



CAMEROON

August 2025

EIGHTH REVIEWS UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, AND THIRD REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT

In the context of the Staff Report for the Eighth Reviews Under the Extended Arrangement Under the Extended Fund Facility and the Arrangement Under the Extended Credit Facility, and Third Review Under the Resilience and Sustainability Facility Arrangement, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on July 24, 2025, following discussions in Yaoundé during April 30–May 8, 2025 and virtually from Washington D.C., with the officials of Cameroon on economic developments and policies underpinning the IMF arrangement under the Extended Credit Facility. Based on information available at the time of these discussions, the staff report was completed on July 16, 2025.
- A **Supplementary Information** prepared by the staff of the IMF
- A **Statement by the Executive Director** for Cameroon.

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IMF Executive Board Concludes Eighth Reviews under Cameroon's Extended Credit Facility and Extended Fund Facility Arrangements and Third Review under Resilience and Sustainability Facility Arrangement

FOR IMMEDIATE RELEASE

- The IMF Executive Board concluded today the eighth reviews under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) arrangements, allowing for a disbursement equivalent to about US\$75.7 million.
- The IMF Executive Board also concluded the third review under the Resilience and Sustainability Facility (RSF) arrangement, making available about US\$71 million in support of Cameroon's climate change agenda.
- Cameroon's economy continued growing, albeit at a modest pace. Pursuing a prudent fiscal stance remains paramount to preserve debt sustainability. To boost growth in the medium-term, decisive actions are needed to mobilize non-oil revenues, mitigate financial sector vulnerabilities, and address public-financial management, governance and anti-corruption weaknesses.

Washington, DC, July 24, 2025: The Executive Board of the International Monetary Fund (IMF) concluded today the eighth reviews under Cameroon's Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) arrangements. The completion of the ECF-EFF reviews allows for an immediate disbursement of SDR 55.2 million (about US\$75.7 million), bringing total disbursements under the arrangements to SDR 593.4 million (US\$793.8 million). The Executive Board also completed the third review under the Resilience and Sustainability Facility (RSF) arrangement. Completion of this review makes available SDR 51.75 million (US\$71 million), with disbursements to date totaling SDR 120.75 million (US\$162.3 million).

In completing the eighth ECF-EFF reviews, the Executive Board also approved the authorities' request for waivers of nonobservance of the performance criteria on the floor on the non-oil primary fiscal balance at end-December 2024 and the ceiling on the net domestic financing of the central government excluding IMF financing at end-December 2024 on the basis of corrective actions, and the continuous ceiling on Treasury advances without a budget allocation on the basis of the minor nature of the deviation.

Cameroon's [three-year ECF-EFF](#) arrangements were originally approved by the IMF Executive Board for a total amount of SDR 483 million (US\$ 689.5 million, or 175 percent of quota) in July 2021. An extension of these arrangements of 12 months was approved in December 2023 to allow more time to implement the policies and reforms, and access was augmented by SDR 110.4 million (US\$ 145.4 million, or 40 percent of quota). The [18-month RSF](#) arrangement was approved by the Executive Board in January 2024 in the amount of SDR 138 million (US\$ 181.7 million, or 50 percent of quota).

Following the Executive Board's discussion on Cameroon, Mr. Nigel Clarke, Deputy Managing Director and Acting Chair, made the following statement:

“Cameroon’s economy continued to grow, albeit at a modest pace, and inflation has moderated relative to recent peaks. The medium-term outlook remains broadly positive, but risks are tilted to the downside. While program performance was mixed, the authorities remain committed to program objectives and have taken corrective actions.

“The authorities have successfully maintained macroeconomic stability amid domestic and external shocks. Sustaining progress in fiscal consolidation beyond the program is important to preserve debt sustainability. Key measures aim to boost non-oil revenues, improve public investment management, and strengthen domestic arrears control.

“Cameroon is at high risk of debt distress, but its debt is declining and remains sustainable. It is important to advance the restructuring of the oil refinery, implement reforms in the electricity sector, and strengthen governance in other state-owned enterprises to limit contingent liabilities, improve budgetary control, and elevate the quality of public services.

“The authorities have boosted financial sector resilience through the recapitalization of two banks. Reducing structural vulnerabilities will require efforts to clear domestic arrears, deepen the domestic financial market, implement key strategies focused on financial sector development and inclusion, and work closely with regional financial institutions.

“Stepping up governance reforms and strengthening the anti-money laundering and combatting the financing of terrorism regimes is needed to promote inclusive and durable private sector-led growth, exit from the FATF ‘grey’ list, and reinstate full membership in the Extractive Industries Transparency Initiative. Going forward, addressing persistent public financial management weaknesses will be critical for improving fiscal transparency.

“Cameroon has made good progress on strengthening the framework for tackling climate change risks. Efforts to implement the new framework should improve resilience to climate shocks, minimize their balance of payments impact, and help catalyze funds for new green investments at favorable terms.”

Table 1. Cameroon: Selected Economic and Financial Indicators, 2024-30
(CFAF billions, unless otherwise indicated)

	2024		2025		2026	2027	2028	2029	2030
	7 th Rev.	Est.	7 th Rev.	Proj.	Projections				
(Annual percentage change, unless otherwise indicated)									
National account and prices									
GDP at constant prices	3.9	3.5	4.0	3.8	4.1	4.3	4.5	4.5	4.6
Oil GDP at constant prices	-2.7	-9.2	-7.7	-5.6	0.4	-0.1	1.3	2.1	2.8
Non-Oil GDP at constant prices	4.0	3.7	4.2	4.0	4.1	4.4	4.6	4.6	4.6
GDP deflator	3.4	6.6	3.2	3.5	3.5	3.6	3.0	3.0	3.0
Consumer prices (average)	4.5	4.5	3.5	4.3	3.6	3.3	3.0	3.0	3.0
Consumer prices (eop)	5.0	5.0	3.4	4.1	3.5	3.1	3.0	3.0	3.0
Money and credit									
Broad money (M2)	8.8	9.6	7.0	6.9	7.4	7.6	7.0	7.7	7.7
Net foreign assets 1/	4.6	2.7	7.8	11.4	3.5	3.2	1.4	0.0	-0.2
Net domestic assets 1/	4.2	6.9	-0.8	-4.6	4.0	4.4	5.6	7.6	7.9
Domestic credit to the private sector	9.5	12.3	7.7	10.0	9.0	8.0	7.2	7.3	6.9
(Percent of GDP, unless otherwise indicated)									
Savings and investments									
Gross national savings	17.2	17.6	18.3	18.4	18.8	19.7	20.1	20.7	21.0
Gross domestic investment	20.6	20.7	21.1	21.1	22.3	23.0	23.4	24.1	24.3
Public investment	5.4	5.4	6.0	6.0	6.9	7.4	7.7	8.2	8.5
Private investment	15.2	15.3	15.0	15.1	15.5	15.6	15.7	15.9	15.8
Central government operations									
Total revenue (including grants)	15.9	15.2	15.9	15.1	14.8	15.1	15.2	15.3	15.4
Oil revenue	2.4	2.1	2.1	1.8	1.4	1.4	1.4	1.4	1.4
Non-oil revenue	13.2	12.9	13.5	13.0	13.3	13.6	13.8	13.8	14.0
Non-oil revenue (percent of non-oil GDP)	13.7	13.3	13.8	13.3	13.6	13.9	14.1	14.1	14.2
Total expenditure	16.5	16.7	16.1	15.9	15.9	16.3	16.3	16.5	16.7
Overall fiscal balance (payment order basis)									
Excluding grants	-0.9	-1.7	-0.6	-1.1	-1.2	-1.3	-1.1	-1.2	-1.3
Including grants	-0.6	-1.5	-0.3	-0.8	-1.1	-1.2	-1.1	-1.2	-1.3
Overall fiscal balance (cash basis)									
Excluding grants	-2.6	-1.5	-1.2	-2.1	-2.4	-2.1	-1.1	-1.2	-1.3
Including grants	-2.3	-1.3	-0.9	-1.8	-2.3	-2.0	-1.1	-1.2	-1.3
Non-oil primary balance (payment order basis)	-2.0	-2.4	-1.3	-1.4	-1.6	-1.6	-1.5	-1.6	-1.7
Non-oil primary balance (payment order basis, percent of non-oil GDP)	-2.0	-2.4	-1.4	-1.5	-1.6	-1.6	-1.5	-1.6	-1.7
External sector									
Trade balance	-2.2	-1.7	-1.6	-1.0	-2.1	-1.8	-1.8	-1.8	-1.9
Oil exports	4.6	4.3	4.3	3.6	3.1	3.1	3.1	3.2	3.2
Non-oil exports	8.5	8.3	8.7	9.0	8.2	8.3	8.2	8.1	8.1
Imports	15.3	14.3	14.6	13.7	13.4	13.2	13.1	13.1	13.1
Current account balance									
Excluding official grants	-3.6	-3.3	-3.0	-2.9	-3.7	-3.5	-3.5	-3.4	-3.4
Including official grants	-3.4	-3.1	-2.8	-2.7	-3.5	-3.3	-3.3	-3.3	-3.4
Terms of trade	11.7	21.5	2.7	8.8	-10.2	0.8	-0.6	0.5	-1.3
Public debt									
Stock of public debt	42.0	42.8	39.4	39.4	37.8	36.1	34.6	33.4	32.0
Of which: external debt	28.7	27.9	29.9	26.7	26.4	25.4	24.6	23.6	22.6
Memorandum items:									
Nominal GDP (at market prices, CFAF billions)	32,099	32,975	34,452	35,435	38,176	41,257	44,408	47,812	51,511
Oil	1,130	1,043	919	831	776	779	801	828	851
Non-Oil	30,969	31,931	33,533	34,604	37,399	40,478	43,607	46,984	50,660

Sources: Country authorities; and IMF staff estimates and projections.

1/ Percent of broad money at the beginning of the period.



CAMEROON

EIGHTH REVIEWS UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, AND THIRD REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT

EXECUTIVE SUMMARY

Context. Cameroon is a fragile and conflict-affected state with significant vulnerability to climate change. Growth remained modest amid a challenging external environment, a slow pace of reforms, and the composition of fiscal adjustment, while macroeconomic stability was maintained. The reduction in foreign development assistance threatens to further weaken the social safety net, exacerbating existing social vulnerabilities. Meanwhile, the Presidential election in October 2025 introduces political and economic uncertainty, compounding challenges in an already unfavorable external environment.

Macroeconomic developments. Growth reached 3.5 percent, while inflation declined to 4.5 percent in 2024 from 7.4 percent in 2023 but remained above the CEMAC inflation target. The non-oil primary fiscal deficit exceeded the program target due to spending overruns and grant shortfall. Domestic arrears continued to accumulate while the public debt stock remained unchanged. The external position improved as the current account deficit narrowed, driven by increased cocoa exports. The financial sector remains stable but vulnerable.

Program performance. The Extended Credit Facility-Extended Facility Fund (ECF-EFF) program performance for this review was mixed. Two out of four quantitative performance criteria (QPCs) and three out of five indicative targets (ITs) were met at end-December 2024. In addition, two out of three continuous QPCs were met. Two out of four structural benchmarks (SBs) were implemented with delay. Additionally, three out of four reform measures (RMs) due for the third review of the RSF arrangement were completed. The completion of the eighth reviews under the ECF-EFF arrangements will allow a disbursement of SDR 55.2 million (about US\$75.9 million), while that of the third review under the RSF arrangement will allow a disbursement of SDR 51.75 million (about US\$71.1 million). Financing will not become available for the uncompleted RSF reform after program expiration.

July 16, 2025

Policies and reforms. The eighth and final ECF-EFF reviews, along with the third and final review of the RSF arrangement, evaluated the implementation of the remaining reforms agreed under the program. The reviews also assessed the overall program performance over the past four years against the initial objectives and outlined key areas for future reform stemming from the unfinished agenda.

Staff's views. The authorities request waivers for non-observance of two performance criteria at end-December and one continuous performance criterion, that is, the floor on the non-oil primary fiscal balance; the ceiling on net domestic financing of the central government; and the continuous criterion on the ceiling on Treasury advances without a budget allocation. Staff supports the request for waivers, the completion of the eighth reviews under the ECF-EFF arrangement and the third review under the RSF arrangement, and the disbursement of the final tranche of SDR 55.2 million under the ECF-EFF arrangement and the final tranche of SDR 51.75 million under the RSF arrangement.

Approved By
Vitaliy Kramarenko
(AFR) and
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An IMF team comprising Ms. Sancak (Head), Ms. Isakova, Ms. Karpowicz, Mr. Shukurov, Ms. Atencio De Leon (all AFR), Ms. Thévenot (FAD), Mr. Metelli (SPR), Mr. Enchill (MCM) and Mr. Orav (Resident Representative), and Mr. Tchakote and Mr. Ambassa (local economists), held discussions with the authorities in Yaoundé during April 30–May 8, 2025 and virtually from Washington D.C. Ms. Kwizera (OED) participated in some of the meetings. Research assistance was provided by Mr. Urolov (AFR) and administrative assistance by Ms. Biloa (AFR) and Ms. Essia Ngang (Field Office Manager).

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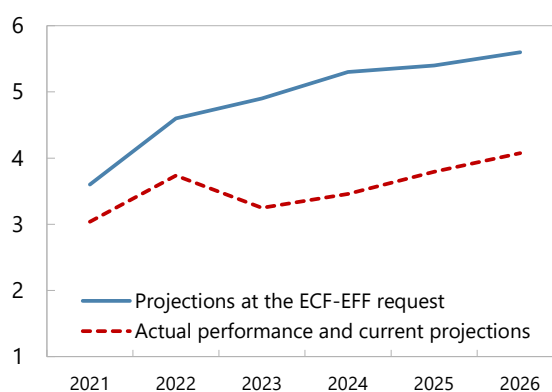
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BACKGROUND

1. Growth remained steady but modest. Over the past four years, the economy has displayed resilience against climate change and global economic shocks, despite its high openness and structural vulnerabilities. Since the pandemic, the economy has, however, performed below expectations: domestic structural weaknesses, a slow pace of reforms to address them and the composition of fiscal adjustment have hampered the realization of its full economic potential and a faster lift-off (Text Figure 1; Annex IV). Real GDP growth remained below the average registered in the decade preceding the COVID-19 pandemic, contributing to a decline in trend per capita real growth—despite a gradual decline in population growth—from 2.6 percent in 2014 to 1.2 percent in 2024.

Text Figure 1. Cameroon: Real GDP Growth (Percent)



Sources: Country authorities; ACLED; and IMF staff estimates.

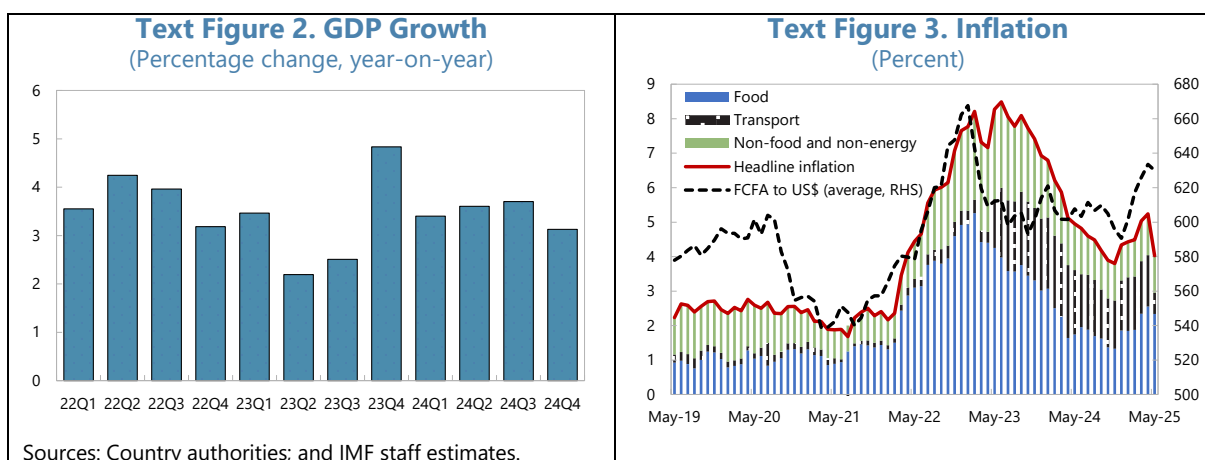
2. The upcoming Presidential election in October 2025 introduces political and economic uncertainty. The presidential campaign has been marked by social discontent and heightened public scrutiny. Moreover, as is the case in other settings, the election poses risks to fiscal consolidation.

RECENT DEVELOPMENTS, OUTLOOK, AND RISKS

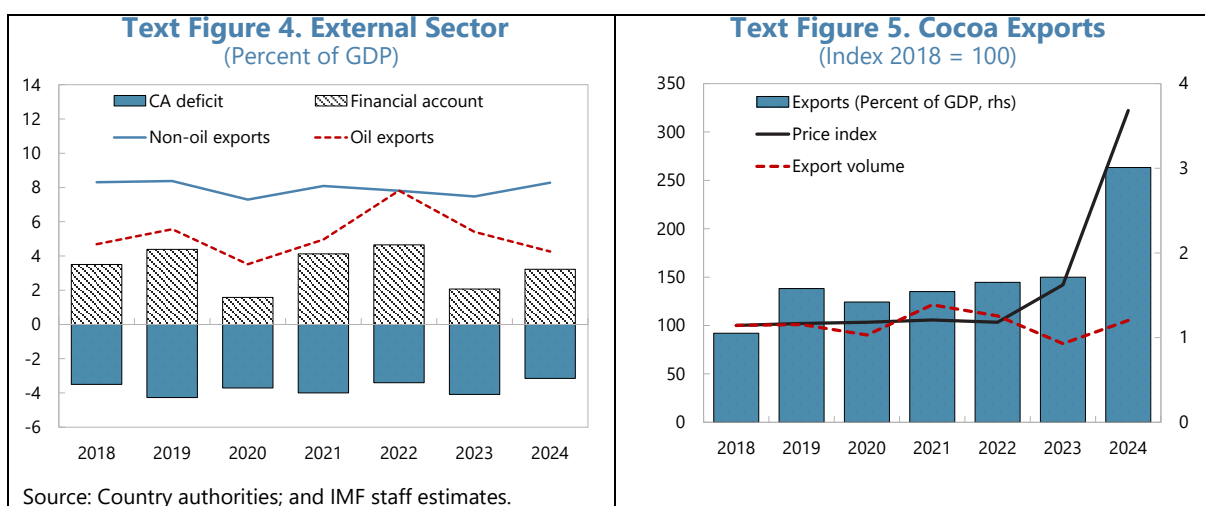
A. Recent Developments

3. Growth picked up moderately. Real GDP growth reached 3.5 percent in 2024, up from 3.2 percent in the previous year, driven by the tertiary sector, particularly financial services, which benefitted from strong domestic demand and declining inflation (Text Figures 2 and 3). Extractive industries contracted more than expected, shrinking by 9.2 percent due to a faster-than-expected decline in output from maturing fields, while the manufacturing sector was dragged down by challenges in electricity supply.

4. Inflation has declined since the recent peaks. Following a temporary uptick between September 2024 and January 2025, annual inflation decelerated to 4.5 percent in 2024 from 7.4 percent in 2023, reflecting moderating food and transportation prices. Headline inflation eased further to 4.2 percent in May due to a sharp drop in transportation prices. In March 2025, the regional central bank, BEAC, lowered its policy rate from 5 percent to 4.5 percent for the first time in two years, citing a projected decline in inflation and an expected improvement in external conditions for the CEMAC region's currency.

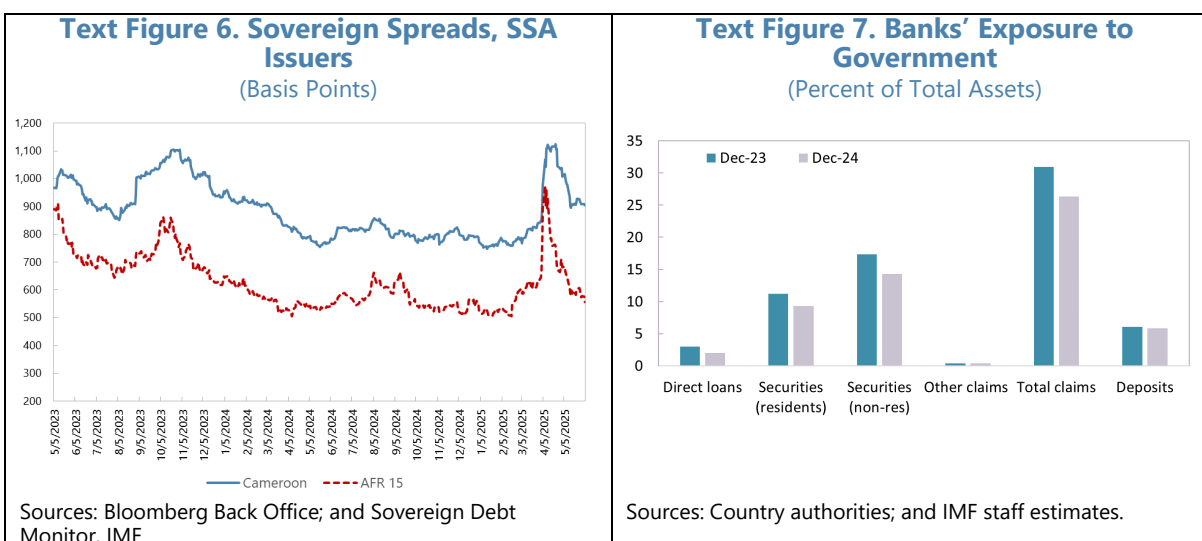


5. The external position strengthened. The current account deficit improved from 4.1 percent of GDP in 2023 to about 3.1 percent in 2024. This improvement was driven by a surge in international cocoa prices, which more than doubled in 2024, boosting non-oil exports (Text Figures 4 and 5, Annex III). A stronger financial account reflected the increase in multilateral loans and external commercial borrowing. The direct impact of recently announced U.S. trade tariffs on Cameroon is expected to be limited due to minimal trade between the two countries; however, potential indirect effects could be more significant.



6. The non-oil primary deficit declined but ended higher than programmed. At 2.4 percent of GDP, the non-oil primary deficit was higher than the program target of 2 percent for 2024. While non-oil revenue increased by about 10 percent year-on-year in 2024, it fell short of the program projection by 0.3 percent of GDP. The non-oil revenue was in line with the program in nominal terms but fell short of program projection as a percent of GDP as nominal GDP was higher-than-projected due to the sharp increase in cocoa prices. Current spending substantially exceeded projections—driven by higher-than-projected expenditures on goods and services—and was largely offset by lower capital spending. The increased spending on goods and services reflected mainly security and administrative expenditures.

7. The public debt-to-GDP declined marginally to 42.8 percent in 2024 from 43.2 percent in 2023. Following the recent U.S. announcements on trade tariffs, market spreads on external loans picked up by 400 bps, reaching almost 1,200 bps in April 2025 but have moderated thereafter (Text Figure 6).



8. The banking sector remained broadly stable, but vulnerabilities persist. The recent recapitalization of two ailing banks, along with capital injections in other banks and earned profits, improved the overall capital position of the sector as reflected in an increased shareholders' equity by 23 percent year-over-year at end-March 2025. The non-performing loans (NPL) ratio, however, increased to 15.2 percent while the exposure to the sovereign decreased only marginally to 28 percent of assets at end-March 2025 (Text Figure 7). Annual real credit growth to the private sector was 8 percent in March 2025 contributing to a credit stock of 15.6 percent of GDP in 2024, below the SSA average of 28 percent of GDP.

9. Safeguards assessment. Implementation of 2022-23 safeguards recommendations has been slow. Recommendations included the need to strengthen internal audit and risk management practices as well as governance arrangements, including the onboarding of new members of senior management and the Board, and enhancing the delegation framework for executive management's decision-making. BEAC is making efforts to implement these recommendations, notably in governance, and staff is continuing to follow up on these issues.

B. Outlook and Risks

10. The medium-term outlook remains broadly positive. Real GDP growth is expected to reach 3.8 percent in 2025, reflecting the rebound from a weaker 2024, and the first and second-round effects from the global demand downgrade. The external position is expected to improve in 2025 with higher cocoa prices compensating for lower oil prices. The current account is expected to deteriorate thereafter, due to the projected deterioration in terms of trade—namely cocoa and coffee prices. GDP growth is expected to strengthen moderately over the medium term, assuming continued reform progress and easing of external headwinds. Inflation is expected to decelerate towards the regional inflation target as an appropriate monetary policy stance is maintained, and

the fiscal stance remains tight. The public debt-to-GDP ratio is expected to continue to decline gradually (Text Table 1).

Text Table 1. Selected Economic Indicators, 2024-30

	2024		2025		2026	2027	2028	2029	2030
	7 th Rev.	Est.	7 th Rev.	Proj.	Projections				
GDP growth (percent)	3.9	3.5	4.0	3.8	4.1	4.3	4.5	4.5	4.6
Consumer Price Inflation, average (percent)	4.5	4.5	3.5	4.3	3.6	3.3	3.0	3.0	3.0
Overall balance, including grants (percent of GDP)	-0.6	-1.5	-0.3	-0.8	-1.1	-1.2	-1.1	-1.2	-1.3
Non-Oil Primary Balance (percent of GDP)	-2.0	-2.4	-1.3	-1.4	-1.6	-1.6	-1.5	-1.6	-1.7
Current Account (percent of GDP)	-3.4	-3.1	-2.8	-2.7	-3.5	-3.3	-3.3	-3.3	-3.4
Public Debt (percent of GDP)	42.0	42.8	39.4	39.4	37.8	36.1	34.6	33.4	32.0

Source: Country authorities, staff calculations.

11. Global uncertainty remains high, and risks are elevated (Annex I). On the external front, the trade environment is uncertain due to recent U.S. tariff announcements, which has unsettled financial markets and could impact investment and supply chains, leading to potential repercussions on global demand and lower commodity prices. Additionally, funding for essential social needs may decline as key development partners have announced significant reductions in their foreign aid budgets for 2025-27. The resulting shortfall would negatively impact the fiscal deficit, the current account balance, and economic growth (Annex II). On the domestic front, security challenges—intensified by climate change—add to the uncertainty, with the upcoming Presidential elections in October further compounding risks. On the upside, Cameroon could benefit from higher cocoa prices, which have already contributed to a stronger external position in 2024 (Annex III).

PROGRAM PERFORMANCE

12. Program performance against quantitative targets for end-2024 was mixed (Appendix I, Table 1). Two out of four QPCs and three out of five ITs were met at end-2024. In addition, two out of three continuous QPCs were met. For QPCs, the floor on the non-oil primary fiscal balance, the ceiling on the net domestic financing of the central government, and the continuous criterion on the ceiling on Treasury advances without a budget allocation were missed—the latter by a small margin. The ITs on ceilings on the net accumulation of domestic payment arrears and on the direct SNH interventions were also missed. The authorities reversed some of the slippage in domestic arrears clearance by end-March 2025. In addition, the authorities have committed to implementing two prior actions and other measures to address the sources of the fiscal slippages (paragraphs 13, 17, 20, and 21).

13. At end-March eleven out of twelve ITs were met, indicating reversal of some of the fiscal slippage. The IT on the floor on non-oil revenue was missed.

14. Two out of four structural benchmarks (SBs) due for the final review were implemented. The two SBs were implemented with delay: (i) the report outlining the scope for developing public procurement plans that will serve as a benchmark for budget commitment plans and cash flow projections (SB2, May 2025, MEFP paragraph 23) was implemented with a minor delay; and (ii) two banks were recapitalized to comply with the 8 percent capital adequacy ratio, in accordance with COBAC regulations and Basel capital requirements (SB4, April 2025, MEFP paragraph 36). The revised law on investment incentives will be published in July 2025 (SB1, April

2025, and prior action, MEFP paragraph 14); On the other hand, an interim report for the restructuring of SONARA did not have all expected elements which will take more time to finalize due to technical complexity.

15. Three out of four reform measures (RMs) under the RSF arrangement were implemented. A National Climate Plan (NCP, RM2, April 2025, MEFP paragraph 47, Annex IV) was adopted and published in June 2025, in accordance with the 2021 Nationally Determined Contribution. Decree No. 2018/4992 of June 21, 2018, which sets out the rules governing the project maturation process, and the Decree 2013/7987 on the creation, organization and operation of the Monitoring Committees for the Physical-Financial Execution of Public Investment, were revised to integrate climate considerations into each phase of the investment project cycle (RM5, April 2025). The Disaster Risk Financing Strategy (DRFS, RM7, April 2025) was published in June. The RM on the forestry sector was delayed due to administrative constraints (RM8, April 2025). Financing tied to this uncompleted reform will not become available upon the completion of the review.

16. Overall program performance. Since the launch of the ECF-EFF arrangements, the authorities have successfully maintained macroeconomic stability despite successive external shocks, with quantitative performance remaining broadly on track. These policies have also supported external stability in the CEMAC region, with Cameroon playing an important role in contributing to regional reserves. However, slow structural reform progress has hindered a faster increase in growth, which remains below its potential. Moreover, PFM challenges persist in the reduction of the share of spending through exceptional procedures and timely regularization of externally-financed investments outside the budget information system. The RSF arrangement helped preserve external sustainability by supporting reforms strengthening the institutional climate framework and lowering prospective fiscal and external financing needs through scaled up adaptation and mitigation actions (Annex IV).

POLICY DISCUSSIONS

A. Preserving Fiscal Buffers while Strengthening Efficiency

17. The end-2024 fiscal slippage necessitates corrective actions. The QPC on the floor on the non-oil primary fiscal balance was missed by CFAF 146 billion and the QPC on the ceiling on the net domestic financing of the central government was missed due to spending overruns (by CFAF 127 billion) and grant shortfall (by CFAF 20 billion). The substantial increase in current primary spending relative to the budget—by CFAF 427 billion—was primarily driven by higher expenditure on goods and services. This increase was largely offset by a reduction in capital spending of CFAF 277 billion and in other expenditures of CFAF 23 billion. While this offset limited the impact on the non-oil primary balance, it restricted the fiscal space for priority capital spending, which is critical for addressing infrastructure needs. The unplanned direct interventions through SNH were the main source of fiscal slippage. As a corrective measure for the non-observance of these QPCs, the President will issue a circular specifying that (i) the 2026 Budget Law include a multiyear projection of all strategic and other expenditures, previously financed by the direct interventions of the SNH; and (ii) the SNH transfer to the public treasury all revenue derived from the sale of hydrocarbons, after deducting production costs, but without deducting transfers and payments owed by the government to the SNH (prior action). In addition, the government issued the revised 2025 Finance

Law in July 2025 in line with the program to ensure that the fiscal adjustment remains on track (prior action).

18. The authorities' decision to maintain a prudent fiscal stance over the medium term is appropriate amid limited fiscal and external buffers. Sustaining progress in fiscal consolidation will remain important to preserve fiscal and debt sustainability, while measures are implemented to enhance non-oil revenues and public investment management and introduce an automatic fuel price adjustment mechanism. This is especially important in the context of tight domestic and external financing, as the regional bond market nears saturation and foreign loans remain costly. The 2025 revised Finance Law projects a non-oil primary balance of -1.4 percent of GDP, marking a significant improvement from -2.4 percent of GDP in 2024. From 2026, the fiscal trajectory is expected to align broadly with the CEMAC reference budget balance and debt sustainability goals. Increased priority spending to promote sustainable and inclusive growth will be facilitated by continued efforts to mobilize non-oil revenue and prioritize spending.

Mobilizing Non-Oil Revenue

19. While non-oil revenue performed below expectations, the announced tax policy and revenue administration measures are expected to continue to improve revenue mobilization. On the tax policy front, the authorities are broadening the base by eliminating incentives for some agricultural products and beverages and plan to eliminate tax expenditures on imported fuels. Additionally, a new levy on money transfers has been introduced, while environmental taxation in the mining sector is being strengthened through excise duties on harmful products and rebates for electric vehicles (MEFP paragraph 13). The revised 2013 law on investment incentives (SB1 and prior action) will feature tax credits and accelerated depreciation, which are preferable to the tax reduction scheme. This long-awaited reform will mark a crucial step towards strengthening corporate taxation by simplifying eligibility criteria and clarifying procedures for awarding incentives. It will also help level the playing field for the private sector. Revenue administration reforms include electronic invoicing and enhanced internal mechanisms to combat customs fraud and prevent illicit financial flows.

20. Firm control over unbudgeted spending should be central to the prevention of domestic arrears. Arrears management has been a persistent challenge, as evidenced by the repeatedly missed IT on domestic arrears (Annex IV). Weak cash management, compounded by unbudgeted spending, hindered arrears clearance. While unbudgeted spending through Treasury

advances has declined over time, direct interventions by the SNH have increased. At end-2024, the planned CFAF 537 billion reduction in arrears was not achieved despite having drawn

Text Table 2. Drivers of Arrears Accumulation
(CFAF billion)

	2024		
	7th rev	Est	Diff
Change in arrears (QPC)	-537	96	633
Overall deficit	-191	-488	-297
Revenues and grants	5118	5025	-93
Expenditures	5309	5514	204
Financing	728	424	-304
External (net)	694	414	-280
o/w Projects	783	580	-203
Domestic	-54	-50	4
Donor support (incl IMF)	88	72	-16
NOPB (% non-oil GDP)	2.0	-2.4	-0.4

Sources: Country authorities; and IMF staff estimates.

two external loans for this purpose (Afrexim Bank's loan for CFAF 131 billion and Eurobond for CFAF 332 billion). Instead, the authorities accumulated CFAF 96 billion in new obligations due to oil revenue shortfalls, spending overruns mainly through SNH interventions, and external financing shortfall. Cameroon's oil revenues were below program projections, primarily due to lower-than-projected SNH royalty transfers, a sharper decline in oil production, and weaker global prices. The circular on the transfer of SNH revenues to the public treasury is expected to help mitigate further domestic arrears accumulation (prior action). The authorities plan to clear CFAF 233 billion arrears (about one third of the stock) in 2025, as budgeted in the revised 2025 Finance Law (prior action) and are committed to repaying the remaining arrears over the following two years. As of end-March, most of the scheduled domestic arrears clearance for the year had already been completed (CFAF 233 billion) through domestic bond issuances, partially reversing the 2024 slippage (Text Table 2).

21. Other planned arrears control and fiscal risk management measures include:

- **Improve cash management** by reducing expenditure in line with lower revenues and available financing when needed, including by connecting information systems without further delay.
- **Improve domestic debt obligation estimates.** Wider coverage of unstructured domestic debt in fiscal statistics, including balances payable and floating debt, would improve monitoring of and budgeting for forthcoming servicing obligations, enhance budget realism, and minimize fiscal risks (MEFP paragraph 34). Better coordination among budgetary units and validation of new liabilities would also bring about more transparency and predictability (MEFP paragraphs 22 and 34).
- **Close correspondent accounts** ahead of the full transition to the Treasury Single Account, starting from those of the central administration following a census (MEFP paragraph 22).
- **Strengthen the financial footing of state-owned companies (SOEs).** The completion of the SONARA interim study will be an important step towards urgent restructuring (SB3). Alongside programmed increases in utility tariffs, procurement of smart meters, the advanced metering infrastructure, and the densification of the distribution network, should contribute to better tariff collection, thus strengthening the public utility ENEO. Clarifying the mandate and operationalizing the National Investment Corporation (SNI) responsible for the restructuring, recapitalization, and oversight of SOEs should proceed without delay (MEFP paragraphs 28 and 31).

22. Stricter expenditure prioritization should create space for offsetting the declining official developmental assistance (ODA). The announced reduction of ODA could deepen social and economic fragilities if the government budget fails to compensate for at least part of the declining external outlays on human capital. Lower ODA in key development sectors could result in a decline in the current account balance (0.4 percent of GDP) and growth (0.3 percent) over the next three years (Annex II).

23. Cameroon remains at high risk of debt distress, but debt is sustainable. The debt carrying capacity continues to be weak, and two out of four external debt indicators breach the thresholds under the baseline scenario, indicating a high risk of external debt distress. External debt stock indicators remain below the threshold, and external debt service indicators are on a downward trend. The debt service-to-revenue ratio is expected to fall below threshold in the medium term. The present value of public debt-to-GDP ratio has recently fallen below threshold, indicating a declining risk of debt distress. However, the stock of undisbursed committed balances (mostly on external

multilateral loans) increased to CFAF 4,415 billion in March 2025 (Text Table 3, MEFP paragraph 32, [Debt Sustainability Analysis 2025](#)).

Text Table 3. Public Debt and Debt Service by Creditor, 2024-26

	Debt stock			Debt service					
	2024 \$US, millions	2024 Percent of total debt	2024 Percent of GDP	2024 \$US, millions	2025 \$US, millions	2026 \$US, millions	2024 Percent of GDP	2025 Percent of GDP	2026 Percent of GDP
Total 1/	21,725	100.0	41.2	2,878	3,214	2,554	5.3	5.5	4.1
External	14,221	65.5	27.0	1,363	1,523	1,539	2.5	2.6	2.4
Multilateral creditors	7,045	32.4	13.4	372	450	529	0.7	0.8	0.8
IMF	1,473	6.8	2.8						
World Bank	2,794	12.9	5.3						
AfDB	1,842	8.5	3.5						
Other Multilaterals	937	4.3	1.8						
o/w IsDB	688	3.2	1.3						
o/w IFAD	110	0.5	0.2						
Bilateral creditors	4,927	22.7	9.4	772	744	688	1.4	1.3	1.1
Paris Club	1,368	6.3	2.6	248	105	52	0.5	0.2	0.1
o/w France	1,159	5.3	2.2						
o/w Japan	83	0.4	0.2						
Non-Paris Club	3,401	15.7	6.5	518	545	549	1.0	0.9	0.9
o/w China	3,315	15.3	6.3						
o/w Turkey	86	0.4	0.2						
Eurobonds	767	3.5	1.5	104	7	7	0.2	0.0	0.0
Commercial lenders	1,482	6.8	2.8	115	322	314	0.2	0.6	0.5
o/w Bank of China	112	0.5	0.2						
o/w Intesa San Paolo SPA	68	0.3	0.1						
Domestic	7,504	34.5	14.2	1,515	1,691	1,016	2.8	2.9	1.6
T-Bills (BTA)	793	3.7	1.5	705	838	23	1.3	1.4	0.0
Bonds	2,382	11.0	4.5	263	388	593	0.5	0.7	0.9
Structured debt	1,499	6.9	2.8	465	379	314	0.9	0.7	0.5
Non-structured debt	107	0.5	0.2	32	28	28	0.1	0.0	0.0
BEAC advances	1,209	5.6	2.3	50	58	57	0.1	0.1	0.1
Floats and arrears	1,513	7.0	2.9						
Memo items:									
Contingent liabilities	837		1.6						
o/w: Public guarantees (external)	6		0.0						
o/w: Other contingent liabilities	832		1.6						
o/w external	460		0.9						
o/w domestic	372		0.7						
Nominal GDP (CFAF, billions)				32,975	35,435	38,176			
Exchange rate, end of period (CFAF/US\$)				626			
Exchange rate, period average (CFAF/US\$)				606			

Source: Country Authorities & IMF Staff estimates

1/ Excludes public guarantees and other contingent liabilities, which are noted under memo items.

B. Strengthening Financial Sector Resilience and Financial Inclusion

24. While capital and liquidity levels are above regulatory minima, high NPLs and other vulnerabilities warrant further buildup of capital and strict oversight. Most banks exceed the regulatory minimum for the Capital Adequacy Ratio, liquidity ratio, and other prudential benchmarks. However, rising NPLs continue to pose significant financial stability risk. At end-March 2025, the total stock of banking system NPLs increased by 22 percent year-on-year. The NPL ratio, however, rose only marginally—from 14.2 percent to 15.2 percent y-o-y—due to a 14 percent expansion in the sector's overall loan portfolio. In response, the authorities are (i) establishing the first credit reference bureau in the CEMAC region in collaboration with BEAC; (ii) digitizing the cadaster to enable the creation of a land title registry; and (iii) training commercial judges in bank dispute resolution among others (MEFP paragraph 36). These efforts should be

accompanied by intensified oversight and targeted regulatory interventions of the regional banking supervisor. Additionally, the authorities should ensure that credible strategies are developed for addressing the build-up of bad assets in state-owned banks.

25. Banks' exposure to sovereign debt remains high and warrants close monitoring. The total exposure of Cameroonian banks to securities issued by governments in the CEMAC region accounted for 28 percent of total banking sector assets at end-March 2025, slightly down from 29 percent a year earlier. Banks are proactively managing sovereign risk, including by establishing internal limits on sovereign debt holdings, which has made it more challenging for the government to meet debt issuance objectives. The authorities are turning to the international market and are developing a comprehensive strategy to deepen the secondary market for securities by broadening the investor base. Regulatory measures by COBAC would limit Cameroonian banks' exposures to governments across the CEMAC region.

26. The state's share in the banking sector has increased following the bailout of two banks, but further growth of government ownership would not be prudent. Currently, the state holds significant stakes in eight banks, with majority ownership in four of them—11 percent of total banking sector assets. The authorities have recently signed an agreement to acquire additional shares in *Société Générale Cameroun*—the second-largest bank, holding 13 percent of the banking sector assets—following Société Générale Group's decision to divest its 58.08 percent stake. This transaction will raise the state's ownership in the bank, granting it majority control. The mission recommended avoiding use of public resources for this purpose and prioritizing divestment from state-owned banks under favorable market conditions, as is being pursued with the Commercial Bank of Cameroon. The authorities view *Société Générale Cameroun* as a strategic asset. The mission highlighted that a comprehensive policy framework for managing the state's stake in the banking sector needs to be adopted promoting good governance and risk management practices, fostering operational efficiency, nurturing fair market competition, and setting limits on government's financing from state-owned banks.

27. Implementation of the national financial inclusion strategy and the national financial sector development strategy warrant a stronger push. Recent steps to reinvigorate implementation include: (i) establishment of a guarantee fund to support SMEs; (ii) restructuring of *Crédit Foncier du Cameroun* to provide refinancing and partial guarantees for real estate projects; and (iii) transformation of Cameroon Bank of Small and Medium Enterprises into a development bank to support the implementation of the National Development Strategy 2020–30.

28. Operationalization of the Deposit and Consignment Fund (CDEC) is facing challenges, making stakeholder cooperation essential. The CDEC and the regional financial authorities need to agree on a supervision model for deposit and consignment funds at the regional level. The deadlock has resulted in a freeze on the transfer of funds from banks, limiting CDEC crucial funding source—dormant assets and accounts held in banks. The mission recommended that the authorities resume dialogue to resolve outstanding issues.

C. Improving Governance, Anti-Corruption, and Financial Integrity

29. Governance reforms and efforts to improve financial integrity need to gain momentum. It is crucial to advance the implementation of the recommendations from the 2023 Governance Diagnostic Report, move ahead with measures to satisfy the Extractive Industries Transparency Initiative (EITI) re-entry requirements and rectify critical anti-money laundering and combatting the financing of terrorism (AML/CFT) shortcomings to exit the Financial Action Task

Force (FATF) “grey list” of jurisdictions with strategic AML/CFT deficiencies. Notwithstanding progress in PFM and revenue administration, efforts are required in strengthening frameworks for anti-corruption, asset declaration, AML, and illicit enrichment. The authorities are advised to prioritize measures that would satisfy both the EITI and FATF recommendations, namely the publication of oil industry contracts and of the beneficial owners of companies.

30. The EITI process witnessed some advances. Work is underway to implement the corrective measures related to stakeholder engagement, integration of the EITI process into national procedures, and the regularization of the contractual framework of the Permanent Secretariat staff. On the side of civil society engagement, the permanent secretariat is working to strengthen the governance, ethics, and conflict of interest competencies and reinforce government leadership in the implementation of the EITI commitments (MEFP paragraph 43). The systematic publication of production-sharing agreements in the extractive industry will follow the conversion of old contracts that are being simplified.

31. Cameroon has made good progress in implementing some of the action plan items as agreed upon with the FATF. In particular, the country has improved the alignment of the national AML/CFT strategy with the main risks identified in the national risk assessment and stepped-up investigations and prosecutions of terrorist financing. A mechanism has been established to enable the maintenance of adequate, accurate and up-to-date beneficial ownership information readily accessible by the competent authorities (MEFP paragraph 44). The legal framework for targeted financial sanctions has been upgraded to align with the FATF standards. The new CEMAC AML/CFT regulation issued in December 2024 is also a good step forward. Progress has also been made (with Fund assistance) in developing an AML/CFT regulatory framework for designated non-financial businesses and professions (DNFBP), which is yet to be adopted.

32. Further efforts are needed to strengthen the implementation of the AML/CFT framework. Building upon progress made in rectifying the legal framework, including with respect to targeted financial sanctions, the authorities should ensure its effective implementation. A priority is to strengthen AML/CFT supervision of DNFBPs and improve risk-based AML/CFT supervision of all entities. Greater use of financial intelligence by law enforcement agencies should be proactively pursued, including to support efforts to enhance investigation and prosecution of money launderers. Strengthening training for investigative and prosecutorial authorities and improving interagency cooperation will support these efforts. Further progress is also needed in better identifying, tracing, recovering, and managing criminal assets seized or confiscated, in particular at the borders.

D. Addressing Climate Vulnerabilities

33. Reforms implemented so far have strengthened the institutional and legal frameworks for climate mitigation and adaptation, improving macroeconomic resilience and future spending and revenue collection. The National Climate Plan ([NCP](#)) (RM2) clarifies the roles and has improved the governance framework. The next steps include an update of the Nationally Determined Contributions and implementation of the reinforced framework. Climate considerations are being integrated into public investment processes through revisions to two decrees (RM5). Going forward, further granularity according to the size of the project and stronger identification of the stakeholders’ roles would be needed. The Disaster Risk Financing Strategy ([DRFS](#)) (RM7) was also published in June with the support of IMF technical assistance. IMF technical assistance (C-PIMA) can help strengthen the strategy further. Staff will follow up in the next Article IV assessment on the

operationalization of the new platform for forest information management (RM8), which will connect the tax and customs information systems to forestry sector data providing the basis for revenue collection (MEFP Table 3 and paragraphs 9, 46, and 47).¹

PROGRAM ISSUES

34. Regional assurances. BEAC met its Net Foreign Assets (NFA) target for end-March 2025 which stood at EUR 6.05 billion, well above the regional assurances of EUR 4.5 billion. BEAC updated policy assurances for June 2025 in support of CEMAC countries' programs. A review of regional policies and policy assurances was discussed by the Executive Board in June 2025. Adequate policies and assurances are a condition for the conclusion of the eighth reviews of the ECF-EFF.

35. The authorities are requesting a waiver for the non-observance of two QPCs and one continuous performance criterion. The floor on the non-oil primary fiscal balance and the ceiling on net domestic financing of the central government were missed due to spending overruns and grant shortfall. The authorities are proposing two corrective measures for the non-observance of these two QPCs: (a) the President will issue a circular specifying that (i) the 2026 Budget Law includes a multiyear projection of all strategic and other expenditures, previously financed by the direct interventions of the SNH, and (ii) the SNH transfer to the public treasury all revenue derived from the sale of hydrocarbons (prior action); and (b) to ensure that the fiscal adjustment remains on track, the authorities issued the revised 2025 Finance Law in July 2025 in line with the program macroeconomic and budgetary framework (prior action). The authorities are requesting a waiver for the non-observance of the continuous performance criterion on the ceiling on Treasury advances without a budget allocation on the basis that the deviation is minor.

36. Cameroon's capacity to repay the International Monetary Fund (IMF) is adequate but subject to significant risks (Table 5). As of end-December 2024, total outstanding credit from the IMF amounted to 437 percent of quota. Total IMF credit outstanding (based on existing and prospective drawings) peaked at 2.9 percent of GDP in 2024, while annual obligations to the IMF peak at about 2.8 percent of revenues in 2026-27. Risks to the program and the IMF are elevated and capacity to repay the Fund could be strained by the materialization of potential risks (Annex I). Risks are mitigated by Cameroon's past record of repaying the IMF and implementing its macroeconomic programs, the credibility and strength of prior actions and other corrective measures, close engagement with donors, and a comprehensive CD program.

37. Financing assurances. The program remains fully financed with firm commitments for the remainder of the program. The World Bank disbursed its budget support in April 2025.

38. Relations with the Fund. Staff discussed with authorities the progress towards meeting the initial objectives set at program onset and the agenda for the future. The next Article IV consultation is expected within six months after the end of the arrangement, by early 2026 and will return to the 12-month cycle.

39. The RSF arrangement was instrumental in addressing prospective balance of payments needs. Strengthening climate governance, integrating climate goals into public financial

¹ An overall program assessment under the RSF arrangement is provided in Annex IV.

management, and improving disaster preparedness all contribute to fiscal and external sustainability. These measures enhance coordination, reduce the fiscal impact of climate action, and support faster recovery from climate shocks. Transparent climate project prioritization lowers reconstruction costs, while better disaster preparedness attracts affordable green financing and limits financial losses—ultimately easing balance of payments pressures.

STAFF APPRAISAL

40. Cameroon's economy continued growing, albeit at a modest pace. Real GDP growth reached 3.5 percent in 2024, up from 3.2 percent in the previous year. Annual inflation decelerated to 4.5 percent in 2024 from 7.4 percent in 2023 and eased further to 4.2 percent in May 2025. The outlook for the medium term remains broadly positive, but risks are tilted to the downside and include the possibility of social tensions around elections and pre-electoral spending overruns.

41. Program performance against the eighth reviews targets was mixed. Two out of four structural reforms envisaged for the review were completed, and a third structural benchmark will be implemented in July: the revised law on investment incentives will be published in July 2025 (prior action). The quantitative performance was weaker than in earlier reviews. At end-December 2024, two out of four QPCs and three out of five ITs were met. Additionally, two out of three continuous QPCs were met. At end-March 2025, eleven out of twelve ITs were met. Three of the four RMs due for the third review of the RSF arrangement were completed.

42. The authorities are requesting a waiver for the non-observance of two QPCs at end-December and one continuous QPC. The floor on the non-oil primary fiscal balance and the ceiling on the net domestic financing of the central government were missed due to spending overruns and grant shortfall. The continuous criterion on the ceiling on Treasury advances without a budget allocation was also missed by a small margin. As corrective measures for the non-observance of the first two QPCs, the authorities will issue a circular on the transfer of SNH revenues to the public treasury without deducting transfers and payments owed by the government to the SNH (prior action) and have issued a revised 2025 Finance Law in line with the program's economic framework (prior action).

43. Pursuing a prudent fiscal stance remains paramount. Sustaining progress in fiscal consolidation achieved under the program will remain important to preserve debt sustainability while measures are implemented to boost non-oil revenues, improve public investment management, and strengthen domestic arrears control. The medium-term fiscal path is expected to be broadly consistent with the CEMAC reference budget balance and with debt sustainability.

44. Cameroon's public debt is sustainable but remains at high risk of distress, highlighting the need for fiscal prudence and cautious debt management. Public debt is expected to remain on a downward path over the medium term if the fiscal stance remains prudent and the authorities continue pursuing concessional financing. Advancing the restructuring of SONARA rapidly remains a priority. Reforms in other SOEs should also be implemented and oversight of their operations strengthened to improve efficiency, limit contingent liabilities, and lift the quality of public services.

45. Financial sector capitalization improved, but structural vulnerabilities are elevated. The recapitalization of two banks brought them in compliance with the COBAC regulations and

Basel capital adequacy framework and is a welcome step in strengthening banking sector resilience. However, addressing high NPLs and limiting banks' exposure to the CEMAC public sector requires continued prudent fiscal stance and deepening of the domestic secondary market for securities while monitoring associated risks in close consultation with COBAC. Considering rising NPLs in the banking sector, credible strategies are essential to address the accumulation of bad assets in state-owned banks. Moreover, caution is advised regarding increased government ownership, highlighting the need for a comprehensive policy framework for governance and risk management.

46. Pushing forward decisively with governance, anti-corruption, and financial integrity reforms is critical. Close collaboration with the FATF and GABAC in the years ahead to strengthen the AML/CFT regime should remain high on the agenda with the aim of exiting the "grey list" in the near term. Efforts towards implementing corrective actions to lift the suspension from the EITI at the next evaluation round remain crucial. Work on addressing weaknesses identified in the IMF governance diagnostic report should continue.

47. The authorities have made good progress on strengthening the framework for tackling climate change risks. Three out of four reform measures due for the third review under the RSF arrangement were met. A National Climate Plan and a Disaster Financing Risk Strategy were adopted, strengthening the institutional and legal framework and improving preparedness for climate change. Efforts to implement the new framework will strengthen macroeconomic resilience to climate shocks further and should help catalyze funds for new green investments from development partners and the private sector at favorable terms. Climate considerations have been integrated into public investment processes through revisions to two decrees. The new platform for the forest information management (RM8) was not operationalized in time for the review.

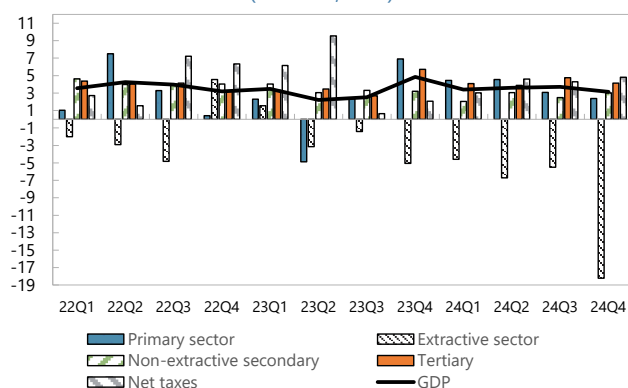
48. Based on Cameroon's performance under the program, corrective actions taken by the authorities, and the implementation of the end-March 2025 regional policy assurances established in the June 2025 union-wide paper, staff supports completion of the eighth reviews under the ECF-EFF arrangements and the third review under the RSF arrangement.

The ground for waiver of the non-observance of the end-December 2024 QPC on the floor on the non-oil primary balance and the end-December 2024 QPC on the ceiling on net domestic financing of the central government is the corrective actions: a circular on the transfer of SNH revenues to the public treasury and a revised 2025 Finance Law in line with the program's economic framework. Staff supports the waiver given that the revised 2025 Finance Law was submitted to Parliament (prior action) and provided that the circular on the transfer of SNH revenues to the public treasury is issued prior to the Board discussion (prior action). Staff supports the waiver of the nonobservance of the continuous QPC on the ceiling on Treasury advances on the ground that the deviation was minor. It is proposed that Cameroon's Article IV consultation cycle be shortened back to 12 months. The next Article IV consultation is expected to be held in January 2026.

Figure 1. Cameroon: Real Sector Developments, 2019–25

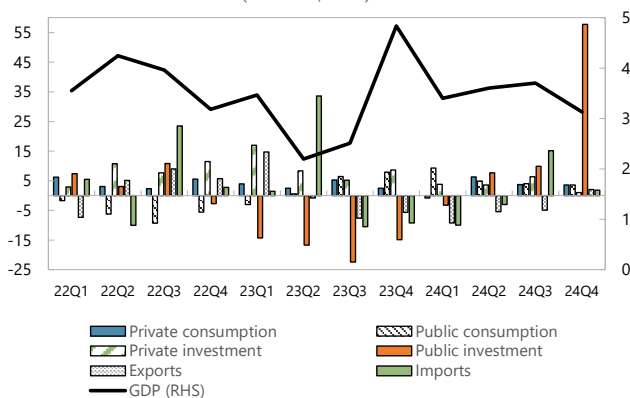
Growth is modest as the extractive sector is contracting.

Real GDP Growth, Supply-side Components
(Percent, YoY)



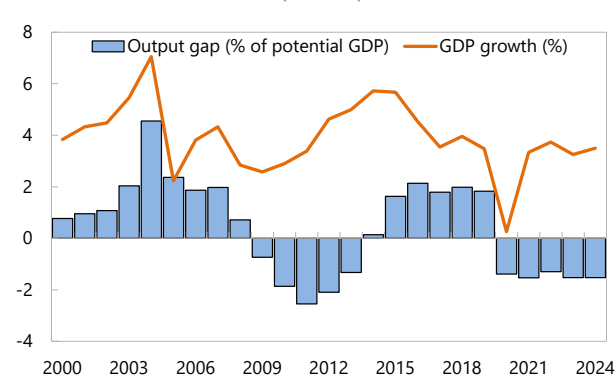
On the demand side, public investment started to recover,...

Real GDP Growth, Demand-side Components
(Percent, YoY)



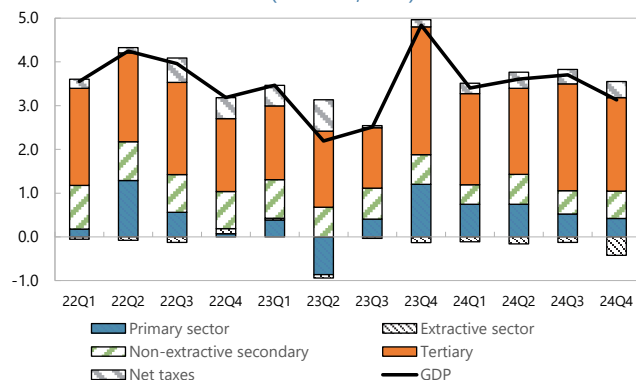
Overall GDP growth remains below its potential...

Output Gap and GDP Growth
(Percent)



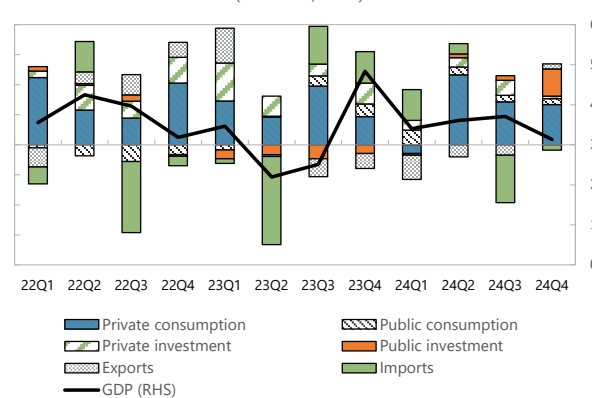
The tertiary sector remains the main driver of growth.

Supply-side Contributions to Real GDP Growth
(Percent, YoY)



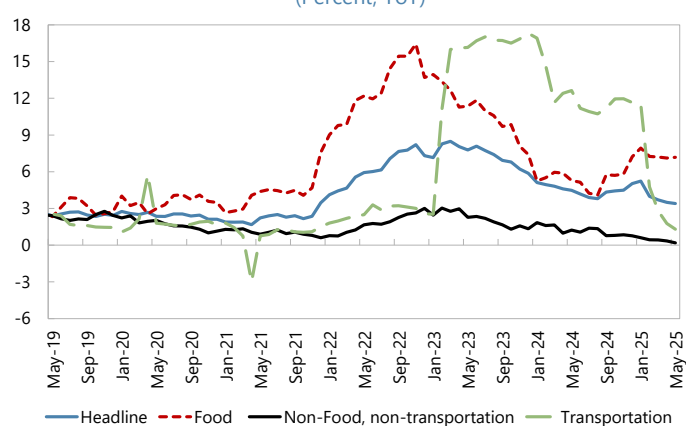
... imports contracted, and private consumption continued to support growth.

Demand-side Contributions to Real GDP Growth
(Percent, YoY)

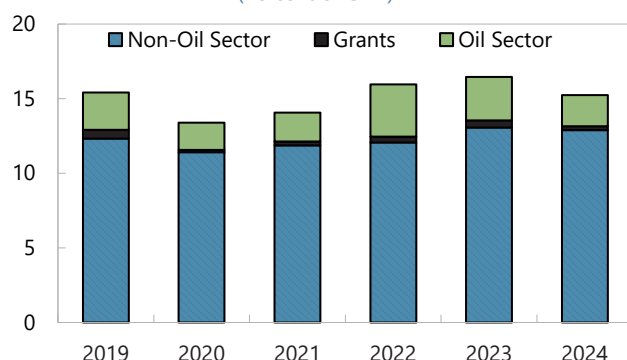
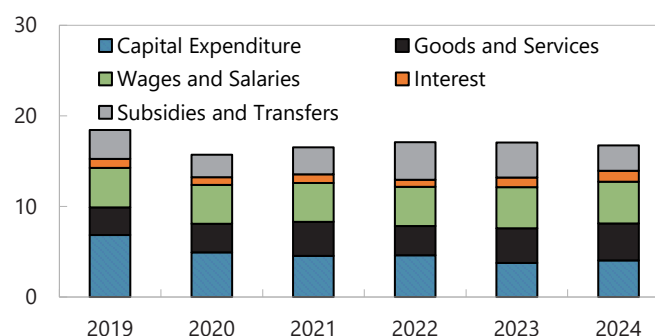
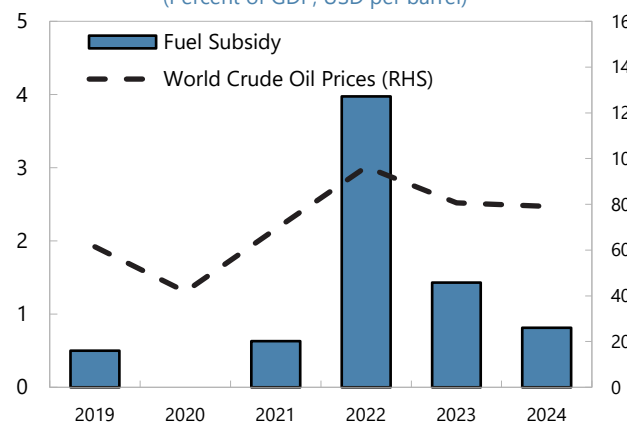
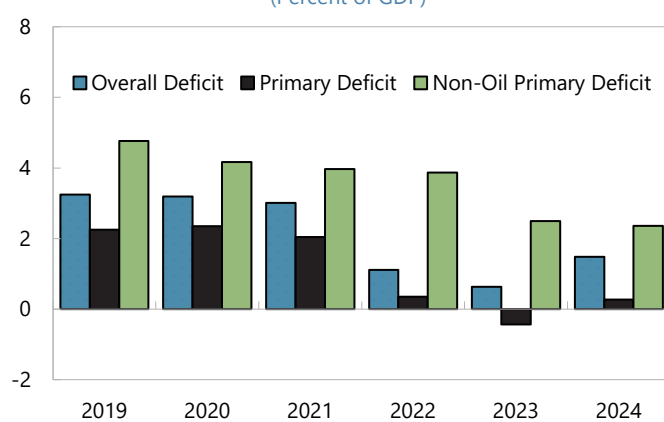
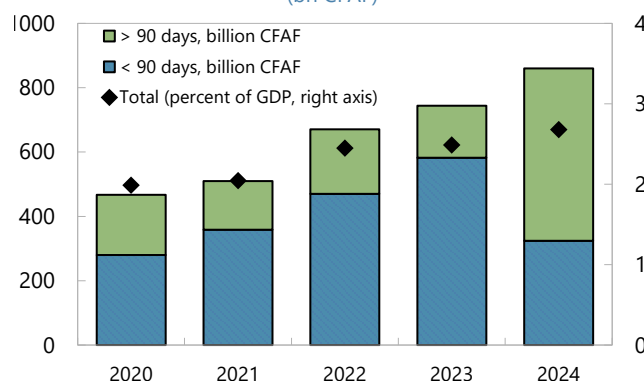
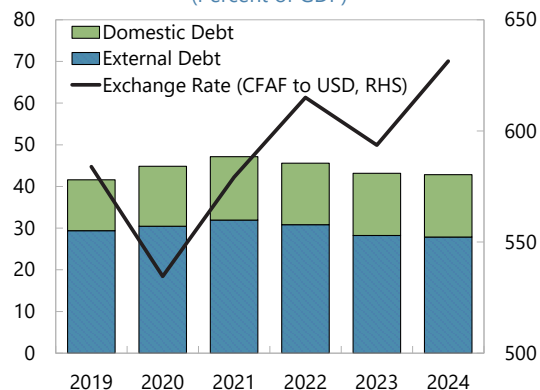


... and inflation pressures are slowly abating.

Food and Non-Food Inflation
(Percent, YoY)



Sources: Country authorities; BEAC; and IMF staff calculations.

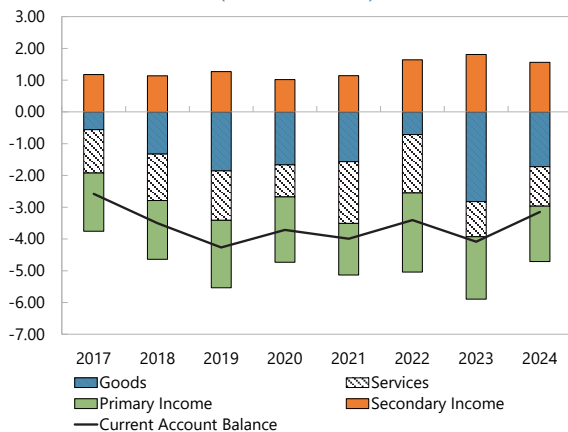
Figure 2. Cameroon: Fiscal Developments, 2019–24*Non-oil revenues declined slightly in 2024,...***Government Revenue**
(Percent of GDP)*...and public spending saw a modest decrease.***Public Spending**
(Percent of GDP)*The fuel subsidy declined in 2024 following the pump price adjustments and lower international oil prices.***Fuel Subsidy and World Oil Prices**
(Percent of GDP, USD per barrel)*While the NOPB continued to improve, the overall balance deteriorated in 2024.***Fiscal Balance**
(Percent of GDP)*The stock of domestic payment obligations increased.***Domestic Payment Obligations**
(bn CFAF)*Nominal GDP growth supported the public debt dynamics.***Public Debt**
(Percent of GDP)

Sources: Country authorities; BEAC; and IMF staff calculations.

Figure 3. Cameroon: External Sector Developments, 2017–25

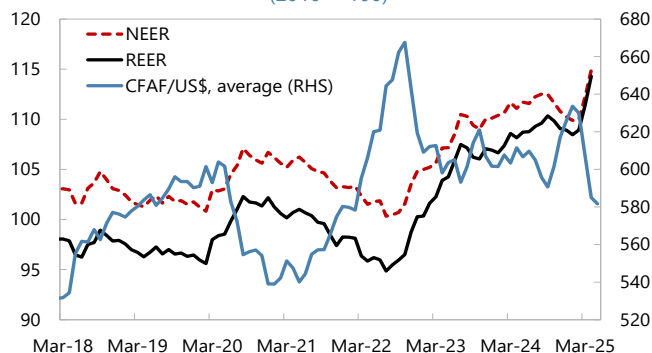
The current account improved in 2024 with lower imports and strong non-oil exports...

Current Account Balance
(Percent of GDP)



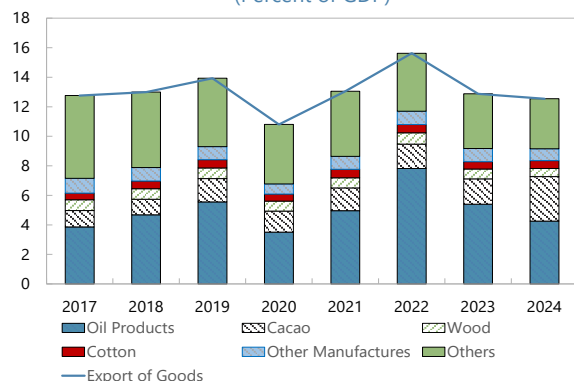
The national currency was stable against the U.S. dollar but appreciated in recent months.

Effective Exchange Rates
(2010 = 100)



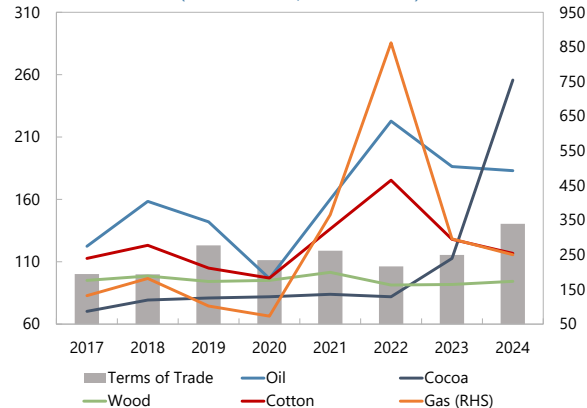
Rising cocoa prices supported non-oil exports, more than offsetting the decline in oil exports.

Exports by Categories
(Percent of GDP)



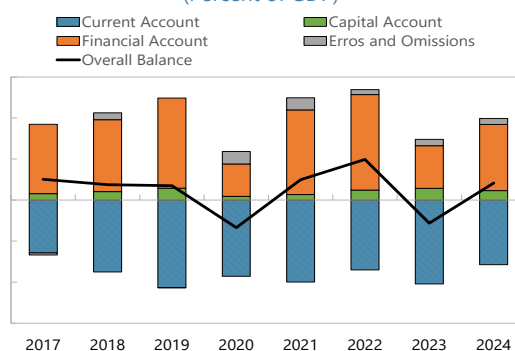
...supported by favorable commodity prices.

International Commodity Prices
(Prices Index, 2016 = 100)



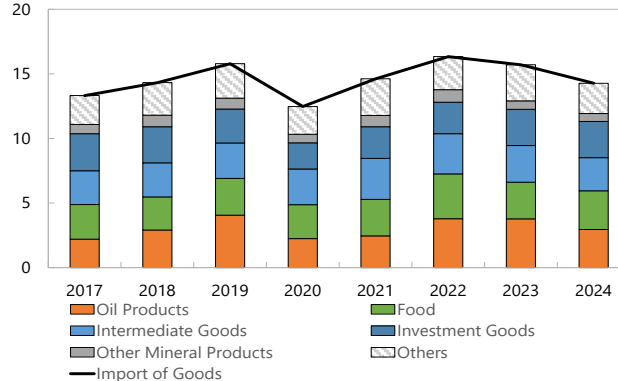
The balance of payments improved with stronger trade and financial inflows.

Balance of Payments
(Percent of GDP)



Higher import volumes were offset by declining import prices, supporting the improvement in the trade balance.

Imports by Categories
(Percent of GDP)

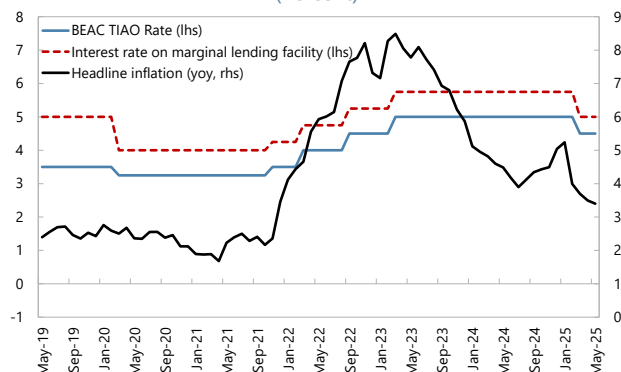


Sources: Country authorities; BEAC; and IMF staff calculations.

Figure 4. Cameroon: Monetary and Financial Sector Developments, 2019–24

BEAC lowered its policy rate in March 2025 for the first time in two years, ...

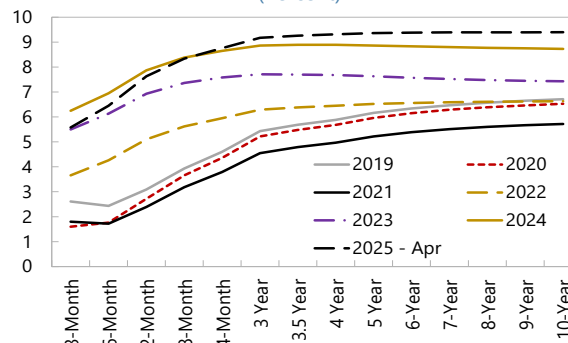
CEMAC Monetary Policy Rates
(Percent)



The rate cut followed declining excess liquidity, after years of abundant banking system liquidity.

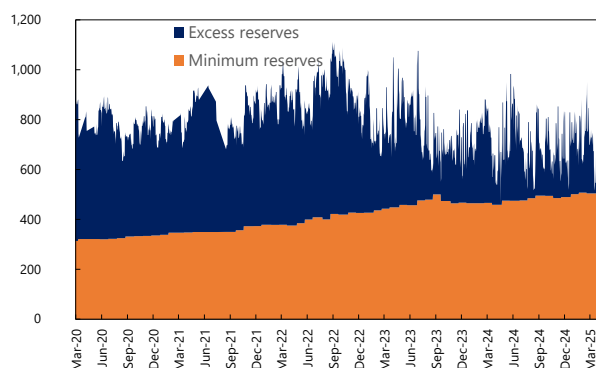
... while tight financial conditions persisted, as reflected in the upward shift of the yield curve.

Yield Curve
(Percent)



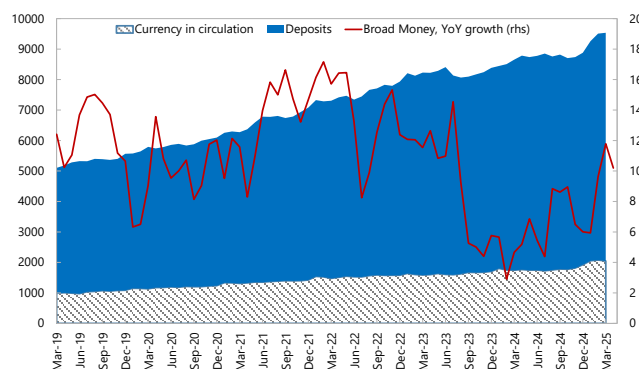
Broad money expanded at a faster pace, driven by higher deposits...

Banking System's Reserves
(Billion CFAF)



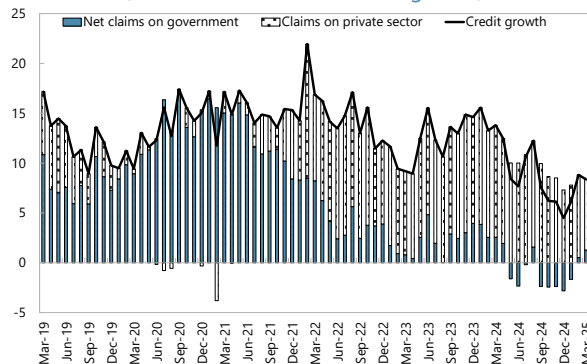
... while credit slowed amid lower government borrowing.

Broad Money: Components and Growth
(Billion CFAF)

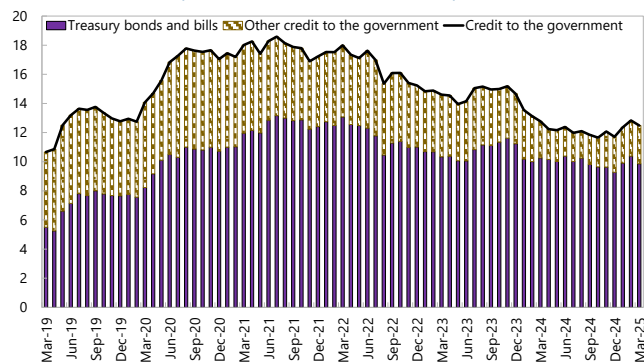


Bank exposure to government declined marginally.

Credit Growth Components
(Percent, contributions to YoY growth)



Bank Exposure to Government
(Percent, share of total assets)



Sources: Country authorities; BEAC; and IMF staff calculations.

Table 1. Cameroon: Selected Economic and Financial Indicators, 2024–30

(CFAF billion, unless otherwise indicated)

	2024		2025		2026	2027	2028	2029	2030
	7 th Rev.	Est.	7 th Rev.	Proj.	Projections				
(Annual percentage change, unless otherwise indicated)									
National account and prices									
GDP at constant prices	3.9	3.5	4.0	3.8	4.1	4.3	4.5	4.5	4.6
Oil GDP at constant prices	-2.7	-9.2	-7.7	-5.6	0.4	-0.1	1.3	2.1	2.8
Non-Oil GDP at constant prices	4.0	3.7	4.2	4.0	4.1	4.4	4.6	4.6	4.6
GDP deflator	3.4	6.6	3.2	3.5	3.5	3.6	3.0	3.0	3.0
Consumer prices (average)	4.5	4.5	3.5	4.3	3.6	3.3	3.0	3.0	3.0
Consumer prices (eop)	5.0	5.0	3.4	4.1	3.5	3.1	3.0	3.0	3.0
Money and credit									
Broad money (M2)	8.8	9.6	7.0	6.9	7.4	7.6	7.0	7.7	7.7
Net foreign assets 1/	4.6	2.7	7.8	11.4	3.5	3.2	1.4	0.0	-0.2
Net domestic assets 1/	4.2	6.9	-0.8	-4.6	4.0	4.4	5.6	7.6	7.9
Domestic credit to the private sector	9.5	12.3	7.7	10.0	9.0	8.0	7.2	7.3	6.9
(Percent of GDP, unless otherwise indicated)									
Savings and investments									
Gross national savings	17.2	17.6	18.3	18.4	18.8	19.7	20.1	20.7	21.0
Gross domestic investment	20.6	20.7	21.1	21.1	22.3	23.0	23.4	24.1	24.3
Public investment	5.4	5.4	6.0	6.0	6.9	7.4	7.7	8.2	8.5
Private investment	15.2	15.3	15.0	15.1	15.5	15.6	15.7	15.9	15.8
Central government operations									
Total revenue (including grants)	15.9	15.2	15.9	15.1	14.8	15.1	15.2	15.3	15.4
Oil revenue	2.4	2.1	2.1	1.8	1.4	1.4	1.4	1.4	1.4
Non-oil revenue	13.2	12.9	13.5	13.0	13.3	13.6	13.8	13.8	14.0
Non-oil revenue (percent of non-oil GDP)	13.7	13.3	13.8	13.3	13.6	13.9	14.1	14.1	14.2
Total expenditure	16.5	16.7	16.1	15.9	15.9	16.3	16.3	16.5	16.7
Overall fiscal balance (payment order basis)									
Excluding grants	-0.9	-1.7	-0.6	-1.1	-1.2	-1.3	-1.1	-1.2	-1.3
Including grants	-0.6	-1.5	-0.3	-0.8	-1.1	-1.2	-1.1	-1.2	-1.3
Overall fiscal balance (cash basis)									
Excluding grants	-2.6	-1.5	-1.2	-2.1	-2.4	-2.1	-1.1	-1.2	-1.3
Including grants	-2.3	-1.3	-0.9	-1.8	-2.3	-2.0	-1.1	-1.2	-1.3
Non-oil primary balance (payment order basis)	-2.0	-2.4	-1.3	-1.4	-1.6	-1.6	-1.5	-1.6	-1.7
Non-oil primary balance (payment order basis, percent of non-oil GDP)	-2.0	-2.4	-1.4	-1.5	-1.6	-1.6	-1.5	-1.6	-1.7
External sector									
Trade balance	-2.2	-1.7	-1.6	-1.0	-2.1	-1.8	-1.8	-1.8	-1.9
Oil exports	4.6	4.3	4.3	3.6	3.1	3.1	3.1	3.2	3.2
Non-oil exports	8.5	8.3	8.7	9.0	8.2	8.3	8.2	8.1	8.1
Imports	15.3	14.3	14.6	13.7	13.4	13.2	13.1	13.1	13.1
Current account balance									
Excluding official grants	-3.6	-3.3	-3.0	-2.9	-3.7	-3.5	-3.5	-3.4	-3.4
Including official grants	-3.4	-3.1	-2.8	-2.7	-3.5	-3.3	-3.3	-3.3	-3.4
Terms of trade	11.7	21.5	2.7	8.8	-10.2	0.8	-0.6	0.5	-1.3
Public debt									
Stock of public debt	42.0	42.8	39.4	39.4	37.8	36.1	34.6	33.4	32.0
Of which: external debt	28.7	27.9	29.9	26.7	26.4	25.4	24.6	23.6	22.6
Memorandum items:									
Nominal GDP (at market prices, CFAF billions)	32,099	32,975	34,452	35,435	38,176	41,257	44,408	47,812	51,511
Oil	1,130	1,043	919	831	776	779	801	828	851
Non-Oil	30,969	31,931	33,533	34,604	37,399	40,478	43,607	46,984	50,660

Sources: Country authorities; and IMF staff estimates and projections.

1/ Percent of broad money at the beginning of the period.

Table 2a. Cameroon: Central Government Operations, 2024–30

(CFAF billion, unless otherwise indicated)

	2024		2025		2026	2027	2028	2029	2030
	7 th Rev.	Est.	7 th Rev.	Proj.	Projections				
Total revenue and grants	5,118	5,025	5,464	5,351	5,655	6,232	6,765	7,303	7,952
Total revenue	5,014	4,941	5,374	5,260	5,610	6,191	6,745	7,283	7,932
Oil sector revenue	762	689	735	642	522	575	616	662	717
Non-oil sector revenue	4,252	4,252	4,639	4,619	5,087	5,616	6,128	6,620	7,215
Direct taxes	1,056	1,052	1,171	1,167	1,375	1,592	1,756	1,921	2,101
Special tax on petroleum products	190	194	211	211	220	230	265	278	291
Other taxes on goods and services	2,154	2,165	2,352	2,365	2,614	2,865	3,117	3,378	3,665
Taxes on international trade	521	502	544	514	490	521	559	591	680
Non-tax revenue	331	339	361	361	389	409	430	453	478
Total grants	104	84	90	90	46	41	20	20	20
Projects	38	35	41	41	46	41	20	20	20
Other	66	49	50	50	0	0	0	0	0
Total expenditure	5,309	5,514	5,564	5,646	6,084	6,710	7,245	7,873	8,604
Current expenditure	3,682	4,187	3,701	3,793	3,816	4,157	4,449	4,758	5,059
Wages and salaries	1,478	1,522	1,587	1,567	1,590	1,739	1,863	1,981	2,125
Goods and services	930	1,349	1,010	1,060	1,087	1,155	1,253	1,340	1,423
Subsidies and transfers	954	918	726	736	782	852	898	972	1,028
Interest	320	397	378	431	356	411	436	464	484
External	182	252	212	266	178	219	252	281	300
Domestic	138	146	166	165	178	192	184	182	183
Capital expenditure	1,604	1,327	1,863	1,853	2,269	2,552	2,797	3,115	3,545
Domestically financed investment	857	698	1,090	1,145	1,265	1,427	1,646	1,902	2,210
Foreign-financed investment	707	500	758	693	963	1,085	1,110	1,171	1,293
Rehabilitation and participation	40	129	15	15	40	40	40	41	42
Net lending	0	0	0	0	0	0	0	0	0
Local production stimulus fund	13	0	0	0	0	0	0	0	0
Decentralization addendum special account	10	0	0	0	0	0	0	0	0
Overall balance (payment order basis)									
Excluding grants	-295	-573	-190	-386	-475	-519	-501	-590	-672
Including grants	-191	-488	-99	-296	-429	-477	-481	-570	-652
CEMAC reference fiscal balance	-236	-440	-23	-130	-256	-473	-556	-703	-797
Adjustment to cash basis	-537	64	-207	-350	-437	-367	0	0	0
Unexecuted payment orders (- = reduction)	0	0	0	0	0	0	0	0	0
Floats and arrears (- = reduction)	-537	64	-207	-350	-437	-367	0	0	0
o/w Arrears (- = reduction)	-211	116	-150	-239	-327	-317	0	0	0
o/w Floats (- = reduction)	-306	0	-37	0	0	0	0	0	0
o/w other arrears 1/	-20	-51	-20	-111	-110	-50	0	0	0
Overall balance (cash basis)									
Excluding grants	-832	-508	-397	-735	-912	-886	-501	-590	-672
Including grants	-728	-424	-306	-645	-866	-844	-481	-570	-652
Memorandum items:									
Floor of social spending									
Primary balance (payment order basis, incl. grants)	129	-91	279	136	-73	-66	-45	-106	-169
Primary balance (cash basis, incl. grants)	-408	-26	72	-214	-510	-433	-45	-106	-169
Non-oil primary balance (payment order basis, incl. grants)	-633	-780	-456	-506	-595	-641	-661	-768	-886
Non-oil primary balance (cash basis, incl. grants)	-1,170	-715	-663	-855	-1,032	-1,008	-661	-768	-886

Sources: Country authorities; and IMF staff estimates and projections.

1/ Other arrears include the stock of unstructured debt held by CAA and the "floating" domestic debt at the Treasury.

Table 2b. Cameroon: Financing, 2024–30

(CFAF billion, unless otherwise indicated)

	2024	2025	2026	2027	2028	2029	2030
Overall balance including grants (payment order basis)	-488	-296	-429	-477	-481	-570	-652
Domestic payment arrears	64	-350	-437	-367	0	0	0
Unpaid balances (Rest a payer)	116	-239	-327	-317	0	0	0
Other domestic amortizations	-51	-111	-111	-50	-50	0	0
Overall balance including grants (cash basis)	-424	-645	-866	-844	-481	-570	-652
Financing	424	645	866	844	481	570	652
Net external financing	414	703	696	595	672	629	619
Gross external borrowing	1,022	1,354	1,285	1,259	1,263	1,207	1,318
Multilateral institutions (excluding IMF)	580	1,024	895	959	983	1,007	1,168
Commercial, private	442	330	390	300	280	200	150
Bilateral	0	0	0	0	0	0	0
Amortizations and repayments	607	651	589	663	591	578	699
Multilateral institutions (excluding IMF)	111	127	131	151	152	155	154
Commercial, private	162	132	91	165	149	140	277
Bilateral	334	393	367	348	290	284	268
Net domestic financing	-50	-217	170	249	-191	-59	33
Gross domestic financing	123	381	599	551	9	121	193
Amortizations, repayments, and other build-up of financial assets	172	598	429	302	200	180	160
Banking sector	123	381	599	551	9	121	193
Central bank	-5	292	411	335	-75	-21	-70
Net IMF lending (outcome)	21	-78	-129	-149	-135	-133	-118
Disbursements	72	0	0	0	0	0	0
Repayments	51	78	129	149	135	133	118
Government accounts at the central bank	-75	356	262	190	100	85	30
Other (net)	48	15	277	294	-40	27	18
Commercial banks (domestic and regional)	128	89	188	216	85	142	263
Net issuances of BTA (T-bills)	36	1	88	92	20	19	109
Net issuances of OTA (T-bonds)	133	88	100	124	64	123	154
Government accounts in domestic and regional commercial ba	36	0	0	0	0	0	0
Other financing sources (net)	-77	0	0	0	0	0	0
Nonbanking sector	0	0	0	0	0	0	0
Financing gap	59	159	0	0	0	0	0
Net IMF lending (prospective)		159	0	0	0	0	0
Unidentified financing, errors and omissions in outcomes	59	0	0	0	0	0	0

Sources: National authorities; IMF staff calculations, estimates, and projections.

Table 2c. Cameroon: Central Government Operations, 2024–30
(Percent of GDP)

	2024		2025		2026	2027	2028	2029	2030
	7 th Rev.	Est.	7 th Rev.	Proj.	Projections				
Total revenue and grants	15.9	15.2	15.9	15.1	14.8	15.1	15.2	15.3	15.4
Total revenue	15.6	15.0	15.6	14.8	14.7	15.0	15.2	15.2	15.4
Oil sector revenue	2.4	2.1	2.1	1.8	1.4	1.4	1.4	1.4	1.4
Non-oil sector revenue	13.2	12.9	13.5	13.0	13.3	13.6	13.8	13.8	14.0
Direct taxes	3.3	3.2	3.4	3.3	3.6	3.9	4.0	4.0	4.1
Special tax on petroleum products	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Other taxes on goods and services	6.7	6.6	6.8	6.7	6.8	6.9	7.0	7.1	7.1
Taxes on international trade	1.6	1.5	1.6	1.5	1.3	1.3	1.3	1.2	1.3
Non-tax revenue	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9
Total grants	0.3	0.3	0.3	0.3	0.1	0.1	0.0	0.0	0.0
Projects	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Other	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Total expenditure	16.5	16.7	16.1	15.9	15.9	16.3	16.3	16.5	16.7
Current expenditure	11.5	12.7	10.7	10.7	10.0	10.1	10.0	10.0	9.8
Wages and salaries	4.6	4.6	4.6	4.4	4.2	4.2	4.2	4.1	4.1
Goods and services	2.9	4.1	2.9	3.0	2.8	2.8	2.8	2.8	2.8
Subsidies and transfers	3.0	2.8	2.1	2.1	2.0	2.1	2.0	2.0	2.0
Interest	1.0	1.2	1.1	1.2	0.9	1.0	1.0	1.0	0.9
External	0.6	0.8	0.6	0.8	0.5	0.5	0.6	0.6	0.6
Domestic	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4
Capital expenditure	5.0	4.0	5.4	5.2	5.9	6.2	6.3	6.5	6.9
Domestically financed investment	2.7	2.1	3.2	3.2	3.3	3.5	3.7	4.0	4.3
Foreign-financed investment	2.2	1.5	2.2	2.0	2.5	2.6	2.5	2.5	2.5
Rehabilitation and participation	0.1	0.4	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Net lending	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Local production stimulus fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decentralization addendum special account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (payment order basis)									
Excluding grants	-0.9	-1.7	-0.6	-1.1	-1.2	-1.3	-1.1	-1.2	-1.3
Including grants	-0.6	-1.5	-0.3	-0.8	-1.1	-1.2	-1.1	-1.2	-1.3
CEMAC reference fiscal balance	-0.7	-1.3	-0.1	-0.4	-0.7	-1.1	-1.3	-1.5	-1.5
Adjustment to cash basis	-1.7	0.2	-0.6	-1.0	-1.1	-0.9	0.0	0.0	0.0
Unexecuted payment orders (- = reduction)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Floats and arrears (- = reduction)	-1.7	0.2	-0.6	-1.0	-1.1	-0.9	0.0	0.0	0.0
o/w Arrears (- = reduction)	-0.7	0.4	-0.4	-0.7	-0.9	-0.8	0.0	0.0	0.0
o/w Floats (- = reduction)	-1.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
o/w other arrears 1/	-0.1	-0.2	-0.1	-0.3	-0.3	-0.1	0.0	0.0	0.0
Overall balance (cash basis)									
Excluding grants	-2.6	-1.5	-1.2	-2.1	-2.4	-2.1	-1.1	-1.2	-1.3
Including grants	-2.3	-1.3	-0.9	-1.8	-2.3	-2.0	-1.1	-1.2	-1.3
Memorandum items:									
Primary balance (payment order basis, incl. grants)	0.4	-0.3	0.8	0.4	-0.2	-0.2	-0.1	-0.2	-0.3
Primary balance (cash basis, incl. grants)	-1.3	-0.1	0.2	-0.6	-1.3	-1.0	-0.1	-0.2	-0.3
Non-oil primary balance (payment order basis, incl. grants)	-2.0	-2.4	-1.3	-1.4	-1.6	-1.6	-1.5	-1.6	-1.7
Non-oil primary balance (cash basis, incl. grants)	-3.6	-2.2	-1.9	-2.4	-2.7	-2.4	-1.5	-1.6	-1.7

Sources: Country authorities; and IMF staff estimates and projections.

1/ Other arrears include the stock of unstructured debt held by CAA and the "floating" domestic debt at the Treasury, as defined in the TMU.

Table 2d. Cameroon: Financing, 2024–30

(Percent of GDP)

	2024	2025	2026	2027	2028	2029	2030
Overall balance including grants (payment order basis)	-1.5	-0.8	-1.1	-1.2	-1.1	-1.2	-1.3
Domestic payment arrears	0.2	-1.0	-1.1	-0.9	0.0	0.0	0.0
Unpaid balances (Rest a payer)	0.4	-0.7	-0.9	-0.8	0.0	0.0	0.0
Other domestic amortizations	-0.2	-0.3	-0.3	-0.1	-0.1	0.0	0.0
Overall balance including grants (cash basis)	-1.3	-1.8	-2.3	-2.0	-1.1	-1.2	-1.3
Financing	1.3	1.8	2.3	2.0	1.1	1.2	1.3
Net external financing	1.3	2.0	1.8	1.4	1.5	1.3	1.2
Gross external borrowing	3.1	3.8	3.4	3.1	2.8	2.5	2.6
Multilateral institutions (excluding IMF)	1.8	2.9	2.3	2.3	2.2	2.1	2.3
Commercial, private	1.3	0.9	1.0	0.7	0.6	0.4	0.3
Bilateral	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortizations and repayments	1.8	1.8	1.5	1.6	1.3	1.2	1.4
Multilateral institutions (excluding IMF)	0.3	0.4	0.3	0.4	0.3	0.3	0.3
Commercial, private	0.5	0.4	0.2	0.4	0.3	0.3	0.5
Bilateral	1.0	1.1	1.0	0.8	0.7	0.6	0.5
Net domestic financing	-0.2	-0.6	0.4	0.6	-0.4	-0.1	0.1
Gross domestic financing	0.4	1.1	1.6	1.3	0.0	0.3	0.4
Amortizations, repayments, and other build-up of financial assets	0.5	1.7	1.1	0.7	0.5	0.4	0.3
Banking sector	0.4	1.1	1.6	1.3	0.0	0.3	0.4
Central bank	0.0	0.8	1.1	0.8	-0.2	0.0	-0.1
Net IMF lending (outcome)	0.1	-0.2	-0.3	-0.4	-0.3	-0.3	-0.2
Disbursements	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Repayments	0.2	0.2	0.3	0.4	0.3	0.3	0.2
Government accounts at the central bank	-0.2	1.0	0.7	0.5	0.2	0.2	0.1
Other (net)	0.1	0.0	0.7	0.7	-0.1	0.1	0.0
Commercial banks (domestic and regional)	0.4	0.2	0.5	0.5	0.2	0.3	0.5
Net issuances of BTA (T-bills)	0.1	0.0	0.2	0.2	0.0	0.0	0.2
Net issuances of OTA (T-bonds)	0.4	0.2	0.3	0.3	0.1	0.3	0.3
Government accounts in domestic and regional commercial banks	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other financing sources (net)	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Nonbanking sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing gap	0.2	0.4	0.0	0.0	0.0	0.0	0.0
Net IMF lending (prospective)	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Unidentified financing, errors and omissions in outcomes	0.2	0.0	0.0	0.0	0.0	0.0	0.0

Sources: National authorities; IMF staff calculations, estimates, and projections.

Table 3. Cameroon: Balance of Payments, 2024–30
(CFAF billion, unless otherwise indicated)

	2024		2025		2026	2027	2028	2029	2030
	7 th Rev.	Est.	7 th Rev.	Proj.	Projections				
	(CFAF billion)								
Current account balance	-1,089	-1,038	-968	-969	-1,349	-1,382	-1,467	-1,596	-1,744
Trade balance	-713	-569	-547	-356	-799	-763	-807	-839	-956
Exports, goods	4,186	4,137	4,494	4,482	4,315	4,697	4,998	5,407	5,790
Oil and oil products	1,469	1,406	1,484	1,283	1,175	1,291	1,370	1,526	1,631
Non-oil sector	2,717	2,731	3,010	3,198	3,140	3,406	3,628	3,880	4,159
Imports, goods	-4,898	-4,706	-5,041	-4,838	-5,114	-5,460	-5,804	-6,246	-6,747
Services (net)	-357	-410	-357	-445	-460	-481	-502	-530	-560
Exports, services	1,292	886	1,405	948	1,031	1,109	1,186	1,271	1,365
Imports, services	-1,649	-1,295	-1,762	-1,392	-1,491	-1,590	-1,689	-1,801	-1,925
Income (net)	-562	-575	-618	-709	-660	-740	-811	-884	-949
Of which: interest due on public debt	-182	-252	-212	-266	-178	-219	-252	-281	-300
Transfers (net)	542	515	554	541	570	601	654	657	721
Inflows	844	731	875	789	835	886	954	970	1,045
Outflows	-302	-216	-320	-248	-265	-285	-300	-313	-324
Capital and financial account balance	1,376	1,172	1,450	1,520	1,663	1,694	1,597	1,571	1,689
Capital account	38	152	41	41	46	41	20	20	20
Capital transfers	38	35	41	41	46	41	20	20	20
Financial account	1,093	925	1,137	1,251	1,388	1,425	1,348	1,322	1,441
Financial account	1,338	1,020	1,409	1,480	1,617	1,653	1,577	1,551	1,669
Official capital	694	415	274	649	738	727	603	526	590
Borrowing	1,286	1,022	924	1,300	1,285	1,259	1,263	1,207	1,318
Of which: SDR Allocation	0	0	0	0	0	0	0	0	0
Principal not yet due rescheduled	0	0	0	0	0	0	0	0	0
Amortization	-592	-607	-650	-651	-549	-533	-662	-685	-733
Non-official capital (net)	399	511	863	603	651	697	745	796	851
of which: Foreign direct investment	589	406	637	439	539	582	627	674	726
Oil sector (net)	128	88	138	95	117	126	136	146	158
Short-term private capital, net	244	95	272	229	229	229	229	229	229
Errors and omissions	0	139	0	0	0	0	0	0	0
Overall balance	287	273	482	551	313	312	130	-26	-55
Financing	-287	-273	-482	-551	-313	-312	-130	26	55
Gross Reserves Accumulation (without RSF) (+ = decrease)	-324	-293	-616	-969	-184	-163	6	158	173
Net use of IMF credit	-51	-51	-79	-78	-129	-149	-135	-133	-118
IMF Repayments	-51	-51	-79	-78	-129	-149	-135	-133	-118
SDR Allocation	0	0	0	0	0	0	0	0	0
RSF	28	28	84	70	0	0	0	0	0
Financing gap	88	72	213	283	0	0	0	0	0
IMF Financing	44	72	90	159	0	0	0	0	0
ECF (2017)	0	0	0	0	0	0	0	0	0
RCF	0	0	0	0	0	0	0	0	0
ECF	15	15	30	30	0	0	0	0	0
EFF	30	30	60	60	0	0	0	0	0
RSF	0	28	0	70	0	0	0	0	0
Budget Support (excl. IMF)	44	0	123	124	0	0	0	0	0
AFDB	18	0	0	0	0	0	0	0	0
WB	0	0	123	124	0	0	0	0	0
France	26	0	0	0	0	0	0	0	0
EU	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Exceptional Financing	0	0	0	0	0	0	0	0	0
Residual gap	0	0	0	0	0	0	0	0	0
RSF disbursement	28	28	84	70	0	0	0	0	0
	(Percent of GDP)								
Trade balance	-2.2	-1.7	-1.6	-1.0	-2.1	-1.8	-1.8	-1.8	-1.9
Oil exports	4.6	4.3	4.3	3.6	3.1	3.1	3.1	3.2	3.2
Non-oil exports	8.5	8.3	8.7	9.0	8.2	8.3	8.2	8.1	8.1
Imports	15.3	14.3	14.6	13.7	13.4	13.2	13.1	13.1	13.1
Current account balance	-3.4	-3.1	-2.8	-2.7	-3.5	-3.3	-3.3	-3.3	-3.4
Including grants	-3.4	-3.1	-2.8	-2.7	-3.5	-3.3	-3.3	-3.3	-3.4
Excluding grants	-3.6	-3.3	-3.0	-2.9	-3.7	-3.5	-3.5	-3.4	-3.4
Overall balance	0.9	0.8	1.4	1.6	0.8	0.8	0.3	-0.1	-0.1
Foreign direct investment	1.8	1.2	1.8	1.2	1.4	1.4	1.4	1.4	1.4
	(Percentage change, unless otherwise indicated)								
Export volume	-0.4	-3.6	7.1	2.2	8.0	6.5	5.8	5.8	6.6
Crude oil	-5.4	-3.1	-9.6	-7.3	5.4	6.0	2.3	3.6	4.1
Nonoil	0.5	-4.0	10.2	4.1	8.5	6.6	6.4	6.2	7.0
Import volume	5.2	6.2	5.5	6.9	6.5	5.4	5.0	5.8	6.2
Terms of trade	11.7	21.5	2.7	8.8	-10.2	0.8	-0.6	0.5	-1.3
Non-oil export price index	20.8	27.3	0.5	12.5	-9.5	1.7	0.1	0.7	0.1
Export price index	12.0	14.5	0.2	6.0	-10.9	2.2	0.6	2.2	0.4
Import price index	0.3	-5.8	-2.4	-2.6	-0.7	1.3	1.2	0.0	0.0
Oil price (\$US dollars per barrel)	79.0	79.2	69.8	66.9	62.4	62.7	63.6	64.3	64.9
Gross Reserves Accumulation (with RSF, CFAF billion) (+ = decrease)	-352	-321	-700	-1,039	-184	-163	6	158	173

Sources: Country authorities; and IMF staff estimates and projections.

Table 4. Cameroon: Monetary Survey, 2024–30

(CFAF billion, unless otherwise indicated)

	2024		2025		2026	2027	2028	2029	2030
	7 th Rev.	Est.	7 th Rev.	Proj.	Projections				
Net foreign assets	2,939	2,777	3,658	3,835	4,178	4,520	4,680	4,684	4,659
Bank of Central African States (BEAC)	1,885	1,759	2,574	2,787	3,100	3,412	3,542	3,516	3,461
Of which: BEAC foreign assets	3,282	3,251	3,983	4,290	4,474	4,637	4,632	4,473	4,301
Of which: IMF credit	-864	-919	-875	-930	-801	-652	-517	-384	-266
Commercial banks	1,054	1,013	1,084	1,043	1,073	1,103	1,133	1,163	1,193
Net domestic assets	6,250	6,481	6,176	6,059	6,452	6,916	7,562	8,496	9,541
Domestic credit	7,440	7,594	7,552	8,547	9,564	10,785	11,450	12,256	13,128
Net claims on the public sector	2,386	2,383	2,112	2,822	3,329	4,057	4,242	4,527	4,871
Net credit to the central government	2,501	2,513	2,246	2,972	3,699	4,400	4,544	4,798	5,109
Central Bank	536	1,123	281	1,572	1,831	2,044	1,689	1,431	1,488
Claims	1,441	1,496	1,452	1,507	1,378	1,229	1,093	961	843
Credit under statutory ceiling	577	577	577	577	577	577	577	577	577
Counterpart of IMF credit	864	919	875	930	801	652	517	384	266
Deposits	-905	-373	-1,171	65	453	815	596	470	645
Commercial Banks	1,965	1,389	1,965	1,399	1,868	2,352	2,849	3,361	3,887
Claims on the Treasury	1,965	1,399	1,965	1,399	1,868	2,352	2,849	3,361	3,887
Deposits	0	-10	0	0	0	0	0	0	0
Deposits of other public entities	-637	-683	-657	-703	-923	-923	-923	-923	-923
Credit to autonomous agencies	36	32	36	32	32	34	36	37	39
Credit to the economy 1/	5,540	5,732	5,926	6,246	6,755	7,275	7,793	8,343	8,903
Credit to public enterprises	486	521	486	521	521	547	585	614	645
Credit to financial institutions	39	69	39	69	69	69	70	70	70
Credit to the private sector	5,015	5,142	5,401	5,656	6,165	6,658	7,138	7,659	8,187
Other items (net)	-1,190	-1,112	-1,376	-2,488	-3,112	-3,869	-3,887	-3,759	-3,587
Broad money	9,188	9,259	9,834	9,894	10,630	11,437	12,242	13,180	14,200
Currency outside banks	1,951	2,054	2,080	2,181	2,328	2,490	2,651	2,838	3,042
Deposits	7,237	7,205	7,753	7,713	8,301	8,947	9,591	10,342	11,158
Memorandum items:									
Net borrowing from the central bank excluding IMF	-328	204	-594	642	1,029	1,392	1,173	1,047	1,222
Contribution to the growth of broad money (percentage points)									
Net foreign assets	4.6	2.7	7.8	11.4	3.5	3.2	1.4	0.0	-0.2
Net domestic assets	4.2	6.9	-0.8	-4.6	4.0	4.4	5.6	7.6	7.9
Of which: net credit to the central government	-1.6	-1.4	-2.8	5.0	7.4	6.6	1.3	2.1	2.4
Credit to the economy (annual percentage change)	8.5	12.3	7.0	9.0	8.1	7.7	7.1	7.1	6.7
Credit to the private sector									
Annual percentage change	9.5	12.3	7.7	10.0	9.0	8.0	7.2	7.3	6.9
In percent of GDP	15.6	15.6	15.7	16.0	16.1	16.1	16.1	16.0	15.9
Broad money (annual percentage change)	8.8	9.6	7.0	6.9	7.4	7.6	7.0	7.7	7.7
Currency outside banks	8.2	13.9	6.6	6.2	6.7	6.9	6.5	7.1	7.2
Deposits	9.0	8.5	7.1	7.1	7.6	7.8	7.2	7.8	7.9
Velocity (GDP/average M2)	3.5	3.6	3.5	3.6	3.6	3.6	3.6	3.6	3.6

Sources: BEAC and IMF staff calculations.

1/ Credit to the economy includes credit to public enterprises, financial institutions and the private sector.

Table 5. Cameroon: Capacity to Repay the IMF, 2024–44

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Fund obligations based on existing credit																					
(SDR millions)																					
Principal	63.5	96.6	159.2	184.0	166.2	162.5	138.0	95.7	66.2	44.2	19.6	10.1	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
Charges and interest	32.0	28.1	27.7	26.9	25.5	23.7	21.6	19.5	17.7	16.4	15.7	15.3	15.1	14.8	14.5	14.3	14.1	13.8	13.5	13.3	13.0
Fund obligations based on existing and prospective credit (SDR, millions)¹																					
Principal	63.5	96.6	159.2	184.0	166.2	162.5	144.1	105.5	76.1	54.0	29.4	19.9	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1
PRGT+GRA	63.5	96.6	159.2	184.0	166.2	162.5	144.1	105.5	76.1	54.0	29.4	14.7	-	-	-	-	-	-	-	-	-
RST	-	-	-	-	-	-	-	-	-	-	-	-	5.2	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1
Charges and interest	32.3	29.3	30.9	30.1	28.7	26.9	24.7	22.4	20.3	18.9	17.9	17.3	16.9	16.4	16.0	15.5	15.1	14.6	14.2	13.8	13.3
Total obligations based on existing and prospective credit																					
SDR millions	95.8	125.9	190.1	214.1	194.9	189.4	168.8	127.9	96.4	72.9	47.4	37.2	28.9	28.5	28.0	27.6	27.2	26.7	26.3	25.8	25.4
CFAF billions	77.1	101.9	153.9	173.8	158.7	154.5	138.0	104.5	78.8	59.6	38.7	30.4	23.7	23.3	22.9	22.6	22.2	21.8	21.5	21.1	20.8
Percent of government revenue	1.5	1.9	2.7	2.8	2.3	2.1	1.7	1.2	0.9	0.6	0.4	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Percent of exports of goods and services	1.5	1.9	2.9	3.0	2.6	2.3	1.9	1.4	1.0	0.7	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1
Percent of debt service ²	9.0	11.1	21.2	23.1	17.4	16.0	13.4	10.3	8.1	6.4	4.4	3.0	2.3	2.1	1.9	1.8	1.6	1.5	1.4	1.2	1.1
Percent of GDP	0.2	0.3	0.4	0.4	0.4	0.3	0.3	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percent of gross reserves	2.4	2.4	3.4	3.7	3.4	3.5	3.2	2.5	1.9	1.4	0.9	0.8	0.7	0.7	0.8	1.0	1.2	1.6	2.8	23.9	(3.9)
Percent of quota	34.7	45.6	68.9	77.6	70.6	68.6	61.2	46.3	34.9	26.4	17.2	13.5	10.5	10.3	10.2	10.0	9.8	9.7	9.5	9.4	9.2
Principal	23.0	35.0	57.7	66.7	60.2	58.9	52.2	38.2	27.6	19.6	10.7	7.2	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
PRGT+GRA	23.0	35.0	57.7	66.7	60.2	58.9	52.2	38.2	27.6	19.6	10.7	5.3	-	-	-	-	-	-	-	-	-
RST	-	-	-	-	-	-	-	-	-	-	-	-	1.9	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Outstanding IMF credit based on existing and prospective drawings																					
SDR millions	1,206.1	1,216.5	1,057.3	873.3	707.1	544.6	400.4	294.9	218.9	164.9	135.5	115.6	103.5	91.4	79.4	67.3	55.2	43.1	31.1	19.0	6.9
PRGT+GRA	1,137.1	1,095.7	936.6	752.6	586.3	423.8	279.7	174.2	98.1	44.2	14.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RST	69.0	120.8	120.8	120.8	120.8	120.8	120.8	120.8	120.8	120.8	120.8	115.6	103.5	91.4	79.4	67.3	55.2	43.1	31.1	19.0	6.9
CFAF billions	970.6	983.9	855.8	709.0	575.8	444.2	327.3	241.1	178.9	134.8	110.7	94.5	84.6	74.7	64.9	55.0	45.1	35.3	25.4	15.5	5.6
Percent of government revenue	19.3	18.4	15.1	11.4	8.5	6.1	4.1	2.9	2.0	1.4	1.1	0.8	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.1	0.0
Percent of exports of goods and services	19.3	18.1	16.0	12.2	9.3	6.7	4.6	3.1	2.2	1.6	1.3	1.0	0.9	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.0
Percent of debt service ²	113.0	107.3	117.7	94.2	63.0	46.0	31.7	23.7	18.4	14.5	12.5	9.4	8.3	6.8	5.5	4.3	3.3	2.4	1.6	0.9	0.3
Percent of GDP	2.9	2.8	2.2	1.7	1.3	0.9	0.6	0.4	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Percent of quota	437.0	440.8	383.1	316.4	256.2	197.3	145.1	106.9	79.3	59.8	49.1	41.9	37.5	33.1	28.8	24.4	20.0	15.6	11.3	6.9	2.5
PRGT+GRA	412.0	397.0	339.3	272.7	212.4	153.6	101.3	63.1	35.6	16.0	5.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RST	25.0	43.8	43.8	43.8	43.8	43.8	43.8	43.8	43.8	43.8	43.8	41.9	37.5	33.1	28.8	24.4	20.0	15.6	11.3	6.9	2.5
Net use of Fund credit (SDR millions)																					
Disbursements	115.9	10.4	-159.2	-184.0	-166.2	-162.5	-144.1	-105.5	-76.1	-54.0	-29.4	-19.9	-12.1	-12.1	-12.1	-12.1	-12.1	-12.1	-12.1	-12.1	-12.1
Repayments and repurchases	179.4	107.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	63.5	96.6	159.2	184.0	166.2	162.5	144.1	105.5	76.1	54.0	29.4	19.9	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1
Memorandum items: (CFAF billions)																					
Nominal GDP	32,975	35,435	38,176	41,257	44,408	47,812	51,511	55,176	58,993	63,190	67,687	72,504	77,583	83,019	88,839	95,071	101,746	108,897	116,980	125,681	135,051
Exports of goods and services	5,023	5,429	5,346	5,806	6,184	6,677	7,155	7,663	8,096	8,422	8,766	9,127	9,500	10,034	10,598	11,196	11,828	12,499	13,243	14,034	14,876
Government revenue	5,025	5,351	5,655	6,232	6,765	7,303	7,952	8,364	8,958	9,685	10,461	11,242	12,089	13,027	14,050	15,172	16,384	17,718	19,229	20,903	22,754
Debt service ²	859	917	727	752	914	966	1,034	1,019	972	927	887	1,001	1,024	1,096	1,183	1,277	1,382	1,459	1,585	1,741	1,873
Gross reserves	3,251	4,290	4,474	4,637	4,632	4,473	4,301	4,161	4,157	4,141	4,106	3,882	3,551	3,195	2,804	2,370	1,821	1,326	757	88	(530)
CFAF per SDR (period average)	804.8	808.8	809.4	811.8	814.4	815.8	817.4	817.4	817.4	817.4	817.4	817.4	817.4	817.4	817.4	817.4	817.4	817.4	817.4	817.4	817.4

Source: IMF staff estimates and projections.

1/ On May 24, 2019 the IMF Executive Board approved a modified interest rate setting mechanism which effectively sets interest rates to zero on ECF and SCF through June 2021 and possibly longer. The Board also decided to extend zero interest rate on ESF till end June 2021 while interest rate on RCF was set to zero in July 2015. Based on these decisions and current projections of SDR rate, the following interest rates are assumed beyond June 2021: 0/0/0/0 percent per annum for the ECF, SCF, RCF and ESF, respectively. The Executive Board will review the interest rates on concessional lending by end-June 2021 and every two years thereafter.

2/ Total debt service includes IMF repurchases and repayments.

Quota (in SDRs) 276,000,000

Table 6. Cameroon: Financial Soundness Indicators, 2018–23

(Percent)

	2018	2019	2020	2021	2022	2023
Capital adequacy						
Total bank regulatory capital to risk-weighted assets ¹	10.8	10.8	13.8	14.2	15.0	15.3
Total capital (net worth) to assets	5.0	5.1	6.5	6.5	6.7	6.6
Total assets (growth)	10.3	10.2	9.4	15.9	17.4	10.9
Asset quality						
Non-performing loans (gross) to total loans (gross)	14.8	14.7	15.8	14.1	13.0	12.9
Non-performing loans less provisions to regulatory capital	40.2	31.4	31.8	11.6	13.8	12.3
Earnings and profitability						
Return on equity ²	15.5	17.6	13.5	12.7	17.2	19.2
Return on assets	1.8	2.1	1.8	1.7	2.3	2.4
Non interest expense to gross income	88.8	97.0	89.6	84.3	66.8	60.0
Liquidity						
Liquid assets to total assets	26.4	26.1	30.1	30.3	31.4	28.5
Liquid assets to short-term liabilities	162.4	164.1	182.4	189.3	187.7	178.1
Credit						
Gross loan (banks' book) - bn FCFA	3738	3815	4104	4566	4961	5612
Gross loan - annualized growth rate	6.4	2.1	7.6	11.3	8.6	13.1
Other						
Foreign-currency-denominated loans to total loans	1.0	0.8	0.5	0.1	0.1	0.1
Foreign-currency-denominated liabilities to total liabilities	4.2	4.8	1.9	2.1	5.8	7.6

Source: Banking Commission of Central Africa (COBAC).

1/ Calculated according to the Basel I guidance.

2/ Return in ROE is calculated based on annualized net profit before tax.

Table 7. Cameroon: Schedule of Disbursements and Purchases Under ECF and EFF, 2021–25

Availability Date	Conditions for Disbursement	Amount (Percent of Quota) ¹			Amount (Millions of SDRs)		
		Total	ECF	EFF	Total	ECF	EFF
7/29/2021	Executive Board approval of the ECF & EFF Arrangements.	45.0	15.0	30.0	124.2	41.4	82.8
12/15/2021	Observance of the performance criteria for July 30, 2021 and completion of the first review under the arrangements	30.0	10.0	20.0	82.8	27.6	55.2
6/15/2022	Observance of the performance criteria for December 31, 2021 and completion of the second review under the arrangements	20.0	6.7	13.3	55.2	18.4	36.8
12/15/2022	Observance of the performance criteria for June 30, 2022 and completion of the third review under the arrangements	20.0	6.7	13.3	55.2	18.4	36.8
6/15/2023	Observance of the performance criteria for December 31, 2022 and completion of the fourth review under the arrangements	20.0	6.7	13.3	55.2	18.4	36.8
12/15/2023	Observance of the performance criteria for June 30, 2023 and completion of the fifth review under the arrangements	20.0	6.7	13.3	55.2	18.4	36.8
6/15/2024	Observance of the performance criteria for December 31, 2023 and completion of the sixth review under the arrangements	20.0	6.7	13.3	55.2	18.4	36.8
12/15/2024	Observance of the performance criteria for June 30, 2024 and completion of the seventh review under the arrangements	20.0	6.7	13.3	55.2	18.4	36.8
6/3/2025	Observance of the performance criteria for December 31, 2024 and completion of the eighth review under the arrangements	20.0	6.7	13.3	55.2	18.4	36.8
Total		215.0	71.7	143.3	593.4	197.8	395.6

Source: IMF staff calculations.
^{1/} Cameroon's current quota is SDR 276.0 million.

Table 8. Cameroon: Schedule of Disbursements and RMs Availability Dates Under the RSF Arrangement

Availability Date	Conditions of Access	Percent of Quota ¹	SDR, million
1/22/2024	RSF approval	0	0
6/15/2024	Completion of RSF review of reform measure 1 implementation	6.25	17.25
6/15/2024	Completion of RSF review of reform measure 3 implementation	6.25	17.25
12/15/2024	Completion of RSF review of reform measure 4 implementation	6.25	17.25
12/15/2024	Completion of RSF review of reform measure 6 implementation	6.25	17.25
6/3/2025	Completion of RSF review of reform measure 2 implementation	6.25	17.25
6/3/2025	Completion of RSF review of reform measure 5 implementation	6.25	17.25
6/3/2025	Completion of RSF review of reform measure 7 implementation	6.25	17.25
6/3/2025	Completion of RSF review of reform measure 8 implementation	6.25	17.25
Total		50.0	138.0

Sources: IMF staff calculations.

1/ Cameroon's current quota is SDR 276.0 million.

Table 9. Cameroon: External Financing Needs and Sources, 2025-30

(CFAF, billions)

	2025	2026	2027	2028	2029	2030
Total Financing Requirements	2667	2211	2228	2259	2255	2423
Current Account Deficit	969	1349	1382	1467	1596	1744
Amortization of PPG Debt	729	677	683	798	817	851
Gross Reserves Accumulation (+ = increase) (without RSF)	969	184	163	-6	-158	-173
Financing Sources	2171	2211	2228	2259	2256	2423
Capital Account	41	46	41	20	20	20
Financial Account	2131	2165	2186	2239	2236	2403
Financing Gap	496	0	0	0	0	0
Additional/Exceptional Financing Sources	283	0	0	0	0	0
IMF Financing	159	0	0	0	0	0
ECF	30	0	0	0	0	0
EFF	60	0	0	0	0	0
Budget Support (excl. IMF)	124	0	0	0	0	0
AfDB	0	0	0	0	0	0
WB	124	0	0	0	0	0
France	0	0	0	0	0	0
EU	0	0	0	0	0	0
Other	0	0	0	0	0	0
Exceptional Financing	0	0	0	0	0	0
Residual gap	213	0	0	0	0	0
Memorandum items						
RSF disbursement	70	0	0	0	0	0
Reserve accumulation (with RSF)	1039	184	163	-6	-158	-173

Source: Country Authorities and IMF Staff Estimates

Annex I. Risk Assessment Matrix¹

Risks	Likelihood	Impact if Realized	Recommended Policy Response
External risks			
Trade policy and investment shocks. Higher trade barriers or sanctions reduce external trade, disrupt FDI and supply chains, and trigger further U.S. dollar appreciation, tighter financial conditions, and higher inflation.	High	<ul style="list-style-type: none"> Slower growth due to weaker demand from trade partners, with worsening current account. Higher inflation would impact the vulnerable and food insecurity. 	<ul style="list-style-type: none"> Adjust fiscal policy to anchor expectations of economic agents. Prioritize and target public spending towards the most vulnerable people.
Regional conflicts. Intensification of conflicts (e.g., in the Middle East, Ukraine, Sahel, and East Africa) or terrorism disrupt trade in energy and food, tourism, supply chains, remittances, FDI and financial flows, payment systems, and increase refugee flows.	Medium	<ul style="list-style-type: none"> Higher inflation and increased food insecurity would intensify. Supply chain disruptions would continue to affect businesses. Spending pressures (including on fuel subsidies) would increase, with extension of tax exemptions, which jeopardize fiscal strategy. Could amplify existent social risks. 	<ul style="list-style-type: none"> Create fiscal space through wage bill control, spending review, and revenue mobilization for new policies to mitigate supply shocks in the economy. Prioritize and target public spending towards the most vulnerable people. Review and reprioritize tax exemptions for programs with higher economic and social impact.
Global growth acceleration. Easing of conflicts, positive supply-side surprises (e.g., oil production shocks), productivity gains from AI, or structural reforms raise global demand and trade.	Low	<ul style="list-style-type: none"> Stronger demand from trade partners would support external trade and economic growth. 	<ul style="list-style-type: none"> Prioritize spending and boost fiscal buffers.
Deepening geoeconomic fragmentation. Persistent conflicts, inward-oriented policies, protectionism, weaker international cooperation, labor mobility curbs, and fracturing technological and payments systems lead to higher input costs, hinder green transition, and lower trade and potential growth.	High	<ul style="list-style-type: none"> Risk of reconfiguration of relations with traditional partners. Further supply disruptions. High input costs, financial instability. Lower potential growth. 	<ul style="list-style-type: none"> Accelerate labor and product market reforms to support diversification of exports and extend trade relations. Diversify trade partners, especially by leveraging the potential of the AfCFTA.

¹ The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenarios highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

A. Risks	B. Likelihood	C. Impact if Realized	D. Recommended Policy Response
Tighter financial conditions and systemic instability. Higher-for-longer interest rates and term premia amid looser financial regulation, rising investments in cryptocurrencies, and higher trade barriers trigger asset repricing, market dislocations, weak bank and NBFI distress, and further U.S. dollar appreciation, which widens global imbalances, worsens debt affordability, and increases capital outflow from EMDEs.	Medium	<ul style="list-style-type: none"> • Increase in risk premia, including sovereign risk premium, heightened financial sector instability risk. • Limited credit extension would hamper investment and growth. • Potential contingent liabilities would add to fiscal pressures. 	<ul style="list-style-type: none"> • In the short term, the regional central bank will need to remain vigilant, adjusting the monetary stance as needed. In the medium-term, Cameroon needs to accelerate implementation of reforms to strengthen the resilience of the financial sector. • Enhance banking supervision and enforce prudential regulations. • Improve processes and procedures for collection of debts and collateral. • Create fiscal space to absorb financial shocks.
Sovereign debt distress. Higher interest rates, stronger U.S. dollar, and shrinking development aid amplified by sovereign-bank feedback result in capital outflows, rising risk premia, loss of market access, abrupt expenditure cuts, and lower growth in highly indebted countries.	High	<ul style="list-style-type: none"> • Capital outflows. • Increase in borrowing costs. 	<ul style="list-style-type: none"> • Enhance banking supervision and enforce prudential regulations. • Create fiscal space to absorb economic, financial, and other shocks. • Advance SOE restructuring and PFM reforms. • Strengthen investor relations
Cyberthreats. Cyberattacks on physical or digital infrastructure (including digital currency and crypto assets), technical failures, or misuse of AI technologies trigger financial and economic instability.	High	<ul style="list-style-type: none"> • Impact on public services that rely on digital infrastructure. • Could slow down financial inclusion progress. 	<ul style="list-style-type: none"> • Create contingent plans for cyberattacks.
Climate change. Extreme climate events driven by rising temperatures cause loss of life, damage to infrastructure, food insecurity, supply disruptions, lower growth, and financial instability.	Medium	<ul style="list-style-type: none"> • Harm agricultural production, worsening the livelihood of people in rural areas and exacerbating extreme poverty and inequalities. • Higher recovery spending, lower revenues and higher financing costs undermining the implementation of key reforms including those related to the RSF arrangement. • Supply disruptions and weaker confidence. 	<ul style="list-style-type: none"> • Improve capacity for monitoring and assessing climate policies and strengthening early warning systems. • Address infrastructure gaps and income/developmental disparities among regions, while instituting appropriate social safety nets. • Promote climate-smart agriculture. • Strengthen institutional and governance framework for climate change related policies. • Sustain progress on reform measures under the RSF, ECF-EFF arrangements and those supported by other international partners. • Strengthen screening of climate risks to financial stability and SOEs operations including in the electricity sector.

Domestic Risks

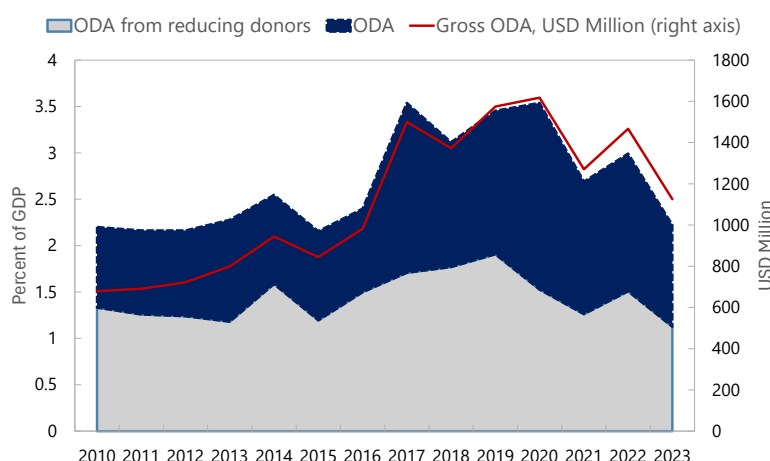
<p>Social tensions over presidential election. Social tensions over the political transition may escalate, posing additional threat to peace and socio-economic stability.</p>	<p>Medium</p>	<ul style="list-style-type: none"> • Could exacerbate existing social tensions and violence. • Economic slowdown or recession. • Food insecurity and poverty rate could increase. • Spending overruns. • Diversion of resources from efficient reforms. • Delays in the reforms under the current Fund arrangements (ECF, EFF and RSF) 	<ul style="list-style-type: none"> • Improve governance. • Review and reprioritize public spending towards programs with higher economic and social impact. • Prioritize and target public spending towards the most vulnerable people. • Promote inclusive growth. • Sustain fiscal discipline and reform efforts.
<p>Social discontent. High inflation, real income loss, spillovers from conflicts (including migration), and worsening inequality stir social unrest, drive populist policies, and increase resistance to reforms, especially in the context of polarized or disputed elections. This exacerbates imbalances and weakens growth prospects, leading to policy uncertainty and market repricing of risk.</p>	<p>High</p>	<ul style="list-style-type: none"> • Social unrest could delay fiscal adjustment. • Social discontent and spillovers from regional crises (e.g., displacements of populations) could fuel existing internal tensions. • Rising unrest would further disrupt agricultural production and growth. • Delays in investment projects might be exacerbated. 	<ul style="list-style-type: none"> • Review and reprioritize public spending towards programs with higher economic and social impact. • Create fiscal space to tackle financial vulnerabilities. • Mobilize additional grants and concessional loans from financial and technical partners to cover prioritized needs.

Annex II. The Role of Official Development Assistance in Cameroon

Official Development Assistance (ODA) to Cameroon averaged 2.7 percent of GDP over 2010-23, rising sharply to 3.5 percent of GDP during periods of economic hardship. More than half of this assistance supported social services and infrastructure. In 2025, however, major development partners announced significant cuts to their development assistance budgets. These development partners, who provided 50 percent of Cameroon's total ODA in 2023, have primarily supported socially sensitive sectors such as education and health. The resulting shortfall would negatively impact the fiscal deficit, the current account balance, and economic growth.

1. ODA flows to Cameroon have been sizeable but volatile, with support peaking during crises and primarily targeting sensitive social sectors. Gross ODA from official development partners reached US\$1,125 million in 2023 (2.3 percent of Cameroon's GDP). Over 2010-23, ODA averaged 2.7 percent of GDP, with notable fluctuations—from a low of 2.1 percent of GDP in 2015 to a high of 3.5 percent in 2017 and 2020, equaling about 30 percent of central government spending. ODA typically increases in periods of economic hardship, such as the commodity price shock of 2015–16 and the COVID-19 pandemic in 2020 (Figure 1). Assistance has been primarily directed toward social infrastructure and services, with 53 percent allocated to these sectors in 2023 –13 percent to education and 29 percent to health, including population policies and reproductive health, and water supply and sanitation. Humanitarian aid was the second-largest category, representing 12 percent of total ODA. The size of ODA flows directed to budget support oscillated between less than 1 percent of total ODA in 2016 and an average of 30 percent of total ODA between 2017 and 2020. In 2023, the ODA recorded in the budget amounted to 4 percent of total ODA (US\$44 million).

Figure 1. Cameroon: Gross Official Development Assistance
(Percent of GDP, unless otherwise indicated)



Sources: OECD CRS data; and IMF staff calculations.

Note: Dollar amounts are expressed in constant 2023 prices.

2. The share of ODA from development partners that have announced reductions amounted to about 50 percent of Cameroon's total ODA in 2023 (US\$570 million). Major development partners, such as the United States, the United Kingdom, France and Germany, have announced significant reductions in their foreign aid budgets for 2025-27. Over 2010-23, flows from these countries averaged 54 percent of total ODA, equivalent to 1.4 percent of GDP

(US\$591 million), peaking at 1.9 percent of GDP in 2019 (US\$869 million). In 2023, grants accounted for 92 percent of ODA flows from these countries (US\$522 million), up from an average of 78 percent over the past 15 years, with the residual aid provided as concessional loans. The elevated share of grants in 2023 marks a steady increase from 56 percent in 2017.

3. ODA from development partners that have announced reductions have supported mainly human capital and basic services, with sharp growth in allocations to health and humanitarian assistance. Most of the aid from these countries has been allocated to social infrastructure and services, prevalently to education, health, and water supply and sanitation. Over 2010-23, social infrastructure and services consistently received the largest share of aid, averaging 42 percent annually (Table 1). In 2023, these sectors accounted for 54 percent of total ODA (US\$310 million), with significant increases in health (US\$52 million), reproductive health and population policies (US\$76 million), and humanitarian aid (US\$72 million). In the health sector, funding has supported key initiatives such as the President's Malaria Initiative and the U.S. President's Emergency Plan for AIDS Relief, targeting malaria and HIV/AIDS. Support has also been directed toward maternal and child health programs, essential medicines, and health workers training. Humanitarian aid has largely addressed the urgent needs of internally displaced people and refugees from conflict-affected regions, particularly the Far North and Anglophone areas, contributing to a surge in funding for emergency food, shelter, and water and sanitation.

Table 1. Cameroon: ODA Disbursements from Development Partners that Have Announced Reductions by Selected Sectors (Yearly average, percent of ODA from reducing development partners unless otherwise indicated)				
	2010-14	2015-19	2020-21	2022-23
Gross ODA (USD Million)	445.3	765.1	646.7	653.9
Social infrastructure and services	41.3	34.5	46.2	50.0
Education	21.1	12.9	15.7	14.3
Health	4.3	4.0	9.5	7.2
Water supply and sanitation	4.2	8.0	3.6	1.0
Reproductive health	4.1	5.5	12.8	12.1
Humanitarian aid	4.1	9.3	17.8	12.0
Economic infrastructure and services	15.1	10.3	11.5	5.8
Production sectors	7.3	10.0	13.2	6.0
Administrative costs of donors	0.6	0.5	1.1	0.4

Sources: OECD CRS data; and IMF staff calculations.

Note: Dollar amounts are expressed in constant 2023 prices. Percentages may not add up to 100 because the table displays selected sectors only.

4. The reduction of ODA flows would negatively impact the fiscal, external, and real sectors. A sensitivity analysis illustrates quantitatively such effects assuming that the announced percentage cuts are distributed uniformly across recipient countries. The additional underlying assumptions are detailed in the following paragraphs:

- Fiscal sector. Domestically-financed spending—and consequently the fiscal deficit and public sector financing needs—would rise as the government attempts to fill some of the gaps left by reduced ODA. Fiscal pressures arise as reduced assistance could exacerbate humanitarian challenges, reduce immunization coverage, limit access to antiretroviral treatments, and heighten health risks.
- External sector. The current account balance would deteriorate as lower ODA flows lead to decreased secondary income and changes in imports induced by these flows. Reduced aid could also lead to imports without adequate financing.
- Real sector. GDP growth may decline due to lower consumption and investment. A decrease in imports might partially offset the negative impact on growth.

5. An analytical framework allows to quantify the macroeconomic effects on these sectors. The analysis depends on three main variables: the size of the flows at risk (R), the share of newly unfinanced sensitive spending (s), and the share of imports induced by these flows (m).

- Flows at risk (R): Total ODA received in 2023 from development partners that have announced reductions multiplied by the share announced to be cut.¹ As mentioned above, this definition assumes that the announced percentage cuts are distributed uniformly across recipient countries.
- The share of newly unfinanced sensitive spending (s): Defined as the difference between total flows at risk and the portion directed to non-sensitive sectors, expressed as a share of total flows at risk. This definition assumes that development partners that have announced reductions will maintain aid to sensitive social sectors, cutting flows to other areas first.² Sensitive sectors include education, health, water supply and sanitation, and reproductive health.
- The share of imports induced by ODA flows (m): Defined as the ratio of imported goods and services to total absorption, assuming that ODA-financed spending reflects the overall economic structure.

The estimated impact also depends on the share of newly unfinanced sensitive spending that would be filled by the government (g). This parameter is assumed to be between 10 and 50 percent. In the fiscal sector, the estimated increase in domestic spending equals the share of the flows at risk directed towards sensitive sectors that the government would cover, $R \times s \times g$. In the external sector, the estimated deterioration of the current account equals the decline in the secondary income (A) plus the change in imports, $A - (1 - s \times g) \times m \times A$. In the real sector, the effect on output is the difference between the estimated decline in consumption, investment, and imports, $-(1 - s \times g) \times A + (1 - s \times g) \times m \times A$. The estimated impact on consumption and investment equals the share of the aid at risk directed towards non-sensitive sectors assuming that the costs of

¹ A summary of the announcements made by the countries mentioned—as well as other development partners—is available at [The Budget Cuts Tracker](#), along with detailed pages for each donor.

² The difference between flows at risk and those directed to non-sensitive sectors represents the aid that would still need to be cut after eliminating all aid to non-sensitive sectors—implying cuts to sensitive sectors. This conservative assumption makes the estimated impact a lower bound.

sensitive social programs currently funded by ODA will be covered by other sources. Table 2 displays the results.³

Table 2. Cameroon: Estimated Effects of Reduced ODA Flows on the Fiscal, External, and Real Sectors (Percent of average 2025-27 GDP)			
	Government-covered share of newly unfinanced sensitive spending		
	g=0.1	g=0.5	g=1
Domestic spending	0.03	0.13	0.30
Current account	-0.33	-0.35	-0.37
GDP growth	-0.30	-0.22	-0.12
Sources: OECD CRS data; and IMF staff calculations.			

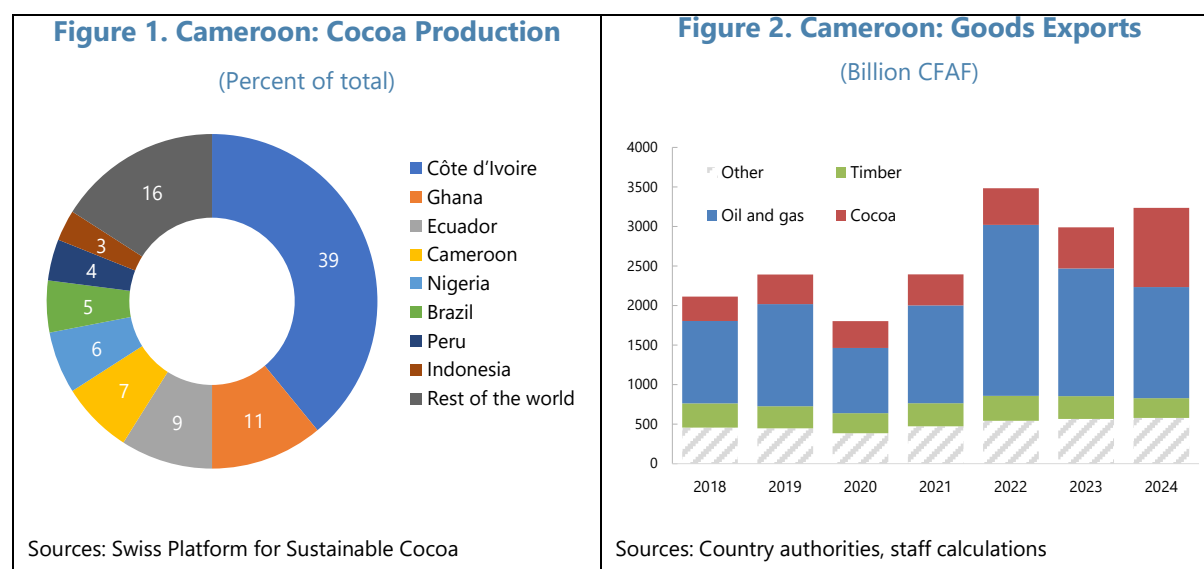
³ Given the uncertainty on the timeline and allocation of announced cuts across recipient countries, the estimated impact of reduced ODA flows on macroeconomic aggregates is not included in the baseline.

Annex III. The Impact of Rising Cocoa Prices

This annex analyzes the impact of rising cocoa prices on Cameroon's economy. It examines how higher global cocoa prices are transmitted to Cameroon's export prices, contributing to higher export earnings and improving trade balance and current account dynamics.

1. Global cocoa prices have surged to unprecedented levels, driven by supply shocks and structural challenges. As of February 2025, cocoa prices more than tripled compared to the 2023 average. This surge is primarily attributed to adverse weather conditions and the spread of crop diseases in main cocoa producers, notably Côte d'Ivoire and Ghana. These factors have significantly reduced cocoa yields, resulting in a global supply deficit. Structural issues, such as aging cocoa trees and underinvestment in long-term care of cocoa trees by farmers, have further contributed to a decline in the supply of cocoa. In many cocoa-growing regions, replanting remains limited as farmers receive only a small share of the value created from cocoa-based products, restricting their ability to invest in renewing their plantations.

2. Cocoa is Cameroon's second largest export commodity after oil and natural gas. Cocoa exports accounted for over a third of non-oil goods exports in 2023 and more than half in 2024 due to the sharp increase in cocoa prices. Cameroon ranks as the world's fourth-largest cocoa producer, following Côte d'Ivoire, Ghana, and Ecuador, contributing around 7 percent of the world cocoa bean production.¹ While most of Cameroon's cocoa exports are raw cocoa, there has been a growing push to develop local processing industries to add value and retain more revenue within the country.

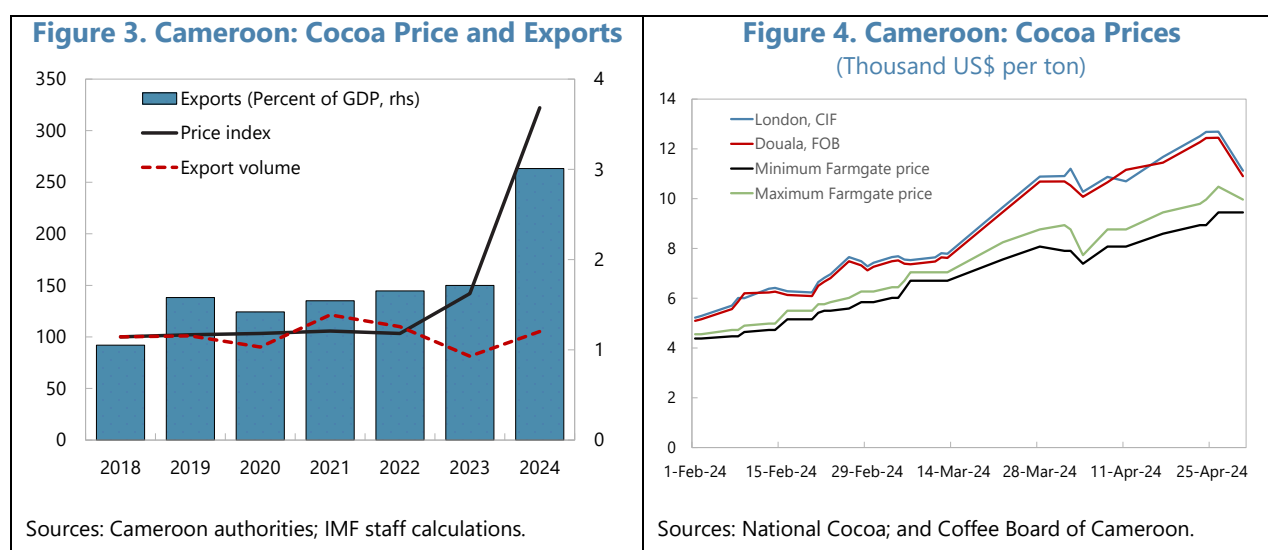


3. The surge in cocoa prices has significantly increased the value of Cameroon's cocoa exports, despite stable production and export volumes. The value of cocoa exports, including both raw cocoa beans and derivatives, doubled from 2023 to 2024, primarily driven by price effects as

¹ Swiss Platform for Sustainable Cocoa, data for the cocoa season 2022/23.

export volumes remained largely unchanged. This rise has supported the growth of overall export revenues and improved the current account balance, strengthening Cameroon's external position while helping to offset the decline in hydrocarbon and timber exports (Figure 3).

4. Cocoa production in Cameroon is largely driven by smallholder farmers. These farmers produce around 90 percent of the country's total cocoa harvest. They are mainly engaged in harvesting, fermenting, drying, packaging and sometimes transporting cocoa beans to delivery points within the country. At various stages of production, the cost of labor (often family) and material inputs (e.g., fertilizers) are the main cost components. Next, the local marketing chain (until the boarding of cocoa aboard the ship) spans from farmers to international buyers, with two intermediate stages. The first step involves collecting cocoa beans at the local level—at or near the farm—and delivering to the export port (domestic marketing). The second stage involves shipping the cocoa for international export (external marketing).²



5. The cocoa market in Cameroon is largely liberalized, with export prices closely tracking international market prices without a significant lag (Figure 4). As cocoa prices are not publicly regulated, the price paid to local farmers is set by buyers and exporters—as reflected by Farmgate prices in Figure 4. These prices closely follow international cocoa price trends, particularly those quoted on the two main stock exchanges, New York and London. At the global level, cocoa prices on the stock exchange are determined mainly by factors such as the value of the US dollar, weather conditions in producing countries, and production volumes.³ The government plays a regulatory oversight role mainly through the Cameroon Cocoa and Coffee Interprofessional Council, which supports the sector's growth through subsidies and policies aimed at improving sustainability, quality standards, and market access. A large share of the cocoa is purchased by multinational companies that dominate the global supply chain.

6. The recent surge in global cocoa prices has significantly bolstered Cameroon's trade balance and current account. With cocoa accounting for a growing share of non-oil exports, the

² Herve, Z. and Zhao, G., 2018.

³ International Cocoa Organization, August 2023.

price-driven increase in cocoa exports has helped partially offset weaker performance in other sectors, such as hydrocarbons and timber. These developments have boosted foreign exchange inflows, contributing to reserve accumulation and strengthening the country's external position. However, export income remains highly dependent on global prices and supply-side constraints, which can be volatile. To enhance resilience and maximize long-term gains, policy priorities should focus on expanding domestic cocoa processing capacity to capture a larger share of export revenues and reduce vulnerability to commodity price fluctuations.

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Annex IV. Performance Under the ECF-EFF and RSF Arrangements

A. The ECF-EFF, 2021–25

This annex assesses Cameroon's performance under the program supported by the blended Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements approved in July 2021 and the Resilience and Sustainability Facility arrangement approved in January 2024. Macroeconomic stability was maintained with fiscal adjustment close to initial program projections and a substantial decline in the debt-to-GDP ratio, while the implementation of structural reforms was slow. Growth remained modest amid a challenging external environment, a slow pace of reforms, and the sub-optimal composition of fiscal adjustment. The RSF arrangement was instrumental in addressing prospective balance of payment needs.

1. The main objectives of the ECF-EFF-supported program (the program) were facilitating a rapid post-COVID-19 recovery, strengthening the medium-term fiscal and external sustainability, and implementing structural reforms for a sustained, more inclusive, and diversified growth. The five key pillars were: (i) mitigating health, economic, and social consequences of the COVID-19 pandemic; (ii) reinforcing good governance and strengthening transparency and anti-corruption; (iii) accelerating structural fiscal reforms to modernize tax and customs administrations, mobilize revenue, improve public financial management, increase investment efficiency, and reduce fiscal risks from SOEs; (iv) strengthening debt management and reducing debt vulnerabilities; and (v) implementing structural reforms to accelerate private sector-led economic diversification and boost financial sector resilience. The program aimed to help catalyze private investment and financial support from development partners.

2. Cameroon's program performance was broadly satisfactory on the quantitative performance criteria, but performance on ITs was mixed. All four QPCs were met at the end-of-period across all reviews, except the following breaches: (i) the floor on the non-oil primary fiscal balance in the sixth review on account of higher fuel subsidies due to the international price increase and currency depreciation and in the eighth review on account of higher expenditures and grant shortfall; (ii) the ceilings on the net domestic financing of the central government and on Treasury advances without a budget allocation, with the latter a minor breach, in the eighth review. In addition, the ceiling on non-accumulation of external payment arrears, a continuous QPC, was breached in three reviews mainly due to technical errors. The performance under the ITs was mixed. While the non-oil revenue and social spending floors were met in each review, the ceiling on net accumulation of domestic payment arrears and the ceiling on direct interventions through SNH, two closely related targets, were missed consistently.¹ The ceiling on Treasury advances without budgetary allocations introduced in the fourth review was met only in the seventh review when it was elevated to a QPC (Table 1).

¹ These ITs were met in March 2025.

Table 1. Cameroon: Observance of Quantitative Performance Criteria and Indicative Targets under the 2021 ECF-EFF

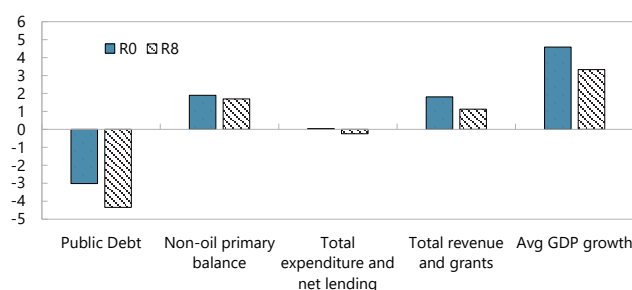
	Status							
	1st review	2nd review	3rd review	4th review	5th review	6th review	7th review	8th review
A. Quantitative Performance Criteria								
Floor on the non-oil primary fiscal balance (payment order basis)	Met	Met	Met	Met	Met	Not met	Met	Not met
Ceiling on the net domestic financing of the central government (excluding IMF financing)	Met	Met	Met	Met	Met	Met	Met	Not met
Ceiling on net borrowing of the central government from the central bank (excluding IMF financing)	Met	Met	Met	Met	Met	Met	Met	Met
Ceiling on the disbursement of non-concessional external debt	Met	Met	Met	Met	Met	Met	Met	Met
B. Continuous Quantitative Performance Criteria								
Ceiling on the accumulation of new external payments arrears	Met	Met	Met	Not Met	Not met	Not met	Met	Met
Ceiling on new non-concessional external debt contracted or guaranteed by the government	Met	Met	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
PV of contracting and guaranteeing of new external borrowing	n.a.	n.a.	Met	Met	Met	Met	Met	Met
Ceiling on Treasury advances without a budget allocation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Met	Not met
C. Indicative Targets								
Floor on non-oil revenue	Met	Met	Met	Met	Met	Met	Met	Met
Ceiling on the net accumulation of domestic payment arrears	Not Met	Not Met	Not Met	Not met	Not met	Not met	Not met	Not met
Floor for poverty-reducing social spending	Met	Met	Met	Met	Met	Met	Met	Met
Ceiling on direct interventions of SNH	Not Met	Not Met	Not Met	Not Met	Not Met	Not met	Not met	Not met
Share of spending executed through exceptional procedures on authorized (payment order) spending	Not Met	Not Met	Not Met	Not Met	Not met	Not met	Met	Met
Ceiling on Treasury advances without a budget allocation	n.a.	n.a.	n.a.	n.a.	n.a.	Not met	n.a.	n.a.

Sources: Cameroon authorities; and IMF staff estimates.

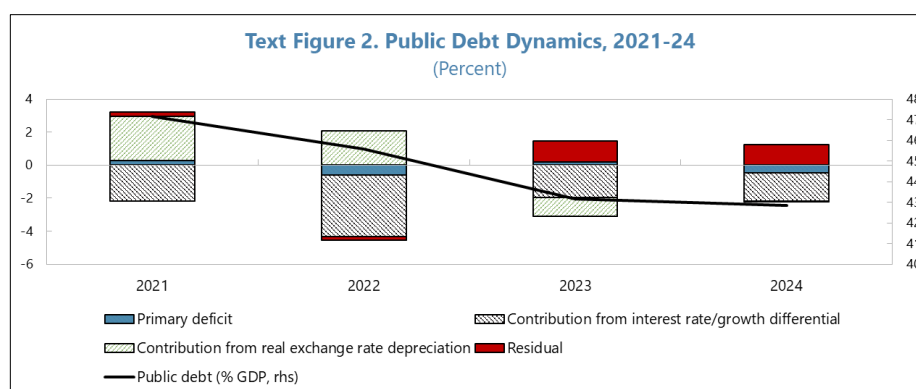
Notes: The terms in this table are defined in the Technical Memorandum of Understanding for each review.

3. The program helped preserve fiscal sustainability through tight fiscal policy complemented by appropriate monetary policy at the regional level. The cumulative decline in the non-oil primary deficit was slightly below the program target of 1.9 percent over 2021-24 by 0.1 percentage points, reflecting a 1-percentage point gain in non-oil revenues, compared to 2.2 targeted at launch, and lower expenditures by 0.2 percentage points, compared to a targeted increase by 0.1 percentage points (Text Figure 1). Public debt declined more than expected, from 47.2 to 42.8 percent of GDP, mainly due to the large contribution of the nominal GDP growth during the years of high inflation (Text Figure 2). However, average real GDP growth over 2021-24 was below expectations, at 3.3 per cent against an initial projection at 4.6 percent amid a challenging external environment, a slow pace of reforms, and the composition of fiscal adjustment (Box 1). The structural fiscal reforms improved budgetary processes, laying the foundation for better governance and stronger fiscal performance going

Text Figure 1. Fiscal Performance, 2021-24
(Percentage Points Change)



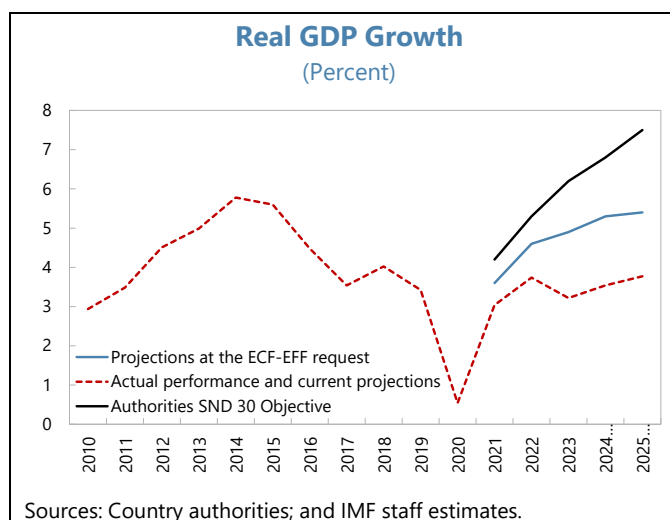
forward. The authorities also launched critical reforms to improve budgetary control, strengthen tax and customs administration, put SOEs on a sound financial footing, and strengthen the climate action framework.



Box 1. Cameroon's Growth: External Shocks and Structural Challenges

Economic growth has fallen short of expectations since 2015, reflecting external shocks and domestic structural challenges. Growth lost momentum during 2015-19 due to a combination of adverse external

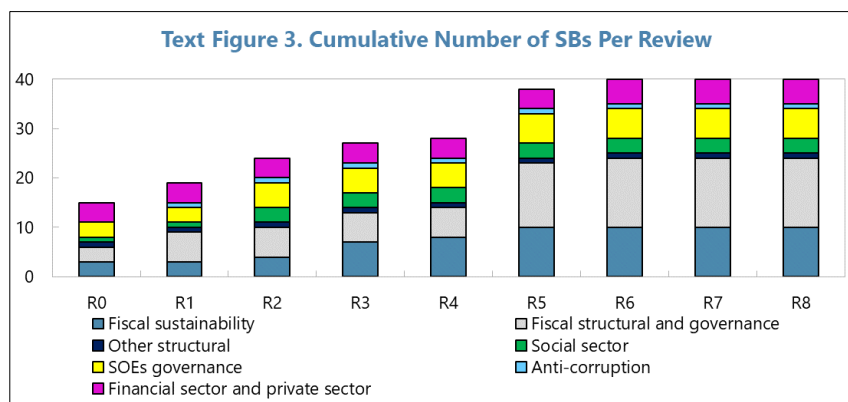
shocks and domestic instability. The collapse in global commodity prices between 2014 and 2016 reduced export earnings and fiscal revenues, while security tensions in the Far North and the protracted socio-political crisis in the North-West and South-West regions weighed on agricultural activity and discouraged private investment. The COVID-19 pandemic, the Russia's war in Ukraine, and tight global financial conditions have successively deepened existing vulnerabilities, testing the economy's resilience and capacity to rebound rapidly.



Growth remained modest during the program reflecting external and domestic factors. Real GDP expanded by 3.4 percent on average during 2021–24, well below the 5.6 percent needed to meet the government's 2020-30 average growth target of 8.1 percent as outlined in the development strategy (SND30). A combination of external shocks, the slow pace of reform implementation to address structural constraints, and the sub-optimal composition of fiscal adjustment have prolonged the period of modest growth. Higher-than-programmed current spending crowded out capital spending constraining efforts to address infrastructure needs. Critical infrastructure bottlenecks—such as frequent electricity disruptions and inadequate transportation infrastructure—continue to weigh on production costs and competitiveness. In addition, longstanding challenges in project preparation, management, procurement, and cash flow planning weigh on the execution of public investment projects slowing infrastructure development.¹

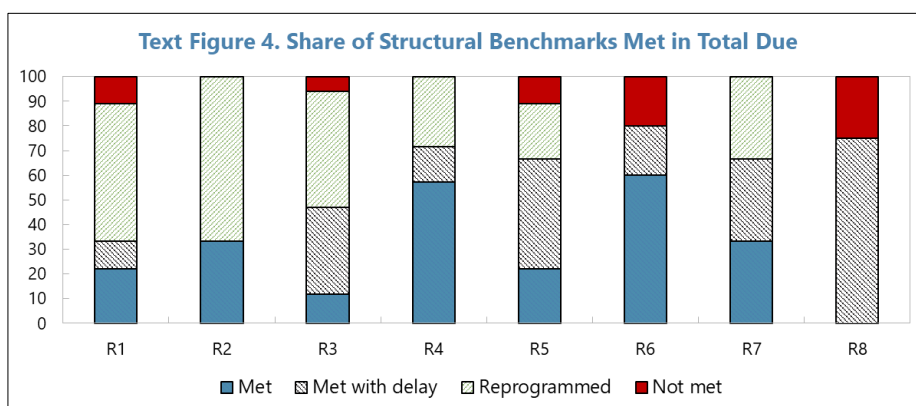
¹ See [IMF 2025](#) for an analysis on the cost of delays in public investment implementation.

4. Structural benchmark implementation experienced notable delays. A third of all SBs, 40 in total during the program, were reset at least once while several SBs were reset three times due to persistent delays in the delivery of measures. The program included 15 prior actions, a few of which consisted of previously unmet SBs. Reforms experiencing the longest delays fall in the



broad area of governance related to the management of SOEs, some of which were started during the previous program (i.e., restructuring of SONARA, diagnostic study of CAMTEL, PAD, and CAMWATER, and

establishment of an inventory and clearance of cross debts of public enterprises). Some reviews had a relatively higher number of SBs due to the implementation delays and reprogramming of



deadlines. Structural reforms were backed by extensive capacity development from the IMF, for a total of 76 missions between 2021 and 2025, mainly around public finances, statistics and legal frameworks. Many of the SBs were drawn from technical assistance findings and recommendations, and their implementation relied in good part on the review and guidance of experts engaged over a prolonged period (Text Figures 3 and 4).

I. Mitigating the Consequences of the COVID-19 Pandemic

5. The post-COVID-19 recovery objectives were met early in the program. Like many other IMF-supported programs launched in the aftermath of the COVID-19 pandemic, Cameroon's ECF-EFF aimed to alleviate the tight global financing conditions and address the prolonged fallout from trade disruptions. Preceded by access to exceptional financing under the RCF and an additional quota allocation, the program aimed at strengthening the fundamentals necessary for a quick rebound and for a stronger sustainable, and more inclusive medium-term growth. Due to the nature of the crisis and the urgency in spending on health and protection of the population, the authorities committed, at the time of the RCF disbursement, to report on the use of financing by publishing expenditures on COVID-19 and the public contracts awarded through procurement with beneficial owners. These measures were achieved early in the program. The longer term economic and social

consequences would be addressed through other program pillars, mainly governance, structural fiscal reforms, and financial inclusion.

II. Strengthening Governance, Transparency, and Anti-Corruption

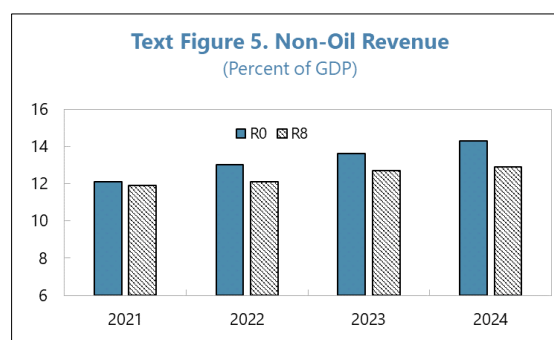
6. The authorities have taken important steps to strengthen the anti-corruption framework which, however, fell short of the program's initial objective. The publication of the Governance Diagnostic Report suffered delays including due to TA delivery, narrowing the time for the implementation of new measures for which political consensus was necessary. Considering the priority recommendations from the assessment, the authorities will lay out an action plan to further strengthen governance, prioritizing improvements in the legal and institutional anti-corruption frameworks to align them with international standards.

7. Work is underway to be reinstated into the EITI as full-fledged member for the next validation in April 2027. Cameroon was suspended from the EITI in 2022 due to insufficient progress on civil society engagement and government constraints on civil society freedoms of expression and association. Since then, the government issued a decree governing the implementation of the EITI and finalized the process of appointing civil society representatives. It has also published the implementation texts of the new Mining Code and established a beneficial ownership registry with partial public access. Some remaining actions for the near term include adoption of implementing texts of the code of transparency and good governance in public finance management and publication of the production-sharing agreements in the extractive sector. The Governance Diagnostics will provide a good basis for future reforms and will require early political engagement.

III. Accelerating Structural Fiscal Reforms

Mobilizing Revenue

8. While domestic non-oil revenue mobilization progressed, it underperformed expectations reflecting delays in reform implementation. Revenue contraction during the COVID-19 period turned out to be deeper than expected and the recovery slower. Non-oil revenues increased from 12.3 percent of GDP in 2019 (before COVID) to 12.9 percent of GDP in 2024 against the 14.3 percent of GDP projected at the time of the program request (Text Figure 5). Lack of progress on key tax policy reforms, including on the revisions to the 2013 law on investment incentives and on the rationalization of VAT exemptions, have contributed to the weaker performance. The modest improvement in the non-oil revenues and compliance with the IT floor was driven mainly by advances in revenue administration—for which the authorities received extensive IMF TA, intensified efforts in internal and customs tax arrears recovery, an increase in stamp duties, and one-off factors. Going forward, while improvements in revenue administration



should continue, tax policy will have to play a more active role in revenue mobilization including by tackling the politically challenging rationalization of tax expenditures and further developing taxation of property. The revised 2013 law on investment incentives will be a welcome step towards reducing tax expenditures.

Improving Public Financial Management and Increasing Investment Efficiency

9. The authorities implemented many PFM/PIM reforms, which were supported by extensive TA. The system of commitment authorization and payment appropriations should help manage and monitor multi-year capital projects. Common chapters, i.e., the undistributed expenditures across government agencies, were limited to 10 percent of the budget expenditures in the 2025 budget, down from 19 percent in 2024, ahead of transitioning from common expenses to accidental and unforeseeable expenses. The strategic PFM plan adopted in October 2024 and based on the recent PEFA and PFM evaluations would support further reform progress in this area. The authorities have strengthened the management of correspondent accounts, limited Treasury advances, and have prepared an annual report on budget execution accompanied by monthly cash-flow plans on a commitment basis backed by procurement plans. The number of contracts awarded through the online e-procurement portal is set to increase and an institutional framework aimed at the proper preparation, implementation, and control of the execution of large-scale development projects is being established. Efforts are still needed to improve coordination across government projects. An example of this is Nachtigal, where the dam is fully operational, but the transmission capacity did not keep pace with production.

10. Substantial weaknesses in PFM, however, persist and are deep rooted. The above reforms, if sustained, could pave the way for stronger PFM/PIM and better budgetary control. Budget execution does not guarantee full compliance with parliamentary authorization due to a still large share of unbudgeted expenditures, including the SNH direct interventions, which undermine budget integrity and predictability. Public investment execution rates remain low with very high management costs and delays. Implementing the recommendations of former TA and continued TA will be critical to mitigate risks and reap long-term gains from reforms.

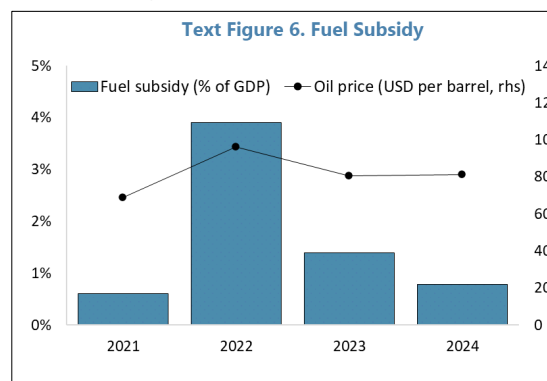
Reducing Fiscal Risks from SOEs

11. SOE reforms experienced significant delays, and the reform agenda remains incipient. The diagnostic study of large companies was published and should be followed by the signing of performance contracts. The important inventory of cross debts between public enterprises was also finalized and should be validated by all parties and used to clear debts. The public utility company (ENEO) continues facing liquidity pressures but reforms to strengthen tariff collections are underway. The preliminary study on the restructuring of SONARA, operating with a negative asset value and a significant cost to the budget prepared during the program should be finalized and provide the basis for a rapid restructuring. The newly created national investment agency (SNI) in charge of piloting SOE monitoring and reforms is expected to strengthen oversight and financial viability of SOEs.

IV. Strengthening Debt Management and Reducing Vulnerabilities

12. A substantial increase in fuel prices contributed to fiscal consolidation but the subsidy should be eliminated structurally by adopting an automatic fuel price adjustment mechanism.

The fuel subsidy reached 3.4 percent of GDP on account of high international prices, low pump prices, and currency depreciation in 2022. The subsidy contributed to a buildup of domestic arrears, including to oil importers. Two adjustments of domestic fuel prices—21 percent in early 2024 and 15 percent in early 2024—and a decline in the international prices curtailed the subsidy to below 1 percent of GDP in 2024 (Text Figure 6). While price adjustments are a welcome step, the subsidy should be reduced structurally by adopting an automatic fuel price adjustment mechanism. This should be accompanied by reforms to strengthen the safety net to protect the most vulnerable and boost social spending, which has remained below 5 percent of GDP. Reforms are ongoing with World Bank support, with progress in establishing an effective cash transfer mechanism ongoing.

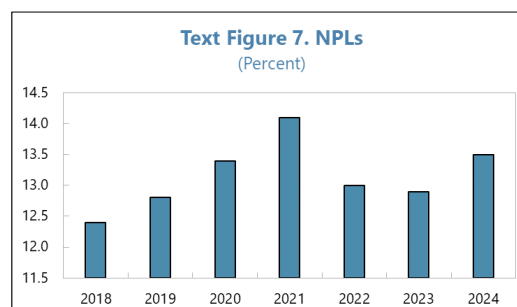


13. Progress on domestic arrears control has been insufficient. During 2022-23, the main source of arrears accumulation came from the need to compensate fuel importers due to higher-than-projected global oil prices. The authorities borrowed externally in 2024 to clear these arrears. Arrears stem also from expenditures executed without a payment order, including through SOEs, and regularized ex-post, contributing to persistent underestimation of total spending needs and commitments and undermining budget integrity, credibility, and transparency. The authorities indicated that growing security challenges in some regions necessitated spending through exceptional procedures, such as direct interventions through the state hydrocarbons company (SNH). Going forward, tight financing constraints in the CEMAC region will require even stronger arrears control.

V. Accelerating Private Sector-led Diversification and Boosting Financial Sector Resilience

14. Many reforms implemented in the fiscal, financial sector, governance and anti-corruption areas benefited private businesses. A key reform to rationalize tax incentives and level the playing field between economic operators will be implemented with a delay for the final review of the program. Several other measures benefited the private sector business climate. The new regulatory framework for PPPs, some PFM, PIM, tax policy and tax administration measures, active—albeit incomplete—clearance of domestic arrears, strengthening of anticorruption and reform of SOEs governance, although incomplete, aimed at improving the environment for investment and firm growth. Nonetheless, there remain significant structural bottlenecks to higher private sector growth, notably electricity shortages and inadequate transport and information and communication infrastructure.

15. Banking sector stability was maintained but significant vulnerabilities persist, and sector reforms need to be accelerated. Banking sector capitalization improved primarily due to capital injections into the two undercapitalized banks, as reflected in the implementation of the relevant SB in the final review. Nevertheless, the sovereign-bank nexus continued to deepen, and NPLs remained elevated (Text Figure 7). Targeted reforms were implemented, including enhancements to the operations of the Asset Recovery Agency, training of judges to facilitate the resolution of banking disputes, and elaboration of a strategy to promote public securities to encourage the participation of non-bank investors, supported by IMF technical assistance. Key reforms, such as the implementation of the National Financial Inclusion Strategy and the National Financial Sector Development Strategy, should be expedited to better position the financial sector to support economic growth. Additional initiatives—such as operationalizing a government guarantee fund, establishing a credit registry, a balance sheet registry, and a rating system for companies and individuals, along with implementing a land title registry—will significantly improve access to credit for SMEs.

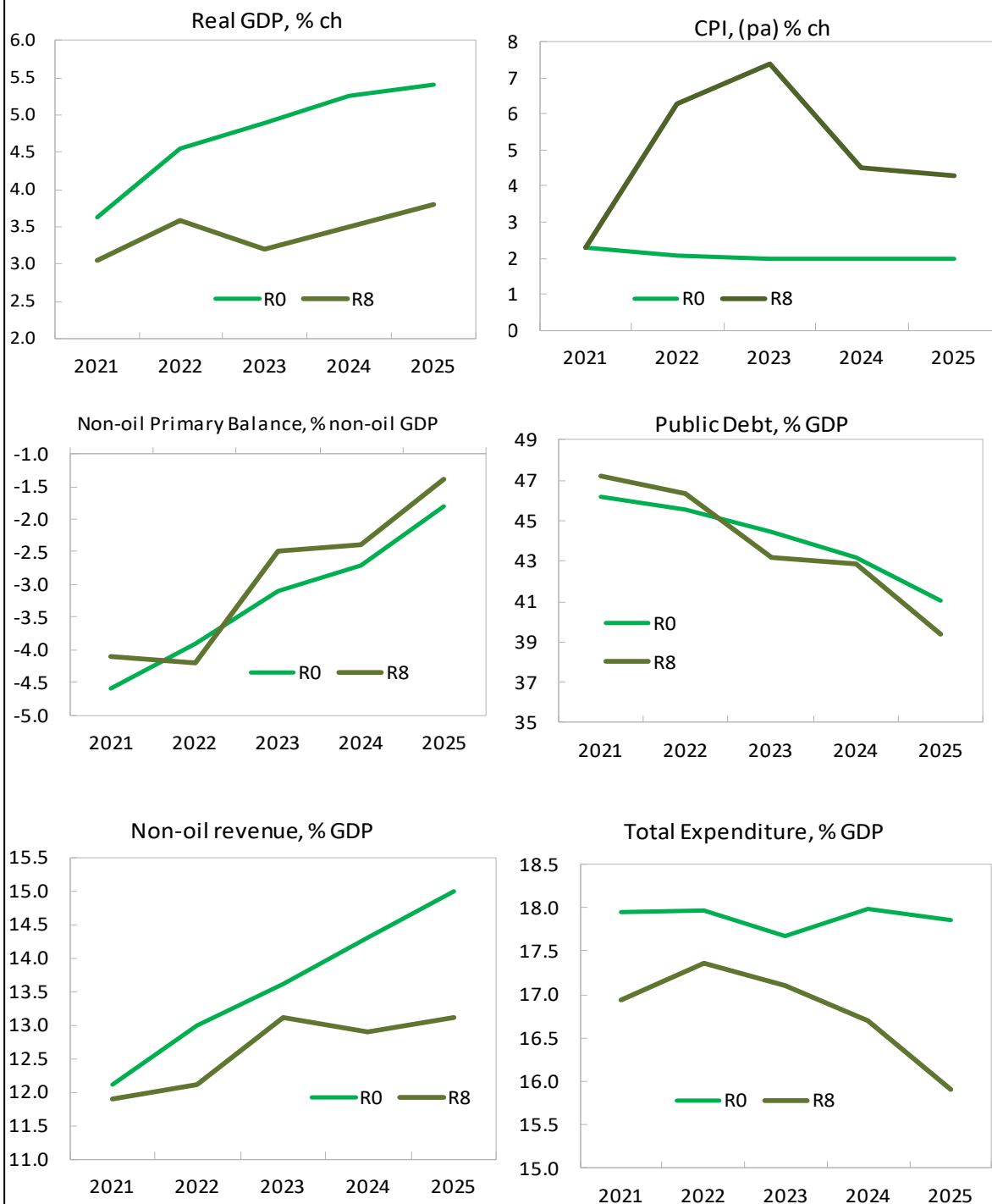


VI. The Country Engagement Strategy

16. The Country Engagement Strategy (CES) was conceived during the fifth review of the ECF-EFF and sought to contrive a roadmap for addressing longstanding structural vulnerabilities that were contributing to economic and social fragility. From a political perspective, Cameroon's fragility stems from a centralized, slow-moving decision-making system, and a strong role of the state. A delicate security situation and susceptibility to climate shocks contribute to challenges that reflect negatively on spending certainty and borrowing costs. The CES strives to incorporate considerations of reforms for boosting growth through diversification, lifting human capital, lowering inequality, mitigating the impact of forced migration, and improving governance and access to justice. Key ingredients for achieving these objectives included measures that were already part of the ECF-EFF design at the program launch, such as PFM reforms, revenue mobilization measures, budgetary control and transparency, debt management, governance and anti-corruption frameworks, financial stability and inclusion, business environment and incentives, and fiscal consolidation.

17. The CES included some novel procedural considerations that were weaved into the program's communication and coordination strategy. Greater decentralization was recognized as a desired area for advancement; however, devolution was not included in the discussions and did not form part of program measures. Steps were made in turn to deepen strategic partnerships and mobilize reform support by development partners (both technical and financial) and civil society, mainly through closer engagement, including mission and local office meetings. Recognition of the low political absorptive capacity and institutional capacity purposefully led to the calibration of the pace of reforms and tailoring to capacity as witnessed by several reprogrammed SBs and by close integration of program advice and capacity development in the fiscal area.

18. On the macroeconomic front, the program delivered tangible success. Macroeconomic stability was preserved, revenues increased, fuel subsidies and debt declined providing space for higher social spending and investment in the years ahead. Some progress was achieved also on anti-corruption with targets adjusted flexibly to account for political difficulties and economic shocks. However, while improvements in budgetary integrity, efficiency, and control were palpable, staying current on government obligations remained a challenge. Building on achieved progress, continued reforms improving public investment efficiency and project absorptive capacity and strengthening domestic financing of the budget, including through non-oil revenue mobilization, remain paramount for building strong fundamentals in the future.

Figure 1. Cameroon: Program Projections, 2021-25

Source: Cameroon authorities; and IMF staff estimates.

B. The RSF Arrangement, 2024-25

19. The ECF-EFF extension and the preparatory climate diagnostic work allowed accessing the RSF arrangement that would help tackle deep climate vulnerabilities.² The program was approved on January 29, 2024 for a period of 18 months with the following priority reform areas: (i) strengthening the climate governance framework and coordination, (ii) mainstreaming the climate agenda into the PFM processes, (iii) enhancing adaptation efforts, and (iv) supporting mitigation efforts. Reforms were accompanied by TA from the Fund and other partners and supplemented with governance reforms under the ECF-EFF. The reform agenda was backloaded by design, with four out of eight reform measures due at the third and final review.

20. The RSF arrangement accelerated the necessary reforms, strengthening the governance and the institutional and legal frameworks for improving macroeconomic resilience to climate-related shocks. The government implemented all the reforms envisaged under the program except for one. The arrangement was instrumental in improving Cameroon's medium-term climate policy stance, leveraging technical assistance to support implementation, replacing more expensive financing, and providing a venue for development partners to coordinate their capacity development efforts. The forthcoming actions should focus on the implementation of the newly revamped framework alongside efforts to secure concessional financing for investment in climate-resilient infrastructure and to support mitigation measures.

I. Strengthening the Climate Governance Framework and Coordination

***Balance of payments link.** Strengthening the framework for climate governance and coordination supports fiscal and external sustainability. If implemented correctly, clear climate targets and responsibilities for climate action coupled with better coordination across various actors can improve information-sharing, risk-management and checks and balances thus reducing the fiscal costs of climate change action and facilitating a faster recovery with implication for the external position.*

21. At the program launch, the climate-related institutional framework was incomplete, and the roles of stakeholders were unclear. Cameroon did not have a National Climate Plan (NCP) that outlined an implementation strategy for reaching adaptation and mitigation targets. The leading roles of the Ministry of Environment, Nature Protection and Sustainable Development (MINEPDED) and the National Observatory on Climate Change (ONACC) had not been formally recognized and coordination between ministries and other governmental agencies was insufficient.

22. Reforms implemented under the RSF arrangement were instrumental in strengthening the governance framework. Agency coordination improved with the implementation of the decree (Arrêté No 00002/CAB/MINEPDED dated May 21, 2024) defining the role of the Ministry of Environment, Nature Protection, and Sustainable Development (MINEPDED) as the central coordinating body for the climate agenda (RM1) and including climate change considerations in the country's public investment management. The new [NCP](#) (RM2) states key climate actions, targets,

² During the implementation of the RSF arrangement, Cameroon continued experiencing floods and struggling with their economic consequences and security implications.

policies, and measures, defines roles and responsibilities of sector ministries and public agencies and guides climate finance plans including through PPPs, in line with the World Bank's 2022 Country Climate and Development Report (CCDR).

23. Going forward, Cameroon will focus its efforts on leveraging climate finance. The next steps will include the accreditation of national entities to access international climate finance including the *Caisse Autonome d'Amortissement* for Green Climate Fund and the Special Council Support Fund for Mutual Assistance. Climate finance flows will have to be channeled and coordinated through newly formed national structures, including the coordination committee. The development of a green bond framework is ongoing, with the support of development partners. The climate agenda co-led by MINEPDED, MINFI and MINEPAT, ensures that such efforts are coordinated effectively across the government MDAs.

II. Mainstreaming the Climate Agenda into Public Financial Management Processes

Balance of payments link. Mainstreaming climate into PFM processes successfully can improve fiscal and external sustainability. Prioritizing climate projects transparently and effectively can lower future financing costs for reconstruction by strengthening climate-resilient infrastructure thus lowering prospective balance of payments needs.

24. Climate change considerations were not well integrated into Cameroon's PFM framework at program onset. Despite progress made in green PFM and documented in the 2023 Climate-PEFA, the framework for project preparation and the functioning of the Monitoring Committees for the Physical and Financial Execution of Public Investment did not incorporate climate considerations into the legal provision. Ministries, departments, and agencies (MDAs) did not systematically conduct a project feasibility analysis. In addition, the project appraisal process, despite the inclusion of the environmental 'visa', lacked a climate-related analysis. Moreover, project selection criteria did not follow a multi-criteria assessment methodology, nor did they include climate project criteria.

25. Progress made under the RSF arrangement effectively mainstreamed climate into the PIM system. With the World Bank's support, the authorities developed a road map for both the integration of climate considerations into the PIM system and the adoption of climate budget tagging. Rules governing the project maturation process were updated, criteria for prioritization and selection of projects integrating climate change-related criteria were published and a manual for selection procedures was developed (RM3). Other RMs contributed to the development of a project maturation guide (RM4) and rules governing the project maturation process and established a Monitoring Committees for the Physical-Financial Execution of Public Investment (RM5). Going forward, the authorities have requested IMF's technical assistance on the climate public investment management assessment (C-PIMA) to evaluate climate-aware planning, coordination between entities and risk management related to climate-relevant public investment.

III. Enhancing Adaptation Efforts

Balance of payments link. By improving disaster preparedness and enabling better disaster prevention recovery, financial and external resilience to natural disasters can strengthen, thus limiting

financial losses and balance of payments risk, attracting low-cost capital for green investments. Adaptation may contain disaster-related damage, facilitate rapid growth and export recovery, lowering prospective financing needs.

26. The Disaster Risk Management (DRM) framework was incomplete. While DRM was included in Cameroon's national legislation ahead of the RSF arrangement, the mandates were unclear and capacities for national agencies to monitor risk and incorporate disaster forecasts were insufficient. The government revised the Civil Protection law setting the rules for all phases of disaster risk prevention management, in line with good international practices. In addition, the revision of the 2003 presidential order to operationalize the National Risk Observatory clarified responsibilities for risk assessment in all phases of DRM, including risk reduction, preparedness, response, and recovery.

27. Cameroon faced a significant funding gap for climate change risk management, heightening the need for effective disaster risk financing mechanisms. The disaster funding gap analysis conducted by IMF technical assistance identified gaps in Cameroon's disaster risk financing. Existing disaster response tools consisted of budget mechanisms, and to a lesser extent humanitarian assistance, the former featuring contingency allocation in the budgets for some sectors, intra- and inter-ministry within-year transfers, unallocated reserves for unexpected events, and ad hoc supplementary budgets. The involvement of the private sector has been largely limited.

28. The [Disaster Risk Financing Strategy \(DRSF\)](#) addressed shortcomings in climate finance. The strategy includes an improved use of fiscal instruments, such as disaster-risk informed contingency budget allocations, enhanced climate expenditure tracking, and efficient use of emergency procurement procedures. By providing tailored financial instruments and improving access to credit (e.g., bundling insurance, providing micro-credits, and offering guarantees), it also integrates the private sector into disaster financing ensuring that businesses and households are better prepared to withstand and recover from disasters. The DRFS emphasizes the importance of engaging with key stakeholders, including the private sector, to ensure effective implementation of the strategy. These elements work together to address the financing gaps, which can ultimately contribute to a more climate-resilient economic environment. The MINFI plans issuing a circular to improve inter-ministerial data sharing and affirms that disaster response will remain centrally financed in the near term, while efforts will be made to strengthen capacities for sub-national DRF implementation in the context of Cameroon's decentralization and engagement of the private sector including non-life insurance and banking sectors.

29. As a next step, the government will implement the DRFS by strengthening coordination and stakeholder engagement. Efforts will be made to (i) strengthen capacities for subnational DRF implementation in the context of decentralization and (ii) engage the private sector including non-life insurance and banking sectors.

IV. Supporting Mitigation Efforts

Balance of payments link. *If followed through, mitigation may enhance external sustainability by reducing forest degradation, supporting climate-resilient agriculture, and lowering dependence on food*

imports. It may also enhance revenues from environmental taxes thus lowering future external borrowing needs.

30. Cameroon's tax policy and forest visibility have exposed it to deforestation. Cameroon is home to large areas of Congo Basin rainforest, the second largest in the world. The country has been experiencing one of the fastest deforestation rates in the world. Some direct causes include illegal logging—estimated at over 50 percent of total logging, expansion of commercial agriculture, clearing for small-scale agriculture, extractive activities, construction of roads, and other infrastructure. Forest loss has also been driven by climate change, through increased exposure to droughts, fires, storms, and pest outbreaks. Fiscal policy has not encouraged sustainable forestry for which a prerequisite is efficient traceability and verification requiring effective information exchange between customs, tax administration, and the Ministry of Forestry and Wildlife (MINFOF).

31. The RSF arrangement aimed to enhance the traceability and legality of timber exploitation and to integrate it with the budget (RM8). With support from development partners, the authorities have initiated a second-generation Computerized Forest Information Management System (SIGIF 2) to digitalize forest management, enhance traceability, and improve legality in the forest sub-sector. Some steps remain to be accomplished, including overcoming administrative constraints to interconnect the platform with tax and customs systems and establishing evaluation procedures.

32. Once operationalized, this reform measure will lay the groundwork for future fiscal incentives for sustainable forestry practices. Cameroon's new forestry (Law No. 2004/008 of 24 July 2024 to Lay Down Forestry and Wildlife Regulations forestry) includes provisions for export control and taxation of unprocessed non-timber forest products. Moving ahead, accompanying regulations will be developed and SIGIF2 operationalized. Strengthening the sustainable forestry incentive, possibly through a revenue-neutral feebate approach, hinges on the credibility of certification and the efficiency of traceability and verification systems.

Appendix I. Letter of Intent

Madam Kristalina Georgieva
 Managing Director
 International Monetary Fund
 Washington, D.C. USA
 July 16, 2025

Subject: Letter of Intent on the Extended Credit Facility, the Extended Fund Facility, and the Resilience and Sustainability Facility

Dear Madam Managing Director:

1. The Government of Cameroon continues to implement its 2021–2025 Economic and Financial Program supported by the International Monetary Fund’s Extended Credit Facility (ECF), Extended Fund Facility (EFF), and Resilience and Sustainability Facility (RSF). This economic recovery program, which is aligned with our National Development Strategy for 2020–2030 (SND-30) and the regional economic and financial reform program (PREF-CEMAC), aims to reduce poverty, finance balance of payments needs, and replenish foreign exchange reserves.
2. Cameroon’s economy continues to recover, albeit at a slower pace than hoped given persistent external headwinds, and the domestic security situation. Growth could accelerate and strengthen in the medium term provided that elections run smoothly this year, together with the continued implementation of structural reforms against a backdrop of diminishing external shocks, including from the consequences of protectionism and protracted supply chain disruptions.
3. The results of the program are mixed. Two of the four quantitative performance criteria (QPCs), one out of three continuous performance criteria, and two out of five indicative targets (ITs) at end-December 2024 were missed. The performance criteria that were not met are the floor on the non-oil primary balance, the ceiling on net central government financing, and the ceiling on cash advances without budget appropriations. The two ITs that were not met relate to (i) the ceiling on the net accumulation of domestic payment arrears, and (ii) the ceiling on the direct interventions of the *Société Nationale des Hydrocarbures* (National hydrocarbon company – SNH). Program performance at end-March 2025 improved with all indicative targets met except for the floor on non-oil revenue due to the slow implementation of some revenue mobilization measures. Given the ongoing difficulties encountered with respect to these objectives, the government issued a revised Budget Law for 2025 in July 2025.
4. We continue to make progress on an extensive reform agenda. Two of four structural benchmarks (SBs) planned for the eighth review were implemented with delay. Three reform measures (RM) planned for the third review under the RSF arrangement have been implemented.

5. The attached Memorandum of Economic and Financial Policies (MEFP) supplements those submitted for previous reviews. It describes the current economic and financial situation and outlines the government's economic and financial policies for the 2025 fiscal year.
6. Based on Cameroon's program achievements and commitments under the MEFP, we request waivers on the non-observance of the end-December 2024 QPCs on the non-oil primary balance and on the net domestic financing of the central government and a waiver on the non-observance of the continuous QPC on Treasury advances. We request completion of the eighth reviews of the ECF-EFF arrangements and the disbursement and purchase of SDR 18.4 million and SDR 36.8 million, respectively. The government also requests completion of the third review under the RSF arrangement and the disbursement of SDR 51.75 million.
7. The government is confident that the policies and measures set out in the attached Memorandum will help to achieve the objectives of our economic program. We are committed to taking any further measures that may prove necessary to this end. It will consult the IMF on the adoption of these supplementary measures prior to the revision of measures set out in the MEFP, in accordance with the IMF policy on such consultations. To facilitate program monitoring, the government will report the information required to IMF staff by the prescribed deadlines in accordance with the attached Technical Memorandum of Understanding (TMU).
8. Finally, the government agrees to the publication of this letter, the MEFP, the TMU, and the IMF staff report for this review.

Very truly yours,

/s/

Joseph Dion Ngute
Prime Minister, Head of Government

Attachments:

1. Supplementary Memorandum of Economic and Financial Policies
2. Technical Memorandum of Understanding

Attachment I. Supplementary Memorandum of Economic and Financial Policies in 2024–25, July 2025

INTRODUCTION

1. This memorandum sets out our economic program for the remainder of the Extended Credit Facility, the Extended Fund Facility, and the Resilience and Sustainability Facility. The National Development Strategy for 2020–30 (SND-30) continues to guide our strategic priorities. Our objective is to regain strong, sustained, and inclusive economic growth and to accelerate Cameroon's progress toward economic and social emergence. To achieve this, we need to strengthen macroeconomic stability and ensure a structural transformation of the economy. At the same time, we are committed to fiscal sustainability and to strengthening the country's resilience against external shocks and climate change.

RECENT ECONOMIC DEVELOPMENTS

2. Cameroon's economic recovery continues with real GDP growth estimated at 3.5 percent in 2024, slightly up from 3.2 percent in 2023. Growth is mainly driven by the tertiary sector, notably financial services, and information and telecommunication services. On the demand side, private consumption continues to play a central role in economic momentum, supported by improved purchasing power as inflation falls.

3. Inflation has fallen but remains high. In 2024, with an inflation rate of 4.5 percent (monthly average), the domestic economy continues to face persistent inflationary pressures, although their intensity has diminished. This was mainly driven by a 5.6 percent increase in food prices and a 12.3 percent increase in transportation costs, which were heavily impacted by rising fuel prices. Importantly, despite a setback from 2023 when inflation reached 7.4 percent, the rate remains above the Economic and Monetary Community of Central Africa (CEMAC) threshold of 3 percent.

4. The external position continues to improve due to non-oil exports and official capital inflows. After improving in 2024 to around 3.3 percent of GDP, the current account deficit is expected to continue narrowing, reaching 2.9 percent of GDP in 2025. High international cocoa prices have helped to spur non-oil exports, which more than offset the decline of oil exports. A stronger financial account reflected the increase in the official inflows related to multilateral loan disbursements and to additional borrowing in foreign currency.

5. Budget execution in 2024 shows a higher deficit than projected in the program objectives. The non-oil primary deficit stands at 2.4 percent of GDP, the same level as in 2023, below the program target of 2 percent of GDP. This is largely explained by the amount of current primary spending that exceeded the budget projections by 1.2 percentage points, while that of capital spending was lower than the amount projected in the 2024 LFR by about 0.8 percentage points of GDP.

6. The ratio of public debt to GDP has remained broadly stable. Although nominal GDP growth contributed to a reduction in the public debt ratio, the larger fiscal deficit prevented a sharper decline of the ratio.

7. The banking sector remains broadly stable, but vulnerabilities persist. The ongoing recapitalization of banks is expected to improve the sector's capital positions. However, vulnerabilities stem from the high level of non-performing loans and the sizeable exposure of domestic banks to sovereign risk in the CEMAC countries.

IMPLEMENTATION OF THE ECONOMIC AND FINANCIAL PROGRAM

8. Progress has been made in implementing the structural benchmarks (SBs): Two out of four SBs due for the current review were implemented with delays. A report on the scope for achieving government procurement plans will serve as a basis for fiscal commitment plans and cash flow projections (**SB2, May 2025, paragraph 23**). Two banks were recapitalized to comply with the capital adequacy ratio of 8 percent, in line with Central African Banking Commission (COBAC) regulations and Basel capital requirements (**SB4, April 2025, paragraph 36**). The law on investment incentives will be revised and published in July 2025 (**SB1, April 2025, paragraph 14 and prior action**). An interim report for the restructuring of SONARA did not have all expected elements due to time constraints and technical complexities.

9. Under the RSF arrangement, three reform measures (RM) were implemented. A National Climate Plan (**RM2, April 2025**) has been adopted and published in May 2025, in accordance with the 2021 Nationally Determined Contribution (NDC) to address climate change adaptation and mitigation challenges. The decree 2018/4992 of June 21, 2018, which sets out the rules governing the project preparation process (*maturation des projets*) and Decree 2013/7987 on the creation, organization, and functioning of the Monitoring Committees for the Physical-Financial Execution of Public Investment were reviewed to integrate climate considerations into each phase of the investment project cycle (**RM5, April 2025**). Finally, the Disaster Risk Financing Strategy (**RM7, April 2025**) was published in May. The RM for the forestry sector is delayed due to administrative constraints that we are working to resolve as soon as possible (**RM8, April 2025**).

ECONOMIC AND FINANCIAL PROGRAM IN THE MEDIUM TERM

10. Cameroon's economic policy remains focused on the SND-30 while ensuring the sustainability of public finances. Medium-term fiscal policy will continue to build on the gains of the program while ensuring compliance with the CEMAC convergence criteria. Our goal is (i) to provide adequate fiscal space for priority expenditure, including infrastructure and social spending, (ii) to achieve the objectives of SND-30, and (iii) to promote inclusive growth driven by the private sector. The policies presented below complement those policies set forth in the previous memoranda, including those in the June 2024 and February 2025 memoranda.

A. Macroeconomic Framework and Outlook

11. The medium-term outlook is broadly positive, but downside risks have risen. Real GDP growth is forecast to remain broadly unchanged at 3.8 percent in 2025. The slight downgrade reflects weaker global demand and tighter financing conditions. Over the medium term, the implementation of the industrialization plan envisaged under SND-30 should foster structural transformation, with real GDP growth above 4.5 percent. Inflation is expected to decelerate as food prices stabilize, an appropriate monetary policy stance is maintained, and fiscal policy remains in check. Downside risks have increased, including those related to global economic uncertainty fueled by protectionism. This could affect investment and supply chains, with knock-on effects such as lower commodity prices. Given the volume of bilateral trade with the United States, the direct impact on our trade balance from an escalation of the ongoing trade war is expected to be limited. Nevertheless, tighter global financial conditions may raise the cost of external financing. In addition, the country could face a reduction in official development assistance equivalent to about 0.5-0.7 percent of GDP per year from the United States and other technical and financial partners. The outlook is weighed down by continued regional and domestic challenges, including security challenges and climate change shocks. Preparations for the October 2025 presidential elections are progressing normally.

B. Building Fiscal Resilience

12. We will continue to improve fiscal sustainability, in line with the program objectives. Our fiscal policy aims at a prudent deficit target while creating space for priority spending to boost inclusive and durable growth. To that end, we have taken measures to mobilize revenue and streamline current spending. The objective continues to be a gradual reduction of the non-oil primary deficit from 2.4 percent of GDP in 2024 to 1.4 percent of GDP in 2025. The government is committed to fiscal regulation measures in the event of unforeseen shocks, in particular by reducing non-priority expenditures.

Mobilizing Domestic Non-Oil Revenues

13. We remain committed to strengthening domestic non-oil revenue mobilization. Several actions have been implemented. We have continued to carry out major work to broaden the tax base, including the reincorporation into the taxation system of high-end rice and fish varieties, the elimination of the allowance on beer and soft drinks for determining the taxable base for ad valorem excise taxes, and tax administration reforms, in particular those relating to collection at the customs border, following the one-stop shop principle (or real-time taxation), the VAT of Customs Approved Fees (CAF), registration duties and stamp duties on the transfer of imported second-hand vehicles, as well as the automation of the issuance of withholding tax certificates. We are committed to continuing the reforms relating to the security of VAT revenues based on the three main levers, which are: (i) the implementation of the reform of electronic invoicing with the support of the African Development Bank; (ii) the extension of the collection, within the customs boundaries, of VAT on handling and stevedoring, inspection and control, scanning and maritime representation services; and (iii) the transposition of the one-stop shop principle to services liable for VAT included in the structure of fuel prices as well as in the statement of sums due (ESD) in real estate matters

drawn up by the Notary. We are also committed to eliminating the practice of tax expenditures on imported fuels by using the transaction value as the taxable value, in view of the size of the related tax expenditure, assessed at CFAF 186.5 billion, or 0.5 percent of GDP.

14. We are implementing a corporate taxation reform to ensure a competitive environment and strengthen the business climate. The structural benchmark on the revision of Law No. 2013/004 on investment incentives will be completed in July 2025 (**SB1, April 2025 and prior action**). The law will streamline existing tax incentives significantly. It will clarify a number of points, and the duration of the benefits will be reduced.

15. To achieve the FY2025 non-oil tax revenue target, we will consolidate past reforms and maximize the return on new measures. These include the introduction of a supplementary levy on money transfers, the operationalization of voluntary disclosure of earnings and income, the adoption of a specific tariff for premium class, and strengthening of environmental taxation in the mining sector through the introduction of excise taxes on cyanides intended for gold extraction, explosive substances, and detonators. In terms of administrative measures, we will continue the segmentation of the tax population by dividing the *Centre des Impôts de Moyennes Entreprises* (Tax Center for Medium-Sized Enterprises – CIME) Bonanjo into two separate entities and creating an intermediate structure between the *Direction Générale des Impôts* (General Directorate for Taxes – DGE) and the CIMEs. In addition, we will (i) finalize the system for electronic monitoring of companies' production and invoicing, (ii) implement electronic monitoring of gambling operations, (iii) monitor business restructuring operations, and (iv) continue to strengthen tax arrears collection, especially SOE's outstanding debts.

16. We have made significant progress in improving tax administration, as highlighted by the recent evaluation of the Tax Administration Diagnostic Assessment Tool (TADAT). In particular, the strengths that were highlighted were the generalization of electronic procedures that are mandatory for all taxpayers, the large-scale automated cross-checking to verify data in returns, the secure online tax registration procedure widely used by users, the regular monitoring of the 2023–25 tax risk mitigation plan, a wide range of multi-channel information and a program to strengthen taxpayer compliance, several regimes for withholding at source and estimated payments, and multiple initiatives to encourage accurate filing of tax declarations by taxpayers. With the support of technical and financial partners, we will continue to implement measures to improve tax governance in the administration based on the recommendations of the TADAT mission conducted in April 2025, particularly with regard to updating the three-year plan to mitigate compliance to include the management of inactive taxpayers with FAD support; modernization of the management of registration fees; and assessment of the tax gap using tools developed by the Fiscal Affairs Department (FAD) of the IMF.

17. We will continue our efforts to achieve our objectives to strengthen customs revenue collection and support the national economy. Our strategy is fully in line with the implementation of the import-substitution policy, which aims at offsetting certain imports with domestic production to reduce the imbalance in the trade balance. We are also implementing green taxation to support environmental protection through measures to limit deforestation. In this context, we have instituted a 20 percent rebate on the free on board (FOB) value of shipments of cocoa, rubber, and logs for

export, accompanied by a certificate issued by the competent ministry attesting to their exploitation in compliance with deforestation standards. In addition, a 50 percent rebate was introduced, for a period of 24 months, on the taxable value of imported new vehicles and motorcycles with electric motors, as well as their batteries and charging stations. Moreover, we have strengthened our internal mechanisms to combat customs and commercial fraud, as well as anti-money laundering and the financing of terrorism at the borders.

18. The government is convinced that the simplification and digitization of customs procedures is crucial to increasing the mobilization of customs revenues. To this end, we will continue our efforts to digitize procedures through geographic expansion of electronic payment of duties and taxes, implementation and coverage of the national territory by the Cameroon Customs Information System (CAMCIS), which allows for paperless processing of all operations, and the extension of electronic payment platforms to all participants in the national supply chain; the automation of public auction operations and tax bases, the finalization of Authorized Economic Operator status for operators with a high revenue potential and those with a low risk of fraud, and the implementation of the 100 percent scanning procedure for imports and exports, promoting the reduction of intrusive inspections and the refinement of risk analysis. We are committed to continuing reforms aimed at improving the business climate and facilitating trades, particularly through the automation of the system for monitoring conditional relief and economic arrangements (*régimes suspensifs et économiques*) and facilities, strengthening the financial transparency of foreign trade operations, confirming the exchange of data and information among administrations in the subregion, strengthen monitoring of the transit of goods for landlocked countries, and improving the mechanisms put in place to process goods prior to arrival. We also will continue to work closely with the tax administration through data exchanges to prevent and combat fraud, and to mutually reinforce both customs and tax administrations outstanding debts recovery actions. Finally, we will continue to implement the recommendations of the last governance diagnostic mission, in particular by updating and generalizing performance contracts in all customs offices.

Reforming Fuel Subsidies While Protecting the Most Vulnerable

19. Removing fuel subsidies while protecting the most vulnerable remains central to our reform agenda. Domestic fuel prices at the pump were increased twice during the program, in February 2023 and in February 2024. This has improved fiscal sustainability and created room for priority spending. We remain committed to eliminating fuel subsidies and introducing an automatic fuel price adjustment mechanism in the medium term. We intend to work on the timeline for the introduction of such a mechanism after the Presidential elections. This reform will be accompanied by measures to mitigate its economic and social impact.

Improving Public Financial Management

20. The government is determined to continue the reform of public finances. To this end, the government completed a public expenditure and financial accountability evaluation in partnership with the European Union in 2023, and a [public finance review](#) in partnership with the World Bank in 2024. These assessments have provided input for the Strategic Plan for Public Financial Management Reforms (2024–26), validated in October 2024. The latter is comprised of nine

topics corresponding to the main areas of the public financial management system. Emerging priorities include gender equality and climate change. The measures outlined in the plan will be supported by programs in the public financial management (PFM) area with international partners.

21. Despite progress, weaknesses in PFM and budget execution persist. In 2024, underperformance was noted in revenue execution, while expenditures significantly exceeded budgeted amounts. Domestic revenue was approximately CFAF 107 billion below the objectives set in the budget law. On the expenditure side, factors such as direct interventions by the SNH, cash advances, sovereignty expenditures, and other unforeseen costs led to a CFAF 388 billion overrun in budgeted current expenditures, equivalent to 1.2 percentage points of GDP, which was partially mitigated by lower-than-budgeted capital expenditures of CFAF 232 billion. These difficulties prevented us from clearing CFAF 537 billion of domestic arrears by end-2024, as projected in the context of the externally financed debt management operations. However, new arrears of CFAF 64 billion were accumulated.

22. The slippage in budget execution requires corrective action to address systemic vulnerabilities at their source. We are proposing two corrective measures to address nonobservance on the QPC on the non-oil primary balance and the QPC on net domestic financing to the central government and the accumulation of arrears: (a) the adoption of a supplementary budget law for 2025, which takes into account the 2024 discrepancies and aims to ensure a net reduction in payment arrears of CFAF 233 billion in 2025 as part of a three-year clearance plan (**prior action**); and (b) the issuance by the President of a circular specifying that (i) the 2026 Budget Law include a multiyear projection of all strategic and other expenditures, previously financed by the direct interventions of the SNH; and (ii) the SNH transfer to the public treasury all revenue derived from the sale of hydrocarbons, after deducting production costs, but without deducting transfers and payments owed by the government to the SNH (**prior action**). In addition, the government commits to other arrears control on fiscal risk management measures. To improve cash management, expenditures will be reduced in line with lower revenues and available financing when needed, including through connecting information systems by mid-2026. To ensure better coordination among budgetary units and the validation of new liabilities, the government will ensure that any assignment of receivables (*cession de créances*) is (i) subject to the prior opinion of the National Public Debt Committee (*Comité National de la Dette Publique* – CNDP), which considers the advisability, analyzes the conditions, and decides based on the ceiling available for domestic borrowing in the budget law approved by Parliament, and (ii) enter this information in the debt register. The government is also committed to close correspondent accounts (447), starting from those of the central administration following a census to be completed by end-2025.

23. Good governance and transparency in public financial management will contribute to achieving the objectives of the SND30. The Strategic Plan of Public Financial Management Reforms for the period 2024–27 aims to achieve "efficient, responsible, and accountable financial governance throughout the country, based on an effective integrated information system". To this end, and to avoid domestic arrears, it is essential to strengthen budget planning and cash management. A report on the consistency between procurement and commitment plans and cash flow projections (**SB2, May 2025**) was prepared, which made it possible to identify inconsistencies

between these different tools. There is still room for improvement, particularly through better coordination between the budget planning departments and the Treasury. This requires the interconnection of information systems. Furthermore, capacity-building for forecasting spending needs, through more effective procurement plans, will continue.

24. The government will continue to modernize public administration management. Our new digital platform for managing public service personnel and payroll, AIGLES (*Application Informatique de Gestion Logique des Effectifs et de la Solde*) has been fully deployed. It replaces the older ANTILOPE and SIGIPES systems to streamline administrative processes and enhance transparency. The system centralizes career management, salary, and pension data, thus enabling real-time processing of administrative procedures. It introduces biometric attendance tracking, digital archiving, and automated steps with immediate financial effects. The use of this new digital platform will help to avoid the accumulation of delays in salary payments.

25. We continue reforms to improve the execution of public investment spending. We continue implementing Public Investment Management Assessment (PIMA) recommendations on the preparation, selection, programming, and execution of projects. Public procurement practices are strengthened. We have expanded the use of Cameroon's Online E-Procurement System (COLEPS) from 11 to 24 ministries. In addition, COLEPS will be interconnected with Pridesoft, the monitoring system for publication of tenders and awarded contracts, which will improve transparency and data quality on programming, publication, procurement, and execution of procurement projects. Discussions with development partners are planned to identify the bottlenecks and reduce delivery times that are the source of delays in the execution of public investment projects.

26. Work is ongoing to ensure the sustainability of the civil service pension system. An actuarial study of the pension system in Cameroon was carried out in 2024 by the competent administrations. At the same time, an IMF technical assistance mission, the report of which has just been submitted to the authorities, was conducted on the same subject. Based on this work, the government intends to establish the essential elements of this reform in accordance with the timetable set out in the Strategic Plan for Public Financial Management Reforms.

27. Work to increase transparency is also underway. The budget information system benefited from the development of the *Système Informatisé de Suivi des Entreprises Publiques* (Computerized System for the Monitoring of State-Owned Enterprises – SISEP) technical modules, source codes, and manuals, while the application and database were partially installed on the operating servers. The next steps will be the testing of the state-owned enterprises (SOEs), the training of users and the transfer of the source codes. A ministerial working group has been established to develop a single, comprehensive inventory of SOEs, which will be integrated into the SISEP.

Managing Fiscal Risks

28. The government is determined to complete the technical work for the restructuring and rehabilitation of SONARA. Work is underway for an in-depth technical, economic and

financial feasibility study on option 3 validated by the President of the Republic, related to a refinery with a hydrocracking unit, and accompanied by the plans and design of the new refinery. (**SB3, May 15, 2025**). The delayed interim report will contain four main elements: i) a study of four configurations and scenarios of the selected rehabilitation/restructuring project; ii) calculation of operating expenses (OpEx) and capital expenditures (CapEx) *class 5* according to the methodology of estimating the capital costs of new facilities and a financial study for two cases of maximum capacity configuration; iii) a study of the oil product markets in sub-Saharan Africa; and iv) a diagnostic assessment of the dismantling of the units. We are committed to finalizing and implementing the SONARA restructuring study by end-2025.

29. We remain committed to putting the energy sector on a sound financial footing. The Nachtigal dam power generation and transmission project is now fully operational, and the plant is connected to the southern grid. The 2025 revised budget law includes sufficient resources to cover the near-term increase in energy-related spending linked to this project and our broader commitments in the sector. A short-term priority is to increase transmission capacity to address peak period electricity shortages in the Douala area, which is critical for the development of local manufacturing. In coordination with the World Bank and the African Development Bank, the program for results framework will support continued investment and reducing fiscal risks. The government remains in discussions with ACTIS to acquire its majority shareholding stake in ENEO, Cameroon's national integrated power utility. Any resulting fiscal cost for Cameroon will be transparently reflected in the budget. In the medium term and following the conclusions of the study to optimize the Sanaga basin carried out with the support of the World Bank, the government intends to develop its significant hydroelectric potential. As demonstrated by Nachtigal, the private sector will be heavily involved in the construction of both generation and transmission facilities.

30. Supervision of the operations of SOEs will benefit from the implementation of the public shareholding policy. To strengthen the coordination of technical and financial supervision of public enterprises, we are formulating a public shareholding policy that will include performance objectives for public enterprises. The first stage, the in-depth diagnostic report on the governance of public enterprises, is validated. It includes recommendations on a possible structure responsible for governance in SOEs and outlines options for legal instruments that would accompany the reform proposal. The final report will incorporate the views from the stakeholder consultation and is expected to be finalized by end-June 2025. Separately, the terms of reference for the preparation of a policy on audit of public enterprises have been finalized and steps are underway to initiate the study.

31. The National Investment Corporation of Cameroon (*Société Nationale d'Investissement du Cameroun* – SNI) has been transformed into a publicly owned company. In addition to its traditional function as a holding company, it has now assumed responsibility for monitoring public companies and being an investor for the State. The SNI will also be responsible for the restructuring and recapitalization of SOEs. It will analyze the performance of SOEs, make diagnoses, execute performance contracts, determine taxes and contributions, collect data, and develop an information system for the monitoring and dissemination of financial reports of SOEs. The decree transforming SNI into a publicly owned company provided for an increase in its share

capital of CFAF 200 billion. We will develop and publish our strategy for the restructuring, recapitalization, and monitoring of State enterprises to make them more transparent, efficient, and competitive.

32. Settlement of cross-debts in the public sector is progressing. There is an inventory of the debts between the State and public enterprises as of end-2020 and a plan has been adopted for their clearance. We have completed an inventory of public enterprises' cross debts as of end-2020 that established asymmetries in mutual debts reported by SOEs. We are working on reconciling the financial information reported and preparing an action plan by May 2025 with concerted solutions to settle the cross-debts.

C. Maintaining Debt Sustainability and Reducing Debt Vulnerabilities

33. We are determined to lower debt vulnerabilities. As the risk of debt distress remains high, our debt policy aims to favor concessional loans and to deepen our domestic market for public securities. Recourse to non-concessional borrowing will continue to be limited to financing priority projects with proven socio-economic impact and cost-effectiveness and for which no concessional financing is available.

34. We are exploring ways to reduce the stock of undisbursed committed balances (SENDs), in consultation with creditors. It is essential to contain the SENDs and the associated budgetary and economic costs, in a context where there is an urgent need to conclude new projects to fill the infrastructure gap. The stock of SENDs was CFAF 3,756.3 billion at end-2024. Delays in disbursing project funds lead to their accumulation. We are monitoring 180 active projects closely and engaging with development partners to reduce non-performing SENDs and, if necessary, reallocate unused funds to other projects. We are reviewing all the projects concerned with the aim of closing those that have become obsolete. We will also ensure that counterpart funds are budgeted according to the timetable set out for each project. We recognize that weaknesses in coordination across government agencies have led to underestimations of projected domestic debt service obligations that have contributed to larger-than-expected financing needs and the accumulation of new domestic arrears. We will seek capacity development support from the IMF to better define the scope of fiscal risks from government debt which should strengthen the realism of the budget, help improve cash management and lower the cost of financing over time.

D. Strengthening Financial Sector Resilience and Financial Inclusion

35. We are committed to complying with regulations designed to preserve the stability of the monetary union and of its banking system. Cameroon supports regional efforts to preserve the stability of the monetary cooperation agreement, notably ensuring that BEAC achieves an adequate level of international reserves. We remain committed to enforcing all aspects of foreign exchange regulations under our authority. We are taking steps to strengthen the resilience of the banking sector, including compliance with prudential standards and implementation of COBAC's recommendations.

36. Banking sector consolidation continues. We completed the recapitalization of two banks by transferring an additional CFAF 12.5 billion to the remaining bank in mid-June. This means that the two banks are now compliant with the 8 percent capital adequacy ratio in line with Basel rules (**SB4, April 2025**). With the successful completion of the recapitalization of the two banks, we are taking decisive steps to ensure strong governance by appointing competent management teams and boards of directors by July 2025. These teams will be responsible for managing banks in a prudent, efficient and cost-effective manner, in line with our commitment to stability and long-term growth. The rate of nonperforming loans for the economy remains high (15.3 percent in March 2024). We are implementing several measures to reduce them, to reestablish the confidence of banking and microcredit institutions in the small and medium-sized enterprises (SMEs) sector, and to improve the business environment. These measures include: i) the establishment of a credit registry, a balance sheet registry and a rating system for companies and individuals in collaboration with the BEAC; ii) the digitization of the land registry to enable the creation of a registry of land titles; iii) the continuation of the training of judges in commercial matters; and iv) the implementation in the medium term of the government guarantee fund for SMEs. We are also committed to working with the tax administration, COBAC and APECCAM (the professional association of credit institutions of Cameroon) to adopt guidelines for the cancellation of fully provisioned nonperforming loans for which recovery efforts have proved unsuccessful and which banks have declared uncollectible. Together with BEAC and COBAC, we are committed to continuously addressing all identified vulnerabilities in the banking sector, including through the resolution of insolvent banks.

37. The State's share in the banking sector increased following the bailout of two troubled banks. Currently, the State has significant stakes in eight banks, with majority ownership in four of them. Recognizing the need to reduce the State's interest in the banks, we decided to commence privatization of Commercial Bank Cameroon. An international tender was launched with the aim of selling 51 percent of the bank's shares to a strategic private investor. We are currently reviewing the proposals received. Additionally, we plan to list an additional 30 percent of the bank's shares on the regional stock market soon. The Government has also exercised its right of preemption in the purchase of shares in Société Générale Cameroun after the majority shareholder decided to exit the bank. An advisor (*conseiller en transactions*) was appointed and is currently undertaking a valuation of the bank to serve as a basis for the Government's negotiations to potentially acquire a majority shareholding. The risks associated with the increased government stake in the banking sector and the financial implications of the acquisition of Société Générale Cameroon will be carefully considered in the final decision on this acquisition. To ensure prudent, effective, and harmonized management of the State's interests in banks, we are committed to adopting a comprehensive governance framework by July 2025. The framework will cover key areas such as governance and independence, accountability and transparency, sound risk management practices, as well as overall strategic objectives for banks. It will also establish transparent and competitive processes for the recruitment of chief executive officers and directors, design incentive structures and tenure policies, and include mechanisms for managing conflicts of interest related to State participation. In addition, the framework will aim to promote fair competition and operational efficiency by introducing performance evaluation indicators, a dividend policy, and limits on government financing. It will also

describe the process for divesting the government's stakes in banks once market conditions are favorable and an exit decision has been taken.

38. We are implementing the financial sector development strategy. We remain convinced that improving access to credit for SMEs is essential for their growth and for the inclusive growth of our economy. We focus on developing a road map for the following components of the strategy: (i) meeting the financing needs of SMEs; (ii) putting in place the government guarantee fund; and (iii) meeting the financing needs of the real estate sector. In the meantime, we are working on the operation of the government guarantee agreement for SME portfolios worth CFAF 200 billion, renewable each year.

39. Banks' exposure to sovereign risk remains high. Cameroonian banks still hold a significant proportion of the subregion's sovereign bonds in their portfolios (28 percent of banking sector assets at end-March 2025), and the liquidity of these securities is problematic for some of them. To reduce the associated risk and strengthen the stability of the banking sector, we are working to develop the secondary market for government securities. To this end, we will engage in close coordination with BEAC, COBAC, APECCAM, and other institutional stakeholders to develop a comprehensive strategy document, with a clear implementation road map, by mid-July 2025. This initiative will consolidate proposals under discussion and aim to strengthen the domestic financial market architecture. In particular, it will seek to deepen the secondary market for government securities and improve the functioning of the interbank market. These measures are intended to strengthen the liquidity profile of government securities on the local market and address systemic risks associated with their current concentration in the banking sector. We will also invest in the financial education of the population to encourage the use of Treasury securities as a savings instrument and make efforts to attract foreign investors.

40. We are working toward strengthening governance and transparency at the Debt Collection Corporation (*Société de Recouvrement des Créances* – SRC) and expanding its activities. For outstanding receivables transferred by each financial institution, the SRC is striving to define an automatic sunset clause for asset recovery activities. It is also working to develop its activities, including the recovery of illicit funds or funds seized abroad. We will ensure that the SRC has sufficient resources to carry out its activities.

41. We have established the terms of reference of the Deposit and Consignment Fund (*Caisse des Dépôts et Consignations* – CDEC) and are working on its operationalization. The government of Cameroon is continuing its dialogue with representatives of the financial sector, the BEAC, and the COBAC regarding the transfer of funds and assets destined for the CDEC. In the interest of ensuring financial stability and safeguarding depositors' interests, the government, in partnership with COBAC, should submit a detailed report on the amounts related to dormant assets and dormant accounts, which will be communicated to IMF staff by the end-July 2025, accompanied by specific, relevant and tangible measures. The government and the CDEC will continue their discussions with COBAC and BEAC to determine the appropriate regulatory and supervisory framework to govern the activities of deposit and consignment funds in the CEMAC region. A report outlining the final consensus will be shared with IMF staff.

42. The national financial inclusion strategy is currently being implemented. A financial inclusion strategy was finalized in February 2023 with an action plan for 2023–27. We are now working with development partners to implement the plan and thereby increase the country's banking penetration rate, including by strengthening financial education. The main priorities of this strategy are: (i) improving the quality, availability, and accessibility of financial products and services; (ii) facilitating access to finance for agricultural and agri-food value chains and micro-, small and medium-sized enterprises; (iii) promoting innovation and digital finance; (iv) the promotion and development of Islamic finance; (v) promoting financial education and consumer protection; and (vi) improving the regulatory and fiscal framework. We will revise the action plan and mobilize the necessary resources to accelerate the implementation of the strategy.

E. Strengthening Governance, Financial Integrity, and Anti-Corruption

43. We are working to lift the suspension under the Extractive Industries Transparency Initiative (EITI). The systematic publication of production-sharing agreements in the hydrocarbon sector will follow the conversion of old contracts that are being simplified while debts to the State are also liquidated, which should take place before the start of the next EITI validation in April 2027. In general, all stakeholders are mobilized as part of the ongoing work to implement all 20 corrective measures resulting from the 2023 validation. In the same vein, a study on EITI data integration is underway, with the view to strengthening systematic disclosure, in line with the requirements of the EITI Standard. The study should identify ways and means to improve the timeliness of EITI information, in particular to provide better input for the public debate on governance in the extractive sector. Furthermore, the regularization of the contractual framework for the personnel of the Permanent Secretariat is on track. Employment contracts approved by the administration in charge of labor were signed by the Chair of the EITI Committee and given to the interested parties. This should lead to the establishment of the new wage scale, in accordance with the regulations in force, and to any salary arrears. The Committee's budget provisions for the payment of these arrears. They will be cleared up as soon as possible and in any case before the end of the current year. In the same vein, the process to select the consultant who will be responsible for recruiting the members of the multidisciplinary team of experts of the Technical Operational Unit (UTO) of the Permanent Secretariat of the EITI Committee will be launched before the end of June 2025. Regarding civil society engagement, the international secretariat of the EITI is working directly with this important stakeholder to strengthen the governance, ethics and conflict of interest competencies and reinforce government's leadership in the implementation of the EITI commitments.

44. We continue working with the Financial Action Task Force (FATF) and the Action Group against Money Laundering in Central Africa (*Groupe d'Action contre le Blanchiment d'Argent* – GABAC) to implement the action plan with a view to addressing strategic Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) deficiencies and exiting the “grey list”. We are stepping up efforts to harmonize statistics following successful training of investigative and prosecution authorities that led to an increased number of pronouncements on AML/CFT cases. At the level of the CEMAC, the new regulation adopted in 2024 defined the supervision of non-financial entities and will have to be translated into local legislation and

extended to non-profit agencies. The legislation on the management of proceeds of crime is also pending amendment. The regulation on targeted financial sanctions, signed on December 20, 2024, will soon enter into force, which will allow the authorities to freeze and unfreeze assets or proceeds derived from crime, to establish a national list, and to disseminate it. The beneficial ownership law adopted in 2024 has already been translated into the General Tax Code and is fully operational. Work on this is progressing with several entities included in the registry over the past year. Awareness campaigns are underway to expand the registry to cover an additional 18,000 SMEs.

45. We commit to undertaking further work on our AML/CFT regime in line with the elements of the action plan. The objective will be to: (i) align national AML/CFT policies and strategies with the findings of the national risk assessment; (ii) improve the accessibility and availability of relevant beneficial ownership information; (iii) improve AML/CFT supervision of financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs); and (iv) step up efforts to combat money laundering and terrorist financing. We receive technical support from the IMF to improve AML/CFT regulation and supervision of DNFBPs.

F. Addressing Climate Vulnerabilities

46. Reforms to strengthen Cameroon's resilience to climate change will be continued and deepened. The 2024 floods in the North and Far North regions call for more robust actions, as climate shocks are likely to undermine development and exacerbate fragilities. We intend to strengthen institutional capacity to implement policies to combat climate change and to integrate our commitments on climate in an adequate legal framework. These efforts will help support adaptation and mitigation policies in line with the 2021 Nationally Determined Contributions (NDC) and the National Climate Change Adaptation Plan. Emphasis will be placed on the development of Communal or Regional Adaptation Plans by providing these actors with a practical guide for that purpose. We are also working on updating our 2026 NDC as per the Paris Agreement.

47. We have successfully implemented three of the four remaining reform measures.

- We have developed and adopted, and the Prime Minister has validated and published the National Climate Plan (NCP) in May 2025 (**RM2, April 2025**).
- We have developed and adopted a disaster risk financing strategy (**RM7, April 2025**). This strategy benefits from many case examples, such as Kenya, Morocco, and Nigeria, and assigns clear roles and responsibilities in response to a disaster and provides a clear action plan to build resilience against disaster. The draft was discussed by stakeholders at a workshop in mid-April, and the final version signed by the environment minister in May 2025.
- The revised 2018 decree on the project preparation process was finalized in July 2025 ([Decree](#)). It integrates climate considerations into each phase of the investment project cycle (**RM5, April 2025**). Next, we will prepare guidelines to specify the application of this new decree, in particular to define the thresholds and requirements for the maturation of the different categories of projects (small/medium/large and mega), the functioning of the project maturation committee in public institutions, the requirements for the maturation of projects in

decentralized local authorities, and the procedures and actors for carrying out the climate impact assessment.

- The RM for the forestry sector will be delayed due to administrative constraints that we are working to resolve as soon as possible (**RM8, April 2025**). We have successfully completed much of the work on our multifaceted reform concerning the forestry sector, which aimed at strengthening timber traceability and fiscal monitoring. Efforts are ongoing to interconnect the second-generation Forest Information Management (FIMS2) computer system with tax and customs infrastructure. All 18 FIMS2 modules are currently active. A draft decision to create a National Committee for Monitoring Traceability and Legality is being prepared. Subsequently, the procedures for the annual evaluation of the traceability system will be validated by that committee in August 2025. It is expected that the first annual evaluation will take place by August 2026. Finally, the SIGIF2 platform was successfully connected with Cameroon's tax and customs systems in June 2025.

PROGRAM MODALITIES

48. We commit to taking all necessary measures to meet the targets and criteria presented in Tables 1, 2 and 3 of this memorandum. The program is monitored at semiannual reviews using the performance criteria, indicative targets, SBs and reform measures defined in Tables 1, 2 and 3 of this memorandum and in the attached Technical Memorandum of Understanding (TMU) (which also defines the requirements for data reporting to IMF staff).

Table 1. Cameroon: Quantitative Performance Criteria (QPC) and Indicative Targets (IT) Under the ECF and EFF Arrangements

(Billions of CFAF, unless otherwise indicated)

	End-Jun 24				End-Sep 24					End-Dec 24				End-Mar 25			
	QPC	QPC (adj.)	Est	Performance	IT	QPC	IT (adj.)	Est.	Performance	QPC	QPC (adj.)	Est.	Performance	IT (new)	IT (adj.)	Est.	Performance
A. Quantitative Performance Criteria 1/																	
Floor on the non-oil primary fiscal balance (payment order basis) 2/	-214	-225	-72	Met	-382	-610.5	-393	-70	Met	-610.7	-634	-779	Not met	177	161	404	Met
Ceiling on the net domestic financing of the central government (excluding IMF financing) 3/	9	9	-287	Met	-3	-176	-3	-179	Met	-333	-209	-105	Not met	-248	-112	-117	Met
Ceiling on net borrowing of the central government from the central bank (excluding IMF financing) 3/	-4	-4	-132	Met	-34	0	-34	-129	Met	-64	60	-47	Met	-64	71	-174	Met
Ceiling on the disbursement of non-concessional external debt	370		193	Met	554	739		208	Met	739		363	Met	200		31	Met
B. Continuous Quantitative Performance Criteria																	
Ceiling on the accumulation of new external payments arrears 4/	0			Met	0				Met	0			Met	0			Met
PV of contracting and guaranteeing of new external borrowing 5/	512.9		274.6	Met	512.9	512.9		475.9	Met	512.9	579.7	571.4	Met	512.9		145.1	Met
Ceiling on Treasury advances without a budget allocation 6/					15	...		5	Met	15		18	Not met	15		2	Met
C. Indicative Targets																	
Floor on non-oil revenue	1,915		1,998	Met	2,900	4,200		2,987	Met	4,246		4,252	Met	1,111		1036	Not met
Ceiling on the net accumulation of domestic payment arrears 7/	-210		-122	Not met	-265	-220		-246	Not met	-537		96	Not met	-112		-309	Met
Floor for poverty-reducing social spending	539		652	Met	959	1368		960	Met	1,368		1,445	Met	280		281	Met
Ceiling on direct interventions of SNH	80		112	Not met	110	145		177	Not met	145		239	Not met	40		36	Met
Share of spending executed through exceptional procedures on authorized (payment order) spending 8/	4		2.1	Met	4	4		1.5	Met	4		1.1	Met	4		0.5	Met
Ceiling on Treasury advances without a budget allocation 9/	15		13	Met													
Memorandum Items																	
1. Cumulative external budget support, excluding IMF (earliest disbursement)	44		44		44	164		44		164		44		120		0	
2. Bank recapitalization			11		11			11		23		4		0		16	
3. Balance of the special account for the unused statutory advances	1		1		1			1		1		1		1		1	

Sources: Country authorities and IMF staff calculations.

Note: The terms in this table are defined in the TMU.

** In addition to QPCs enumerated in this table, the Standard Continuous Performance Criteria will also apply: (i) Not to impose new or intensify existing restrictions on the making of payments and transfers for current international transactions; (ii) Not to introduce new or intensify existing multiple currency practices; (iii) Not to conclude bilateral payments agreement that are inconsistent with the IMF's Articles of Agreement (Article III); and (iv) Not to impose new or intensify existing import restrictions for balance of payments reasons.

1/ Program indicators under A are performance criteria at end-June 2024 and end-December 2024, indicative targets otherwise.

2/ Starting from end-June 2024, the floor on the non-oil primary balance (payment order basis) is adjusted by the amount of budget spending, based on the signed payment orders, for the recapitalization of the two undercapitalized banks to comply with the 8 percent capital adequacy ratio.

3/ The ceiling on net domestic financing (excluding payment of arrears) of the budget and the ceiling on the net borrowing from the central bank will be adjusted (i) if the amount of disbursements of external budgetary assistance excluding IMF financing, falls short of or exceeds program forecasts: if disbursements are less (higher) than the programmed amounts, the ceiling will be raised (reduced) proportionally, up to a maximum of CFAF 120 billion at the end of each quarter; and (ii) by the amount of budget spending for the recapitalization of the two undercapitalized banks to comply with the 8 percent capital adequacy ratio. The adjustor in (ii) will be based on the amount of the effective cash transfers to the two undercapitalized banks.

4/ The zero ceiling applies until the end of the arrangement.

5/ Cumulative ceiling calculated from January 1, 2022, and reset annually, and monitored on a continuous basis from the completion of the first review under the ECF-EFF arrangements. It excludes ordinary credit for imports, debt relief obtained in the form of rescheduling or refinancing, and budget support loans from the World Bank. An adjustor applies to the World Bank project loans, as defined in the TMU, and was used for the calculation of the end-2024 adjusted ceiling.

6/ This continuous QPC came into effect on July 1, 2024, and is set at CFAF 15 billion per quarter and monitored on a cumulative basis starting from the beginning of each quarter.

7/ Starting from end-June 2024, the ceiling on net accumulation of domestic payment arrears will be adjusted if the disbursements in connection with external financing for the purpose of debt management operation are below programmed levels. At the end of each quarter, if disbursements of external financing for the purpose of debt management operation are below the programmed amounts, the relevant quarterly ceiling will be adjusted upward commensurately. From end-June 2024, the ceiling will include balances payable of less than 90 days.

8/ Payments made by the Treasury without prior authorization (i.e. issuance of payment orders, such as Treasury advances and provisional budget commitments), excluding debt service payments.

9/ The IT was upgraded to a continuous QPC starting from July 1, 2024.

Table 2. Cameroon: Prior Actions and Structural Benchmarks

	Prior Actions		Indicator	Status	Depth
	Submit to Parliament the 2025 Revised Budget Law in line with the program macroeconomic and budgetary framework.		The revised budget law is submitted to Parliament.	Met	Medium
	Issue a circular specifying that (i) the 2026 Budget Law include a multiyear projection of all strategic and other expenditures, previously financed by the direct interventions of the SNH; and (ii) the SNH transfer to the public treasury all revenue derived from the sale of hydrocarbons, after deducting production costs, but without deducting transfers and payments owed by the government to the SNH		Issuance of a circular by the President		Medium
	Revise Law No. 2013/004 of April 18, 2013, to rationalize incentives and promote healthy competition between economic operators.		A revised act is published.		High
	Structural Benchmarks	Due Date 1/	Indicator	Status	
	Business Climate				
1	Revise Law No. 2013/004 of April 18, 2013, to rationalize incentives and promote healthy competition between economic operators.	April 2025	A revised act is published.	Not met	High
	Public Financial Management				
2	Develop comprehensive and realistic public procurement plans, which should allow for the development of commitment plans consistent with monthly cash flow plans.	May 2025	Prepare and publish an annual report for 2024, assessing consistency between commitment and cash plans and based on the work of the Treasury Committee (CTRB) and its Secretariat.	Not met, implemented with delay	Medium
3	Implementation of the SONARA Restructuring Plan. Carry out the in-depth technical economic and financial feasibility study of option no.3 validated by the President of the Republic related to a refinery complex with a hydrocracking unit, accompanied by the plans and design of the new refinery.	May 15, 2025	Conduct and submit an interim study report to IMF staff.	Not met	Medium
	Financial Sector				
4	Recapitalize the two undercapitalized banks to comply with the 8 percent capital adequacy ratio, in compliance with COBAC regulations (R2010-01 and R2016-03) and the Basel capital framework. 2/	April 2025	Two banks recapitalized. Recapitalization process and funding confirmed to be consistent with the 8 percent capital adequacy ratio and Basel requirements	Not met, implemented with delay	High
1/ Refers to the end of the month, unless otherwise indicated. 2/ An instrument to be included in Common Equity Tier 1 is directly issued and paid-in and the bank cannot directly or indirectly have funded the instrument or the purchase of the instrument.					

Table 3. Cameroon: RSF Reform Measures (RMs) and Timeline for Completion

Key Pillars	Key Challenge	Reform Measure	Diagnostic	Capacity Development	Expected Outcome	BOP Risk Mitigation	Target Date	Status
Strengthening climate governance framework and coordination	Complex institutional arrangements and lack of coordination	RM1. Issue a regulatory act that: (i) defines the central role of the MINEPDED as the key authority responsible for the coordination of the climate agenda supported by the Ministry of Economy, Planning, and Land Planning (MINEPAT) and the Ministry of Finance (MINFI); and (ii) defines the roles and responsibilities of other sector ministries and public agencies in implementing the climate agenda. PM (Prime Minister) Office or President's Office	PEFA, CCDD		Strengthening the framework for coordinating and managing activities, policies and program across government agencies related to climate change	<i>Improves fiscal and external sustainability.</i> Clear climate targets and responsibilities for climate action coupled with better coordination across various actors improve information-sharing, risk management	End-April 2024	Met
	Lack of an implementation strategy	RM2. Develop and adopt an NCP validated by the Prime Minister, in line with the 2021 NDC, that (i) states key climate actions, targets, policies, and measures by the government to address adaptation and mitigation challenges; and (ii) defines roles and responsibilities of sector ministries and public agencies in implementing the NCP. The NCP to be published on the MINEPDED website. PM Office and MINEPDED.	CCDD	FADCP	Establishing a comprehensive framework and guidance for integrating climate change adaptation into national development planning and decision-making processes.	and checks and balances thus reducing the fiscal costs of climate change action and facilitating a faster recovery with implication for the external position.	End-April 2025	Met
Mainstreaming the climate agenda into the PFM processes	The project selection criteria do not follow a multi-criteria assessment methodology and does not include climate project selection criteria	RM3. MINEPAT, in collaboration with the other ministries concerned, will define, and publish the criteria for prioritization and selection of projects integrating climate change-related criteria and develop a manual of selection procedures. MINEPAT	CCD, CCIA, PEFA, PIMA	FADM2	Enhanced climate sensitive public investment planning and budgeting.	<i>Improves fiscal and external sustainability.</i> Prioritizing climate projects transparently and effectively lowers future financing costs for reconstruction by strengthening climate-	End-April 2024	Met
		RM4. MINEPAT will define a methodology for ex-ante evaluation of investment projects including guidelines for climate change adaptation and mitigation and integrate this methodology into a project maturation guide. MINEPAT.	CCDD, CCIA, PEFA, PIMA	FADM2	Generate a robust pipeline of green and climate resilient projects.	resilient infrastructure thus lowering prospective balance of payments needs.	End-October 2024	Met
		RM5. Revise Decree 2018/4992 of 21 June 2018, which sets out the rules governing the project maturation process and Decree 2013/7987 on the creation, organization and functioning of the Monitoring Committees for the Physical-Financial Execution of Public Investment to integrate climate considerations into each phase of the investment project cycle (e.g., ex-ante evaluation, selection). MINEPAT	CCDD, CCIA, PEFA, PIMA	FADM2	Quality-assured as well as green and climate resilient projects are included into the PIP, and capital budget execution is improved.		End-April 2025	Met

Table 3. Cameroon: RSF Reform Measures (RMs) and Timeline for Completion (concluded)

Enhancing adaptation efforts		RM6. Adopt and promulgate the revised Civil Protection Law and update Order no. 037/PM on creation, organization, and operation of a National Risk Observatory (ONR). President's Office	CCDR		Improving disaster preparedness and enabling better disaster prevention and climate adaptation.	<i>Improves financial and external resilience to natural disasters.</i> Reduces exposure to climate risks limiting financial losses and attracting low-cost capital for green investments. Contains disasters-related damages, facilitates rapid growth and export recovery lowering financing needs.	End-October 2024	Met
		RM7. Develop and adopt a Disaster Risk Financing Strategy, with clear roles and responsibilities and milestones to build financial resilience against disasters. MINFI/MINEPDED	CCDR	FADCP			End-April 2025	Met
Supporting mitigation efforts		RM8. (a) Fully operationalize all modules of the SIGIF2 platform (Computerized Forest Information Management System, second generation), and integrate it with aerial satellite imagery. (b) Establish procedures for annual evaluation of the traceability function of the SIGIF2 platform, including through the activation of the existing National Monitoring Committee for VPA/FLEGT (composed of relevant administrations, civil society, industry experts, development partners and NGOs), with a first assessment no later than one year after the activation of the said committee, and requiring that the evaluation report is published on the VPA and MINFOP websites along with an action plan to address committee recommendations. (c) Interconnect the SIGIF2 platform with the tax and customs infrastructure and develop a roadmap to utilize these data to enhance taxation of the forestry sector.			This measure has been modified to focus on the interim step of enhancing the traceability and legality system of timber and integrating it with the fiscal infrastructure.	<i>Enhances external sustainability.</i> Reduces forest degradation supporting climate-resilient agriculture and lowers dependence on food imports. Enhances revenues from taxes lowering external borrowing needs.	End-April 2025	Not met

Attachment II. Technical Memorandum of Understanding

Provisions of the Extended Credit Facility and the Extended Fund Facility, 2021–25

1. **This Technical Memorandum of Understanding (TMU) defines the quantitative performance criteria and indicative objectives** that will be used to assess performance in the framework of Cameroon’s program supported by arrangements under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) and Resilience and Sustainability Facility over the period 2021–25. The TMU also establishes the framework and cutoff dates for reporting the data to enable IMF staff to assess program implementation.

CONDITIONALITY

2. **The quantitative performance criteria and indicative objectives until end-March 2025** are provided in Table 1 of the Memorandum of Economic and Financial Policies (MEFP) attached to the Letter of Intent. The structural benchmarks and reform measures defined in the program are provided in detail in Table 2 and Table 3 of the MEFP.

DEFINITIONS

3. **Government:** Unless otherwise indicated, “government” is defined as the central government of the Republic of Cameroon, which includes all implementing agencies, institutions, and any organizations receiving special public funds, whose powers are included in the definition of central government under the *2001 Government Finance Statistics Manual (GFSM 2001)*, paragraphs 2.48–50). This definition does not include local governments, the Central Bank, or any other public entity, or entity belonging to the government that has autonomous legal status and whose operations are not included in the table of government financial operations (TOFE).

4. **A nonfinancial public enterprise** is a commercial or industrial unit, fully or partially owned by the central government or its bodies, that sells goods and services to the public on a large scale. With effect from June 2017, all operations between the government and these public enterprises should be treated on a gross basis in the TOFE with the proper treatment of revenue operations and those related to expenditure.

REVENUE

5. **Total government resources** are comprised of tax and nontax fiscal revenue (as defined in Chapter 5 of *GFSM 2001*) and grants. Revenue is recorded in the accounting system on a cash basis. Proceeds from the sale of assets and revenue from privatizations (defined in paragraph 8) are not considered government revenue.

6. **Oil revenue** is defined as the total transferable balance of the *Société Nationale des Hydrocarbures* (the national hydrocarbons company—SNH), and income tax on oil companies and gas operators. The authorities will notify IMF staff of any changes in the tax systems that may occur that would lead to changes in revenue flow. Oil revenue is recorded in the accounting system on a cash basis.

7. Non-oil revenue includes all government's (tax and nontax) revenue, with the exception of oil revenue as defined under paragraph 6. Value-added tax (VAT) is recorded net of VAT refunds. Pipeline fees paid by the *Cameroon Oil Transportation Company* (COTCO) are recorded under nontax revenue.

8. Privatization revenue includes all funds paid to the government in connection with the sale or transfer of the management of a public enterprise (concession), agency, or facility to one or more private enterprises (including enterprises fully controlled by one or more foreign governments, one or more private entities, or one or more individuals). Privatization revenue also includes all funds deriving from the sale of shares held by the government in private companies or public enterprises. All privatization revenue must be recorded on a gross basis. Any costs that may be involved in sales or concessions must be recorded separately under expenditure.

EXPENDITURE

9. Total government expenditure and net lending include all wage and salary expenditure for civil servants, goods and services, transfers (including subsidies, grants, social security benefits, and other outlays), interest payments, and capital expenditure, all of which are recorded in the accounting system on payment order basis, unless otherwise indicated, and net lending (defined in *GFSM 2001*). Total government expenditure also includes expenditure carried out without any prior payment authorization and pending regularization.

10. Direct interventions by *Société Nationale des Hydrocarbures* (SNH) are included in government expenditure. They include emergency payments made by the SNH on behalf of the government, substantially to cover exceptional sovereignty and security outlays.

11. Social expenditure includes public expenditure recorded in the government budget in connection with priority programs to accelerate attainment of the government's social development objectives. This item includes: (i) for the education sector, total expenditure (current and capital) of the Ministries (Basic Education, Secondary Education, and Employment and Vocational Training); (ii) for the health sector, current and capital expenditure of the Ministry of Public Health, including COVID-19 related expenditures; and (iii) for other social sectors, current and capital expenditure of the Ministries of Labor and Social Security, Youth and Civic Education, Social Affairs, and Promotion of Women and Family; (iv) administered price subsidies (fuel at the pump, electricity to households), (v) gas subsidy, and (v) expenditures for the Social Safety Net Program.

BALANCE AND FINANCING

12. Primary balance is defined as the difference between total government revenue (defined in paragraph 5) and total government expenditure and net lending (defined in paragraph 9) not including interest payments in connection with external and domestic debt.

13. Debt: The definition of "debt" is set out in paragraph 8 (a) of the Guidelines on Public Debt Limits in IMF-Supported Programs attached to the IMF Executive Board Decision 16919– (20/103) adopted on October 28, 2020, but also includes commitments contracted or guaranteed, for which the values have not been received. For the purposes of these Guidelines, "**debt**" is understood to

mean a current, i.e., not contingent, liability created under a contractual arrangement through the provision of value, in the form of assets (including currency) or services, at some future point(s) in time. These payments will discharge the debtor from the principal and/or interest liabilities undertaken under the contract. In accordance with the foregoing definition of debt, any arrears, penalties and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt.

14. External debt: In the assessment of the relevant criteria, it is defined as any borrowing or debt service in a currency other than the CFA franc. This definition also applies to debt between countries of the Central African Economic and Monetary Community (CEMAC) and debt from the Development Bank of Central African States (BDEAC). The relevant performance criteria apply to external debt of the government, public enterprises that receive transfers from the government, and other public entities in which the government holds more than 50 percent of the capital stakes, or any other private debt for which the government has provided a guarantee that should be considered to constitute a contingent liability. **Guaranteed debt** refers to any explicit legal obligation incumbent on the government to reimburse a debt in the event of payment default by the debtor (whether the payments must be made in cash or in kind).

15. Concessional external debt: External debt is considered concessional if it comprises a grant component of at least 35 percent.¹ The grant component is the difference between the face value of the loan and its present value (PV) expressed as a percentage of the face value. The PV of debt on the date on which it is contractually arranged is calculated by discounting the debt service payments at the date on which the debt was arranged.² A discount rate of 5 percent is used for that purpose.

16. Domestic debt is defined as all government debts and obligations denominated in CFA francs. This item includes unreimbursed balances, advances from the Bank of Central African States, Treasury bills and bonds, structured debt, domestic payment arrears, and SONARA's domestic debt.

17. Structured debt is defined as debt that has been subject to a formal agreement or securitization. Under the program, structured bank debt is included in net bank credit and structured non-bank debt is reflected in non-bank financing.

- **Structured bank debt** is defined as all claims of local banks on government, with the exception of Treasury bills and bonds.
- **Structured non-bank debt** is defined as all government balances payable in connection with local non-bank institutions, individuals, or the CEMAC, that have been securitized or subject to a formal reimbursement agreement according to a clearly defined schedule.

¹ The link to the IMF website below refers to an instrument that can be used to calculate the grant component for a broad range of financial arrangements: <http://www.imf.org/external/np/pdr/conc/calculator>.

² The calculation of concessionality reflects all aspects of the loan agreement, including the maturity, grace period, schedule of maturities, commitment fees, and management fees. Concessionality calculations for Islamic Development Bank (IsDB) loans will reflect the existing agreement between the IsDB and the IMF.

18. Net domestic financing of the government is defined as the sum of (i) net bank credit to the government; and (ii) net non-bank financing.

- Net bank credit net to the government is equal to the change in the balance between the government's commitments and assets with the national banking system. These assets include: (i) the Treasury's cash resources on hand; (ii) Treasury deposits with the Central Bank, not including the Heavily Indebted Poor Countries (HIPC) account and the Debt Reduction and Development Contract (C2D) account; and (iii) the credit balance of the accounts of the *Caisse Autonome d'Amortissement (CAA)* with commercial banks earmarked for reimbursement of the government's debt obligations. The government's commitments include: (i) financing from the Central Bank; net IMF financing (disbursements net of reimbursements), refinancing of guaranteed bonds, and Treasury paper held by the Central Bank; and (ii) financing from commercial banks, specifically loans and direct advances; and Treasury securities, bills, and bonds held by local banks. Net bank credit to the government is calculated based on the data provided by the Bank of Central African States (BEAC). These data should be subject to monthly reconciliation between the Treasury and the BEAC.
- Net non-bank financing to the government includes the following: (i) the change in the outstanding balance of government securities (Treasury bills and bonds) issued in CFA francs on the regional financial market and not held by the local banking system; (ii) the change in the outstanding balance of structured non-bank domestic debt (defined in paragraph 16); (iii) privatization revenue (defined in paragraph 8); (iv) the change in the balance of correspondent bank accounts (including Account 42) and consignment accounts; and (v) the change in the balance of outstanding claims on government abandoned by the private sector. The government's net non-bank financing is calculated by the public treasury.

19. Domestic payment arrears are the sum of (i) payment arrears on expenditure; (iii) payment arrears on structured domestic debt; and (iii) unstructured debt:

- **Payment of arrears on expenditure** are defined as "balances payable" for which the payment lag exceeds the regulatory period of 90 days. **Balances payable** reflect the government's unpaid obligations. They are defined as expenditure items for which the normal expenditure execution procedure (commitment, validation, and authorization) has been followed until they were undertaken by the public treasury, but that are still pending payment. Balances payable under 90 days represent **payments in progress**. The Treasury will monitor this information on a monthly basis to identify expenditure arrears in the stock of balances payable.
- **Payment arrears on structured domestic debt** are defined as the difference between the amount due under a domestic debt arrangement (defined in paragraph 11) or the reimbursement of matured Treasury securities, bills, or bonds and the amount effectively paid after the payment deadline indicated in the agreement or after the maturity date of the Treasury securities, bills, or bonds.
- **Unstructured debt** is defined as:
 - Unstructured debt of the CAA, which includes all balances payable, and liabilities of the government transferred to the CAA that have not been subject to a reimbursement or

securitization agreement. The stock of unstructured debt is estimated at CFAF 53 billion at end-December 2023.

- Domestic "floating" debt, including all government's commitments for which a service was provided by a public or private service provider but that has not been subject to any budget commitment. These obligations include invoices payable and not settled to public and private enterprises but exclude tax debt deriving from debt offsetting operations with public enterprises and the execution of externally financed public procurement agreements that have not been covered by the budget as a result of insufficient budget appropriations. The Directorate General of Budget will conduct a monthly assessment of these commitments in collaboration with the public treasury.

20. External payment arrears in the program are defined as external debt obligations of the government (principal and interest) not paid 30 days after the due date specified in the underlying agreement, taking into account any applicable contractual grace periods. This performance criterion excludes payment arrears on external financial obligations of the government that are subject to rescheduling.

21. Treasury advances do not follow the normal expenditure chain and are defined as any payments made by the Treasury in the absence of a commitment or payment order issued by the relevant authorizing officer at the General Directorate of Budget (DGB) and regularized retroactively.

QUANTITATIVE PROGRAM OBJECTIVES

22. The quantitative targets (QTs) provided in the list below are as specified in Table 1 of the MEFP. Unless otherwise indicated, all quantitative targets will be assessed on a cumulative basis from the beginning of the calendar year to which the quantitative targets apply. The quantitative targets and details for their assessment are provided below.

A. Non-Oil Primary Balance

Performance Criteria

23. A floor for the non-oil primary balance (based on payment order) is defined as a quantitative objective in Table 1 of the MEFP. The non-oil primary balance is defined as the difference between the primary balance defined in paragraph 12 and oil revenue defined in paragraph 6.

24. To ensure consistency among data from different sources used to prepare the table of government financial operations (TOFE), and particularly between the data on fiscal operations reported by the Treasury and data on financing reported by the BEAC, the CAA, and the Treasury, the cumulative level of financing discrepancies in the TOFE (including errors and omissions) for a given month should not exceed 5 percent of the cumulative expenditure for that month, in absolute value. Should this limit be exceeded, a comprehensive reconciliation exercise for all TOFE source data will be undertaken in consultation with IMF staff.

Adjustment

25. The floor for the non-oil primary balance (based on payment order) will be adjusted starting from end-June 2024 by the amount of budget spending for the recapitalization of the two undercapitalized banks to comply with the 8 percent capital adequacy ratio.

Cutoff Dates for Reporting Information

26. The detailed data on government financial operations indicating the primary balance, oil revenue, and the level of miscellaneous expenditure not otherwise classified will be submitted monthly within six weeks from the end of the month, with the exception of end-December data. Cameroon's Law No 2018/012 on the public finance provides for a complementary period of 30 days after the end of the calendar year to complete all pending payments from the budget year. Therefore, the end-of-year data on government financial operations will be submitted by March 15 of the following year.

B. Net Domestic Financing of the Government Excluding Net IMF Financing

Performance Criteria

27. A ceiling on net domestic financing of the government excluding net IMF financing is defined as a quantitative objective in Table 1 of the MEFP. For program requirements, net domestic financing of the government excluding net IMF financing will be net domestic financing of the government defined in paragraph 16, not including net IMF financing.

28. The ceiling on net domestic financing of the government excludes IMF financing related to the disbursement under ECF-EFF arrangements and RSF arrangement.

Adjustments

- The ceiling on net domestic financing of the government excluding net IMF financing will be adjusted if (i) the disbursements in connection with external budget support net of external debt service and the payment of external arrears, and (ii) the rescheduling of bilateral external debt service is lower than the program forecasts, are below the programmed levels.
- At the end of each quarter, if disbursements of external budget support are below (above) the programmed amounts, the relevant quarterly ceilings will be adjusted upward (downward) commensurately, within the limit of CFAF 120 billion for each quarter of 2024 and March 2025. This ceiling may be reviewed depending on the rate of budget aid disbursements during the year.
- At the end of each quarter, if the rescheduling of bilateral external debt service is below (above) the programmed amounts, the corresponding quarterly ceilings will be adjusted upward (downward) pro-tanto.
- Starting from end-June 2024, the relevant ceilings will be adjusted by the amount of budget spending for the recapitalization of the two undercapitalized banks to comply with the 8 percent capital adequacy ratio.

Cutoff Dates for Reporting Information

29. The detailed data on net domestic financing of the government (bank and non-bank) and the status of budget support disbursements, reimbursement of external debt service, and the status of external arrears will be submitted on a monthly basis within six weeks after the end of the month with the exception of end-December data. Cameroon's Law No 2018/012 on the public finance provides for a complementary period of 30 days after the end of the calendar year to complete all pending payments from the budget year. Therefore, the end-of-year data on net domestic financing of the central government (bank and non-bank) will be submitted by March 15 of the following year.

C. Disbursement of Non-Concessional External Debt

Performance Criteria

30. **A ceiling on disbursements of non-concessional external debt** is defined as a quantitative objective in Table 1 of the MEFP. This performance criterion is applicable to debt contractually arranged to finance projects. This performance criterion is based on external debt as defined in paragraph 14 and uses the concept of concessionality defined in paragraph 15 of this Technical Memorandum. The non-concessional external debt ceiling would exempt debt contracted or disbursed under the debt management operation for clearance of the domestic arrears. The debt management operation exemption to the debt ceiling would (i) cover only the amount of new borrowing related to the debt management operation (CFAF 467 billion), and (ii) would need to show either an improvement in the key liquidity and/or solvency debt burden indicators without adversely affecting the risk rating.

Adjustment

31. In 2025, the ceiling will be adjusted upward to allow replacing planned domestic long-term securities issuance (i.e., Treasury bonds) with external debt *pro tanto* by an amount not higher than CFAF 380 billion.

Cutoff Dates for Reporting Information

32. Detailed information on disbursements of external debt contracted by the government must be reported within six weeks after the end of the month, indicating the date on which the loans were signed and making the distinction between concessional and non-concessional loans.

D. Net Claims of the Central Bank on the Central Government

Performance Criteria

33. **A ceiling on net claims of the Central Bank on government** is defined as a quantitative objective in Table 1 of the MEFP. This criterion is defined as the difference between the Central Bank's claims on government, excluding IMF financing, in particular unpaid balances of consolidated statutory advances, refinancing of guaranteed bonds, and Treasury securities held by the Central Bank; and cash and total deposits of the Treasury with the Central Bank, including the balance of the

special account of unused statutory advances. The balance of this special account will be regularly monitored to maintain the objectives defined in Table 1 of the MEFP.

34. The ceiling on net claims of Central Bank on government includes the agreed use of the 2021 SDR allocation.

35. The ceiling on net claims of the Central Bank of the government excludes IMF financing related to disbursement under ECF-EFF arrangements and RSF arrangement.

36. The ceiling on net claims of the Central Bank on government will be adjusted if the disbursements in connection with external budget support are below the programmed levels. At the end of each quarter, if disbursements of external budget support are below (above) the programmed amounts, the relevant quarterly ceilings will be adjusted upward (downward) commensurately, within the limit of CFAF 120 billion for each quarter of 2024 and March 2025. This ceiling may be reviewed depending on the rate of budget aid disbursements during the year.

37. Starting from end-June 2024, the ceilings on net claims of the Central Bank on government will be adjusted by the amount of budget spending for the recapitalization of the two undercapitalized banks to comply with the 8 percent capital adequacy ratio.

Cutoff Dates for Reporting Information

38. The BEAC must report detailed information on all financing from the Central Bank to the government and the statement on the balance of the special account of unused statutory advances within six weeks after the end of the month.

E. Non-Accumulation of External Payment Arrears

Performance Criteria

39. A ceiling of zero on the accumulation of new external payment arrears is defined as a continuous quantitative objective in Table 1 of the MEFP. This performance criterion applies to the accumulation of external arrears as defined in paragraph 20 of this Memorandum. In connection with the program, the government undertakes not to accumulate any external payment arrears on its debt, with the exception of arrears subject to rescheduling. The government's non-accumulation of arrears is a performance criterion to be observed on an ongoing basis. This performance criterion will be measured on a cumulative basis with approval of the program.

Cutoff Dates for Reporting Information

40. The data on balances, accumulation, and reimbursement of external arrears will be reported within six weeks after the end of each month. This performance criterion will be monitored continuously by the authorities and any new external arrears should be reported immediately to the IMF.

F. PV of External Debt Contracted or Guaranteed by the Government and Certain Other Public Entities

Performance Criteria

41. A performance criterion (ceiling) applies to the PV of new external debt contracted or guaranteed by the government and certain other public entities.³ The ceiling applies also to debt contracted or guaranteed for which value has not yet been received, including private debt for which official guarantees have been extended. This performance criterion is applicable to external debt as defined in paragraph 14 of this Memorandum and to debt guaranteed by the government that constitutes a contingent public liability as defined in paragraph 13 of this Memorandum. Moreover, this criterion is applicable to external debt contracted or guaranteed by (i) public enterprises defined in paragraph 4 that receive transfers from the government, (ii) municipalities, and (iii) agencies of general government including professional, scientific, and technical organizations. However, this performance criterion is not applicable to borrowing arranged in CFA francs, Treasury bills and bonds issued in CFA francs on the CEMAC regional market, regular short-term loans from suppliers, regular import credits, loans from the IMF, and budget support loans from the World Bank or debt relief or rescheduling. New debt contracted or disbursed for debt management operation in the amount of CFAF 467 billion resulting in an improvement in the overall debt profile (as specified in paragraph 29) is exempt from this performance criterion. For the assessment of this performance criterion, debt relief is defined as the restructuring of debt with the existing creditor that reduces the net present value of the debt, and debt rescheduling is defined as the operations with the existing creditor that spread the average weighted maturities of financial flows without increasing the net present value.

42. The PV of debt at the time of its contracting is calculated by discounting the future stream of payments of debt service due on this debt.⁴ For debts with a grant element equal to or below zero, the PV will be set equal to the nominal value of the debt. The discount rate used for this purpose is the unified discount rate of 5 percent set forth in IMF Executive Board Decision No. 15248-(13/97). The PV of external debts in currencies other than the U.S. dollar will be calculated in U.S. dollar terms at program exchange rates as specified in TMU Text Table 1. For any debt carrying a variable interest rate in the form of a benchmark interest rate plus a fixed spread, the PV of the debt would be calculated using a program reference rate plus the fixed spread (in basis points) specified in the debt contract. The program reference rate for the six-month USD SOFR is 0.04 percent and will remain fixed for the duration of the program. The spread of the six-month Euro EURIBOR over six-month USD SOFR is -56 basis points. The spread of six-month JPY OIS over six-month USD SOFR is -8 basis points. The spread of six-month GBP SONIA over six-month USD SOFR is 1 basis point. For interest rates on currencies other than Euro, JPY, and GBP, the spread over six-

³ Guidelines on Public Debt Limits in IMF-Supported Programs attached to the IMF Executive Board Decision No. 16919- (20/103), adopted October 28, 2020.

⁴ The calculation of concessionality takes into account all aspects of the debt agreement, including maturity, grace period, payment schedule, upfront commissions, and management fees.

month USD SOFR is 15 basis points⁵. Where the variable rate is linked to a benchmark interest rate other than the six-month USD SOFR, a spread reflecting the difference between the benchmark rate and the six-month USD SOFR (rounded to the nearest 50 bps) will be added.

Text Table 1. Cameroon: Program Exchange Rates		
Currency	CFA franc per currency unit	Currency units per US Dollar
US Dollar	623.652	1
Euro	655.957	0.9508
AfDB XUA	820.595	0.7600
STG Pound	788.577	0.7909
Japanese Yen	4.079	152.90
Chinese Yuan	85.689	7.2781
Source: IMF Representative Exchange Rates, December 13, 2024; African Development Bank December 2024 Exchange Rates; staff calculations.		

Adjustment

- 43. An adjustor upward (downward) by the amount by which budget support exceeds (falls short of) the projected amounts.** Any adjustment will be capped to 10 percent of the external debt ceiling set in PV terms and must be consistent with maintaining debt sustainability.
- 44. The external debt ceiling set in PV terms would be adjusted upward by the full amount in PV terms** of any project financing dedicated to COVID-19 vaccine interventions that was not anticipated at the time of setting of the performance criterion. In this connection, the authorities will consult with IMF staff on any planned external concessional borrowing for this purpose and the conditions on such borrowing before the loans are either contracted or guaranteed by the national government.
- 45. An adjustor of up to 5 percent of the external debt ceiling set in PV terms applies to this ceiling,** in case deviations from the performance criterion on the PV of new external debt are prompted by a change in the financing terms (interest, maturity, grace period, payment schedule, upfront commissions, management fees) of a debt or debts. The adjustor cannot be applied when deviations are prompted by an increase in the nominal amount of total debt contracted or guaranteed.
- 46. If the PV of the amount of the World Bank loans signed in 2024 and 2025,** respectively, is greater than the PV of the World Bank loans signed in 2022 (CFAF 179.4 billion), the ceiling will be adjusted upward pro-tanto. This adjustment to the ceiling will be capped at a maximum of CFAF 182.5 billion (PV) in 2024 and 2025, respectively.
- 47. In 2025, the external debt ceiling in PV terms will be adjusted** upward to allow replacing planned domestic long-term securities issuance (i.e., Treasury bonds) with external debt *pro tanto* by an amount not higher than CFAF 380 billion.

⁵ The program reference rate and spreads are based on the "average projected rate" for the six-month USD SOFR over the following 10 years from the April 2021 World Economic Outlook (WEO).

Cutoff Dates for Reporting Information

48. The detailed information on all loans (conditions and creditors) contracted by the government must be reported within six weeks after the end of the month. The same obligation is applicable to guarantees issued by the government. This criterion is monitored continuously by the authorities and any signing or guaranteeing of debt should be reported immediately to the IMF.

G. Treasury Advances Without a Budget Allocation

49. A ceiling on Treasury advances without a budget allocation is defined as a continuous quantitative objective in Table 1 of the MEFP. This quantitative performance criterion has become effective from July 1, 2024, and will be tested on a cumulative basis starting from the beginning of each quarter. Treasury advances are defined in paragraph 21.

50. The ceiling on Treasury Advances excludes Treasury advances related to assigned revenues (*recettes affectées*).

Cutoff Dates for Reporting Information

51. Monthly accounting statements showing the amount of Treasury advances must be reported to IMF staff within six weeks after the end of each month.

OTHER INDICATIVE QUANTITATIVE TARGETS

H. Non-Oil Revenue

52. **A floor on non-oil revenue as defined in paragraph 7 is defined as an indicative objective in Table 1 of the MEFP.**

I. Accumulation of Domestic Payment Arrears

53. A ceiling on net accumulations of domestic payment arrears is defined as an indicative objective in Table 1 of the MEFP. Domestic payment arrears covered by the Treasury are defined in paragraph 19 and do not include unstructured floating debt not covered by the Treasury. Starting from end-June 2024, this ceiling will include **payments in progress** defined as balances payable under 90 days in paragraph 19.

Adjustment

54. The ceiling on the net accumulation of domestic payment arrears will be adjusted if the disbursements of external financing for the debt management operation are below the programmed levels. From end-June 2024, if disbursements of external financing for the debt management operation are below the programmed amounts, the relevant quarterly ceilings will be adjusted upward commensurately. The adjustor will only apply to balances payable of more and under 90 days as defined in paragraph 19.

J. Social Expenditure

55. A floor on social expenditure pursuant to paragraph 11 is defined as an indicative objective in Table 1 of the MEFP. These expenditure items will be monitored regularly in connection with program implementation.

Cutoff Dates for Reporting Information

56. The data on the government's financial position as presented in the table of government financial operations, the detailed listing of revenue highlighting oil revenue, domestic payment arrears, and the status of social expenditure execution must be reported within six weeks after the end of the month with the exception of end-December data as indicated in paragraph 25.

K. Share of Exceptional Expenditure in Total Authorized Expenditure Not Including Debt

57. A ceiling on the share of exceptional expenditure in total authorized expenditure not including debt is defined as an indicative objective in Table 1 of the MEFP. This criterion will be calculated based on the ratio between exceptional expenditure (expenditure excluding debt service paid without prior authorization, including cash advances and provisional commitments) and total authorized expenditure, excluding debt service, that is domestically financed (including wages). Exceptional expenditure will be monitored regularly as part of program implementation.

Cutoff Dates for Reporting Information

58. Monthly accounting statements showing the amount of cash advances, provisional budget commitments, and advance funds must be reported to IMF staff within three weeks after the end of each month. Authorized expenditure presented in Table M1 of the table of government financial operations will be used to compute this ratio.

L. Treasury Advances Without a Budget Allocation

59. This previous indicative target was upgraded to a continuous quantitative performance criterion starting from July 1, 2024, as discussed in paragraph 48.

STRUCTURAL BENCHMARKS

60. A limit on the share of **common chapters** expenditures in budget is included as a structural benchmark 5 in Table 2 of the MEFP. This criterion will be calculated based on the ratio between common chapters (expenditures on chapters 60, 65, 92, 93, 94, and 95) and total expenditures (excluding debt service).

REFORM MEASURES

61. Procedures for the annual evaluation of the traceability feature of the SIGIF2 platform are to be established under the RSF Reform Measure 8 on forestry (Table 3 of the MEFP). An independent evaluation committee, including concerned administrations, civil society, industry experts,

development partners, and NGOs, will be constituted (by the reactivation of the existing *Comité National de Suivi* set up for the APV/FLEGT), with the first annual review to be completed within one year of the committee's activation. This review will outline key performance indicators, recommendations, and an implementation roadmap for the next evaluation. The annual evaluation reports will be published on the APV and the MINFOF websites within three months of the evaluation.

DATA SUBMISSION REQUIREMENTS

62. The quantitative data on the government's quantitative and indicative objectives will be reported to IMF staff with the periodicity described in Table 1 below. Moreover, all data revisions will be reported promptly to IMF staff. The authorities undertake to report to IMF staff any information or data not specifically addressed in this TMU, but required for program implementation, and to keep IMF staff abreast of the situation in terms of achieving the program objectives.

Table 1. Cameroon: Summary of Data Reporting Requirements

Information	Responsible Institution	Frequency of the Data	Reporting Lag
Government Finance			
The summary situation of Treasury Operations (La Situation Résumée des Operations du Trésor (SROT)), including statement of unpaid orders of more than 90 days or less than 90 days, as well as statement of the correspondent accounts.	Ministry of Finance (MINFI)/DGTC	Monthly	6 weeks
The table of government financial operations (TOFE) and customary annex tables; (data on execution of investments financed with external grants and loans must be available in a timely manner so that the quantitative targets of the program can be determined in a timely manner. If information on physical execution of externally financed projects is not available, information on requests to draw funds from the donors will be used).	MINFI/DP	Monthly	6 weeks, except for end-December for which data will be reported by March 15 of the following year
Domestic budget financing (net bank credit to the government, stock of Treasury bills and bonds pending reimbursement, domestic debt reimbursement status, privatization revenue, and abandoned claims).	MINFI/BEAC	Monthly	6 weeks, except for end-December for which data will be reported by March 15 of the following year
Implementation status of social expenditure defined in Paragraph 11.	Ministry of Finance (MINFI)/DGB	Monthly	6 weeks
Domestic debt reimbursement status.	MINFI/CAA	Monthly	6 weeks
Statistics on external debt contracted and guaranteed (detailed listing of external debt service matured/paid, list of new loans specifying the financial conditions, loans guaranteed and external arrears, and list of contracts in the process of negotiation).	MINFI/CAA	Monthly	4 weeks The signing or guaranteeing of external debt, and the occurrence of external payment arrears must be reported immediately to the IMF.

Table 1. Cameroon: Summary of Data Reporting Requirements (continued)

Monthly structured bank and non-bank debt service forecast and actual payments	MINFI/CAA	Monthly	6 weeks
Monthly monitoring report on calls for funds and effective disbursements.	CAA/MINEPAT	Monthly	4 weeks
Data on the implementation of the public investment program, including a detailed listing of financing sources.	MINFI/MINEPAT/CAA	Quarterly	6 weeks
Monthly accounting statements showing the amount of cash advances, advance funds, and the balance of provisional budget commitments.	MINFI	Monthly	6 weeks
Monthly accounting statements showing the amount of Treasury (cash) advances without a budget allocation by type of expenditures.	MINFI	Monthly	6 weeks
Publish the oil product price structure.	MINFI/CSPH	Monthly	First week of the current month
Prices, consumption, and taxation of oil products, including: (i) the current price structure for the month in question; (ii) the detailed calculation of the price structure based on the free on board price to obtain the retail price; (iii) volumes purchased and distributed for consumption by the oil distributor (SONARA and marketers), with the distinction between retail sales and sales to industries; and (iv) a breakdown of tax revenue on petroleum products—customs duty, excise tax on petroleum products (TSPP), and value-added tax (VAT)—and support for the refinery and the situation of shortfalls and overpayments.	MINFI/CTR/CSPH	Monthly	6 weeks
Provide revenue forecasts for the Directorate General of Taxes, Directorate General of Customs, and Directorate General of Budget by type of tax on an annual basis and on a monthly basis, and outturn as compared with forecasts.	DGI, DGD, DGB	Monthly	6 weeks
VAT refund balance (refund requests, payments made, and VAT refund account status).	MINFI/DGI	Monthly	6 weeks
DGI/DGD joint quarterly collaboration reports indicating, in particular, the results in terms of identification of fraud and collection of additional revenue.	DGI/DGD	Quarterly	6 weeks

Table 1. Cameroon: Summary of Data Reporting Requirements (continued)

The situation of SNH, including the volumes exported, the prices, the exchange rates, the costs of operations, the direct interventions, the commitments towards the State, the balance transferable to the Treasury.	MINFI	Quarterly	6 weeks
Include the total amount of oil revenue from the national oil company SNH and direct interventions in the monthly table of government financial operations (TOFE)	MINFI	Monthly	6 weeks
Accounting and budgetary extract indicating the status of payment of State invoices to public service companies (ENEO, CAMWATER, CAMTEL, SONARA CAMPOST, SIC)	MINFI	Quarterly	6 weeks
Publish quarterly budget execution report	MINFI	Quarterly	8 weeks
Fiscal Performance Indicators as indicated in Table 2	MINFI/DGI	Quarterly	6 weeks
The balance of the escrow account at the BEAC for the payment of domestic arrears on expenditure and payments in progress and the list of all unpaid domestic obligations cleared.	MINFI/DGTCF M/BEAC	Monthly	2 weeks
Monetary Sector			
Consolidated balance sheets of monetary institutions	BEAC	Monthly	6 weeks
Provisional data on the integrated monetary survey	BEAC	Monthly	6 weeks
Final data on the integrated monetary survey	BEAC	Monthly	10 weeks
Net government position.	BEAC	Monthly	6 weeks
The situation of the balance of the special account of undisbursed statutory advances	BEAC	Monthly	6 weeks
The key rate and the credit and debit interest rates	BEAC	Monthly	6 weeks
Balance of Payments			
Preliminary annual balance of payments data.	MINFI	Annual	9 months
Foreign trade statistics.	MINFI/INS	Monthly	6 weeks

Table 1. Cameroon: Summary of Data Reporting Requirements (concluded)

Any revision of the balance of payments data (including services, private transfers, official transfers, and capital transactions).	BEAC/MINFI	On revision	2 weeks
Real Sector			
Provisional national accounts and any revision of the national accounts.	INS	Annual	6 months
Quarterly National Accounts.	INS	Quarterly	3 months
Disaggregated consumer price indices for the cities of Douala and Yaoundé	INS	Monthly	4 weeks
Consumer price indices disaggregated by city, product and at the national level.	INS	Monthly	6 weeks
Structural Reforms and Other Data			
Any official report or study devoted to Cameroon's economy, from its date of publication or finalization.	MINEPAT		2 weeks
Any decision, decree, law, order, or circular having economic or financial implications, from its publication date or effective date.	MINFI/MINEPAT		2 weeks
Report on the implementation of expenditure of the special allocations account (CAS) COVID-19	MINFI/DGB	Bi-annually	3 months
CAS-COVID-19 expenditure audit report	MINFI/DGB	Annually	6 months
Data on SNH interventions	MINFI/DGB	Quarterly	6 weeks

Table 2. Cameroon: Fiscal Performance Indicators

	Tax	Number of active taxpayers	Total number of taxpayers
DGE – Directorate for Large Enterprises	VAT		
	CIT		
	Tax on industrial and commercial profits		
	Salary deductions		
CIMES – Center for Taxes on Medium Enterprises	VAT		
	CIT		
	Tax on industrial and commercial profits		
	Salary deductions		
CDI – Divisional Tax Center	CIT		
	Tax on industrial and commercial profits		
	Salary deductions		
	Withholding tax		



CAMEROON

EIGHTH REVIEWS UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, REQUEST FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, AND THIRD REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT—SUPPLEMENTARY INFORMATION

July 21, 2025

Approved By
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Prepared by the African Department

This supplement provides additional information to the Staff Report (EBS/25/78) circulated to the Executive Board on July 16, 2025. Specifically, it provides an update on the implementation of two prior actions for these reviews, one of which is also the ground for the waiver of non-observance of two quantitative performance criteria. The thrust of the staff appraisal remains unchanged. Four decisions are proposed for adoption by the Executive Board for completion of the eighth review under the Extended Arrangement under the Extended Fund Facility (EFF), the eighth review under the Extended Credit Facility (ECF) Arrangement, the third review under the Resilience and Sustainability Facility (RSF) Arrangement and reversion to the 12-month Article IV consultation cycle respectively.

- 1. The prior action on the publication of the revised Law No. 2013/004 of April 18, 2013, to rationalize incentives and promote healthy competition between economic operators was assessed to be met.** The publication of the revised law was set as a prior action for completion of the eighth reviews under the EFF arrangement and the ECF arrangement when it was not met as a structural benchmark. The revised act was published on July 18, 2025.
- 2. The prior action on the issuance of a circular by the President was met on July 21.** The prior action called for the circular to specify that (i) the 2026 Budget Law will

include a multiyear projection of all strategic and other expenditures, previously financed by the direct interventions of the SNH; and (ii) the SNH will transfer to the public treasury all revenue derived from the sale of hydrocarbons, after deducting production costs, but without deducting transfers and payments owed by the government to the SNH. The circular was signed by the President on Friday, July 18 and issued on Monday, July 21 following amendments to ensure that the circular has all the elements required under the prior action. The prior action was assessed to be met.

3. The prior action on the issuance of a circular by the President was also one of the corrective actions for granting waivers for the non-observance of the end-December 2024 quantitative performance criterion (QPC) on the floor on the non-oil primary balance and the end-December 2024 QPC on the ceiling on net domestic financing of the central government.

The other corrective action, the prior action on the issuance of a revised 2025 Finance Law in line with the program's economic framework, had already been implemented. Therefore, the two corrective actions for waivers for the non-observance of the two end-December 2024 QPCs have been implemented.

4. Staff supports the authorities' request for waivers for the non-observance of the end-December 2024 QPC on the floor on the non-oil primary balance and the end-December 2024 QPC on the ceiling on net domestic financing of the central government and the completion of the eighth reviews under the ECF arrangement and the EFF arrangement, and the completion of the third review under the RSF arrangement. With both prior actions that are the ground for waivers of the non-observance of two end-December QPCs now implemented, the authorities request the disbursement of the final tranche of SDR 55.2 million under the ECF-EFF arrangements and the final tranche of SDR 51.75 million under the RSF arrangement.

5. Four decisions are proposed for adoption by the Executive Board. These decisions are for completion of the eighth review under the EFF arrangement, completion of the eighth review under the ECF arrangement, completion of the third review under the RSF arrangement and reversion to the 12-month Article IV consultation cycle respectively.

July 22, 2025

**Statement by Mr. Regis N'Sonde, Mr. Kelvio Carvalho da Silveira, and Ms.
Micheline Kwizera (OEDAC) on Cameroon
Executive Board Meeting
July 24, 2025**

Introduction

1. On behalf of our Cameroonian authorities, we thank the IMF Executive Board, Management, and Staff for their continued support and constructive engagement under the Extended Credit Facility (ECF), Extended Fund Facility (EFF), and Resilience and Sustainability Facility (RSF) arrangements. As this marks the final reviews under the current arrangements, the authorities reaffirm their commitment to pursuing lasting macroeconomic and structural reforms beyond the conclusion of the ECF-EFF and RSF programs. They aim to build on the progress achieved over the past four years to reinforce macroeconomic stability and firmly put the economy on a path of strong and inclusive growth.

2. Despite a difficult domestic environment and recurrent external shocks, Cameroon has preserved macroeconomic stability and advanced important structural and climate-related reforms. While program performance was mixed at end-2024, the authorities have taken decisive corrective measures to address deviations and remain strongly committed to reform implementation, consistent with the National Development Strategy 2020–2030 (SND30) and the CEMAC regional strategy and framework (PREF-CEMAC). In this context, the authorities request the completion of the eighth reviews under the ECF and EFF arrangements, the third review under the RSF, as well as the approval of waivers for the non-observance of quantitative performance criteria (QPCs) based on corrective actions taken.

Program Performance for the Period Under Review

3. Despite challenges, the authorities have demonstrated resolve to keep the program on track. At end-December 2024, two out of four QPCs and three out of five indicative targets

(ITs) were met. Additionally, 2 out of 3 continuous QPCs were observed. The missed QPCs included the floor on the non-oil primary fiscal balance and the ceiling on net domestic financing for end-December 2024, as well as the continuous ceiling on Treasury advances (the latter being missed by a small margin). The ITs on domestic arrears accumulation and financing interventions by interventions by the National Hydrocarbon Company (SNH) were also missed.

4. To address these slippages, the authorities reversed part of the domestic arrears buildup by end-March 2025 and committed to two important prior actions. These include submitting a revised 2025 Budget Law to Parliament aligned with program objectives and issuing a circular to strengthen the transparency of SNH-related budget transactions. Importantly, in this regard, all SNH-financed government spending will be carried out within the state budget as from FY 2026, which will ensure the full transfer of net hydrocarbon revenues to the Treasury. Encouragingly, program performance at end-March 2025 substantially improved, with 11 out of 12 ITs met, demonstrating the authorities' renewed commitment to fiscal discipline.

5. Out of the four structural benchmarks (SBs) due for the final reviews under the ECF and EFF, three were implemented. These included the preparation of a report on public procurement planning and the recapitalization of two banks to meet regulatory capital requirements. The revised investment code, initially due in April 2025, was also finalized and published on July 18, 2025. Meanwhile, the interim report on the restructuring of the national refinery company SONARA is incomplete to date due to technical complexity. These delays underscore capacity and coordination challenges in structural reform implementation, which will be addressed.

6. Program performance under the RSF was stronger, with 3 out of 4 reform measures (RMs) completed. Key deliverables included the adoption of a National Climate Plan, revisions to public investment decrees to integrate climate considerations, and the publication of a Disaster Risk Financing Strategy. However, the RM on forestry sector reform was delayed due to administrative constraints, precluding access to the associated climate financing.

Recent Economic Developments and Outlook

7. Cameroon's economy has shown resilience in 2024, with real GDP growth accelerating to 3.5 percent, up from 3.2 percent in 2023, driven primarily by robust activity in financial services and telecommunications. Inflation declined to 4.5 percent, and further to 4.2 percent in May 2025, supported by easing food and transportation prices as well as improved external conditions in the CEMAC region. The external position strengthened in

2024, with the current account deficit narrowing to 3.1 percent of GDP, down from 4.1 percent in 2023, buoyed by a surge in cocoa prices and exports.

8. On the fiscal front, the non-oil primary deficit stood at 2.4 percent of GDP in 2024, exceeding the program target of 2 percent due to ongoing security-related spending and despite restraint on capital expenditure. Public debt remained broadly stable, with the debt-to-GDP ratio declining to 42.8 percent in 2024 from 43.2 percent in 2023. On the financial system, the banking sector remained stable, aided by bank recapitalization efforts, though further resilience-building efforts are still needed.

9. Our authorities agree with staff that the medium-term outlook is broadly favorable but subject to elevated risks amid high global uncertainty. Growth is projected to rise to 3.8 percent in 2025 and strengthen moderately thereafter, assuming sustained reform progress and easing external pressures. Inflation is expected to converge gradually toward the regional target of 2 percent, and public debt should decline further under a tight fiscal stance. However, downside risks persist, notably relating to global trade tensions, the impact of cuts in external aid, domestic and regional security, and political uncertainties ahead of the October 2025 presidential elections. On the upside, continued strength in cocoa prices could further support the external position. Careful macroeconomic management and reform implementation will be critical to mitigating risks and sustaining momentum in the period ahead.

Fiscal and Debt Policies to Promote Sustainability While Meeting Development and Social Priorities

10. Going forward, the authorities remain strongly committed to fiscal responsibility and transparency. In response to fiscal challenges, a presidential circular was issued mandating that all revenues from hydrocarbons sales by SNH—net of production costs—be transferred to the Treasury in full, without deductions for government obligations to SNH. This measure aims to enhance fiscal transparency, integrate SNH operations into the budget framework, and limit off-budget spending.

11. The revised 2025 budget also adopted to adjust fiscal policy targets a non-oil primary deficit of 1.4 percent of GDP, significantly improving from 2.4 percent in 2024, consistent with the CEMAC fiscal convergence path. Clearing domestic arrears remains a top priority, with CFAF 233 billion—or about one-third of the outstanding stock— budgeted for repayment in 2025. The authorities are committed to clearing the remainder over the following two years and have already completed most of the 2025 arrears clearance by end-March, supported by domestic bond issuances.

12. The authorities are implementing a comprehensive revenue strategy to reduce dependence on oil and strengthen domestic resource mobilization. Tax policy measures include eliminating selected tax expenditures, introducing a levy on money transfers, and strengthening environmental taxation. The revised investment incentives law—now featuring tax credits and accelerated depreciation—is a welcome step toward a more equitable and efficient corporate tax framework. Revenue administration is also being modernized, with the rollout of electronic invoicing, enhanced internal controls, and strengthened customs enforcement to combat fraud and illicit flows. Together, these reforms should broaden the tax base, improve compliance, and support sustainable revenue growth.

13. On the expenditure side, the authorities are prioritizing improvements in public financial management. Related reform measures include tighter alignment of procurement and cash flow planning, improved monitoring of budget execution, and the closure of redundant correspondent accounts in preparation for the transition to a Treasury Single Account. Arrears control is being reinforced as well through better coordination among budget units, validation of liabilities, and enhanced cash forecasting. These reforms will improve expenditure discipline and predictability, reduce fiscal risks, and support more credible budgeting.

14. Reforms of state-owned enterprises (SOEs) are advancing. The completion of the interim study on SONARA marks a critical step toward the restructuring of the company. Parallel efforts to strengthen the electricity company ENEO—including tariff adjustments, installation of smart meters, and upgrades to the distribution network—are expected to improve revenue collection and service delivery. In the energy sector in general, the authorities are working to ensure financial sustainability, including through the operationalization of the Nachtigal dam, expansion of transmission capacity, and planned acquisition of ENEO's majority shareholding—all of which are being transparently integrated into the budget framework. The operationalization of the National Investment Corporation (SNI) is progressing as well, with an expanded mandate for SOE oversight, recapitalization, and investment planning.

15. Regarding debt, the authorities remain committed to prudent borrowing and sound debt management. All non-concessional borrowing is now restricted to projects with clear economic returns and strategic relevance, and all securitization transactions are subject to prior review by the National Public Debt Committee (CNDP). Disaggregated debt data are now published regularly to enhance transparency, and the authorities are seeking additional technical assistance to refine their medium-term debt strategy and improve debt sustainability analysis.

16. While public debt remains sustainable, the authorities acknowledge the elevated risk of debt distress and are reinforcing debt management through stronger institutional oversight and operationalization of cross-debt clearance mechanisms. Over the medium term, they aim to sustain fiscal discipline while creating space for priority spending, including on infrastructure, human capital, and social protection. Following the presidential elections of October 2025, the authorities plan to strengthen the automatic fuel price adjustment mechanism and expand targeted social programs to mitigate the negative impact of subsidy reform on vulnerable populations and declining official development assistance.

Reinforcing Financial Stability and Inclusion Through Targeted Reforms

17. Cameroon’s banking sector remains broadly stable, with the capital adequacy ratio rising to 15.3 percent in 2024. The recapitalization of two undercapitalized banks has bolstered the sector’s resilience, though non-performing loans (NPLs) remain elevated. To address structural vulnerabilities, the authorities are advancing a comprehensive reform agenda to mitigate systemic risks and promote financial inclusion. Key initiatives include the establishment of a national credit registry, digitalization of land records to facilitate collateralization, and the operationalization of the Deposit and Consignment Fund (CDEC). The rollout of the 2023–2027 financial inclusion strategy is also underway, targeting improved access to financial services, particularly for underserved populations and small enterprises.

18. Efforts are also progressing to deepen the secondary market for government securities, thereby reducing banks’ exposure to sovereign risk. In parallel, a governance framework for managing state ownership in the banking sector is being finalized to enhance transparency, accountability, and operational efficiency.

Structural, Governance and Climate Reforms to Enhance Resilience

19. The government is more firmly embedding governance considerations within its broader macroeconomic reform framework, reflecting strong national ownership of the sustainability agenda. Notable progress has been made toward exiting the Financial Action Task Force (FATF) “grey list” through improvements in anti-money laundering and counter-terrorism financing frameworks. The country has also advanced measures to regain full compliance with the Extractive Industries Transparency Initiative (EITI), including the adoption of a beneficial ownership registry and the publication of oil contracts.

20. The authorities are accelerating climate reforms to enhance resilience and long-term sustainability. Beyond the adoption of a National Climate Plan and a Disaster Risk Financing Strategy, key milestones include the rollout of the second-generation Forest Information Management System (SIGIF2) to improve traceability, compliance, and revenue mobilization in the forestry sector.

21. To mainstream climate considerations into public financial management, the authorities have revised key decrees governing project preparation and monitoring. These reforms aim to ensure that climate risks are systematically assessed and addressed throughout the investment cycle. The integration of climate criteria into project selection is expected to improve the quality, efficiency, and sustainability of public investments.

Conclusion

22. Considering the program performance and corrective actions taken to pursue their reforms, the Cameroonian authorities request the completion of the Eighth Reviews under the ECF and EFF arrangements and the Third Review under the RSF arrangement, which will mark the end of those programs. As the country enters a new political cycle, the authorities are determined to continue steadfastly implementing their policy and reform agenda. In this perspective, they reaffirm their commitment to deepening collaboration with development partners. We would appreciate Executive Directors' favorable consideration of their requests, which, in the period ahead, will be critical to sustaining reform momentum and maintaining Cameroon's regional contributions.