

SU/22/29

February 23, 2022

**The Acting Chair’s Summing Up  
Cameroon—2021 Article IV Consultation and First Reviews Under the  
Extended Credit Facility and the Extended Fund Facility Arrangements and Request  
for Waivers for Performance Criteria Applicability and Nonobservance and  
Modification of Performance Criterion  
Executive Board Meeting 22/18  
February 23, 2022**

Executive Directors agreed with the thrust of the staff appraisal. They commended the authorities for their decisive response in mitigating the impact of the crisis and noted that Cameroon’s economy has proved resilient and is recovering gradually. Noting the uncertainties and risks ahead, they encouraged intensified efforts to boost the vaccination rollout, alongside supportive macroeconomic policies, as well as accelerated structural reforms to promote more broad-based, inclusive growth.

Directors welcomed the authorities’ strategy to avoid premature tightening of fiscal policy to mitigate the impact of the pandemic and support the recovery. Noting that Cameroon’s debt remains at high risk of distress, they stressed the need for gradual fiscal consolidation once the pandemic abates, to place public debt on a firmly downward path, while strengthening reforms to ensure a strong and inclusive recovery. Directors noted that a combination of revenue and expenditure measures will be critical to create fiscal space for growth-oriented investment, and supported efforts to strengthen domestic revenue mobilization and enhance public financial management and transparency.

Directors agreed that strengthening debt sustainability remains a priority. In this regard, they encouraged steps to enhance debt management and welcomed the authorities’ commitment to limit reliance on non-concessional borrowing. Directors also noted the financial and fiscal risks associated with state-owned enterprises (SOEs) and called for their enhanced monitoring and oversight. They encouraged renewed vigor in completing the restructuring of the national oil refinery (SONARA), timely completion of the diagnostic studies of three large-public SOEs, along with the clearance of government cross-debts with SOEs and of government arrears.

Directors underlined the importance of redoubling efforts to accelerate the pace of structural reform implementation to support private sector-led economic diversification. They recommended prioritizing efforts to enhance the business climate, improve investment efficiency, build climate change resilience, and foster financial inclusion. Directors also urged the authorities to strengthen ongoing efforts to promote transparency and good governance while reducing corruption risks, including publishing information on the use of

pandemic-related funds and strengthening the AML/CFT framework. Directors noted the vulnerabilities in the financial sector, including the rising levels of non-performing loans, and called for close monitoring. They welcomed recent progress toward gender budgeting.

Directors noted that Cameroon's program is supported by the implementation of policies and reforms by the CEMAC regional institutions, which are critical to the program's success. Completion of the second review will be conditional on the implementation of critical policy assurances at the Union level, as established in the June 2021 Union-wide background paper.

It is expected that the next Article IV consultation Cameroon will be held in accordance with the Executive Board decision on the consultation cycle for members with Fund arrangements.