

PRIME MINISTER'S OFFICE

SECRETARIAT GENERAL

REPUBLIC OF CAMEROON
Peace-Work-Fatherland

**PRESS RELEASE FOLLOWING CABINET MEETING
OF THURSDAY 20 JUNE 2024**

Yaounde, 20 June 2024

The Prime Minister, Head of Government, His Excellency Joseph DION NGUTE, chaired a Cabinet Meeting on Thursday 20 June 2024 at 10 am in the Auditorium of the Prime Minister's Office. The meeting was attended by Ministers of State, Ministers, Ministers Delegate and Secretaries of State.

The following items featured on the agenda:

1. presentation by the Minister Delegate to the Minister of Finance on "*the macroeconomic context and the main orientations of the State's budgetary policy for the 2025-2027 period*";
2. presentation by the Minister of Economy, Planning and Regional Development on "*projections for the medium-term Priority Investment Programme*";
3. Miscellaneous.

Following the Head of Government's opening statement, the Minister Delegate to the Minister of Finance outlined the objectives and challenges of the Budget Orientation Debate. He then presented the key elements of the Economic and Budgetary Programming Document (DPEB), which forms the basis of this debate.

Regarding the economic context, the International Monetary Fund (IMF) forecasts that global economic growth will remain stable at 3.2% in 2024 and 2025, following a decline in 2023. Growth in Cameroon is expected to be 4.1% in 2024, rising to 4.4% in 2025. Inflation is projected to gradually decrease from 2025, reaching approximately 4%.

In terms of strategic orientations, the main aims of fiscal policy are to consolidate public finance in line with the Economic and Financial Programme agreed with the IMF and to pursue the priority objectives of the National Development Strategy (NDS) 2020-2030.

With this in mind, efforts will focus on gradually reducing the non-oil primary balance and sustaining the mobilization of domestic non-oil revenue.

Regarding spending policy, the focus should be on increasing capital expenditure and substantially reducing employee debt levels.

Public action will primarily focus on infrastructure construction and boosting agricultural activities. The industrial sector and social measures will also be prioritized, with an emphasis on governance.

Lastly, the Minister identified a number of risk factors as well as economic, institutional and financial constraints that could jeopardise the projections set out above.

Taking the floor, the Minister of Planning noted that Cameroon's economic architecture is resilient, thanks to prudent budgetary policies. Measures have been taken to diversify financing methods needed to achieve the objectives set out in the 2020-2030 NDS. These objectives are based on specific indicators, including an average growth rate of 8% and allocating 40% of the State budget to public investment.

With this in mind, over the next three financial years, emphasis will be laid on substantially increasing internal resources allocated to capital expenditure, controlling project costs, and financing recurring expenses. Additionally, compliance with budgetary capacity requirements will be a priority.

The Minister highlighted several mechanisms which contribute to improving the efficiency and quality of public investment. These include reforms related to project selection and economic analysis, as well as innovations in preparing applications for external funding. The law of 25 July 2023, which establishes general rules for public-private partnership contracts, and the alignment of Regional and Local Authorities with programme-based budgeting are also part of this qualitative approach.

Taking all these prudential considerations into account, the main thrusts of the 2025-2027 Priority Investment Programme (PIP) include (a) completing the major first-generation projects and commissioning those that have been finalized, (b) implementing the main second-generation projects, (c) working to deploy the Integrated Plan for Agropastoral and Fisheries Import-Substitution (PIISAH) for the period 2024-2026 and the Initial Impetus Plan (P2I) for the 2020-2030 NDS, (d) continuing the implementation of reconstruction plans for the North West, South West, and Far North regions, and (e) increasing production, transmission, and optimal distribution capacities for electrical energy. All planned initiatives will take greater account of (f) the climate dimension, in order to capitalize more effectively on the opportunities offered by “green” financing.

In addition to projects initiated in previous years, the next three-year Priority Investment Programme will include twenty-four (24) carefully selected projects. Twelve (12) of these will be launched in 2025, seven (7) in 2026, and five (5) in 2027.

At the end of the discussions following these presentations, the Meeting adopted the Economic and Budgetary Programming Document for the 2025-2027 period, which will be submitted to Parliament for the Budgetary Orientation Debate.

Closing the Meeting, the Head of Government instructed the Minister of Finance to urgently consolidate the required documentation. The Prime Minister also tasked him, in close collaboration with the Minister of Economy, with ensuring that budgetary discipline is respected, as it is key to achieving the objectives outlined in the strategic action plans. All Government members were provided with guidelines on how to improve the rationalization of public resource management.

The Meeting was adjourned at 11:45 am.

Yaounde, the 20 JUN 2024

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