

**EXECUTIVE
BOARD
MEETING**

EBS/20/1
Correction 1

January 22, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Cameroon—Fifth Review Under the Extended Credit Facility Arrangement and Request for a Waiver of Nonobservance of a Performance Criterion and Modification of Performance Criteria**

Board Action: The attached corrections to EBS/20/1 (1/8/20) have been provided by the staff:

Factual Errors Not Affecting the Presentation of Staff's Analysis or Views

Pages 65 and 76

Questions: Mr. Sy, AFR (ext. 38651)

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

	2018				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	4th Rev. IT	Adj. IT	5th Rev. Prop. Rev. PC/IT
A. Quantitative performance criteria and indicative targets 1/												
Floor on the non-oil primary fiscal balance (payment order basis)	-972	-872	-837	Met	-123	60	-399	Met	-599	Met	-760	-119
Ceiling on the net domestic financing of the central government excluding IMF financing 2/	-8	-7	-212	Met	-51	42	90	Met	126	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	34	Met	-24	Met	-18	-25
Ceiling on the disbursement of non-concessional external debt	596	596	508	Met	353	79	389	Met	588	Met	588	312
B. Continuous quantitative performance criteria												
Ceiling on the accumulation of new external payments arrears 3/	0	0	0	Met	0	55	0	Met	0	Met	0	0
Ceiling on new non-concessional external debt contracted or guaranteed by the government 4/ 5/ 6/	486	718	623	Met	500	0	500	Met	500	Met	500	0
C. Indicative targets												
Floor on non-oil revenue	2,680	2,680	2,864	Met	669	646	1,351	Not met	2,116	Not met	3,044	728
Ceiling on the net accumulation of domestic payment arrears	-94	-94	-188	Met	0	114	0	Not met	0	Not met	-149	0
Floor on social spending	657	657	661	Met	164	142	325	Not met	497	Met	772	172
Ceiling on direct interventions of SNH	156	156	195	Not met	140	46	140	Met	140	Met	140	35
Share of spending executed through exceptional procedures on authorized (payment order) spending 7/	10	10	9	Met	5	5.7	5	Not met	5	Not met	5	5
Memorandum items:												
1. Cumulative external budget support, excluding IMF (earliest disbursement)	288	288	297		55	0	0		180		269	0
2. New concessional external debt contracted or guaranteed by the government 8/	245	245	92		150	110	318		318		318	75
3. Balance of the special account for the unused statutory advances	227	227	232		214	217	202		189		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 2021 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>.

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 ~~1st~~ **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.