Letter of Intent

January 7, 2020

Madam Kristalina Georgieva
Managing Director
International Monetary Fund
700 19th Street N.W.
Washington, D.C. 20431
U.S.A.

Dear Madam Managing Director,

The Government of Cameroon continues to implement the measures set out in its Economic and Financial Program supported by a three-year arrangement under the International Monetary Fund's Extended Credit Facility (ECF) for the period 2017-2020 under difficult economic and security conditions.

Cameroon's performance under the ECF remains broadly satisfactory. All quantitative performance criteria for end-June 2019 were observed. Specifically, the floor on the non-oil primary balance was met despite endogenous and exogenous shocks. However, the continuous performance criterion on external arrears was not met since July 18, 2019 owing to liquidity pressures resulting from revenue shortfalls and delays in receiving budget support. These arrears (43.4 billion CFA in total) were repaid in full before end-November. Performance toward the indicative targets has been weak. Four of the five June targets have not been met. Specifically, the floor for non-oil revenues and the ceiling on the net accumulation of domestic payments arrears were not met owing to a smaller than anticipated taxable base, the persistence of the tax debt of public enterprises, and the impact of the SONARA fire on its ability to honor its tax obligations. Also, delays in the recording of revenues earmarked for education and health meant that the floor for social spending was not met, and the share of total expenditures executed by exceptional procedures, excluding debt, was reduced by 1.5 percentage points but did not meet the target set in the program. Implementation of the program's structural reforms continued and resulted in the completion of 5 of the 13 structural benchmarks for January to November 2019.

The government is requesting a waiver for its failure to observe on time the continuous performance criterion on the accumulation of external arrears. The government commits to successfully implementing the program for the remainder of the year and to timely service all external loans, including those that have been on-lent to public enterprises. However, given downside risk for non-oil revenues owing to SONARA's difficulties in meeting its tax obligations, higher than initially projected oil subsidies and a greater need to increase security in the northern and southwestern regions of the country, the target for the non-oil primary deficit (payment order basis) will be missed by 0.3

percentage point of GDP. The government is thus requesting the amendment of the quantitative performance criterion on the floor for the non-oil primary fiscal deficit for December from CFAF 760 billion to CFAF 851 billion, for an overall deficit target of 2.3 percent of GDP as against the 2 percent indicated in the supplementary budget law. The government is also requesting the modification of the definition of the continuous performance criterion on the contracting or guaranteeing of non-concessional external debt for 2020, as indicated in Table 1 of the MEFP.

The government commits to continue to implement the structural benchmarks and to respect the amended quantitative benchmarks and criteria for end-December 2019. Close monitoring of budget execution, control of recourse to exceptional expenditure procedures involving the use of provisional commitments and cash advances, and the identification of contingent revenue and expenditure measures will make it possible to meet the fiscal targets for 2019 and will result in more transparent fiscal management in 2020. The government also commits to making up the delays in the implementation of the structural benchmarks and to ensure implementation of all of the planned measures for end-March 2020.

The government will continue to implement policies that are consistent with the maintenance of regional external stability, which requires the rebuilding of the international reserves of the BEAC. To this end, the government supports the efforts of the BEAC and COBAC to improve compliance with the new foreign exchange regulations. It will ensure that the requirement to repatriate export proceeds, particularly oil revenues, is respected and has in this connection forwarded all mining and oil contracts signed by the Cameroon government to the BEAC.

The Memorandum of Economic and Financial Policies (MEFP) attached to this letter of intent describes the economic and financial situation in 2019, sets out the economic and financial policies that the government intends to implement in 2020, and establishes the quantitative criteria, indicative targets and structural benchmarks through to June 25th, 2020.

In light of performance under the program to date, and the commitments set out in the MEFP, the government requests the conclusion of the fifth review of the arrangement under the ECF and the disbursement of SDR 55.2 million

The government is convinced that the policies and measures set out in the attached MEFP are adequate to achieve the program objectives and undertakes to take any additional measures that may be required. The Cameroonian authorities will consult with the IMF on any such additional measures and in advance of any revisions to the measures included in the MEFP, in accordance with the IMF's policy on such consultations. To facilitate program monitoring and evaluation, the government undertakes to regularly report all required information to the IMF by the established deadlines, in accordance with the attached Technical Memorandum of Understanding (TMU).

Finally, the government confirms that it agrees with the publication of this letter, the MEFP, the TMU, and the IMF Staff Report on this program.

Sincerely yours,

/s/

Joseph Dion Ngute

Prime Minister, Head of Government

Attachments: - Supplementary Memorandum of Economic and Financial Policies
- Technical Memorandum of Understanding

Attachment I. Supplementary Memorandum of Economic and Financial Policies, 2019–20

January 2020

I. INTRODUCTION

1. The government is continuing its efforts to implement its Economic and Financial Program supported by the International Monetary Fund (IMF) under the Extended Credit Facility (ECF), despite the ongoing difficult socioeconomic circumstances. The six performance criteria for end-June 2019 were observed. However, only one of the five indicative targets was met. The floor for non-oil tax revenues was not met owing to a more sluggish than anticipated economy, the persistent tax debts of public enterprises, and, in particular, the shock related to the accident at SONARA in late May 2019. As well, only five of the 13 structural benchmarks for January to November 2019 were met and two benchmarks were implemented with delay. Implementation of the six others is continuing with a view to their completion by end-March 2020. The difficult security context in Cameroon continues to weigh heavily on the country's economic and social situation, but the government remains firmly committed to the successful implementation of the program for the rest of this year and the first half of 2020 and will take all necessary measures to honor its commitments. Specifically, it will (i) continue the fiscal reforms by effectively implementing the CEMAC directives; (ii) continue to expand the non-oil revenue base; (iii) improve public capital expenditure efficiency and control; (iv) enhance the stability of the banking sector; (v) reduce the obstacles to the development of the private sector; (vi) implement a plan for the financial and physical rehabilitation of SONARA; and (viii) promote the diversification of the economy while maintaining debt sustainability.

II. RECENT ECONOMIC DEVELOPMENTS

2. Economic growth in 2019 remained virtually at the same level as in 2019. Growth is expected to reach 3.9 percent (as against 4.1 percent in 2018) owing to the growth of the oil sector (6 percent) as a result of development investments in the sector and the increase in the production of gas. Growth of the non-oil sector is projected to slow from 4.4 percent in 2018 to 3.6 percent in 2019 as a result of the slowdown in the manufacturing industries resulting from the SONARA fire, the underperformance of ALUCAM (the main operator in the aluminum sector), the contraction in forestry, industrial and export agriculture, and manufacturing, lower domestic demand as a result of slower private investment, as well as the negative impact of the socio-political crisis in the northwestern and southwestern regions. Despite the uptick in the oil sector after three consecutive years of declines, the economic slowdown observed during the first half of the year was due to the poor performance of the non-oil sector as a result of the contraction of forestry and slowdowns in industrial agriculture and exports, as well as manufacturing.

3. Fiscal consolidation continued during the first half of 2019. Non-oil revenues in the first half of the year were 0.2 percent of GDP lower than the level projected in the fourth review owing to weak economic activity in high-tax-revenue sectors, delays in the implementation of new tax measures (excise taxes and VAT), the SONARA fire in May 2019, which prevented it from fully honoring its tax obligations, lower growth of imports with the entry into effect of the new foreign exchange regulations and the accumulation of government tax debt on imports under externally financed contracts. The underperformance of revenue was more than offset by slower expenditure execution, particularly for goods and services and domestically financed investment projects. The overall deficit is estimated at 0.2 percent of GDP, as against the 0.9 percent set out in the program. The cash flow deficit was higher, however, at 1.0 percent of GDP owing to larger repayments of earlier arrears and was primarily financed by net foreign borrowing. This prudent budget execution made it possible to build up net deposits at the BEAC equivalent to 0.5 percent of GDP.

4. The current account deficit remained stable at around 4.7 percent of GDP during the first half of 2019, as against 4.8 percent of GDP in the first half of 2018. The trade balance remained stable overall, owing to the sharp increase in crude oil and gas exports and the temporary recovery of the cocoa sector, offset in large part by sizable oil imports.

5. Growth of net foreign assets and the monetary aggregates continued. The increase in broad money accelerated to about 15 percent at end-June 2019 (as against 13.7 percent at end-2018), and Cameroon's net foreign assets rose 12 percent in the first half of the year. Growth of credit to the private sector remained relatively stable.

III. IMPLEMENTATION OF THE ECONOMIC AND FINANCIAL PROGRAM

6. All of the quantitative performance criteria were observed, as well as most of the indicative targets for end-September 2019 (Table 1). Based on data at end-June 2019 and preliminary data for end-September 2019:

- The performance criterion on the non-oil primary balance was met by a margin of 0.8 percent of GDP at end-June 2019, as the revenue shortfall was offset by expenditures over the half year that were lower than projected in the fourth review.
- The net financing of the government by the BEAC (excluding IMF) was 0.4 percent of GDP lower than the program ceiling at end-June 2019 owing to the increase in government deposits following from the reduction of its cash basis deficit.
- The ceiling on net domestic financing (excluding IMF) was met at end-June 2019 by a margin of 0.3 percent of GDP, as the level of external financing was higher than programmed.
- The performance criteria on indebtedness were observed by significant margins at end-June 2019, particularly the ceiling on disbursements of non-concessional loans (margin of 0.7 percent of GDP) and the ceiling on the signing of new non-concessional loans (margin of 1.5 percent of GDP). However, the continuous performance criterion on the non-accumulation of external arrears was missed between July and November 2019. The arrears (CFAF 43.4 billion) were repaid in full before end-November.

- All indicative targets at end-June 2019 were missed, with the exception of the indicative ceiling on direct interventions by the Société Nationale des Hydrocarbures (SNH) (Table 1). The floor on social spending was not met at end-June owing to delays in the recording of revenues earmarked for the education and health sectors. The strong performance at end-September should mean that this floor will be met at end-December.

- Expenditures executed using exceptional procedures as a share of total expenditures, excluding debt, for which payment orders have been issued could be reduced to 5 percent at end-December through the more vigorous application of measures to contain these practices, as defined in the circular on budget execution for fiscal year 2019 and the declassification of operations by imprest accounts (*régies d'avances*) in the calculation formula, given that the latter do not constitute exceptional measures.

- Three of the 9 indicative targets for September 2019 were not met (see Table 1).

7. Progress continues to be made with the implementation of the program structural reforms despite the delays in a number of these reforms. Five of the 13 structural benchmarks for January to November 2019 were met, two were implemented with delay (Table 2), and significant progress was made with the benchmarks not yet met, specifically:

- *Revision and simplification of the fuel price structure.* Following the SONARA fire, the authorities opted for an import-based price structure. Work on this is ongoing.
- *Adoption of a resolution plan for two distressed banks.* The restructuring plans of the two distressed banks prepared by the dedicated Interministerial Committee were approved in November 2019 by the Extraordinary General Meetings of Shareholders and submitted to the COBAC for validation (October SB proposed to be reprogrammed to January 2020).
- *Completion of the diagnostic studies of four large public enterprises.* With respect to CAMAIR-Co., the opening of the tender offers took place on December 20th. In the case of CAMWATER, following the pre-qualification of the candidates, the draft tender dossier validated by the CTR's special procurement committee was sent to the Central Commission for Public Contracts Control (CCCMP) for review, prior to the launch of the related call for bids. With respect to the diagnostic study on SONARA, a number of firms have been consulted and submitted bids. The opening of the offers took place on December 20th, 2019. Regarding studies funded by the World Bank, it should be noted that the contract award process for the diagnostic study of PAD is underway. While the TOR for the CAMTEL study have been validated by the authorities and the World Bank. The notice of invitation to express interest (ASMI) is awaiting publication by the World Bank project
- *Implementation of the necessary steps to expand the Treasury Single Account (TSA).* The Minister of Finance has signed a circular letter specifying that in the context of the fiscal reform undertaken in Cameroon, Article 79(1) of Law No. 2018/012 of July 11, 2018 provides: "Public resources are all, whatever their nature and their source, collected and managed by public accountants and paid into and held in a single account opened in the name of the Treasury at the Bank of Central African States." The summary report describing the status of government

deposits in commercial banks has been produced. Moreover, the Central Bank was asked in September 2019 to open subaccounts for all centralizing accountants and some public entities already participating; an operating agreement for the subaccounts covering not only the accounts of the centralizing accountants but also those of the administrative public establishments (EPA) and decentralized local governments (CTD) has been forwarded to the BEAC for signature.

- *Adoption of a business model by the SME Bank (BC-PME).* The study on the financing needs of SMEs has been completed. The government will propose a viable economic model for BC-PME based on predominantly indirect financing by March 2020 (September 2019 SB proposed to be reprogrammed to March 2020).

IV. ECONOMIC AND FINANCIAL PROGRAM FOR 2019 AND THE MEDIUM TERM

A. Macroeconomic Framework

8. The economic growth outlook remains positive. Growth should reach 3.9 percent in 2019, driven essentially by an increase in hydrocarbons production, which is expected to grow by almost 6.0 percent after three consecutive years of decline. This change results from the increase in gas production following the entry into service of the floating gas plant off Kribi and an improvement in oil output. During the period 2020-22, oil sector growth should slow, primarily owing to the decline in oil production. Growth of the non-oil sector is expected to gradually improve to close to 5 percent in 2022. It will be sustained by (i) the solid performance of the agri-food, manufacturing and chemical industries and wood processing; (ii) ongoing road infrastructure rehabilitation and construction works, and completion of the construction works in preparation for the 2021 Africa Cup of Nations; (iii) improvement in the energy supply with the entry into service of the hydroelectric dams and completion of the construction of electricity distribution infrastructure by SONATREL; (iv) the positive impact of the coffee, banana, cotton and rubber sector development programs; (v) the ongoing implementation of measures to increase the production and productivity of food crops; and (vi) the uptick in agriculture following the anticipated easing of tensions in the regions still plagued by security problems.

9. Continued fiscal consolidation and efforts to repatriate export proceeds should support the improvement of the current account and the rebuilding of the international reserves over the period 2020-24. The current account deficit should stabilize at around 3 percent of GDP in the medium term and net foreign assets are expected to grow at an average annual rate of 1.4 percent. These efforts are also needed to stabilize and then reverse the public debt trajectory and maintain debt service at sustainable levels. Any slippage could result in an unsustainable public debt path owing to a rapid accumulation of the stock of non-concessional debt and still limited fiscal and export revenue bases.

10. Domestic and external risks could affect the outlook. The external risks that could affect growth are related primarily to uncertainty related to international trade tensions, slower global growth, and the persistent volatility of commodity prices. Domestically, a further deterioration of the security problems in the northwestern and southwestern regions and worsening of the socio-political climate before and after the upcoming legislative and municipal elections could undermine the fiscal consolidation efforts under way and the implementation of the reforms. Nevertheless, the non-oil sector remains strong and this could help to mitigate the negative impact of some shocks.

B. Fiscal policy

11. Given the fiscal outturn for the first nine months of this year, some of the initial objectives for end-2019 are no longer achievable. The supplementary budget approved by Parliament in June 2019 aims to limit the overall fiscal deficit, payment order basis, to 2 percent of GDP. It includes revenues equivalent to 15.7 percent of GDP, including 2.3 percent for oil revenues and 13.6 percent for non-oil revenues. Non-oil revenues collected through end-September 2019 show a shortfall equivalent to 0.8 percentage point of GDP, explained by the weakness of the taxable base and the accumulation of fiscal arrears by SONARA vis-à-vis the DGD and the DGI. The netting during the fourth quarter of 2019 of cross-debts between the state and companies in the oil sector will help reduce this shortfall. However, these operations require order entries (*écritures d'ordre*) that display the subsidy payments due to these companies and which will lead to an increase in transfers and subsidies of 0.5 point of GDP. Fiscal regulation measures taken by the government to contain other current expenditures and domestically financed capital expenditures will help limit the overall fiscal deficit (payment order basis) to 2.3 percent of GDP, in contrast to the 2.0 percent projected in the supplementary budget law.

12. The 2020 budget law calls for a fiscal deficit (payment order basis) of 2.1 percent of GDP. This law projects total revenues equivalent to 14.8 percent of GDP. The anticipated decline in oil production is expected to lead to a drop in oil revenues of 0.5 percentage point of GDP. The tax measures in the 2020 budget law should help to expand the tax base by reducing certain tax expenditures and introducing a proactive strategy to reduce the tax arrears of public entities (see paragraphs 21 and 22). Total expenditures projected in this budget law are 0.8 percentage point lower than in 2019 (excluding the opérations d'ordre), owing to anticipated savings on the wage bill and reductions in subsidies and transfers. Current expenditures will include sufficient provisions to enable the government to continue to deal with the security and humanitarian situation, provide adequate financing for the elections, and respond to the need for subsidies. Capital expenditures will be held steady at about 6.3 percent of GDP. Given the limited budgetary support expected in 2020, the fiscal constraint will force us to reduce the repayment of arrears below the level anticipated in the fourth review.

13. The government will continue to issue T-bills and bonds to meet its cash flow needs in accordance with the authorization in the 2020 budget law. Authorizations for net issuance of public securities in the 2020 budget law total CFAF 320 billion.

14. Respecting the revised 2019 fiscal objectives and the 2020 budget law requires increased control of budget execution:

- To ensure transparency in budget execution, a 2019 budget execution report will be published by end-June 2020.
- During the first three quarters of this year, the share of domestically financed expenditure (excluding debt service) executed using exceptional procedures totaled 6.6 percent. The government will take all measures to apply the provisions of the 2019 budget execution circular, which calls for the limitation of provisional commitments and cash advances. Specifically, in 2020 the total volume of expenditures executed by exceptional procedures will be limited to 5 percent of total domestically financed expenditures (excluding debt service). Operations involving imprest accounts (*régies d'avances*) should, however, be excluded from the calculation of this indicator to the extent that they are no longer an exceptional procedure, as was the case for the advance funds procedure (*caisses d'avances*), which impacted the budget before the service is delivered (Circular No. 2 C/MINFI of June 19, 2018 on the execution of budget laws).
- The government undertakes to speed up the effective implementation of the laws on the Code on Transparency and Good Governance in Fiscal Management in Cameroon and the Financial Regime for the government and other public entities in accordance with the CEMAC directives.
- To improve the predictability and transparency of budget execution, direct interventions will be maintained at a maximum of CFAF 140 billion in 2020. The 2020 budget law includes budget appropriations to cover expenditures involving direct interventions.
- Expenditures to be regularized, including those paid through direct interventions, will be regularized monthly to avoid the accumulation of significant expenditure balances pending regularization at the end of the year. They will be recorded in the fiscal recording tables (TABORD).
- Commitments will be effectively closed by end-November 2020 and payment orders by end-December 2020. The complementary period will be limited to one month after the end of the budget year.

15. The government undertakes to identify and quantify contingent measures to control the downside risks for revenue and maintain expenditure within the limit of total budgetary appropriations in the 2020 budget law. On the revenue side, the government commits to improving the collection of tax arrears, particularly those of public enterprises and establishments and those due by the government on imports under externally financed contracts and government imports. The government will also take measures to clear cross debts, particularly by means of balancing operations (*opérations d'ordre*). The DGI and DGD will continue to implement measures to expand the tax base by strengthening audits of enterprises at risk of underreporting on their tax returns.

16. The government will resolutely continue its efforts to reduce government goods and services costs based on the Prime Minister's 2017 circular. The reduction of mission expenses and commissions, the strict application of the reference price list, and the limitation of exceptional procedures should yield fiscal margins that could be redeployed to priority expenditures. In the area of expenditure management, efforts will be made to control the rate of budgetary commitments of expenditures while assuring alignment of these commitments with revenue flows to consolidate the primary deficit reduction profile. The government will also continue the civil service wage bill reform, with various actions planned: (i) discussions on the remuneration of civil servants in the context of a special committee whose conclusions are expected in 2020; (ii) the work to introduce the SIGIPES 2 application and (iii) close monitoring of payroll database suspensions for deceased civil servants and retirees, and recovery of wages already paid to the accounts of the deceased.

17. The government also considers that the existing fuel price structure should be revised and simplified. In the short term, the objective is to make this structure more transparent and reduce the weights of petroleum subsidies in the government's budget. In the medium term, the government intends to launch a communications campaign pointing out the costs and inequities of generalized subsidies and the advantages of fuel price flexibility. A policy of flexible prices reflecting changes in international prices for oil products should then be adopted, along with a program of subsidies that more directly targets vulnerable populations, developed with the support of the World Bank.

18. Fiscal consolidation will continue, while protecting priority social spending. For 2020, in the context of the process of adopting its Growth and Employment Strategy, the government will take decisive measures to further reduce poverty and inequality. The government will continue to increase expenditure on health and education and improve their quality, particularly by ensuring the release of sufficient resources for the performance-based health expenditure management program. The floor for social spending for 2020 will be maintained at 3.4 percent of GDP despite the sharp decrease in resources, translating to an increase from CFAF 760 billion in 2019 to CFAF 772 billion in 2020.

Medium-term Fiscal Objectives

19. The medium-term budget framework will remain in line with the fiscal consolidation objective, with a deficit target that aligns with the CEMAC convergence criterion. The medium-term budget framework remains focused on a gradual reduction of the overall fiscal deficit (payment order basis), which will stabilize at around 1.5 percent of GDP, allowing for respect of the CEMAC convergence criterion (reference fiscal balance) by 2022. This fiscal deficit reduction will involve a steady improvement in the mobilization of non-oil revenues (particularly by continuing to reduce exemptions) and greater efficiency and control over public expenditure. A gradual reduction in nonpriority expenditures and better prioritization of capital expenditures will allow investment projects to continue.

C. Structural Reforms and Public Finances

20. The government also intends to continue implementing the medium-term reforms aimed at improving the quality of expenditure and cash management, as defined in our fiscal reform program. The main focuses of these reforms are:

- *Continue and deepen cash management reforms with a view to establishing a Treasury Single Account (TSA).* In this context, the following actions will be taken:

  - Strengthen the role of the cash management committee, which will be responsible for preparing credible monthly cash forecasts based on commitment plans that are in turn underpinned by procurement plans, in order to reduce liquidity pressures and the accumulation of domestic arrears. The committee will also prepare annual cash forecasts to be attached to the budget law, starting with the 2020 budget.

  - Continue efforts to close and repatriate to the BEAC (in the Treasury account or in accounts opened in these entities' names) bank accounts that are eligible for inclusion in the TSA of government departments, public agencies and institutions and public establishments, as well as certain accounts of the Caisse Autonome d'Amortissements (CAA). The government has asked the banks to close some dormant accounts and transfer to the BEAC the balances of these accounts, totaling approximately CFAF 44.5 billion for 2019. The total resources that can be transferred to the TSA in 2020 are estimated at a minimum of CFAF 150.5 billion. The government will also continue the dialogue with technical and financial partners on the centralization of all counterpart funds for joint projects in a single account (the basket fund) opened at the BEAC. For the effective repatriation of government resources in commercial banks to the BEAC, as well as expansion of the scope of the Treasury Single Account, the government has taken the following actions: (i) sign a management agreement for the single account with the BEAC; (ii) submit a list of government accounts (and the balances of those accounts), excluding counterpart funds; (iii) send letters to the public entities holding these accounts explaining the TSA reform, and prepare a timetable for the closure and repatriation of the balances of these accounts to the TSA at the BEAC.

- *Continue cleaning up and reducing the balances of correspondent accounts, while ensuring observance of the deposits accumulation objective.* The closing of dormant correspondent accounts and the accounts of non-revenue-generating entities has been completed (June 2019 SB), the audit of the remaining correspondent accounts will continue, and the prohibition against making budget appropriations on correspondent accounts and against the opening of new accounts remains in place.

- *The government's financial reporting system will continue to be strengthened, to ensure that the budgetary and accounting information is complete, reliable, and timely.* The TOFE is now being produced on the basis of automatic links with the balances of the Treasury accounts, on the one hand, and the table of payment authorizations, on the other, and is validated in accordance with provisions 953, 954, and 955 of the circular of December 28, 2018 providing instructions for execution of the budget of the government and other public entities for fiscal 2019.

- *To increase the effectiveness of capital expenditure, the government will continue implementing reforms to improve project selection, planning, and the execution of investments.*

- Implementation of the decree on the maturation of investment projects now permits restricting inclusion in the budget to projects that have been deemed mature and for which expropriation compensations have been paid.
- The accountability of project implementation units is being enhanced through the signing of standardized performance contracts and linking the remuneration of experts in these units to well-defined performance indicators. These performance contracts include, *inter alia*, the preparation of quarterly reports with physical and financial project implementation indicators, the revision of the disbursement plan, and project management expenditures.

21. The DGI and the DGD will continue their efforts to improve revenue collection, combat fraud and tax evasion, reduce exemptions, and ensure the integrity of the taxpayer database and IT systems.

- The DGI will focus in particular on:

  a. The launch of the reform aimed at deepening segmentation within the DGE, the territorial reorganization of the two largest Regional Tax Centers (Center 1 and Littoral 1), and the effective establishment of specialized units responsible for managing the taxation of individuals in CIMEs (Medium-Sized Taxpayer Centers) and CDIs (Divisional Tax Centers).
  b. The overall reform of the tax treatment of small and medium-sized enterprises, including raising the VAT liability threshold to improve the yield.
  c. Continuing the computerization of tax procedures, especially those of the renovated CDIs, to ensure that they take advantage of the capability of filing returns and making payments electronically.
  d. The strengthening of tax audits by implementing targeted audits to reduce the rate of VAT returns with credit balances, introducing automated tracking of audit procedures in the DGE and the CIMEs; and relying increasingly on local and international experts through the Tax Inspectors Without Borders initiative.
  e. Based on the results of more in-depth discussions with the DGD, we also intend to develop the potential for additional revenue collection. Specifically, we plan to continue identifying, investigating, and auditing noncomplying enterprises and we will begin sending out reminders and recovering undeclared taxes.
  f. Continuing the process of simplifying and automating procedures by introducing electronic payments for enterprises in the DGE and CIME systems, the electronic filing of Statistical and Tax Declarations (DSF), the registration of judicial decisions for tax purposes, the automation of the dispute procedure, and the granting of stays of collection to reduce the time needed to process cases and control the risks of delaying tactics in the collection of tax revenues.
  g. Improving the collection of taxes and duties by strengthening the mechanism for enforced collection of the tax debts of importers at the DGD.
  h. Continuing the digitalization of tax procedures and operations with IMF technical assistance (FAD);

i. Electronic tax payment operations (IR - income tax, TSR – special income tax, and VAT) in connection with the public procurement process;
j. The adoption of a strategy for settling the tax arrears of public entities;
k. The adoption of a strategy to reduce the stock of private enterprises' undisputed tax arrears.

- The DGD will continue to consolidate the gains of the reforms implemented by enhancing the revenue optimization and facilitation measures currently in force, including:
  a. Secure customs revenues through quarterly reconciliation of the DGD-SGS tax bases, capitalize on the results of reconciliation efforts, and require the inclusion of RVCs (Value and Tariff Classification Reports), CIVIC (Control of Identification of Vehicles Imported into Cameroon), and BDTs (*tax slips*) in customs declarations. In addition, the SGS will take legislative and regulatory provisions such as budget laws and other regulatory texts into account at the time of assessment and pre-settlement.
  b. Prepare monthly reconciliations of revenues collected by customs with revenues paid to the Treasury (in the context of the TABORD Committee whose operational team gathers revenue agencies around the forecasting division in order to assess and validate monthly revenue collection.
  c. Improve revenue collection by simplifying procedures, further expanding electronic payments, and harmonizing tax bases throughout the country;
  d. Enhance the protection of the information system by making user profiles and the interconnection with other partners more secure. Simultaneously, evaluate with the different parties involved (Customs, Authorized Customs Officers, Banks, Single Windows for Foreign Trade, Carriers, etc.) the modernization of the information systems of the DGD (CAMCIS) implemented in the pilot sites before the operationalization of certain modules on the main sites for revenue mobilization.
  e. Continue the work of modernizing the DGD information system (CAMCIS) done on the pilot sites prior to full migration to the main activity sites;
  f. Introduce a customs release slip that export and import enterprises will be required to submit in connection with the public procurement process;
  g. Finalize the legal framework for implementation of the Authorized Economic Operator as well as continue the implementation of the green channel for declarations processing;
  h. Reduce costs and delays in the movement of goods via phased settlement of the taxes, costs, and fees of participants in the supply chain indicated in the detailed declaration.
  i. Focus the effort to combat fraud and smuggling through the HALCOMI III operation involving products such as vehicles, sardines, alcohol, and fabrics;
  j. Continue the incorporation of agreements, specifications, and other derogatory regimes in the law on the promotion of private investment in Cameroon (Law 2013/004 of April 18, 2013);
  k. Finalize the new procedure for the taxation of telephones and other terminals;

22. The joint work of the DGI and the DGD on the FUSION application database will continue and is expected to improve data collection and information sharing between the two administrations. The actions to be taken will continue to focus on: (i) continuing the cleanup of the taxpayer database using the results of cross-checks between the DGI and DGD databases; (ii) harmonizing and simplifying procedures; (iii) managing the derogatory regimes, particularly by stepping up the joint DGI-DGD audits of enterprises that have benefitted from tax exemptions; (iv) continuing the evaluation and reduction of tax expenditures and the establishment of a communication strategy in the matter with assistance from the World Bank; (v) ensuring the validity of exemptions by requiring immediate transmission of the MINFI-approved document to the Directorate of Legislation and Disputes for processing and registration in a database established at the central offices of the DGD; (vi) preparing a procedures manual aimed at enhancing joint audit and investigation operations with a view to optimizing results; (vii) strengthening the data analysis system by uploading into the FUSION application a critical mass of DSF (statistical reports and tax returns) to facilitate automated data cross-checking and identify potentially at-risk taxpayers; (viii) implementing joint controls to address shared risks, particularly in the forestry sector.

D. Debt Policy and Contingent Liabilities Management

23. Our debt policy will continue to focus on the need to avoid debt distress risks and to place public borrowing on a sustainable path. As the risk of debt distress is still high, the government will continue to give priority to concessional loans and will limit non-concessional borrowing to priority projects for which no concessional financing is available, subject to the program limits defined on the basis of the findings of the public debt sustainability analysis.

24. Debt increased in 2019, but efforts were made - and will continue - to limit the contracting of new non-concessional loans. The ratio of total public debt to GDP increased from 27.9 percent in 2016 to 36.5 percent at end-September 2019.[1] Of the total of CFAF 818 billion (including CFAF 500 billion in non-concessional loans) proposed in the 2019 borrowing plan, 13 loans totaling CFAF 366 billion were contracted at end-September, including 5 non-concessional loans totaling CFAF 159.9 billion.

25. Our non-concessional borrowing for the first half of 2020 will be capped at CFAF 300 billion and strictly limited to projects listed in the TMU's Text Table 1. That list includes five projects that were in the 2019 borrowing plan but may not be signed before end-2019, as well as two new contemplated non-concessional loans to complete two ongoing critical projects, namely the Olembe sports complex in Yaoundé and the East Entrance to Douala Road. The construction of the Olembe sports complex is part of the commitments made by the Government in the framework of the organization of the African Football Nations Cup (CAN). The sports complex will be used for youth development afterwards. Regarding the eastern entrance to Douala Road, in addition to

[1] This estimate includes SONARA's 2013 supplier debt, amounting to 0.3 percent of GDP. In its macroeconomic framework and debt sustainability analysis, the IMF adds the Treasury float and other SONARA debts to these amounts.

helping to streamline traffic to the Japoma sports complex (work also retained in the specifications of the CAN), the project will allow the recalibration of the pavements of certain sectors of the national n 3 road, helping absorb traffic accessing the port and the industrial zones of Douala. Concessional loans for these two projects are not currently available.

26. To preserve debt sustainability, the government updated the SENDs disbursement plan for 2020-23 and prepared a debt strategy for 2020–22. At end-September 2019, the level of SENDs stood at CFAF 3,652 billion, or 16.1 percent of GDP. The revised plan calls for reducing the existing stock of SENDs to 2.1 percent of GDP by end-2023. Regarding non-concessional disbursement ceilings, the trade-off between the urgency and importance of the disbursements to be prioritized, taking into account the actual absorption capacity of projects and the liquidity needed to service the debt, has led to a ceiling of 312 billion for end-March. The government will ensure compliance with this ceiling and will continue to prepare quarterly disbursement plans for all investment projects, in cooperation with the project managers and coordinators, and these plans will serve as the basis for disbursement requests, in accordance with the SENDs disbursement plan.

27. The government also intends to step up its monitoring of the management and performance of public enterprises and establishments in order to limit fiscal risks. In particular,

- The government will expedite implementation of the reform of public enterprises and establishments under Laws 2017/011 and 2017/010 of July 12, 2017 setting out, respectively, the general by-Laws of public enterprises and the general by-laws of public establishments. To streamline its portfolio and reduce fiscal risks, the government will study the viability of public enterprises, based on the ongoing diagnostic studies of CAMTEL, CAMWATER, CAMAIR-Co and the Autonomous Port of Douala and audits of other loss-making or highly indebted public enterprises.
- The Treasury will continue to make quarterly payments for the government's utility consumption (ENEO, CAMWATER, CAMTEL, SONARA), based on the annual budget appropriations, in order to limit the emergence of cross debts with these entities, and will reconcile these payments with actual consumption at year's end. In return, these entities must properly discharge their tax liabilities. An inventory as at end-December 2019 of the respective debts between the government and the 10 public enterprises with the largest tax debts according to the 2020 Budget Green Book, and between those public enterprises themselves, will be completed by end-March 2020 (new structural benchmark).
- Public enterprises that have benefitted from onlent loans must discharge their contractual obligations, as specified in the onlending agreements. Accordingly, the government will enter into discussions with the public enterprises in question to define, following an assessment of their financial capacity, a plan for the recovery of arrears due on payments made by the government on their behalf, on the one hand, and to determine effective monitoring arrangements that will enable the public enterprises to make timely payments on the loans onlent by the government and to avoid the accumulation of new arrears. For new financing,

the central government will introduce greater security requirements and provisions for the recovery of debt service on a timely basis, preferably before the due dates.

- The government also plans to amend the law on public-private partnerships (PPPs) to improve the transparency of the projects financed and to avoid projects that do not meet its priorities. This effort is included in the framework of the ongoing discussion at the CEMAC level.

28. The government will continue to strengthen the public debt management framework. The National Public Debt Committee (CNDP) will continue to systematically examine all project financing proposals, including from public enterprises included in the scope of public debt, as well as projects financed through PPPs, and will only give its approval if the project meets the maturity, urgency, priority, quality of financing, fiscal sustainability, and economic relevance criteria, while bearing in mind the impact on debt sustainability. Only an unconditional favorable opinion from the CNDP will lead to the signing of new loan agreements. The CNDP will also ensure observance of the procedures on loan operations and public debt management, as specified in the new manual adopted in September 2019. An audit of all arrears prior to 2019 managed by the Treasury will be carried out and the audited and validated arrears will be transferred to the CAA (Autonomous Amortization Fund) with a specific settlement plan to be implemented by 2021. Moreover, the government, including the public enterprises included in the scope of public debt, remains committed to not contracting new collateralized loans.

29. In the medium term, the restructuring of SONARA will be based on comprehensive analyses of the costs and benefits of the available options. The restructuring option approved by the government will be based on a credible restructuring plan, taking account of the financial, tax, and social implications. The government is currently engaged in a diagnostic study of the enterprise, aimed at proposing a strategic vision supported by national oil refining development/recovery scenarios, which will serve as the basis for the preparation of a SONARA rehabilitation and/or reconstruction plan. The related final report will specify the costs and benefits of the proposed restructuring options for rehabilitation of the current facilities and/or the reconstruction of a modern refinery. This study will be completed no later than end-March 2020 (new structural benchmark).

30. For the present, the government will take steps to strengthen the financial sustainability of SONARA. These will include:

a. Allow SONARA to market its OTZ (zero-interest bearing) securities to improve its cash position.
b. Clear shortfalls (*manques à gagner* - MAGs) monthly and settle the amounts owed by the government within a maximum of 90 days.
c. Require SONARA to regularly pay the taxes collected as well as the taxes and customs duties it owes the Treasury.
d. Guarantee SONARA a volume of oil import authorizations in line with its financial obligations.
e. Facilitate an agreement on the plan for rescheduling SONARA debts to banks and suppliers by December 31 on that basis.

E. Regional Monetary Policy and Financial Sector Stability

31. The Government will continue to make efforts to maintain a stable the monetary arrangement, which requires the stabilization and restoration of the reserves of the Bank of Central African States (BEAC). Specifically, implementation of the recommendations of the October 2018 Summit of Heads of State held in Chad made it possible to increase the repatriation of foreign exchange, which, in the case of Cameroon, totaled CFAF 2,313 billion at end-September 2019. In addition, the government undertakes to ensure the transparency and surrender of export proceeds by public enterprises, and more specifically in the oil sector. In particular:

- The government took stock of accounts held abroad by public enterprises, that had until December 31, 2019 (for the non-oil sector), and until December 31, 2020 (for the oil sector) to comply with the new FX regulation with regard to the opening of external (off-shore) accounts.

- The government shared the contracts signed with mining and oil companies with the BEAC. It also undertakes to consult with BEAC staff before signing any new concession contracts or revenue-sharing agreements with the extractive industries to ensure that they are in compliance with the foreign exchange regulations. The government will take the necessary steps to ensure, in cooperation with the BEAC, that the new Petroleum Code is fully compliant with the CEMAC's foreign exchange regulations.

- The Ministry of Finance has completed all necessary steps regarding compliance with the new body of regulations on the domiciliation of export transactions with a resident commercial bank. For that purpose, a computerized platform for the exchange of data between the BEAC, the banks and the Ministry of Finance (DGTCFM-DGD) is being created to facilitate the control and monitoring of the repatriation of export proceeds. Against this backdrop, an agreement on the exchange of foreign trade data including commercial banks, microfinance entities, currency exchange offices, the Directorate General of Customs (DGD), the Directorate General of Treasury, Financial, and Monetary Cooperation (DGTCFM), and the Bank of Central African States is being elaborated. The process is designed to support data sharing, automated production of statistics, the conduct of supervision activities, and the issue and monitoring of suspicious transaction alerts.

- The robustness of the system will be guaranteed through requirements the BEAC must impose on banks, microfinance institutions, and currency exchange offices to obtain systematic monthly transfers and the aggregation of annual information available to them on foreign trade operations, as provided in the 2018 Budget Law.

- In addition, a permanent framework of cooperation between the BEAC and the Ministry of Finance (DGTCFM and DGD) has been established in accordance with the exchange regulation to evaluate its implementation.

32. The Government is continuing to implement the reforms aimed at strengthening the stability of the banking system. To that end:

- Plans for the resolution of two banks in difficulty were approved in November 2019 by the Extraordinary General Meetings of Shareholders and submitted for validation to the COBAC (reprogrammed SB). These plans are consistent with the objectives of financial inclusion and minimization of fiscal costs to the government.
- The study on the financing requirements of small and medium-scale enterprises (SMEs) has been completed. The government will propose a viable economic model for the financing of SMEs based primarily on indirect financing by March 2020 (reprogrammed structural benchmark).
- The public bank was profitable in 2018 and is continuing the implementation of its performance contract. The transfer of the public bank's impaired loans to the collection company, *Société de Recouvrement des Créances du Cameroun* (SRC), and their valuation on the basis of the new methodology will be completed by December 2019. In accordance with its commitment, the government will use competitive procedures to recruit directors by end-December 2019 so that the majority of the bank's Board of Directors will be independent. In accordance with international best practices, the Audit Committee will be chaired by an independent director from March 2020 onwards.
- The Ministry of Finance ensure strict enforcement of the new microfinance regulations, that have been in place since January 1, 2018. To that end, it will ensure that microfinance establishments meet the requirements for institutional conversion, governance, and control. A status report will be submitted to the Central African Banking Commission (COBAC) by end-February 2020.

33. The government also continued to implement its action plan for the reduction of nonperforming loans.

- Training in the area of banking disputes of 20 judges and 10 court clerks from four major business centers was completed in March 2019. These magistrates are now being deployed in the commercial divisions and banking cases are being assigned to them. The authorities will conduct annual follow-ups to this training based on practical cases and the initial training will be offered to new magistrates every two years.
- The register of movable property collateral is operational. The registration of the existing stock of movable property collateral is in progress and will be completed by March 2020.
- The updated report on the survey of overdue claims was completed. By end-2019, the authorities will (i) undertake discussions with each bank to identify the challenges they face in the classification, writing off, or recording under profits of provisioned claims; and (ii) will evaluate the advisability of an exceptional measure to facilitate the cleanup of the balance sheets.
- The National Credit Council (CNC) has prepared a draft law on penalties for the nonpayment of credit; the text is being reviewed and will be submitted to Parliament in the near future.

- The draft laws on (i) the appointment of a pretrial judge in civil and commercial matters; (ii) amending the law organizing the judicial system that will confirm the establishment of the commercial courts; and on (iii) establishing the deposit fees, confirming the right of access to justice and processing times, to be submitted to Parliament.

F. Competitiveness and Private Sector Development

34. The Government is committed to accelerating the implementation of measures designed to support private sector development and economic diversification. Recent efforts have focused on improving the customs infrastructures and procedures to facilitate trade and tax collection.

- *Trade facilitation*. The government will continue supporting the modernization of the CEMAC legal framework, and specifically the implementation of the new CEMAC Customs Code approved in March 2019. In addition, to complete the digitization process, the electronic payment platform at the Douala Port will be improved to allow payments of duties and other fees in many regions. Other fees and duties are being incorporated into the platform to make it into a single payment facility that can be used to pay all charges in connection with international trade.

- The implementation of the storage facility for used vehicles less than 10 years old will be accelerated.

- To improve cross-border trade performance, the government undertakes to (i) continue the migration of the customs information system with all the parties involved in foreign trade and interconnections with the neighboring countries; (ii) eliminate intermediary transportation controls on merchandise in transit at conventional checkpoints and propose simplified cross-border trade procedures for small traders during the first half of 2020**.**

- *Upgrading of procedures*. The existing measures focus on the simplification, modernization, and reduction of the cost of tax obligations. More specifically, they involve online monitoring of the processing of legal disputes, online issue of payment deferrals, electronic transmission of tax payment receipts to taxpayers, online consultation of the tax status of taxpayers, and cash payment of taxes by small and microenterprises at bank windows.

35. The government also commits to taking measures to improve compliance with the principles of the Extractive Industries Transparency Initiative (EITI) and international anti-money laundering and terrorist financing (AML/CFT) standards. The government is taking measures to follow up on the 14 recommendations of the Board of the EITI so that Cameroon can be declared as having made significant progress in the implementation of the EITI following the 2019 validation cycle. Where AML/CFT regulations are concerned, a national risk assessment was launched in November 2018 with World Bank support; this is one of the components of the Task Force on Money Laundering in Central Africa [*Groupe d'Action contre le Blanchiment d'Argent en Afrique Centrale*—GABAC] assessment to be conducted this year. The exchange regulations adopted by the BEAC will lead to improved compliance with the AML/CFT system. The government will support the activities of the National Financial Investigation Agency (ANIF) to increase the reporting of suspicious transactions by designated non-bank institutions and to enhance the follow-up on these reports and any judicial proceedings that may be undertaken. Awareness activities targeting different players will be conducted in this connection. The Ministry of Justice will produce dedicated statistics and the judicial authorities will produce dedicated information in their annual report.

V. PROGRAM ARRANGEMENTS

36. The government will take all measures required to achieve the objectives and meet the criteria as presented in Tables 1 and 2 of this Memorandum. The program will be subject to the last semiannual review and performance criteria, indicative objectives, and structural benchmarks as set out in Tables 1 and 2 of this Memorandum and in the attached Technical Memorandum of Understanding (which also sets out the requirements for reporting the data to Fund staff). The sixth program review will be based on end-December 2019 targets and objectives and should be completed by June 25, 2019, the expiration date of the current program.

Table 1. Cameroon: Quantitative Performance Criteria and Indicative Targets and Projections, 2018–20
(Billions CFA Francs, cumulative for each fiscal year)

	2018				2019											2019	2020
	Dec				Mar				Jun			Sep				Dec	Mar
	3rd Rev. PC	Adj. PC/IT	Act.	Status	3rd Rev. IT	Adj. IT	Act.	Status	4th Rev. PC	Act.	Status	4th Rev. IT	Adj. IT	Prel.	Status	4th Rev. PC	5th Rev. Prop. IT
A. Quantitative performance criteria and indicative targets 1/																	
Floor on the non-oil primary fiscal balance (payment order basis)	-872	-872	-837	Met	-123		60	Met	-399	-214	Met	-641		-599	Met	-760	-119
Ceiling on the net domestic financing of the central government excluding IMF financing 2/	-8	-7	-212	Met	-51	42	-59	Met	90	21	Met	126	243	165	Met	1	20
Ceiling on net borrowing of the central government from the central bank excluding IMF financing 2/	-70	-69	41	Not met	-36	19	31	Not Met	34	-73	Met	6	123	-24	Met	-18	-25
Ceiling on the disbursement of non-concessional external debt	596	596	508	Met	353		79	Met	389	252	Met	588		328	Met	588	312
B. Continuous quantitative performance criteria																	
Ceiling on the accumulation of new external payments arrears 3/	0	0	0	Met	0		55	Not met	0	0	Met	0		21	Not met	0	0
Ceiling on new non-concessional external debt contracted or guaranteed by the government 4/; 5/; 6/	436	718	623	Met	500		0	Met	500	160	Met	500	566	225	Met	500	0
C. Indicative targets																	
Floor on non-oil revenue	2,680	2,680	2,864	Met	669		646	Not met	1,351	1,300	Not met	2,116		1,925	Not met	3,044	728
Ceiling on the net accumulation of domestic payment arrears	-94	-94	-168	Met	0		114	Not met	0	60	Not met	0		105	Not met	-149	0
Floor on social spending	657	657	661	Met	164		142	Not met	325	307	Not met	497		501	Met	772	172
Ceiling on direct interventions of SNH	156	156	195	Not met	140		46	Met	140	91	Met	140		137	Met	140	35
Share of spending executed through exceptional procedures on authorized (payment order) spending 7/	10	10	9	Met	5		5.7	Not met	5	7.8	Not met	5		6.6	Not met	5	5
Memorandum items:																	
1. Cumulative external budget support, excluding IMF (earliest disbursement)	298	298	297		55		0		0	0		180		66		269	0
2. New concessional external debt contracted or guaranteed by the government 8/	245	245	92		150		110		318	102		318		206		318	75
3. Balance of the special account for the unused statutory advances	227	227	232		214		217		202	206		189		207		177	159

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

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

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

2/ 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 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) pro tanto, up to a maximum of CFAF 120 billion at the end of each quarter.

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

4/ Excluding ordinary credit for imports and debt relief obtained in the form of rescheduling or refinancing.

5/ For 2019 the adjustment will be equal to the amount of non-concessional budget support approved up to a maximum of CFAF 132 billion. For 2020 the adjustment will be equal to the amount of non-concessional budget support approved up to a maximum of CFAF 66 billion.

6/ From January 22nd through the end of the arrangement, the ceiling will be set at zero with an adjustor of CFAF 300 billion for macrocritical projects specified in the list in Text Table 1 of the TMU.

7/ This refers to payments made by the Treasury without prior authorization (issuance of payment orders, such as cash advances and provisional budget commitments), excluding debt service payments.

8/ On a contracting basis in accordance with the IMF's debt limits policy: http://www.imf.org/external/np/pp/eng/2014/111414.pdf.

Table 2. Cameroon: Prior Actions and Structural Benchmarks, 2018–20

	Benchmarks	Timetable	Indicator	Status	Review
	Prior Actions				
1	Submit a 2020 revised budget in line with program objectives		Transmission letter to the National Assembly	Met	Fifth review
2	Transmit the contracts signed with mining and oil companies to the BEAC		BEAC confirmation of receival of the contracts	Met	Fifth review
	Revenue mobilization				
3	Prepare quarterly reconciliation of import declaration and scanner images validated by SGS and the assessed customs values	Quarterly starting in Sep-18	Quarterly verification reports submitted to Fund staff	Met. Proposed to be moved to the TMU as required information	Recurrent
	Public finances and debt management				
4	Produce a quarterly report on balances payable and arrears for prior fiscal years	Quarterly, starting in Jul-18	Report submitted to Fund staff	Met. Proposed to be moved to the TMU as required information	Recurrent
5	Disclose the type and volume of contingent liabilities in an annex to the budget law, including the firm and contingent liabilities of all existing public - private partnerships (PPPs)	Annual Oct. 2019	Annex to the budget law	Not met; implemented with delay in Dec. 2019	Fifth review
6	Put in place a mechanism to identify the nature and reconcile the direct interventions of the SNH to ensure their monthly regularization according to the different natures of the expenditure.	Jan-19	Set up a reconciliation committee and present a table of SNH interventions by type of expenditure	Not met; completed in May 2019	Fourth review
7	Validate the compensations needed for LPG fuel in a committee and transfer of excess cash surpluses approved by the board of the Hydrocarbon Prices Stabilization Agency (CSPH) to the Treasury.	Aug-19	Communication of the list of the appropriate committee members and proof of the transfer of the approved cash surpluses to the Treasury	Met	Fifth review
8	Close all correspondent accounts for non-revenue generating entities (mainly public administrations such as sectoral ministries and public agencies), and stop the transfer of new budget appropriations to these accounts.	Jun-19	Accounting statements confirming the closure of all the accounts	Met	Fifth review
9	Quarterly payment of utility bills (ENEO, CAMWATER, CAMTEL, SONARA) based on annual budget allocations	Quarterly, starting in Sep-18	Accounting and budgetary statement indicating the monthly payments will be sent to Fund staff	Met	Recurrent
10	Continue reforms to extend the TSA at the BEAC: (i) sign a single treasury account management agreement with BEAC; (ii) provide a census of the government accounts (and the balance of these accounts) excluding counterpart funds as at June 30, 2019; (iii) provide to the public entities holding these accounts letters explaining the reform of the STA and proposing a timetable for the closure and repatriation of the balances of these accounts to the TSA at the BEAC by end-December 2019.	Aug-19	Signed agreement transmitted to IMF staff; carried out and transmitted to IMF staff, copies of correspondence sent to the IMF	Not met; proposed to be reset to March 2020	Fifth review
11	Revise and simplify the existing fuel price structure	Sep-19	Decree simplifying the fuel price structure	Not met; proposed to be reset to March 2020	Fifth review
12	Finalize audits (diagnostics study) of a few major SOEs (CAMTEL, PaD, CAMAIR-Co, CAMWATER).	Dec-19	Study reports sent to Fund staff	In progress; proposed to be reset to March 2020	Fifth review
13	Enhance the accountability of project implementation units by establishing clear performance contracts linking remuneration to quality of project management.	Sep-19	a model of a performance contract adopted and accompanied with an implementation circular	Not met; proposed to be reset to March 2020	Fifth review

Table 2. Cameroon: Prior Actions and Structural Benchmarks, 2018–20 (concluded)

	Benchmarks	Timetable	Indicator	Status	Review
Financial sector stability and private sector led growth					
14	Finalize the movable collateral database by entering all movable collaterals detained by the banks.	Mar-19	Register with all movable collaterals detained by the banks available online	Not met; proposed to be reset to March 2020	Sixth review
15	Decide the business model of the SME bank.	Sep-19	The business model approved by the bank's board is submitted to Fund staff	Not met; proposed to be reset to March 2020	Sixth review
16	Adopt in consultation with the COBAC and the IMF resolution plans of the two troubled banks that minimize fiscal costs.	Oct-19	Communication to Fund staff and COBAC of the resolution plans approved by the Prime Minister	Not met; proposed to be reset to Jan 2020	Sixth review
Sixth review					
New proposed structural benchmarks					
17	Complete a diagnostic study by external independent experts on SONARA's restructuring options.	Mar-20	Diagnostic study shared with Fund staff		Sixth review
18	Conduct an audit of all arrears prior to 2019, adopt a repayment plan for all the audited arrears, and transfers those arrears to the Debt Management Agency (CAA).	May-20	Audit report shared with Fund staff		Sixth review
19	Complete an inventory of cross-debts between SOEs and the government and among SOEs and adopt a plan to clear cross-debts between the government and SOEs.	Mar-20	Inventory and plan sent to Fund staff		Sixth review

Attachment II. Technical Memorandum of Understanding

Provisions of the Extended Credit Facility (2017-2020)

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 the Extended Credit Facility (ECF) adopted in June 2017. 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 from end-June 2019 until the end of the arrangement are provided in Table 1 of the Memorandum of Economic and Financial Policies (MEFP) attached to the Letter of Intent. The structural benchmarks defined in the program are provided in detail in Table 2 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 the 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 flows. Oil revenue is recorded in the accounting system on a cash basis.

7. **Non-oil revenue** includes all of the 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 are 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 a payment authorization 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. **Spending advances [*interventions directes*] 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 expenditure of the Ministry of Public Health; and (iii) for other social sectors, current expenditure of the Ministries of Labor and Social Security, Youth and Civic Education, Social Affairs, and Promotion of Women and Family.

Balance and Financing

12. **Primary balance**: Primary balance: The 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 Fund-Supported Programs attached to the Executive Board Decision 15688–(14/107) adopted on December 5, 2014, but also includes commitments contracted or guaranteed, for which the values have not been received. For purposes of these Guidelines, **"debt"** is understood to mean a direct, i.e., noncontingent, liability created under a contractual arrangement under which a value must be provided, in the form of assets (including monetary assets) or services, and under which the debtor also undertakes to make one or more payments in the form of assets (including monetary assets) or services, according to an established schedule. 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 penalties or damages awarded by a court as a result of the nonpayment of a contractual obligation that constitutes debt are debt.

14. External debt, in the assessment of the relevant criteria, 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). 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. Variable interest external debt. From July 1, 2019, in the signing of new variable-interest-rate loans in the form of an interest rate plus a spread, the grant component of the debt will be calculated using a reference rate for the program plus the spread (in basis points) specified in the debt arrangement, or, if applicable, at the website of the World Bank/African Development Bank. The reference rate for the program for six-month USD LIBOR is 3.26 percent and will remain unchanged throughout the term of the program.[2] The six-month EURIBOR spread over the six-month USD LIBOR is negative 250 basis points. The six-month JPY LIBOR spread over the six-month USD LIBOR rate is negative 300 basis points. The six-month GBP LIBOR spread over the six-month USD LIBOR is negative 200 basis points. For the interest rate on foreign currencies other than euro, yen, and sterling, the spread in respect of six-month USD LIBOR is negative 100 basis points. When the variable rate is linked to a reference interest rate other than those specified above, a spread reflecting the difference between the reference rate and the six-month USD LIBOR (rounded to the nearest 50 basis points) will be added.

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[2] The reference rate and the margins under the program are based on the "average projected rate" for the six-month USD LIBOR for the next 10 years based on the [October] 2018 *World Economic Outlook*.

16. Concessional external debt: External debt is considered concessional if it comprises a grant component of at least 35 percent.[3] The grant component is the difference between the face value of the loan and its present value expressed as a percentage of the face value. The present value of debt at 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.[4] A discount rate of 5 percent is used for that purpose.

17. Domestic debt is defined as all of the government's 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.

- **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.
    i. ***Structured bank debt*** is defined as all claims of local banks on government, with the exception of Treasury bills and bonds. This item involves securitized bank debt, the stock of which at end-2016 was CFAF 86.36 billion, plus direct advance arrangements.
    ii. ***Structured non-bank debt*** is defined as all of the government's 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.

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 Counties (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* with commercial banks earmarked for reimbursement of the government's debt obligations. The government's commitments include: (i) financing from the Central Bank, and specifically statutory advances; net IMF financing (disbursements

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[3] 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.

[4] 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.

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. 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:
    i. *Unstructured debt of the CAA,* which includes all balances payable and liabilities of the government transferred to the *Caisse Autonome d'Amortissement* (CAA) that have not been subject to a reimbursement or securitization agreement. The stock of unstructured debt was CFAF 113.96 billion at end-2016.
    ii. *Domestic "floating" debt*, including all of the 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** are defined as external debt obligations of the government that have not been paid when due in accordance with the relevant contractual terms (taking into account any contractual grace periods). This performance criterion excludes payment arrears on external financial obligations of the government that are subject to rescheduling.

I. QUANTITATIVE PROGRAM OBJECTIVES

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

A. Non-Oil Primary Balance

Performance Criteria

22. **A floor for the non-oil primary balance (based on a commitment undertaken by the Treasury)** 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.

23. 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.

Cutoff Dates for Reporting Information

24. 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 on a monthly basis within six weeks from the end of the month.

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

Performance Criteria

25. **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 17, not including net IMF financing.

Adjustment

26. The ceiling on net bank financing of the government excluding net IMF financing will be adjusted if the disbursements in connection with external budget support net of external debt service and the payment of external arrears are below the programmed levels.

27. 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 2019. This ceiling may be reviewed depending on the rate of budget aid disbursements during the year.

Cutoff Dates for Reporting Information

28. 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.

C. Disbursement of Non-Concessional External Debt

Performance Criteria

29. **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.

Cutoff Dates for Reporting Information

30. 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

31. **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 in order to maintain the objectives defined in Table 1 of the MEFP.

32. 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.

33. 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 2019. This ceiling may be reviewed depending on the rate of budget aid disbursements during the year.

Cutoff Dates for Reporting Information

34. The BEAC must report the 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

35. **A ceiling of zero on the accumulation of 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 19 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 on approval of the program.

Cutoff Dates for Reporting Information

36. 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 Fund.

F. Non-Concessional External Debt Contracted or Guaranteed by the Government

Performance Criteria

37. A ceiling on non-concessional external debt contracted or guaranteed by the government is defined as a continuous quantitative objective in Table 1 of the MEFP. The government undertakes on an ongoing basis not to contract or to guarantee any non-concessional external debt above the ceiling indicated in Table 1 of the MEFP. This performance criterion is applicable to external debt as defined in paragraph 14 of this Memorandum. It uses the concept of concessionality as defined in paragraph 15 of this Memorandum. This performance criterion is also applicable to any debt guaranteed by the government that constitutes a contingent public liability as defined in paragraphs 14 and 15 of this Memorandum. Moreover, this criterion is applicable to public enterprises defined in paragraph 4 that receive transfers from the government, municipalities, and other entities of the public sector (including agencies of general government and 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, or debt relief or rescheduling. 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. This commitment is a performance criterion to be met on an ongoing basis. The ceiling on new non-concessional external borrowing set out in Table 1 of the MEFP applies to any new debt contracted or guaranteed per calendar year and not on a cumulative basis from the date of program approval.

38. From January 22nd to June 25th, 2020, the ceiling on new non-concessional external debt contracted or guaranteed by the government will be set at zero. This ceiling will be adjusted upward exclusively for the projects specified in the authorities' first semester 2020 project list (Text Table 1), up to a maximum of CFAF 300 billion.

Adjustment

39. The ceiling on non-concessional external loans contracted or guaranteed by the government will be adjusted upwards to accommodate non-concessional budget support from the AfDB and France for debt management operations. Debt management operations improve the overall profile of public debt (see paragraph 35 of Guidance Note on Debt Limits SM/15/125).

Cutoff Dates for Reporting Information

40. 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 Fund.

II. OTHER INDICATIVE QUANTITATIVE OBJECTIVES

G. Non-Oil Revenue

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

H. Accumulations of Domestic Payment Arrears

42. 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 18 and do not include unstructured floating debt not covered by the Treasury.

I. Social Expenditure

43. **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

44. 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.

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

45. **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 of Information

46. 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.

III. DATA SUBMISSION REQUIREMENTS

47. 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 immediately 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.

Text Table 1. List of Projects Under the New Non-concessional Borrowing Limit for 2020

	Projects
1	Completion of the Olembe Sports Complex in Yaounde
2	Project for the interconnection of electricity network between Cameroun and Chad
3	Project for the development of the value chain in livestock and fish breeding
4	Project for the renovation of the national center for the rehabilitation of disabled persons
5	Project 25 wagons
6	Project for the construction and equipment of the annex building of the Mbalmayo regional hospital
7	East Entrance Douala road (phase II)
8	Construction of 225 KV transmission lines between N'Gaoundéré and Tibati
9	Project to build the Ebolowa-Kribi (225 KV) and Mbalmayo-Mekin (90 KV) electric power transmission lines
10	Construction of a bridge over the Tildé river (Route Mora-Dabanga –Kousserie)
11	Road program phase 3 (Ring Road)
12	National road rehabilitation project N ° 1: Ngaoundéré-Garoua
13	Logistics area of the port of Kribi: Construction of the 225 KV electric power transmission line
14	Feasibility and design studies for the drinking water supply project for the towns of Buea, Tiko and Mutenguene
15	Logistics area of the port of Kribi: Development of the logistics area of the port

Table 1. Summary of Data Reporting Requirements			
Information	**Responsible institution**	**Frequency of the data**	**Reporting lag**
Government Finance			
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 objectives of the program can be determined in a timely manner. If information on physical execution of externally financed projects is not available, the information on requests to draw funds from the donors will be used).	Ministry of Finance (MINFI)	Monthly	6 weeks
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
Implementation status of social expenditure defined in Paragraph 1.	Ministry of Economy and Finance (MINEFIN)	Monthly	6 weeks
Status of balances payable for the current fiscal year (orders unpaid) making the distinction between those over 90 days and others.	MINFI	Monthly	6 weeks
Domestic debt reimbursement status.	MINFI/BEAC	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	6 weeks The signing or guaranteeing of external debt, and the occurrence of external payment arrears must be reported immediately to the IMF.
Monthly monitoring report on calls for funds and effective disbursements.	CAA/MINEPAT	Monthly	2 weeks

Table 1. Summary of Data Reporting Requirements (continued)			
A quarterly report on the consistency of (i) monetary statistics reflecting the net Treasury position with data from the TOFE on net domestic financing from the banking system and (ii) data on external debt produced by the CAA and on net external financing from the TOFE.	MINFI/BEAC	Quarterly	8 weeks
Data on the implementation of the public investment program, including a detailed listing of financing sources.	MINFI/Ministry of Economy, Planning and Regional Development (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	3 weeks
Monthly report on the validation of the management indicators (TABORD) and the balance of accounts based on a mutually agreed itemized check by the different administrations.	MINFI	Monthly	6 weeks
Publish the oil product price structure.	MINFI	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 (or the ex-refinery price from SONARA) to obtain the retail price; (iii) volumes purchased and distributed for consumption by the oil distributor (SONARA), 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 unpaid subsidies.	MINFI	Monthly	4 weeks
Monthly statement of the correspondent accounts (including Account 42) and consignment deposits with the Treasury broken down into major categories (administrative services, public enterprises, general government enterprises, international organizations, private depositors, and other).	MINFI	Monthly	6 weeks
Provide revenue forecasts for the Directorate General of Taxes; Directorate General of Customs; and Directorate General of Treasury, Financial, and Monetary Cooperation by type of tax on an annual basis and on a monthly basis, and outturn as compared with forecasts.	DGI, DGD, DGTCFM	Monthly	6 weeks

Table 1. Summary of Data Reporting Requirements (continued)			
VAT refund balance (requests for refunds, payments made, and status of the VAT refund account).	MINFI/IMD	Monthly	6 weeks
DGI/DGD collaborative joint quarterly reports identifying, *inter alia*, results in terms of the identification of fraud and additional revenue collected.	DGI/DGD	Quarterly	6 weeks
Status of the SNH, including volumes exported, prices, exchange rates, operating costs, spending advances, commitments to the government, and the balance transferable to the Treasury.	MINFI	Monthly	6 weeks
Include the total amount of oil receipts of the national oil company SNH and spending advances in the monthly table of government financial operations (TOFE).	MINFI	Monthly	6 weeks
Budget and accounting statement showing the payment status of utility bills to the utility companies (ENEO, CAMWATER, CAMTEL, and SONARA).	MINFI	Quarterly	3 weeks
Status of payments of any subsidies and tax liabilities of public enterprises.	MINFI	Quarterly	6 weeks
Publish the quarterly budget execution reports.	MINFI	Quarterly	6 weeks
Monetary Sector			
Consolidated balance sheet of monetary institutions.	BEAC	Monthly	6 weeks
• Provisional data on the comprehensive monetary survey.	BEAC	Monthly	6 weeks
Final data on the comprehensive monetary survey.	BEAC	Monthly	10 weeks
Government net position.	BEAC	Monthly	6 weeks
Statement on the balance of the special undisbursed statutory advance account.	BEAC	Monthly	6 weeks
Intervention rate and borrowing and lending 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	3 months

Table 1. 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	12 weeks
Quarterly National Accounts.	INS	Quarterly	12 weeks
Disaggregated consumer price indices.	INS	Monthly	8 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