around 4.1% in 2024 and 4.2% on an annual average over the period 2025-2026. These developments would continue to be supported by the non-oil sector, whose **growth** profile is estimated at 4.4% in 2024 and projected at 4.8% on average between 2025 and 2026, in connection in particular with the strengthening of local production, the improvement of energy supply and the densification of more suitable financing arrangements.

With regard to inflation, the price rise will continue in 2024 in connection with the rise in fuel prices at the pump, and the persistence of inflationary pressures at the international level. However, the prospects for a gradual deceleration of consumer price dynamics are envisaged from 2025.

With regard to public finances, the focus will be on accelerating the implementation of the National Development Strategy and the continuation of fiscal consolidation policy, necessary to increase budgetary space and to promote the financing of public investments. Therefore, revenue mobilization efforts should continue. On this basis, the tax burden should increase from 12.7% of GDP in 2023 to 14% in 2026. Therefore, the budget deficit is expected to remain below 1% throughout this period. This should ensure that the stock of debt remains below 45% of GDP.

As far as the external account is concerned, the current account deficit will continue its downward trend, falling below 3% of GDP from 2024, as a result of the implementation of policies to diversify and promote exports, reduce imports of locally-produced consumer goods, and measures to promote Made in Cameroon.

V.2. MAJOR RISKS

Despite these favourable prospects, it should be pointed out that these projections are still dependent on several factors likely to disrupt the macroeconomic framework and significantly deviate from the main indicators of the objectives sought. The main risks identified include:

V.2.1 Resurgence of security tensions in the North-West, South-West and Far-North Regions

Despite the efforts of the Government, which is gradually encouraging a return to normal life in the regions affected by security tensions, since last year there has been a resurgence of certain areas of insecurity in these regions, with sporadic attacks. The recurrence of these attacks could not only blur the favourable trend in economic activity, but also have a negative impact on the inflow of Foreign Direct Investment into Cameroon, which is a source of growth and foreign currency. In addition, this situation would lead to an increase in security spending and put pressure on the viability of public finances..

V.2.2 Fluctuations in commodity prices

After the significant decline (more than 20%) recorded in 2023, commodity prices are expected to continue to fall in 2024. Indeed, a decrease of 4% on average compared to 2023 is projected for 2024. However, it should be noted that this development remains exposed to certain risk factors such as the evolution of the situation in Ukraine and the Middle East, the revival of activity in China and the reduction of production in the OPEC+ countries. These could lead to a reversal of the trend, particularly on: (i) energy products, with its consequences on the increase in the subsidies of oil products and the reduction of the budgetary margins necessary for the financing of public investments; (ii) agricultural products with its consequences on the rise of imported inflation, with induced effects on the rise of the production costs of businesses and agricultural inputs for producers.

V.2.3 The persistence of inflationary pressures

2022 and 2023 were particularly marked by an acceleration of inflationary pressures. In 2024, the Cameroonian economy will continue to face inflation. If this situation continues, it should contribute to a further deterioration in household purchasing power and the competitiveness of local enterprises. In this case, a reduction in both domestic demand and the volume of private investment is to be expected, with the consequences of a sharp slowdown in economic growth and job losses.

V.2.4 Failure to implement structural reforms on time

As part of the implementation of the State budget for the 2024 financial year, Technical and Financial Partners are expected to provide budgetary support of around CFAF 134 billion. The disbursement of this budgetary support is subject to the implementation of a series of structural reforms.

Failure to implement these reforms on time could jeopardise the disbursement of the said support and lead to constraints in the implementation of

the Government's expenditure programme. All things likely to disrupt the national macroeconomic framework.

V.2.5 Low mobilization of non-oil resources

As part of the implementation of the PEF concluded with the IMF, it was agreed to maintain the budget balance deficit at around 0.4% of GDP in 2024. To this end, to achieve the Government's spending targets, it is necessary that the level of mobilization of non-oil internal resources is 13.4% of GDP, up 0.7 percentage points of GDP. In absolute terms, a 429.4 billion CFAF increase in non-oil domestic revenues is expected in 2024 compared to 2023.

Failure to achieve this objective should in particular lead to a downward adjustment of State expenditure, and more particularly investment expenditure. This situation would also be restrictive for the country, which would be unable to reduce its dependence on oil and gas revenues, thereby exposing its budget to international price shocks.

Table 18 : Risk assessment matrix

Sources of risk	Probability	Impact if risk materialises
Fluctuating commodity prices	Medium	<ul style="list-style-type: none"> - Persistence of inflationary pressures - Decrease in revenue and increase in current expenditure, including subsidies, with a crowding-out effect on other expenditures, a slowdown in the implementation of development projects and pressures on public debt - Decline in domestic revenues, with consequences for the financing of the state budget
Persistent international inflationary tensions	Medium	<ul style="list-style-type: none"> - Rising domestic prices (inflation) leading to a deterioration in social welfare - Reduced competitiveness of locally manufactured products, and higher costs for enterprises, which would reduce their margins with negative consequences for investment, economic recovery and job creation - Disruption of budget execution due to the possibility of a larger increase in subsidies at the pump than in oil revenues
Resurgence of security crises in the North-West and South-West Regions	Low	<ul style="list-style-type: none"> - Rising security spending and widening budget deficit - Slowdown in the economic recovery due to the destruction of physical capital, the insecurity of operators and the development of the underground economy
Low mobilization of non-oil resources	Low	<ul style="list-style-type: none"> - Increased vulnerability of the economy to external shocks, especially the volatility of international oil and gas prices - Slowdown in the implementation of NDS30 development projects and programmes
Structural reforms not implemented on time	Medium	<ul style="list-style-type: none"> - Delays in mobilising resources from partners (IMF, World Bank, ADB, EU, AFD), resulting in a slowdown in economic growth due to the partial and/or delayed implementation of NDS30 development programmes and projects - Slower economic growth due to the loss of productivity gains that should have resulted from the implementation of reforms.

ANNEXES

Annexe 1: Evolution of the main exported products

Periods	2021		2022 (a)		2023 (b)		Variation (b)/(a) in %	
	Q	V	Q	V	Q	V	Q	V
Bananas (including plantains)	208 991	28 945	219 533	30 906	209 232	31 402	-4,7%	1,6%
Coffee	14 378	12 938	10 476	14 015	13 314	19 357	27,1%	38,1%
Arabica coffee	604	1 095	634	1 521	374	821	-41,1%	-46,0%
Robusta coffee	13 640	11 391	9 720	12 188	12 882	18 291	32,5%	50,1%
Palm oil	4 074	3 686	657	714	1 688	2 232	156,7%	212,7%
Sugar	527	468	526	449	348		-33,7%	-100,0%
Non-cocoa confectionery	2 910	3 924	3 470	5 154	3 262	2 232	-6,0%	-56,7%
Raw cocoa beans	213 835	269 378	235 451	318 133	180 096	359 144	-23,5%	12,9%
Cocoa paste	49 345	73 480	50 813	81 909	49 411	97 470	-2,8%	19,0%
Cocoa butter	23 613	42 618	29 500	57 211	23 825	55 550	-19,2%	-2,9%
Chocolates and others	3 300	6 280	3 338	6 380	3 952	7 476	18,4%	17,2%
Pasta	302	155	1 511	919	724	375	-52,1%	-59,2%
Beans, other than in grain form	2 084	1 464	1 470	1 013	991	800	-32,6%	-21,1%
Soups and preparations therefor	4 529	6 366	4 585	6 665	4 488	7 215	-2,1%	8,3%
Other food preparations n.e.c.	2 801	889	12 498	9 263	11 720	17 223	-6,2%	85,9%
Soft drinks	4 860	2 225	7 124	3 578	7 671	2 665	7,7%	-25,5%
Beer	7 286	3 405	12 602	5 756	12 859	6 226	2,0%	8,2%
Liquor	927	636	466	204	750	418	60,9%	104,8%
Cigarettes	276	3 012	402	3 595	591	4 816	47,1%	34,0%
Cements	3 503	322	4 901	482	5 095	318	4,0%	-33,9%
Petroleum crude oils	3 585 667	969 324	3 570 642	1 514 848	3 083 817	1 127 084	-13,6%	-25,6%
Fuels and lubricants	33 481	15 008	20 500	16 702	173 669	66 503	747,2%	298,2%
Liquefied natural gas	1 221 174	253 833	1 348 422	631 521	1 372 508	421 377	1,8%	-33,3%
Fertilisers	3 877	1 452	3 910	2 562	1 286	1 081	-67,1%	-57,8%
Beauty and make-up products	2 228	3 367	2 029	2 576	1 459	2 707	-28,1%	5,1%
Lump household soaps	47 778	23 997	54 567	37 086	66 591	51 570	22,0%	39,1%
Raw rubber	40 945	32 116	47 759	41 750	43 263	30 691	-9,4%	-26,5%
Wood and wood products	1 634 182	292 172	1 729 169	314 859	1 364 628	288 296	-21,1%	-8,4%
Raw Timber (logs)*	958	98 452	746	77 173	597	64 385	-20,0%	-16,6%
Sawn wood	919	170 765	1 223	212 111	1 540	199 152	26,0%	-6,1%
Wood veneer sheets	50 294	21 840	57 851	24 431	55 023	21 664	-4,9%	-11,3%
Plywood, veneered wood and s	1 468	691	1 654	729	1 305	674	-21,1%	-7,6%
Paper boxes and cartons	557	466	600	583	564	515	-6,1%	-11,7%
Raw cotton	154 909	143 176	149 332	155 343	127 506	147 893	-14,6%	-4,8%
Cans, bottles and flasks	11 885	4 681	15 502	6 600	17 382	7 886	12,1%	19,5%
Bars and rods, of iron or non-alloy	33 437	15 446	30 803	15 839	27 103	14 465	-12,0%	-8,7%
Raw aluminium	34 343	38 225	43 879	48 899	43 916	54 259	0,1%	11,0%
Aluminium sheet	1 653	3 019	1 578	3 678	3 012	6 627	90,8%	80,2%
Total exports		2 393 847		3 483 343		2 988 630		-14,2%

Source : DGD/MINFI (2024). Q: quantity in tonnes and V: value in millions of FCFA. *= quantity of wood in cubic metres

Annexe 2: Evolution of the main imported products

Period	2021		2022 (a)		2023 (b)		Variation (b)/(a) in %	
	Q	V	Q	V	Q	V	Q	V
Frozen sea fish	189 755	134 309	241 933	202 682	234 573	182 563	-3,0%	-9,9%
Milk, powdered or concentrated	19 438	32 929	17 622	33 691	17 218	35 006	-2,3%	3,9%
Cereals	1 783 054	398 535	1 774 027	528 404	1 549 976	387 685	-12,6%	-26,6%
Wheat and meslin	966 397	182 748	920 401	260 730	887 434	178 303	-3,6%	-31,6%
Maize	34 082	6 482	12 156	3 304	39 991	7 864	229,0%	138,0%
Rice	776 601	207 974	841 464	264 363	620 408	200 843	-26,3%	-24,0%
Milling products; malt	128 985	40 802	152 313	62 463	151 090	67 645	-0,8%	8,3%
Non-roasted malt	95 249	31 204	114 876	47 116	118 092	54 642	2,8%	16,0%
Crude or refined oils	81 281	51 819	110 090	112 558	144 068	108 153	30,9%	-3,9%
Refined cane or beet sugar	100 641	28 466	108 132	44 139	203 153	72 571	87,9%	64,4%
Food preparations		63 793		80 814		92 506		14,5%
based on cereals	25 690	28 427	28 018	32 198	31 758	36 440	13,3%	13,2%
Fruit and vegetables	8 541	4 558	8 306	6 171	7 974	7 339	-4,0%	18,9%
Other	37 148	30 808	39 160	42 445	33 197	48 727	-15,2%	14,8%
Beverages; alcoholic liquids		39 195		51 351		56 060		9,2%
Wines	12 132	11 578	9 311	12 211	8 216	11 762	-11,8%	-3,7%
Ethyl alcohol	32 253	20 032	40 644	31 821	44 769	33 661	10,1%	5,8%
Liquors	2 913	7 584	2 748	7 320	2 990	10 636	8,8%	45,3%
Animal feed	22 434	13 800	20 693	17 053	23 444	17 278	13,3%	1,3%
Clinkers	2 864 957	110 534	2 168 639	137 225	2 411 856	87 721	11,2%	-36,1%
Hydrocarbons	2 193 659	700 474	1 957 831	1 153 449	2 247 331	1 207 004	14,8%	4,6%
Fuels and lubricants	1 932 304	613 704	1 765 476	1 048 580	2 051 307	1 128 053	16,2%	7,6%
Liquefied butanes	143 540	52 101	132 817	79 844	102 088	39 693	-23,1%	-50,3%
Chemicals		77 511		87 055		99 723		14,6%
Inorganic chemicals	251 493	57 636	165 017	60 984	261 253	79 448	58,3%	30,3%
Organic chemicals	18 595	19 875	18 684	26 071	17 916	20 275	-4,1%	-22,2%
Pharmaceutical products	22 374	188 311	26 146	166 054	29 833	166 648	14,1%	0,4%
Fertilizers	203 324	36 582	129 600	66 458	228 326	70 919	76,2%	6,7%
Paints, varnishes, sealants, inks	18 489	13 572	14 599	13 352	14 066	13 165	-3,7%	-1,4%
Perfumes and beauty products	11 707	32 626	12 068	36 174	11 872	33 541	-1,6%	-7,3%
Soaps and detergents	17 472	14 883	12 769	12 619	18 249	16 286	42,9%	29,1%
Plastics and rubber		189 532		232 585		202 727		-12,8%
Plastics	169 016	145 264	179 526	185 677	173 177	155 634	-3,5%	-16,2%
Rubber	34 513	44 268	34 564	46 908	39 079	47 093	13,1%	0,4%
Paper and cardboard	103 039	64 962	104 344	80 970	96 336	68 066	-7,7%	-15,9%
Printing and publishing products	6 251	12 893	6 128	27 077	6 877	28 833	12,2%	6,5%
Worn clothing	68 818	34 924	59 431	32 730	61 221	30 251	3,0%	-7,6%
Textile materials and articles thereof	143 027	85 570	141 142	98 898	148 923	93 005	5,5%	-6,0%
Ceramic products	259 990	57 990	247 045	66 001	227 757	58 560	-7,8%	-11,3%
Base metals and articles thereof	385 560	375 877	378 082	362 714	411 930	348 860	9,0%	-3,8%
Machinery and mechanical or electrical	156 893	470 198	169 091	520 107	199 333	655 894	17,9%	26,1%
Transport equipment	195 280	284 777	172 936	305 989	180 395	376 631	4,3%	23,1%
Furniture and medical equipment etc	48 778	40 452	47 247	40 540	49 015	42 965	3,7%	6,0%
Grand total of imports		3 871 372		4 911 382		5 005 846		1,9%

Source : DGD/MINFI (2024). Q: quantity in tonnes and V: value in millions of CFA francs.

Annexe 3: Evaluation of national policies and institutions in 2023 (CPIA)

Indicators	Cameroon in 2021	Cameroon in 2022	West and Central Africa in 2022	Average IDA borrowers in 2022
Economic management	3,7	3,7	3,4	3,2
Monetary and exchange rate policies	4,0	4,0	3,6	3,4
Fiscal policy	3,5	3,5	3,3	3,0
Debt policy and management	3,5	3,5	3,3	3,1
Structural policies	3,2	3,2	3,3	3,2
Trade	4,0	4,0	3,9	3,7
Financial sector	3,0	3,0	2,7	2,8
Business regulatory framework	2,5	3,0	3,1	3,0
Policies to combat social exclusion and promote equity policies	3,2	3,2	3,4	3,3
Gender equality	3,0	3,0	3,2	3,3
Equity in the use of public resources	3,0	3,0	3,6	3,4
Development of human resources	3,5	3,5	3,6	3,6
Social protection and the workforce	3,0	3,0	3,1	3,0
Policies and institutions for environmental sustainability	3,5	3,5	3,4	3,2
Public sector management and institutions	3,0	3,0	3,1	3,0
Property rights and rules-based governance	2,5	2,5	2,9	2,8
Quality of budgetary and financial management	3,5	3,5	3,2	3,0
Efficiency of revenue mobilisation	3,0	3,0	3,3	3,2
Quality of public administration	3,0	3,0	3,0	2,8
Transparency, accountability and corruption in public sector	3,0	3,0	3,0	2,9
Overall rating of the CPIA	3,3	3,3	3,3	3,1

Source : World Bank (2023).

Annexe 4: PIP 2024-2026 following the strategic axes of the NDS30

N°	Projects	Method of Implementation	Total cost (in billions CFAF)	State contribution (in billions CFAF)	Starting year	Completion date	Project owner
Areas of intervention	Development of agropastoral productivity and production						
Strategic objective	In terms of agro-pastoral production, the aim will be to stimulate the development of large and medium-sized farms with a view to increasing the productivity, production and competitiveness of agro-sylvo-pastoral and fishery products, based on: (i) promoting a commodity chain approach structured around agro-pastoral and fisheries value chains, while taking account of the specific features of the different agro-ecological zones; (ii) supporting access to inputs; (iii) promoting the most efficient technologies; and (iv) disseminating research findings.						
1	Agricultural Value Chain Development Project: PD-CVA	MOP	75	75	2017	2024	MINADER
2	Livestock Commercialisation and Infrastructure Development Project (Pd-Cobie)	MOP	27	27	2019	2024	MINEPIA
3	Agricultural Value Chain Development Project (PADFA II)	MOP	27	27	2020	2025	MINADER
4	Livestock and Fish Farming Value Chain Development Project	MOP	54	54	2021	2026	MINEPIA
5	Emergency food crisis response project	MOP	58	58	2023	2029	MINADER
6	Development of 15280 ha of Hydro-Agricultural Perimeter in Adamawa	MOP	19	19	2024	2029	MINEPIA
7	Development of the Rice Value Chain- IDB	MOP	98	98	2024	2030	MINADER
8	Development of 10,000 hectares of hydro-agricultural zones in the Logone Bimi area	MOP	130	130	2024	2027	MINADER
Areas of intervention	Development of productive infrastructures/Energy infrastructures						
Strategic objective	Increase installed electricity generation capacity to 5,000 MW by 2030. To achieve this, the Government will pursue its policy of developing an energy mix based on: (i) hydroelectric power; (ii) photovoltaic power; (iii) gas-fired thermal power; and (iv) biomass power.						
Strategic objective	With specific regard to hydroelectric power, the government will continue to develop production facilities through the implementation of projects giving priority to the Public-Private Partnership approach and independent electricity production. Furthermore, in order to guarantee universal access to water and sanitation and ensure sustainable management of water resources, the Government will continue to rehabilitate, extend and build drinking water production, transport and distribution infrastructure.						
1	Drinking Water Supply of the City of Yaounde from the Sanaga (PAEPYS)	MOP	410	410	2016	2023	MINEE

N°	Projects	Method of Implementation	Total cost (in billions CFAF)	State contribution (in billions CFAF)	Starting year	Completion date	Project owner
2	Nachtigal line component: Project to Upgrade Electricity Transmission Networks and Sector Reform (PRRTERS)	MOP	221	221	2017	2023	MINEE
3	Lom Pangar hydroelectric scheme: foot power plant (30mw)	MOP	73	73	2018	2023	MINEE
4	Construction of the 225 kv Ebolowa-Kribi and 90 kv Mbalmayo-Mekin transmission lines and related works (Phase 2 completion)	MOP	51	51	2018	2025	MINEE
5	Nachtigal dam construction project	PPP	700	120	2018	2024	MINEE
6	Project to interconnect the electricity grids of Cameroon and Chad and to interconnect the RIS and RIN grids (ADB and WB)	MOP	319	319	2020	2026	MINEE
7	Project for rural electrification and access to energy in underserved areas (PERACE)	MOP	85	85	2020	2027	MINEE
8	Construction of the Bini A Warak hydroelectric dam	MOP	213	213	2022	2028	MINEE
9	Results-based programme in the electricity sector (PForR)	MOP	180	180	2023	2027	MINEE
10	Nachtigal power line component: 400 Kv Nachtigal-Bafoussam transmission line and related works	MOP	97	97	2023	2025	MINEE
11	Construction of a 15 MWp solar power plant in Maroua and a 10 MWp plant in Guider	PPP	12	0	2023	2024	MINEE
12	Construction of a 30 MWp solar power	PPP	27,4	0	2023	2024	MINEE

N°	Projects	Method of Implementation	Total cost (in billions CFAF)	State contribution (in billions CFAF)	Starting year	Completion date	Project owner
	plant + 25 MWh storage facility in Ngaoundere						
13	Construction of a 30 MWp solar power plant + 25 MWh of storage in Garoua	PPP	27	0	2023	2024	MINEE
14	Reconfiguration of the drinking water supply network for the city of Yaounde	MOP	100	100	2024	2027	MINEE
15	Development of the Kribi industrial port complex: construction component of the 225 kv power transmission line	MOP	36	36	2024	2026	MINEE/PAK
16	Megaproject to supply water to the city of Douala	MOP	450	450	2025	2029	MINEE
17	Solar photovoltaic electrification project. Phase III completion: 200 localities	MOP	96	96	2025	2029	MINEE
18	Limbe gas-fired power plant construction project and associated transmission line	PPP	176	26	2025	2029	MINEE
19	Menchum Hydroelectric Project	MOP	170	170	2026	2031	MINEE
20	Project to rehabilitate and extend the capacity of the water treatment and distribution system for the towns of Buea, Tiko and Mutengene	MOP	68	68	2026	2030	MINEE
21	Project to build mini hydroelectric power stations at Colomines and Ndokayo in the East Region	MOP	70	70	2026	2028	MINEE
22	Project to build the Japoma drinking water supply station in Douala	MOP	49	49	2026	2029	MINEE
23	Chollet hydroelectric	PPP	1200	-	2026	2031	MINEE

N°	Projects	Method of Implementation	Total cost (in billions CFAF)	State contribution (in billions CFAF)	Starting year	Completion date	Project owner
	development project						
Areas of intervention	Productive Infrastructure Development/Telecommunication Infrastructure.						
Strategic objective	The objective is to facilitate access to ICT for as many people as possible by ensuring a high-performance and secure digital space with an average access index of more than 0.4. More specifically, it will be a question of developing a latest-generation digital ecosystem through the completion of the work IN PROGRESS.						
1	Project to accelerate digital transformation in Cameroon	MOP	58	58	2023	2027	MINPOSTEL
Areas of intervention	Health						
Strategic objective	The authorities intend to guarantee all sections of the population equitable and universal access to quality basic health services and care and priority specialised care, with the full participation of the community. Three (03) fundamental principles will guide the Government's actions, in particular: improving the governance of the health system, strengthening the technical facilities of central and referral hospitals, and developing local therapeutic potential.						
1	Renovation project for the national rehabilitation centre for the disabled Cardinal Paul Emile Leger (CNRPH) (phase I)	MOP	25	25	2020	2024	MINAS
2	Universal Health Coverage CSU (Basic infrastructure)	PPP	90	27,6	2022	2026	MINSANTE
Areas of intervention	Infrastructure and transport /Rail and sea transport						
Strategic objective	With the support of private partners, the railway network will be increased to 5,500 km by 2030, with the construction of an additional 1,500 km of railways, and the implementation of the port master plan will continue						
1	Extension of the Kribi deep-water port (phase 2)	MOP	448	448	2020	2025	MINT/PAK
2	Project to renew the Belabo-Ngaoundere railway line	MOP	43	43	2023	2027	MINT
3	Rehabilitation of Bertoua, Kribi and Tiko airports	MOP	72	72	2024	2027	MINT/CCAA
4	Mbalam-Kribi railway	PPP	1 912	600	2024	2028	MINT
5	CAMRAIL Fleet Renewal Project: 25 Passenger Car Component	MOP	13	13	2025	2026	MINT
6	Regional project to improve the performance of the Douala-Ndjamena rail/road corridor	MOP	110	110	2025	2030	MINT
7	Douala International Airport	MOP	10	10	2025	2028	MINT

N°	Projects	Method of Implementation	Total cost (in billions CFAF)	State contribution (in billions CFAF)	Starting year	Completion date	Project owner
	rehabilitation project: terminal component						
8	Limbe Deep Water Port	MOP	400	400	2026	2030	MINT
Areas of intervention	Infrastructure and transport/roads						
Strategic objective	The aim is to increase the density to 0.38 km and the percentage of the asphalt network to 50% respectively. In particular: the construction or asphaltting of at least 1,626 km of new roads (with priority given to national roads still on earth), the completion of ongoing projects, but also the rehabilitation of 2,200 km of asphalt roads and the construction of more than 1,600 ml of engineering structures.						
1	Construction of the KUMBA-EKONDO-TITI road	MOP	60	60	2016	2024	MINTP
2	Rehabilitation work on the Babadjou - Bamenda road (52.00 km)	MOP	121	121	2017	2024	MINTP
3	Asphaltting of the Batchenga - Ntui - Yoko - Lena - Sengbe - Tibati (N15) road, including the construction of a bridge over the Sanaga River at Nachtigal (N15)	MOP	254	254	2017	2025	MINTP
4	Construction of the Acrow Bridges	MOP	56	56	2019	2024	MINTP
5	Construction of the Ring Road	MOP	167	167	2021	2024	MINTP
6	Construction work on the Bingambo - Grand Zambi road section	MOP	45,5	45,5	2022	2024	MINTP
7	Development of the eastern entrance to Douala (Phase II)	MOP	88	88	2022	2025	MINTP
8	Edea-Kribi Road Rehabilitation Project (110km): Edea-Kribi-Campo section including the bridge over the River Ntem	MOP	102	102	2023	2027	MINTP
9	Rehabilitation of the Rn1: Maroua-Moutouroua-Magada-Guidiguis	MOP	111	111	2023	2026	MINTP
10	Ebolowa-Akom2-Kribi road construction project	MOP	80	80	2024	2027	MINTP
11	Project to improve connectivity,	MOP	161	161	2024	2027	MINTP

N°	Projects	Method of Implementation	Total cost (in billions CFAF)	State contribution (in billions CFAF)	Starting year	Completion date	Project owner
	resilience and inclusion along the Mora-Dabanga-Kousseri Corridor (PACRI-MDK)						
12	Conception and construction of the Yaounde-Douala motorway (phase 2)	PPP	839	713	2025	2029	MINTP
13	Rehabilitation of National Road No. 1: Ngaoundere-Garoua	MOP	166	166	2025	2028	MINTP
14	Construction of the second bridge over the BENOUE river	MOP	350	350	2026	2029	MINTP
Areas of intervention	Infrastructure Development / Urban Modernization						
Strategic objective	The Government intends to set up an Urban Renewal Program to develop connected, inclusive and resilient cities, facilitate access to land and property ownership, promote social housing programmes throughout the country, and ensure compliance with urban planning tools (urbanisation plan, land use plan, etc.). Sector plan, etc.).						
1	Yaounde-Nsimalen motorway construction project (urban section)	MOP	319	319	2024	2027	MINH DU
2	Douala urban mobility project	MOP	137	137	2023	2029	MINH DU
3	Yaounde bypass construction project	MOP	795	795	2026	2030	MINH DU
Areas of intervention	Education and Training						
Strategic objective	The Strategic Objectives are: (i) to ensure access to primary education for all school-age children; (ii) achieve a 100% completion rate at the primary level; (iii) reduce regional disparities in terms of school infrastructure and teaching staff; and (iv) increase the provision of vocational and technical training from 10% to 25% at the secondary level and from 18% to 35% at the tertiary level.						
1	Three-Year Special Youth Plan (PTSJ)	MOP	10	10	2017	2023	MINJEC
2	Project to support skills development for growth	MOP	70	70	2023	2027	MINESEC
3	NASLA rehabilitation project to provide quality human resources to the RLAs	MOP	10	10	2024	2026	MINDDEVEL
4	Local Governance and Community Resilience Project	MOP	174	174	2025	2029	MINDDEVEL
5	Construction of the universities of Bertoua, Ebolowa and Garoua	MOP	280	280	2025	2028	MINESUP
Areas of intervention	Development of productive infrastructures						

N°	Projects	Method of Implementation	Total cost (in billions CFAF)	State contribution (in billions CFAF)	Starting year	Completion date	Project owner
Strategic objective	This will involve: (i) finalising the implementation of major first-generation projects as a priority; (ii) ensuring the optimal functionality of existing infrastructure; (iii) rehabilitating public facilities that have been destroyed or rendered obsolete because they are no longer in use; (iv) rationalising the launch of new projects by complying with project preparation standards; (v) to formulate projects in an integrated manner in order to optimise their impact on the economy; (vi) to systematise counter-expertise for the evaluation of the costs of major infrastructures; (vii) to put in place a cost reference framework; and (viii) to strengthen the project prioritisation and selection process.						
1	Presidential Plan for the Reconstruction and Development of the North-West and South-West Regions	MOP	3 500	3 500	2020	2026	MINEPAT
2	Presidential Plan for the Reconstruction and Development of the Far-North Region	MOP	1 816	1 816	2020	2026	MINEPAT
3	Proloc Project (Lake Chad)	MOP	33	33	2021	2026	MINEPAT
4	The Valorisation of Investments in the valley of the Benue Project	MOP	80	80	2021	2026	MINEPAT
5	The Valorisation of Investments in the valley of the Logone Project	MOP	95	95	2023	2029	MINEPAT
Areas of intervention	Development of Extractive Infrastructures						
1	Exploitation of Kribi-Lobe iron ore deposit	PPP	424	2	2023	/	MINMIDT
2	Mining of the Mbalam-Nabebeba iron ore deposit	PPP	4000	3,5	2023	/	MINMIDT
3	Exploitation of Bipindi - Grand Zambi iron ore	PPP		2	2023	/	MINMIDT

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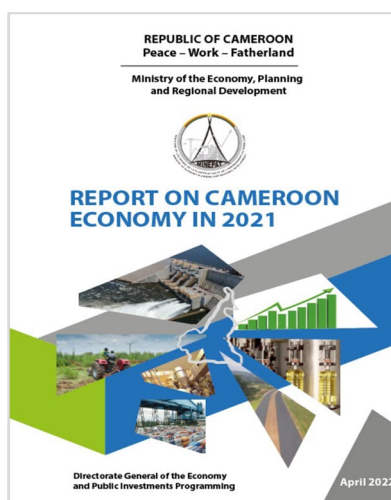
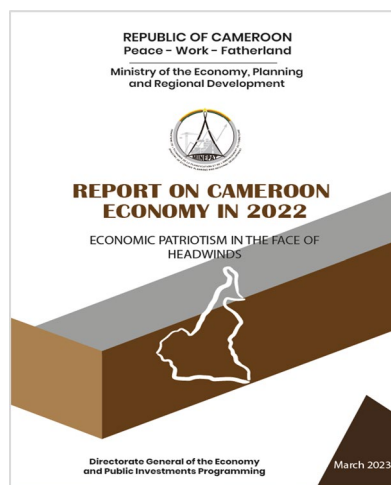
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Ministry of Economy, Planning and Regional Development

P.O. Box :660/Tel: (+237) 222 22 09 75

WEB SITE: www.minepat.gov.cm

Email: sdacl@minepat.gov.cm

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