

MINISTRY OF ECONOMY, PLANNING AND  
REGIONAL DEVELOPMENT



**MEASURES TO ADAPT THE  
CAMEROONIAN ECONOMY TO  
SHOCKS AND CHANGES**

**Directorate General of the Economy and  
Public Investments Programming**

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PROGRAMMING**

**March 2024**

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## ACRONYMS AND ABBREVIATIONS

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AFD	Agence Française de Développement
AfreximBank	African Export-Import Bank
APE	Economic Partnership Agreement
BAD	African Development Bank
BADEA	Arab Bank for Economic Development in Africa
BEAC	Bank of Central African States
BIP	Public Investment Budget
BM	World Bank
CAA	Autonomous Sinking Fund
CCIMA	Chamber of Commerce, Industry, Mines and Handicrafts
CDC	Cameroon Development Cooperation
C2D	Debt Reduction and Development Contract
CEA	United Nations Economic Commission for Africa
CEEAC	Economic Community of Central African States
CEMAC	Economic and Monetary Community of Central Africa
CNDDR	National Committee for Disarmament, Demobilisation and Reintegration
CONAFE	National Trade Facilitation Committee
COVID 19	Coronavirus Disease 2019
CNUCED	United Nations Conference on Trade and Development
CRS	Sectoral Reform Contract
CSPH	Hydrocarbon Price Stabilisation Fund
RLA	Regional and Local Authorities
CTS	Technical Committee for Monitoring Economic Programmes
DB	Doing Business
DGD	Directorate General of Customs
DGEPIP	Directorate General for the Economy and Public Investment Programming
DGI	Directorate General of Taxation
GESP	Growth and Employment Strategy Paper
DSRP	Poverty Reduction Strategy Paper
ECAM	Cameroon Enterprises
FAO	Food and Agriculture Organisation of the United Nations
FEC	Extended Credit Facility

FMI	International Monetary Fund
FNE	National Employment Fund
GICAM	Inter-Patronal Group of Cameroon
GIMC	Groupement des Infirmes Moteurs et Cérébraux
HIMO	High Intensity Labour Force
IDE	Foreign Direct Investment
INS	National Institute of Statistics
IPC	Consumer Price Index
MIDENO	Mission d'Aménagement du Nord-Ouest
MINCOMMERCE	Ministry of Commerce
MINDEF	Ministry of Defence
MINDDEVEL	Ministry of Decentralisation and Local Development
MINHDU	Ministry of Housing and Urban Development
MINEE	Ministry of Water and Energy
MINEPAT	Ministry of the Economy, Planning and Regional Development
MINEPDED	Ministry of the Environment, Nature Conservation and Sustainable Development
MINESUP	Ministry of Higher Education
MINFI	Ministry of Finance
MINJUSTICE	Ministry of Justice
MINMIDT	Ministry of Mines, Industry and Technological Development
MINPMEESA	Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts
MINRESI	Ministry of Scientific Research and Innovation
MINT	Ministry of Transport
MINTOUL	Ministry of Tourism and Leisure
MINTP	Ministry of Public Works
MIRAP	Consumer Products Supply Regulation Mission
ODD	Sustainable Development Objective
OPEP	Organisation of Petroleum Exporting Countries
OTAN	North Atlantic Treaty Organisation
PACCE	Economic Competitiveness Support Programme
PDI	Master Plan for Industrialisation
PEF	Economic and Financial Programme
PIB	Gross Domestic Product
PMA	Least Developed Country



PME	Small and Medium Enterprise
PNDP	National Programme for Participatory Development
PNUD	United Nations Development Programme
PTF	Technical and Financial Partner
PPRD	Presidential Plan for the Reconstruction and Development of the North West and South West Regions
PSB	Budget Support Loan
PPTE	Heavily Indebted Poor Country
SND30	National Development Strategy 2020-2030
SCDP	Cameroon Petroleum Depots Company
SNIS	National Statistical Information System
SNRI	National Research and Innovation System
SONARA	National Refining Corporation
TPE	Very Small Enterprise
TVA	Value Added Tax
VA	Very Small Enterprise
UE	European Union
ZLECAf	African Continental Free Trade Area

## EXECUTIVE SUMMARY

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As part of the implementation of the National Development Strategy for the period 2020-2030 (NDS30), the Government has undertaken to set up a monitoring and economic intelligence system whose objective is to constantly scrutinize the national and international environment to detect warning signals likely to hinder or slow our progress towards emergence by 2035.

Indeed, for two decades, socio-economic indicators have struggled to evolve in line with the projections of national development frameworks adopted by the Government. This unsatisfactory balance is explained in particular by the succession of shocks and mutations that the Cameroonian economy undergoes and for which the country had to take a set of urgent measures to cope.

In terms of shocks, the country experienced: (i) in 2008, the food crisis due to rising prices of basic commodities; (ii) from 2014 to 2016, the decline in oil prices, which triggered a currency crisis and led to the conclusion with the IMF of an Economic and Financial Programme (PEF) supported by the Extended Credit Facility (ECF); (iii) from 2014 to the present day, the security crises in the Far North, South West and North

West Regions; (iv) the currency crisis of 2019; (v) the SONARA fire incident in 2019; (vi) from 2020 to the present day, the health crisis linked to the Covid-19 pandemic; (vii) and since 24 February 2022, the Russian-Ukrainian conflict..

With regard to mutations, there were: (i) in 2017, the entry into force of the Economic Partnership Agreement (EPA) concluded with the European Union; (ii) on 1<sup>st</sup> January 2021, the entry into force of the African Continental Free Trade Area (AfCFTA); (iii) and on March 09, 2021, the signing of the post-Brexit agreement with the United Kingdom.

Government interventions to deal with them have very often had unintended consequences. These include increased public spending, lower budget revenues, a deterioration in the external position, inflation and a significant reduction in household purchasing power.

This study aims to provide a proactive response of the Government in the event of the occurrence of shocks and/or mutations of various origins, through the proposal of a set of measures of adaptation policy of the Cameroonian economy.

In this context, is considered shock the sudden appearance of an unexpected event whose manifestations have more or less damaging repercussions on economic activity. While a mutation designates diffuse and permanent processes of modification and transformation of the economic ecosystem, leading to adaptation strategies of actors.

From the analysis, it appears that economic, political and geopolitical factors are the main determinants of the shocks that have occurred since 2000; while for mutations, This is essentially the Government's desire to create markets for local enterprises.

Moreover, it was noted that shocks or changes affect the Cameroonian economy through five main channels of transmission, namely: (i) imports; (ii) exports; (iii) local supply and demand; (iv) Foreign Direct Investment; and (v) price competitiveness.

To deal with these various shocks and changes, the Government has adopted a series of measures. These include: the creation of Disaster Economic Zones, measures to support the private sector, the establishment of Reconstruction and développement, la signature des programmes d'ajustements avec les partenaires techniques et financiers, la implementation of structural reforms.

However, the analysis of the Government's response shows some limitations, including: the absence of an *"Economic Contingency Plan"* framework document that defines and frames economic management before, during and after a shock or change occurs; strong dependence on technical and financial support from foreign partners; insufficient predictive monitoring and early warning system; weak (or late) mobilization of financial resources; and the low involvement of RLAs and the private sector.

Based on these observations, a mechanism to reduce the vulnerability of the Cameroonian economy has been proposed in order to better prepare the Government's interventions for future shocks and changes. It covers:

- ✓ **Anticipatory measures**, aimed at: (i) strengthening local supply through the continued efficient implementation of import/substitution policy; (ii) decentralised management and crisis prevention; (iii) strengthening the alert and business intelligence system; and (iv) supporting research and innovation.
- ✓ **Measures for action**, on the implementation of emergency and rescue plans designed to ensure efficient coverage of risks through the following

actions: (i) the establishment of the Crisis Management Unit; (ii) raising awareness of civil society, the private sector and TFPs on the impact of shock or change to ensure buy-in and support from all stakeholders; (iii) mobilising financial resources; (iv) the development

and implementation of a response plan.

- ✓ **Adaptation and mitigation measures**, focusing on the elaboration and implementation of an economic recovery plan taking into account the financial and non-financial support to be provided to the affected sectors.

## INTRODUCTION

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In the early 1980s, Cameroon was cited as one of the most prosperous economies in Africa. In fact, until 1985 and for two decades, the Cameroonian economy recorded real growth rates of about 7% on average, according to the World Bank. The following years were marked by a sharp recession due in particular to the fall in coffee, cocoa and oil prices which led to a deterioration in the terms of trade.

With the economic crisis in 1987, which led to the devaluation of the CFA franc in 1994, the Government undertook, with the support of donors, economic stimulus measures based on stabilization and structural adjustment programs. These measures reached the decision point of the Heavily Indebted Poor Countries (HIPC) initiative in October 2000. To give itself the opportunity to reach the completion point, the country has set up the Poverty Reduction Strategy Document (PRSP) for the period 2003-2007, with the objective of significantly reducing poverty through strong and sustainable economic growth, better spending efficiency, poverty reduction policies adequately targeted and strengthened governance. This strategy enabled Cameroon to complete the HIPC initiative in 2006.

From this period and drawing lessons from the implementation of the PRSP, Cameroon is engaged in the development of a strategy for diversification and industrialization of its economy mainly driven by the private sector. This was achieved by the adoption in 2009 of the Vision 2035 with the ambition to make Cameroon an «emerging, democratic and united in its diversity» country by 2035.

The operationalisation of the first phase of Vision 2035, resulted in the implementation of the Strategy Document for Growth and Employment (GESP) for the period 2010-2020. The GESP evaluation revealed in particular:

- an average growth rate of 4.6% under the period down 0.8 percentage points from the reference scenario;
- A rate of underemployment that has increased from 75.8% in 2005 to 77% in 2015;
- A poverty rate of 37.5% in 2014 compared to 28.7% in the Reference Case;
- Inequalities between the rich and the poor have increased, with a Gini index that rose from 39% in 2007 to 44% in 2014.

This unsatisfactory balance is partly explained by the succession of shocks and changes that will have undergone

the Cameroonian economy. These events led to a slowdown in economic activity, an increase in public spending, a reduction in the mobilization of budget revenues, a deterioration in the external position and a significant reduction in the purchasing power of households.

Despite the occurrence of these various shocks and changes, the Cameroonian economy has remained resilient thanks to the diversification of our economy and especially the response and adaptation measures taken by the Government. However, these measures have not always had the expected effects, due to numerous weaknesses related to the management of the response mechanisms put in place.

Thus, as the country implements its National Development Strategy (NDS30), with the major challenges posed by trade agreements, it is appropriate to question the current mechanisms of response to shocks and changes that have occurred since 2000, to assess the country's robustness and vulnerability.

This study aims to propose measures to adapt the Cameroonian economy to shocks and changes. Specifically, this will involve: (i) analyse shocks and changes since 2000; (ii) identify key findings; and (iii) propose a mechanism

to reduce the vulnerability of the national economy.

As such, the methodology adopted in this work is based on the following instruments:

- the *documentary review* that made it possible on the one hand to identify all the shocks and mutations that Cameroon has faced since the year 2000; and on the other hand to identify the economic manifestations, the determinants, the channels of transmission, and the measures taken by the State to deal with it.
- *Situational analysis* from the cause-and-effect diagram (or Ishikawa diagram), which summarises the main causes (malfunctions) of the response.

*the examination of the response to different shocks and mutations* aimed at analysing the effectiveness of actions and measures taken by the State in response to different shocks and mutations. To this effect, based on the United Nations Framework for Action to Prepare for an Effective Disaster Response, three main areas of analysis were identified: (i) overall approaches, strategies and institutional framework, (ii) key elements of preparedness, and (iii) response capacity. This study report is structured around five (05) chapters. The first presents the theoretical and methodological framework of the

study. The second is an analysis of shocks since 2000. The third is an analysis of mutations since 2000. The fourth presents the main findings and the fifth proposes a mechanism to reduce the vulnerability of the Cameroonian economy.

# CHAPTER I: THEORETICAL FRAMEWORK AND METHODOLOGY OF STUDY

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This chapter defines the key concepts of the study and presents the methodological framework that led to the situational analysis..

## 1.1. DEFINITION DES CONCEPTS

### 1.1.1. Shock

In this study, shock is defined as the sudden appearance of an unexpected event whose manifestations have more or less harmful repercussions on economic activity.

There are three types of shocks: (i) *supply shock*; (ii) *demand shock*; and (iii) *supply and demand shock*.

As regards the supply shock, this is an unforeseen change in production conditions. This variation can have a positive or negative effect on supply and affect market prices.

The demand shock<sup>1</sup> is an unexpected change in aggregate demand. This variation may have a positive or negative impact on one of the demand components (investment, consumption, public expenditure, etc.).

With regard to the supply and demand shock, these are events affecting both

supply and demand with the aforementioned effects.

### 1.1.2. Mutations

The term *Mutation* in Economics refers to diffuse and permanent processes of modification and transformation of the economic ecosystem, leading to adaptation strategies of actors.

Changes have important consequences on the economic system, particularly in this context of globalisation and/or protectionism. The changes impose an unstable balance on the markets, forcing them to make permanent adjustments.

To take advantage of this process or minimize its negative effects, two strands of economic policies must be implemented:

- "*Accompanying*" policies or measures, which generally involve corrective action to mitigate and compensate for the negative consequences of the changes that have taken place or been experienced;

---

<sup>1</sup> Demand shocks can take various forms: increased public spending, lower taxes paid by households or businesses

(they can buy, and therefore demand, more machinery, investment, etc.).



- *policies or measures of an “anticipatory” type that aim to prevent future changes and ensure that economic agents adapt to them in the best possible way.*

In this study, only transfers of a commercial nature with the outside world were selected. In this sense, change is defined as opening the economy to foreign competition in order to stimulate economic growth and transform development prospects.

### 1.1.3. Economic policy measures

The economic policy measure can be defined as the set of means implemented by the State to achieve the objectives it has set itself with the aim of improving the general economic situation of the country.

Several reasons can justify the intervention of the State during the occurrence of a shock and/or a change, among which the need to maintain social cohesion, the balance of markets, the balance of trade.

There are two main types of economic policy measure according to the aim pursued by the State:

- (i) (i) if the aim is to offset a temporary slowdown in economic activity, the State will implement cyclical measures. The aim is to

stabilise the macroeconomic framework (balance of external accounts, price stability, control of the budget deficit, etc.);

- (ii) if, on the contrary, the economic and social structures are to be radically changed, the State will resort to *structural measures*. The objective is to promote stable and sustainable economic growth, full employment, reduction of economic and social inequalities, etc.

## 1.2. METHODOLOGICAL FRAMEWORK

The methodology adopted in this work is articulated around the following instruments: (i) the literature review; (ii) the examination of the response to different shocks and mutations; and (iii) the situational analysis

### 1.2.1. Documentary review

The documentary research consisted in identifying the main shocks and mutations that Cameroon has faced since 2000. This step allowed to highlight the economic manifestations, the determinants, the transmission channels related to these denières, and the policy measures taken by the State to respond and their effects.

### **1.2.2. Examination of the response to shocks and mutations**

The examination of the response to different shocks and mutations essentially consisted in informing the evaluation grid designed on the basis of the criteria applicable to a good measure of response and adaptation to a shock or mutation. These criteria are set out in the United Nations Framework for Action<sup>2</sup> for Preparing for an Effective Disaster Response.

The framework for action in response to shocks and changes is structured around three main axes, namely:

- **Global approaches, strategies and institutional frameworks**

The Framework calls on States to promote a “comprehensive approach” to reducing the risks of shocks or changes that will foster and support dialogue, the exchange of information and coordination between the bodies and institutions responsible for early warning systems, risk reduction and intervention in the event of a shock or change at all levels.

- **Key elements of the preparation**

The purpose of the response preparation process is to establish a

permanent response capacity to deal with various situations that may disrupt the country through a series of preparedness measures. These measures include early warning systems, ongoing risk and vulnerability assessment, capacity building, the creation and maintenance of reserve capacity and the storage of humanitarian supplies. The implementation of a contingency planning process will be a key element of an analysis of the actions to be taken in this process and will assist in the design, evaluation and implementation of response measures.

- **Response capacity**

Enhanced disaster preparedness has two main objectives: (i) to increase the ability to anticipate, monitor, reduce or avoid potential harm, and to respond to potential threats; (ii) assist the populations that have been affected

These criteria were used to develop the evaluation grid below. For each shock and mutation, this grid was informed by the experts of the administrations involved in the implementation of the responses. The results were validated during a workshop, held from 08 to 10 June 2022 in Ebolowa.

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<sup>2</sup> The United Nations Disaster Response Framework is the set of guidelines and indicators for the implementation of

Priority 5 of the Hyogo Framework for Action 2005-2015: Building disaster resilient nations and communities.

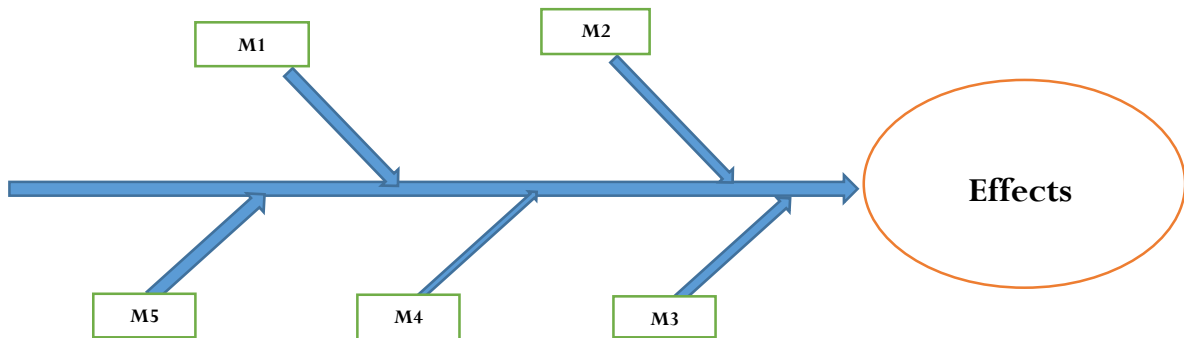
**Table 1: Evaluation grid of responses to shocks and mutations**

<b>Areas of analysis</b>	<b>Criteria</b>
<b>Global approaches, strategies and institutional frameworks</b>	<i>Is there a national strategy for managing risks related to shocks/changes?</i>
	<i>What was the institutional and legal framework convened?</i>
	<i>During the preparation, were all stakeholders consulted? If so, in what context?</i>
	<i>How was the coordination of the response organized (local, regional, national and international)?</i>
<b>Key elements of the preparation</b>	<i>Key elements of preparation What measures were taken to respond to this crisis?</i>
	Was there enough analysis to take action?
	Was there a capacity-building mechanism for actors involved in preparing responses?
	Was there a system for monitoring risks, forecasting and early warning? If so, how did it work?
	Was there an information management and communication system?
<b>Response capacity</b>	Have emergency services or forecasting systems been put in place?
	Did the measures implemented take into account the rapid increase or capitalization of gains?
	Were the resources (human, financial, material, etc.) allocated sufficient?

### 1.2.3. Situational Analysis

The situational analysis is based on the cause-and-effect diagram (or Ishikawa diagram) which summarises the main causes (malfunctions) of the response. This diagram presented in the form of a graph (Cf. figure 1) in fish bones, is classified by category of cases according to the law of «5M».

**Figure 1:** Cause and effect diagram (or Ishikawa diagram).



**Box:** Ishikawa's diagram

The main objective of the Ishikawa diagram is to identify all the causes that have a more or less direct influence on an observed problem. To this end, it identifies and prioritizes the different causes, thus making it possible to prioritize the efforts to be made to solve the problem. These cases can be grouped into five categories, "5M":

- **Method:** product or service production process.
- **Material:** Materials used in the production of the property.
- **Environment:** Competitive environment, market conditions.
- **Hardware:** Machinery, computer equipment and software. All the equipment used to add value to the base material.
- **Workforce:** employees and all human interventions.

**CHAPTER 2: ANALYSIS OF SHOCKS SINCE 2000**

Since 2000, Cameroon has faced multiple shocks including: (i) the rise in prices of basic necessities that caused the food crisis in 2008; (ii) the fall in oil prices from 2014 to 2016 that led to a currency crisis and the conclusion with the IMF of an Economic and Financial Program (PEF) supported by the Extended Credit Facility (ECF); (iii) security crises in the Far-EastNorth, South-West and North-West since 2014; (iv) the 2019 currency crisis; (v) the SONARA fire in 2019; (vi) from 2020 to the present, the health crisis related to the Covid-19 pandemic; and (vii) since February 24, 2022, the Russian-Ukrainian conflict.

For each shock, this chapter gives an overview of the stylized facts, recalls the measures taken by the Government and their effects, and presents the results of the evaluation of those measures.

**2.1. PRICE RISES FOR BASIC NECESSITIES IN 2008**

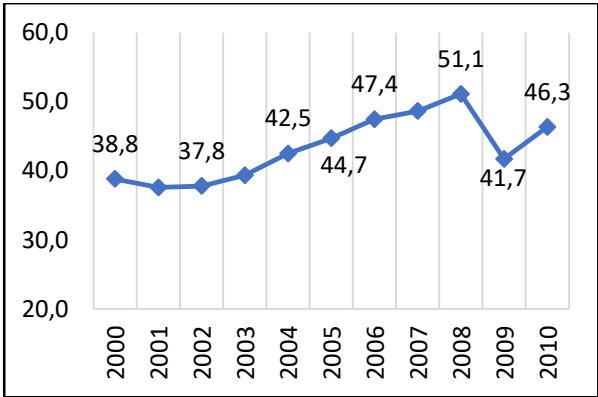
**2.1.1. Stylised facts**

The rise in prices of basic necessities was the result of the international financial crisis of 2007-2008. This crisis

has its origins in the American real estate crisis of the 2000s (subprime crisis<sup>3</sup>) and the significant losses suffered by financial institutions caused by this crisis. It was marked by a crisis of liquidity and solvency at both bank and state level and a scarcity of credit to companies.

This situation has affected economic activity through tighter credit conditions (higher interest rates, greater borrower selection); a sharp reduction in global growth characterised by a significant fall in world trade between 2008 and 2009 (almost 10 percentage points); and rising inflationary pressures.

*Figure 2 : Trend in commodity trading as a % of world GDP*



Source : World Bank (2022)

In 2008, Cameroon embarked on a strategy to diversify and industrialize its economy. The socio-economic

<sup>3</sup> Triggered in the United States in 2007-2008, the subprime crisis originated in excessive personal indebtedness. As a result of the economic and financial

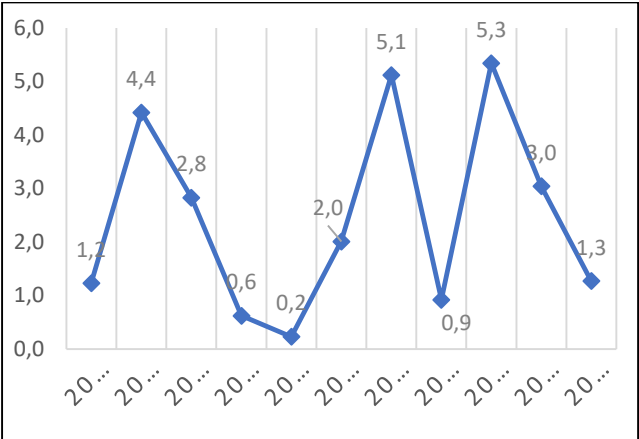
interdependence between countries, it quickly spread around the world.

environment of the country was marked by a dependence on imports (nearly 30% of GDP) in particular of basic necessities and a high rate of underemployment especially among young people.

The consequences of the global economic crisis, coupled with the socio-economic environment described above, resulted in uncontrolled inflation in Cameroon, which led to a wave of protests and violent demonstrations at the beginning of 2008.

Indeed, the social unrest of 2008 in Cameroon resulted in urban violence. They began in Douala and then spread to many cities in Cameroon. The causes of this discontent are the increase in the price of fuel at the pump of 15 FCFA announced on February 7, 2008, in a context where the prices of most essential products were rising. In 2008, the inflation rate was 5.3%, the highest level in the period 2001-2010.

**Figure 3 :** Trends in inflation in Cameroon



**Source :** World Bank (2022)

**2.1.2. Measures taken and their effects**

To address this crisis, the Government has:

- Pump prices cut by CFAF 6 for super and CFAF 5 for diesel and kerosene;
- Upgrading of the basic salary of civil servants and State agents by 15% and the non-housing allowance by 20% ;
- reduction of customs duties on certain basic products (rice, vegetable oil, fish and wheat flour) ;
- establishment of the Mission for the Regulation of Supplies of Consumer Products (MIRAP).

The effects of these measures have been observed over the short, medium and long term.

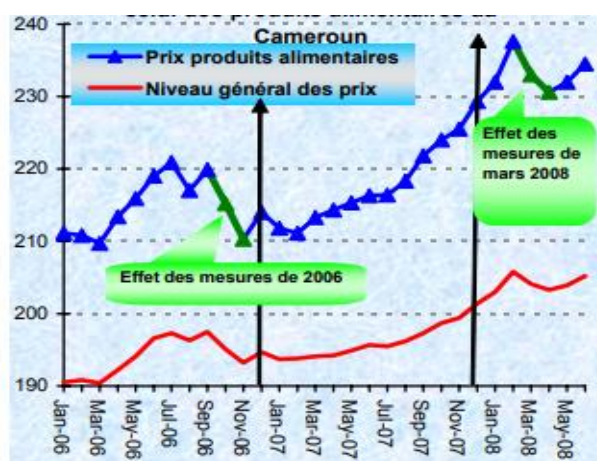
In the short term, between March and May 2008, the index of consumer prices of food products in Cameroon fell by 3.75% (NIS, 2008) as shown in the graph below. In addition, a study carried out by the Ministry of Finance with the support of the International Monetary Fund (IMF) in June 2008 estimated at 210 billion FCFA the increase in the subsidy to the economy during the year 2008.

Thus, the conclusions of this report pointed to the probable tensions on macroeconomic aggregates, notably the

budget deficit and the debt. The report stated that price reduction and control measures would only have a short-term effect and would not be sustainable for very long, all the more so as the rise in civil servants' salaries would increase demand and increase structural pressure on certain products. Two scenarios regarding the impact on growth and purchasing power were presented:

- (i) either domestic production was able to respond to this oxygen rush, then inflation would be contained and growth could gain in point;
- (ii) either the domestic supply would not follow and in this case, a rise in prices and a lack of lasting effect on growth would be feared.

**Figure 4:** Impact of measures taken to tackle the 2008 food crisis



**Source:** NIS/MINADER (2009).

In the medium and long term, it is unfortunately this last scenario that was realised despite the efforts of the

Government to boost the domestic supply. Indeed, according to the first evaluations of the 2008 measures carried out by the NIS in 2014, the subsidy of imports of consumer food products would have cost the State, between 2008 and 2014, the sum of about 590 billion FCFA. Over the same period, the coverage of SONARA shortfalls for the delivery of petroleum products at subsidized prices amounted to nearly 1160 billion FCFA.

Even today, it is observed that products such as rice, fish, and wheat flour, which continue to benefit from tax exemptions, are those that significantly increase the trade deficit. Over the period 2000 to 2020, imports of these three products averaged 11,6% des dépenses totales en importation.

### 2.1.3. Review of response

In the analysis, the system of response to the increase in the prices of staples of 2008, presented the following deficiencies:

- Weakness in problem analysis. Indeed, the analyses carried out on the impact of these measures have shown that: (i) the proposed measures have benefited non poor households more; (ii) the subsidy on food imports has led to a change in consumption habits; (iii) The tax-customs facilities taken by the

Government partly benefit neighbouring countries. Re-exports to countries in the subregion of subsidised products (rice, sugar, fish, etc.) have been observed;

- the weakness of the risk monitoring, forecasting and early warning system;
- the lack of integration of early recovery aspects into response preparation and capacity building.
- However, if the financial resources could be allocated, it was because they came from the mechanism of renouncing the tax gain by the State. These are indirect transfers to households through a policy have shown that: (i) the proposed measures have benefited non poor households more; (ii) the subsidy on food imports has led to a change in consumption habits; (iii) The tax-customs facilities taken by the Government partly benefit neighbouring countries. Re-exports to countries in the subregion of subsidised products (rice, sugar, fish, etc.) have been observed;
- the weakness of the risk monitoring, forecasting and early warning system;

- the lack of integration of early recovery aspects into response preparation and capacity building.

However, if the financial resources could be allocated, it was because they came from the mechanism of renouncing the tax gain by the State. These are indirect transfers to households through tax policy. This has facilitated the immediate implementation of these measures.

Emerging from a post HIPC context and preparing the operational documents of Vision 2035, the response measures taken were essentially aimed at stopping these social unrests. They did not take into account the aspects of rapid recovery or capitalization of assets that would have reduced our dependence on imports of basic necessities.

## **2.2. SECURITY CRISIS IN THE FAR NORTH REGION**

### **2.2.1. Presentation of facts**

Towards the end of 2010, countries in the Middle East and North Africa were overwhelmed by an unprecedented wave of popular protests for democratic reforms. The so-called “Arab Spring” movement began in Tunisia and spread within weeks to Egypt, Yemen, Bahrain, Libya and Syria. These crises have worsened with



the rise of religious extremism and the emergence of violent terrorist groups claiming to be jihadists.

This rise in religious extremism threatened the stability of the Sahel region. Indeed, from the Horn of Africa to Nigeria and Cameroon, sub-Saharan Africa had become the rear base of various jihadist groups, including the terrorist group Boko Haram, whose abuses were felt at the beginning of 2014 in the northern part of Cameroon. To deal with it, on May 17, 2014, the State of Cameroon will officially declare war on this Islamist group at the Paris summit on security in Nigeria.

This war has had enormous repercussions in the Far North Region, particularly in humanitarian, social, health, educational and economic terms..

**a. Humanitarian and social consequences of the crisis**

As a result of the security crisis, many homes in the Far North Region have been destroyed. In 2016, 41130 homes were destroyed as a result of the war in the Region. These destructions mainly affected the Divisions of Mayo Sava, Logone and Chari and Mayo Tsanaga with respectively 15175; 13335 and 12620 homes destroyed.

More than 465095 residents of the Far North Region were forced to leave their homes. The largest population movement was recorded in the department of Mayo Sava with more than 346000 displaced.

In terms of refugees, 183108 arrivals from Nigeria were registered in the Region. The Mayo Tsanaga Division was the one with the highest number of arrivals due to the presence of a refugee camp (Minawao camp) in the Division.

In addition, there is also the destruction of many water points and power grid including networks: Mora- Kolofata, Kolofata-Kerawa, Mora- Tolkomari.

*Table 2. : Displaced population in Mayo-Tsanaga Division*

	Divisions				Total
	Mayo Tsanaga	Mayo Sava	Logone et Chari	Diamare	
Number of dwellings destroyed	12 620	15175	13 335	-	41 130
Displaced local population	63 714	346 843	54 538	-	465 095
Internal population welcomed	13 420	45 358	82 600	5 000	146 378
Refugees	84 479	48 358	21 124	29147	183 108

**Source :** MINEPAT, 2016.

### b. Health sector

The health fabric of the Far North Region has not been spared by the security crisis. Data collected on the ground reveal that 15 health facilities were destroyed by the terrorist group's attacks and 14 of them were significantly impacted in their operation by the occurrence of the security crisis.

**Table 3 :** *Distribution of health facilities affected by the security crisis in the Far North Region.*

	Divisions			Total
	Mayo Tsanaga	Mayo Sava	Logone & Chari	
Number of health facilities affected	9	4	2	15
Number of health facilities destroyed	5	4	5	14

Source : MINEPAT, 2016

### c. Education sector

The education sector in the Far North Region has also suffered negative consequences from the war against Boko Haram, notably in the Mayo Tsanaga, Mayo Sava and Logone and Chari Divisions. In general, 129 schools suffered the consequences of this war, 36 of which were totally destroyed, 42 partially destroyed and 51 were affected by mass departures or arrivals of students..

Moreover, it should be noted that Mayo Sava is the most affected department with 17 schools totally destroyed and 14 partially destroyed.

**Table 4 :** *Distribution of schools impacted by the security crisis in the Far North Region.*

	Divisions			Total
	Mayo Tsanaga	Mayo Sava	Logone & Chari	
Number of schools totally destroyed	4	17	15	36
Number of schools partially destroyed	23	14	5	42
Number of schools affected	25	26	-	51

Source : MINEPAT, 2016.

### d. The economic impact of the crisis

On the economic front, the security crisis has impacted all departments of the Far North Region.

- *In Mayo Tsanaga :*

The Mayo-Tsanaga Division was also the victim of market destruction and considerable losses. In the table below, it appears that the losses induced by the destruction of shops in markets amounts to nearly 31,481,820 CFA francs.

**Table 5: Estimated Losses in Attacked Markets in the Mayo Tsanaga Division**

Markets	State	Estimated losses (Fcfa)
Nguetchewe	06 shops destroyed	13.800.000
Krawa-Mafa	04 storage stores destroyed	8.152.325
Hidoua	09 shops destroyed	5.236.230
Gouзда-Vreket	06 shops destroyed	4.293.265
Totaux		31 481 820

*Source* : RD MINCOMMERCE Far-North, June 2016

In addition, many periodic markets were closed in the villages closest to the border with Nigeria. We could mention the market of Kossehona, Wandai, Mawa, Ashigashia and Tourou.

The Mayo-Tsanaga Division is one of the largest agropastoral basins in the

Far North Region. The border closure due to the security crisis has had a significant impact on this sector, which occupies almost the entire population.

Overall, more than 64 billion CFA francs were lost in agro-pastoral activities and some other commodities in the Mayo-Tsanaga Division. Specifically, a loss of about 23 billion CFA francs was recorded on agricultural products.

As for livestock, the losses are estimated at nearly 3 billion CFA francs. Regarding consumer products, the losses induced by this war have been estimated at more than **38 billion CFA francs**. The following table shows the breakdown of losses suffered by the population.

**Table 6: Estimated Losses in the Mayo-Tsanaga Division**

Designation	Quantity	Estimated loss ( FCFA)
<b>Agricultural products (in tonnes)</b>		
Red millet	476563,6	7.148.454.000
White millet	62688	1.003.008.000
Sorghum SS (Karal)	1565,6	227.035.200
Corn	23714,2	3.157.163.000
Soya	29937,6	748.440.000
Peanut	239641,6	7.189.248.000
Vouandzou	121023,2	2.299.440.800

Pulses	7025,2	84.302.400
Fresh vegetables	324,6	1.947.600
Cowpea	5515,4	193.039.000
Onion	81403,2	976.838.400
Sweet potato	4278,4	17.113.600
Potato	2198,4	35.174.400
Fruit	692,3	553.840
Residues	22125,07	66.375.210
Imported rice	1680,8	29.414.000
<b>Total 1</b>		<b>23.142.381.050</b>
<b>Livestock products per head and per unit</b>		
Bovine	2340	585.000.000
Ovine	6281	219.835.000
Goat	22130	398.340.000
Anes	4218	189.810.000
Poultry	156246	281.242.800
Discarded skins	320723	1.443.253.500
<b>Total II</b>		<b>3.117.581.300</b>
<b>Other consumer goods III</b>		<b>38.238.337.000</b>
<b>Total I+II+III</b>		<b>64.498.285.850</b>

*Source : RD MINCOMMERCE Far-North, June 2016*

- **Mayo Sava**

The Division of Mayo Sava suffered considerable losses due to the destruction of markets. Estimated losses due to the destruction or closure of markets in the Division of Mayo Sava amount to **163,500,000** CFA francs, with reconstruction costs estimated at **629,000,000** CFA francs (see table below).

**Table 7:** *Estimated losses in markets destroyed or closed in the Mayo Sava Department*

Market	State	Estimated loss (FCFA)
Amchide	Destroyed	100.000.000
Homaka	Destroyed	1.000.000
Kérawa	Destroyed	50.000.000
Kouyapé	Closed	3.000.000
Tolkouamari	Closed	2.000.000
Gouzoudou	Closed	1.000.000
Magdémé	Destroyed	1.500.000
Double	Destroyed	5.000.000
<b>Total</b>		<b>163500000</b>

*Source :* RD MINCOMMERCE Far-North, June 2016

- **Logone and Chari**

The biggest loss here, although not because of Boko Haram, is the destruction of the Kousseri market by fire. However, in Logone and Chari, 80 shops at the Central Market and 06 periodical markets (Maltam, Mada, Bargaram, HileAlifa, Fotokol and Bodo) were closed following the traffic ban

between Kousseri and N'djamena. In addition, 08 trucks in transit to Djamena were burned and 07 others diverted with a commodity of about 800,000,000 CFA francs.

However, activities such as agriculture, tourism, transport, trade, livestock, crafts have suffered significant losses related to terrorist acts of the Boko Haram sect. The most affected communities are:

- Red Zone: Fotokol, Makary, Waza and Hile-Alifa;
- Orange zone: Kousseri, Logone-Birni, Darak, and Goulfey;
- Green Zone: Zina.

- **Diamare**

The Diamare Division and specifically the city of Maroua is the main economic lung of the Far North Region. The economic damage is noticeable on the activities of the main economic operators of the city of Maroua. Indeed, the main distributor of consumer products in the locality, saw its turnover drop 62% provoking the closure of three (03) stores in the city. In the construction sector, data collected from one of the main suppliers of building materials in the department reveal a significant drop in sales volume. For certain products such as iron and cement, there were decreases of 99.7% and 95.6% respectively.

### 2.2.2. Measures taken and their effects

In response to the security crisis in the Far North Region, the Government has taken steps to (i) strengthen the military presence; (ii) grant the Far North Region the status of an “economically affected area”. North in order to attract investment; (iii) support for humanitarian assistance and the revival of economic activities; (iv) the implementation of the reconstruction project of destroyed areas with the help of development partners; (v) the adoption of a presidential plan for the reconstruction and development of the Far North Region.

In terms of **reinforcing security**, defence and security forces have been deployed throughout the Region, particularly in areas where attacks were more frequent, including areas bordering Nigeria. This deployment was in synergy with the other countries that were also under attack by the BOKO HARAM sect, particularly Nigeria and Chad. The objective was to protect the populations and their property, and to allow the exercise of the necessary economic activities for the populations of the areas concerned in particular and Cameroon in general. The aim was also to promote the continued implementation of public investment policy by building the economic and social infrastructure provided for in the public investment

budget. Thus, some work, which was necessary during the period of insecurity, had been entrusted to the Military Engineer.

At the same time, the Government and development partners carried out significant actions to revive l'économie. Since 2015, AFD has been working alongside Cameroon to enable people, especially young people, to actively participate in the reconstruction of the Region and to regain employment. Thanks to the funds of the Debt Reduction and Development Contract (C2D), the National Participatory Development Program (PNDP) has been deployed in municipalities of the Far North high-intensity construction sites (HIMO). This simple approach consisted in accompanying workers in the development of integration projects that will transform their economies into a more sustainable activity once the project is completed. The results obtained to date are convincing: communal projects are completed, with several young people recruited and hundreds of individual projects supported. To continue this dynamic, Cameroon and AFD have obtained additional funding from the European Union Emergency Trust Fund (EUFF).

With regard to the **recognition as "economic disaster area"**, the Far North Region benefited from this status by decree no. 2019/3179 PM of 02 September 2019 recognising the status

of economic disaster area in the Far North Regions-North, Northwest and Southwest. This text was supplemented by Decree No. 2019/3178 PM of 02 September 2019 specifying the modalities for the implementation of the status of economically affected area and the conditions for the benefit of advantages fiscaux y relatifs provided for by the provisions of Articles 121 and 121 bis of the General Tax Code.

The objective of this scheme is to attract investment in the Far North Region to revive the destroyed local economy. To date, this system is not sufficiently exploited by business leaders. Indeed, only 05 companies have applied for it, and the investments in this context are not yet realized. The low enthusiasm for this system is justified in particular by the limitation of the field of action to new investments (new companies, renewal of the production tool, extension of an old company) thus excluding many of the companies that have suffered the adverse consequences of the crisis.

At the regional level, measures have been taken to revive economic activity in this part of the country, through the establishment of a program called «Regional Stabilization Facility of the Lake Chad Basin-Cameroon Window» initiated by the Lake Chad Basin Commission (LCBC) and implemented by UNDP over the period 2019-2021, at a cost of \$100 million. This program,

which had mobilized 2.8 billion FCFA to rebuild the areas destroyed by BOKO HARAM in the Far North, concerned the Divisions of Mayo-Tsanaga, Mayo-Sava and Logone-and-Chari who paid the heaviest price of the abuses of this sect. The programme has three pillars: infrastructure construction, security and economic recovery. With regard to economic recovery, more than 100 million FCFA have already been injected into the local economy through «cash for work», promoting the integration of several young people in income-generating activities.

Similarly, an inventory of the collective equipment destroyed was carried out in 2016. It enabled the formulation of the presidential plan for the reconstruction and development of the Far North Region, which is being implemented.

### **2.2.3. Review of response**

The security situation is generally under control although there are occasional incursions. There has also been a gradual recovery in economic activity resulting in increased cross-border trade between the two countries. However, some shortcomings were noted, including:

- the Contingency Plan did not take into account the socio-economic consequences of a security crisis;

- the implementation of the incentives contained in the Economic Disaster Area (EDA) has shown that there is a weakness in the design of this mechanism;
- difficulties in seeking financing, particularly because of the international situation and the occurrence of other crises.

## 2.3. OIL SHOCK FROM 2014-2016

### 2.3.1. Analysis of the facts

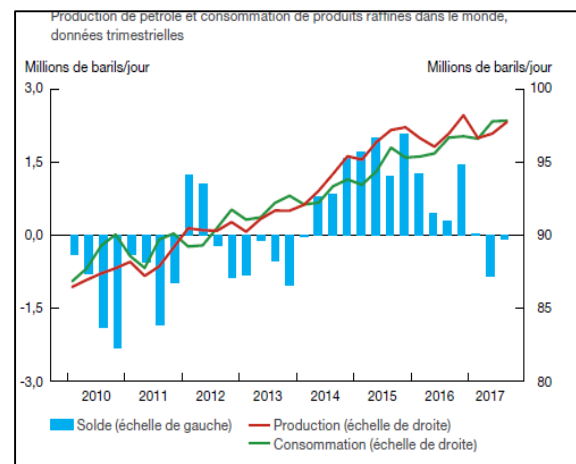
At the beginning of 2014, the geopolitical and economic context is marked by: the slowdown of the Chinese economy; the decline of global demand; the return of Iran in international trade, particularly with the export of oil, after the lifting of sanctions imposed in 2012 by the European Union (EU); the rivalry between the United States and Saudi Arabia for control of oil markets.

Indeed, during the above-mentioned period, the growth of the Chinese economy experienced a certain slowdown, leading to a deceleration of many indicators (industrial production, fixed capital investment, etc.). For the first time since 2008, China's economic growth fell below 7% year-on-year in the third quarter of 2015. Also, other emerging economies (Brazil in particular) experienced a slowdown,

which resulted in a significant drop in global oil demand.

On the supply side, oil production in the United States has been on an upward trend since 2008, driven in part by the exploitation of shale oil, whose profitability has increased exceptionally thanks to technological advances in the exploitation of shale hydrocarbons in the early 2000s. The United States produced more than 11 million barrels per day in 2014, a production never reached since the peak oil of 1970, significantly reducing its dependence on foreign oil from 60% in 2005 to 30% in 2016. This production contributed to the global overproduction that led to lower oil prices.

**Figure 5 :** Trends in the global oil market 2010-2017



**Source :** Canada Bank (2017).

As a result, from the second quarter of 2014, global production exceeded demand. Indeed, the growth rate of production increased to 2.7% on average, while that of consumption was



only 1.4% over the long term. This imbalance persisted for twelve consecutive quarters, resulting in a strong oil crisis over the 2014-2016 period.

In Africa, all black gold producing countries have suffered from this disastrous situation, as most of these countries depend more than 80% of oil revenues to finance their budgets. Indeed, the decline in oil prices between 2014 and 2016 had a recessive effect on the CEMAC economies. Correlatively with the fall in the price of the barrel (WTI spot crude Oil price) from 104.1 to 42.8 dollars and security problems, the real growth of the zone went from 4.9% to -0.1% over this period.

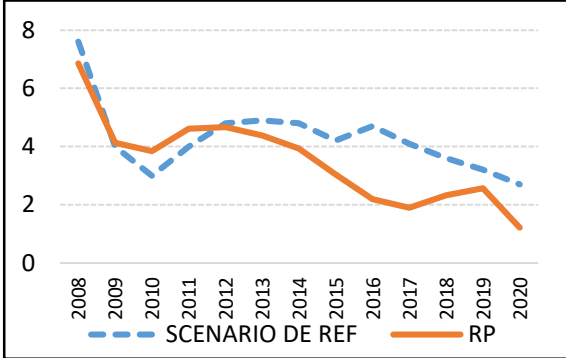
The external coverage rate of its currency fell from 97.5% to 59.1%. At the same time, CEMAC's current account widened from -3.2% to -15.6%. As a result of the deceleration in economic activity and the stability of the proportion of money in GDP over this period (from 33% to 29%), inflationary pressures eased.

With oil accounting for 74% of the exports of the six CEMAC countries in 2014, the fall in its price caused a rise in budget and current account deficits, and consequently their debt. In 2016, the debt of the countries of the zone represented 46.5% of the regional GDP. Regional reserves fell from 6 months of

imports in 2014 to 2.4 months at the end of 2016.

In Cameroon, a net exporter of oil, this situation was strongly felt in terms of oil revenues. Over the 2014-2016 period, Cameroon recorded a decline in oil revenues of more than 43.7%. The contribution of oil revenues to the economy fell sharply in 2016 (2.2% of GDP) compared to the GESP forecast (4.7% of GDP), leading to the gradual depletion of foreign exchange reserves at the Central Bank. This situation has forced the Government to increase domestic oil production to reduce the price effect.

**Figure 6 :** Share of oil revenues in GDP (%)



Source : MINFI/MINEPAT (2021).

**2.3.2. Measures taken and their impact**

In response to this situation, the Heads of State of the CEMAC area met on 23 December 2016 during an extraordinary summit in Yaoundé. The purpose of the meeting was to examine the economic and monetary situation in the CEMAC Zone and to adopt appropriate measures aimed in particular at curbing the adverse effects

of the oil shock on the economies of the sub-region.

Thus, the Heads of State:

- ✓ agreed, because of the exogenous nature of the shocks suffered, Make ample use of all bilateral and multilateral partners to secure broad access to concessional and non-concessional financing needed to strengthen the balance of payments and pursue priority development projects;;
- ✓ Calls for intensified measures and actions to diversify their economies to make them less vulnerable to exogenous shocks and more competitive in the face of trade liberalization in an increasingly open world.

In the case of Cameroon, the Government has taken a series of measures:

- the upward adjustment of fuel prices at the pump;
- Strengthening economic diversification policy to reduce the country's dependence on imports;
- the entry under Economic and Financial Programme with the IMF supported by the Extended Credit Facility (ECF) in 2017. The objective of the Programme was to support the country's efforts to restore external and fiscal

sustainability, and to lay the foundations for more sustainable, inclusive and private sector-led growth. It was based on three (03) pillars: (i) the implementation of a sustainable fiscal adjustment to replenish reserves; (ii) the deepening of public finance reform (increased mobilization of non oil revenues, strengthening of public financial management, control of risks related to contingent liabilities, efficiency of public spending in general and particularly public investments); (iii) the implementation of structural reforms for economic diversification and financial sector resilience.

In order to support the Government in this recovery effort both at national and sub-regional level, other Technical and Financial Partners (PTF) have committed to provide credit lines for the financing of this Programme, in the form of budget support. These include (i) the African Development Bank through the Competitiveness and Economic Growth Support Program (PACCE), (ii) the World Bank through the Development Policy Support Program (DPO), (iii) the European Union through the Sectoral Reform Contract (CRS), and (iv) the French Development Agency through the Budget Support Loan (PSB).

Through this programme, improvements have been observed in the country's economy, including: (i) consolidation of the state budget through the budget support mechanism; (ii) strengthening transparency in public financial management through institutional reforms such as the Transparency and Good Governance Code, the new Public Contract Code, etc.; (iii) the improvement of the efficiency of public expenditure through the maturation of projects; the operation of physical counting of State personnel (COPPE); the implementation of the new budgetary nomenclature; the strengthening of the social protection system (Social Safety Nets)etc.

The implementation of this program made it possible to mobilize 1 129.977 billion FCFA over the period 2017-2020 (86.59% of the expected amount). It should be noted that the disbursements of the various budget supports of the partners are subject to a number of conditionalities. Apart from the French Development Agency, whose disbursements were conditioned only by the satisfactory conclusion of the various reviews of the Economic and Financial Programme with the IMF, the other technical and financial partners have made their disbursements conditional on the implementation of a set of structural reforms identified in various sectors including public finance, public procurement, economic competitiveness, and rural and social sectors. .

**Table 8: Evolution of budget support under the EFP 2017-2020**

BUDGETARY SUPPORT	2017		2018		2019		2020		Total	
	Expected	obtained	Expected	obtained	Expected	obtained	Expected	obtained	Expected	obtained
FMI	178	164	95	87,6	95	44,72	47	45,25	415	341,57
BM	124	112,5	62	-	62	117,74	0	-	248	230,24
UE	22	19,6	22	16,39	22	22,95	0	13,77	66	72,71
BAD	126	-	126	216,467	126	-	0	66,18	378	282,647
AFD	66	65,6	66	65,6	66	71,61	0	-	198	202,81
Total	516	361,7	371	386,05	371	257,02	47	125,2	1 305	1129,97

**Source :** CTS (2020).

The retrospective evaluation of economic and financial policy commitments was carried out during the various reviews of the programme. To this end, five (05) reviews of the programme were conducted during the

period of its implementation. They were generally considered satisfactory by the IMF Executive Board, thus favouring the disbursement of expected budgetary support.

### 2.3.3. Examining the response

Throughout the 2014-2016 oil shock, there were some shortcomings in the management of the adverse effects of the crisis. These include:

- the absence of such a risk management plan;
- Low storage capacity of petroleum products (safety reserves);
- weak appropriation of economic policy measures by different sectoral administrations;
- the lack of appropriation of the reforms by the sectoral administrations (slow implementation of the reforms, poor application of the measures taken as part of the reforms, etc.), etc.);
- the problem of information asymmetry.

## 2.4. SECURITY CRISIS IN THE NORTH-WEST AND SOUTH-WEST REGIONS

### 2.4.1. Stylised Facts

The current security tensions in the North-West and South-West Regions began in late 2016 in the city of Bamenda, with a legal strike that has gradually spread to other sectors of activity (teaching staff, civil society actors, etc.).

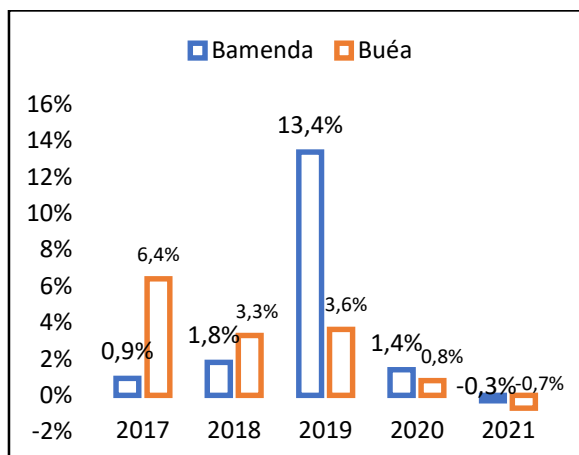
These strike movements have turned into a social and security crisis that disrupts the movement of populations and the progress of economic activities. The school system has been particularly attacked and the integrity of the national territory threatened.

The conclusions of the assessments conducted by MINEPAT and GICAM on the evolution and socio-economic impacts of the security crisis in the North-West and South-West regions over the period 2017-2021 agree that the consequences of this security crisis are significant on humanitarian (food crisis, loss of human life, internally displaced persons, refugees), social and economic levels.

#### a) Humanitarian and social consequences of the crisis

There has been a deterioration in household living conditions due to acts of vandalism and destruction of property. According to recent PPRD-NO/SO data, 17,329 houses were completely or partially destroyed, 9,031 in the Northwest Region and 8,298 in the Southwest Region, increasing the number of households without a fixed home. In addition, supply difficulties and the destruction of certain road infrastructures have led to higher acquisition costs for certain products and higher transport costs.

**Figure 7 :** Evolution of transport prices between 2017 and 2021 in the cities of Bamenda and Buea



Source : NIS (2021).

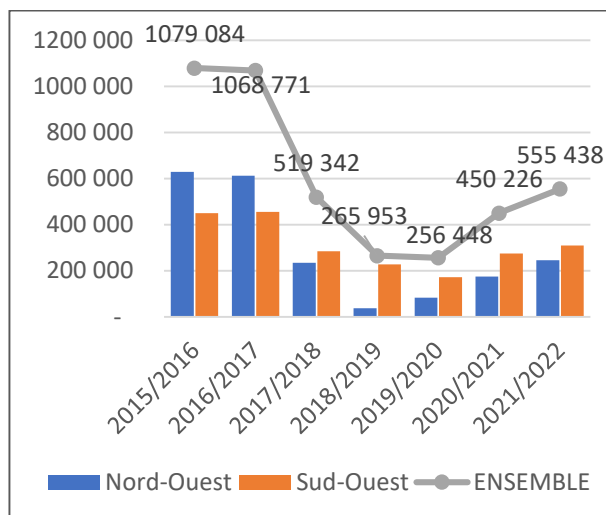
Also, the recurrence of acts of vandalism on water and electricity supply equipment has led to a deterioration of access to these services by the population. This situation, coupled with falling household incomes, has resulted in a significant reduction in household purchasing power and massive population displacement.

The crisis has also deteriorated access to other basic social services such as education, housing and health. In the field of education, supply and demand have been impacted. Thus, between 2017 and 2020, 63% and 37% of schools (primary and secondary) closed respectively in the Northwest and Southwest.

The number of students enrolled in public and private schools decreased sharply from 1.1 million in the 2016/2017 school year to almost 255,200 in the 2019/2020 school year. However,

the number of students increased in both regions during the 2020/2021 school year.

**Figure 8 :** Trends in student numbers in the North-West and South-West Regions



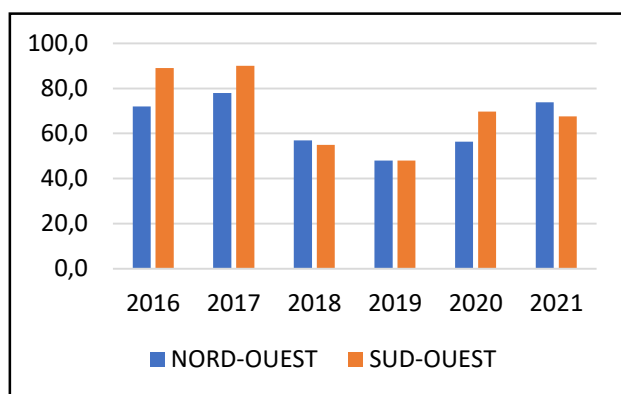
Source : MINEPAT (2022).

### b) Health implications of the crisis

In the health sector, more than 70 health facilities have been vandalized or destroyed. The desertion of health workers has been observed due to insecurity leading to the closure of some health facilities.

The direct consequence of this decrease in the supply of health care services is the deterioration of indicators of the health status of populations. For example, the vaccination coverage rate for children under two years of age stands at 56.4% in 2021 against 78% in 2017 in the Northwest region, and 69.7% against 90% in 2017 in the Southwest region.

**Figure 9 :** Immunization coverage rates in the North-West and South-West Regions



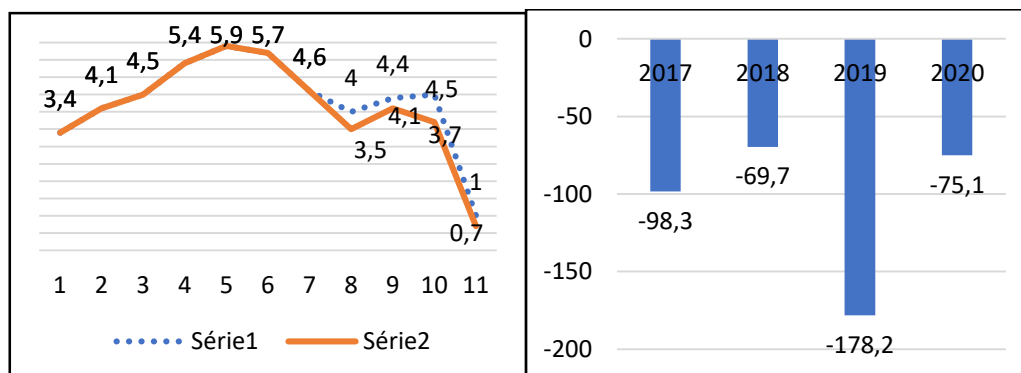
Source : MINSANTE (2022).

### c) Economic consequences of the crisis

Economically, the security crisis has an impact on the productive sector

(agricultural production, processing and market service), foreign trade, and public finances. This crisis led to a loss of 0.3 points of GDP growth in 2020 and 0.8 points in 2019. This loss was estimated at 0.5 and 0.3 points respectively in 2017 and 2018. These growth point losses correspond to a cumulative loss on GDP of FCFA 421.3 billion between 2017 and 2020.

**Figure 10 :** Losses on growth rate and GDP in billions of FCFA



Source : MINEPAT.

#### ✓ The productive sector

Insecurity and displacement have been detrimental to agricultural activities and plantation maintenance. In terms of food crops, this situation has resulted in a fall in the area cultivated for the main crops (maize and banana-plantain) in the North-West and South-West of around 19.5% and 21% respectively on

an annual average between 2017 and 2020. The harvest of these speculations also fell by nearly 21.3% and 19.6% on average over the same period. As regards export industrial agriculture,, Crude palm oil production fell by almost 90% from 37,400 tonnes in 2016 to nearly 4,300 tonnes in 2019. In 2020, however, there was a reversal of the trend with a 131% increase in palm oil

production, which stood at 9,900 tonnes. As for raw cocoa beans, the weight of the Southwest Region at the national level is at the end of the 2019/2020 season at 29% while it represented 41% of the production marketed at the national level in 2015/2016, a decrease of 12 points.

South-west Cameroon, a large crude rubber production basin, saw its production increase from 17,000 tonnes in 2016 to 2,100 tonnes in 2019, 8 times lower than its pre-crisis level. In 2020, however, the curve is reversed with an increase in rubber production for a total of 4,500 tonnes. The trend is almost the same for bananas, whose production in the South-West Region decreased sharply from 125,019 tonnes in 2016 to 16,897 tonnes in 2019, due to the complete shutdown of the activities of the Cameroon Development Corporation (CDC) first employer after the State in fiscal year 2018. However, this production increased again in 2020 to reach nearly has collapsed. The consequences of the crisis include:

- the closure of most installed production units;
- the withdrawal of commercial presence for companies that had agencies and other representations there;
- involuntary breach of contracts with partners and subcontractors;

- the cancellation of plans for expansion, investment and negotiations with foreign partners.

As a result, it is observed at the level of industrial tea production in the Northwest and Southwest regions, a decline of nearly 48.6% between 2015 and 2020. Regarding the wood processing industries, their turnover also experienced a significant decline over the entire period 2016-2019, estimated at about 62% on an annual average. With regard to the brewing industries, the companies located in the South-West in particular, recorded a decrease in the production of soft drinks, non-carbonated drinks and mineral water, respectively by 45.3%, 52.8% and 15.2%.

The picture is similar for market services, with the sectors most affected being trade, transport and tourism. The supplies of the two Regions in consumer products, like fish, fell particularly in 2019 (-11.5% in the Northwest and -32.7%

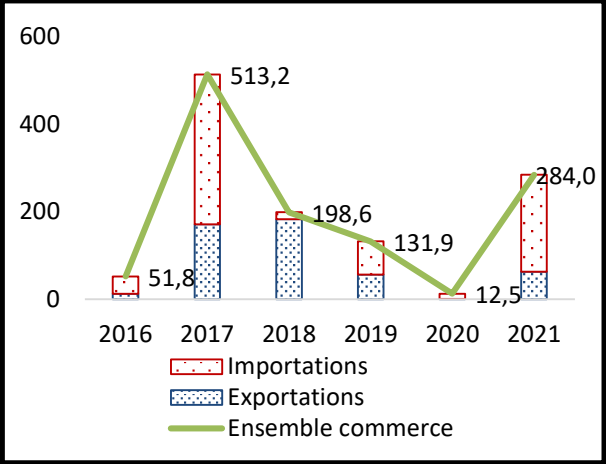
in the Southwest) before stabilizing in 2020 where there was a significant improvement in supplies of the same product, of the order of 14.6% in the Northwest and 25.3% in the Southwest. Transport activities, particularly road transport, have not been spared as the main travel agencies of these Regions reveal a drop of nearly 56% on average

in their turnover between 2016 and 2019, despite a general increase in tariffs. Similarly, the occupancy rate of hotel rooms in the two Regions over the entire period 2017-2020 has fallen sharply. This indicator rose in the North-West Region from 57.7% in 2016 to 13.7% in 2020 and in the South-West Region, from 48% in 2017 to 1.3% in 202.

✓ *Foreign trade*

The onset of the crisis has slowed the volume of foreign trade in favor of the proliferation of illicit trade. Trade with Nigeria increased from FCFA 15.6 billion in 2015 to FCFA 2.9 billion in 2019, a decline of more than 81%. This decline is observable both in exports (-68.9%) and imports (-85%). However, it is observed a slight recovery from 2021.

**Figure 11 :** Evolution of foreign trade (in billion FCFA) from the South-West region.

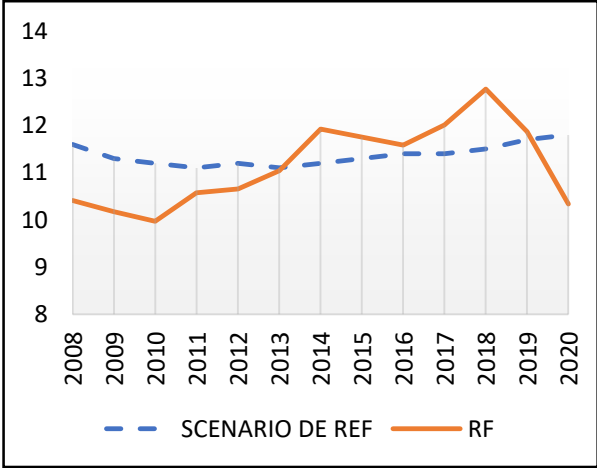


Source : MINFI/DGC.

✓ *Public finances*

The crisis has had negative effects on revenue mobilization and expenditure execution. Indeed, tax revenues (excluding SONARA) and customs collected in the North-West and South-West Regions were down 41.5% between 2016 and 2019. This explains the decline observed from 2018 in the evolution of total tax revenues while the efforts made by the tax administration to improve its performance were already being felt.

**Figure 12 :** Evolution of tax revenues as % of GDP



Source : MINFI/MINEPAT (2021).

With regard to public expenditure, it appears that a significant number of projects could not be carried out during the period 2017-2019 for a total amount of CFAF 16.4 billion, despite the increase in budget allocations over the period. In 2020, the physical execution rate of the Public Investment Budget (BIP), scheduling basis, in these two Regions averaged above 80%, an



increase of 10 points compared to previous years.

#### **2.4.2. Measures taken and their effects**

Since the beginning of the crisis, the Government has clearly shown its willingness to resolve this crisis through peaceful methods, such as dialogue. Thus, in addition to strengthening the military presence in crisis areas, the following measures were taken:

- translation into English of the Organisation for the Harmonization of Business Law in Africa (OHADA), CEMAC regulations and other legal texts;
- the creation of the Common Law section of the Supreme Court and ENAM;
- the redeployment of judges from the Common Law section in the North-West and South-West Regions;
- the recruitment of 1,000 bilingual teachers.;

Following the message to the nation of the President of the Republic of Cameroon on September 10, 2019, convening the Grand National Dialogue, exchanges took place from September 30 to October 4, 2019 at the Palais de Congrès in Yaoundé, with the aim of finding solutions to this crisis.

Resolutions have resulted in:

- the continuation of the process of accelerating decentralization

with a special status for the North-West and South-West regions by the promulgation of the law on the General Code of the RLA, as well as the implementing texts defining the modalities for the transfer of competences including the financial, human and material resources relating thereto from the State to the RLA ;

- the creation of "house of chiefs" to give substance to the special status of English-speaking regions;
- the release and abandonment of legal proceedings before the military court in favour of persons detained in the context of the crisis in these two Regions;
- the creation of the National Committee for Disarmament, Demobilization and Reintegration and the centres dedicated to these missions;
- the creation of the National Bilingualism and Multiculturalism Commission;
- the establishment of a Presidential Plan for Reconstruction and Development (PPRD) of the North-West and South-West Regions through three axes of intervention: (i) strengthening social cohesion, (ii) rehabilitation

of basic infrastructure, (iii) revitalizing the local economy

To monitor the implementation of these resolutions, a monitoring committee was created on 23 March 2020 by the President of the Republic.

The initial evaluations identified difficulties in implementing these resolutions due to insufficient financial resources. However, with the operationalization of Phase 1 of the PPRD, there has been a gradual resumption of economic and social activities supported by improved security of property and people. This slight recovery was also made possible thanks to multifaceted support for economic recovery by the RLA and the regional development missions (MIDENO, SOWEDA)

### 2.4.3. Review of response

The crisis management system is working. However, difficulties in mobilizing financial resources remain to accelerate the implementation of the PPRD. There is also weak communication from the Government on its achievements.

## 2.5. CURRENCY CRISIS 2019

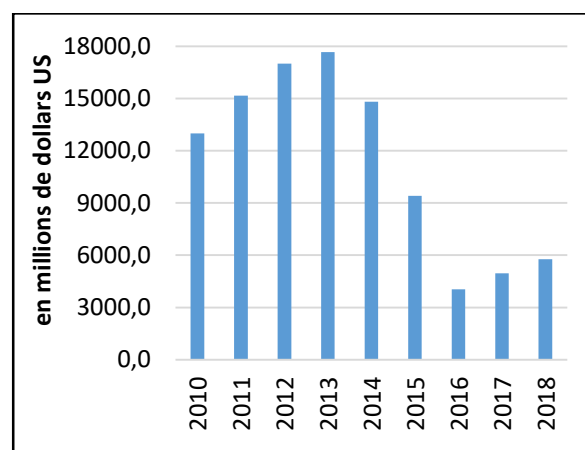
### 2.5.1. Analysis of the facts

The continued decline in oil prices from 2014 to 2016 and its consequences on the oil revenues of CEMAC countries, led to the significant decline in foreign

exchange reserves. Indeed, the account of operations serving as a common fund for CEMAC States to support their imports, has been very much in demand and little bailed out since 2015.

As CEMAC's economic growth improved from 1.7% in 2018 to 3% at the end of June 2019, and its overall fiscal position was moving towards balance, a cluster of dysfunctions on the regional exchange market has weakened the fixed parity of the CFA franc against the euro.

**Figure 13 :** Change reserves in the CEMAC zone



Source : World Bank (2022).

This was due to:

- ✓ **weak administrative control over import operations:** since 2000, CEMAC's commercial banks have returned 100% of the foreign exchange received to BEAC. However, the six CEMAC states have allowed resident economic agents to hold many foreign currency accounts without prior authorization

from the Central Bank, even after the entry into force of the new foreign exchange regulations adopted in 2018. As of February 28, 2019, the number of accounts opened for the benefit of the States was 2,188.

**Table 9:** *Accounts and amounts in foreign currency held by CEMAC countries with BEAC as of February 28, 2019.*

Country	Cameroon	Congo	Gabon	Equatorial Guinea	CAR	Chad
Number of accounts	244	202	239	59	31	1 413
Amount held in millions of CFAF	53 600	27 230	9 900	439	146	886

Source : BEAC

- ✓ **Deleterious behaviour of agents (buyers and sellers of foreign currencies):** According to the IMF (2019), the volume of assets illegally held by companies and other agents, outside the CEMAC zone, amounts to nearly 3,000 billion CFA francs, Despite the Central Bank's injunctions and regulatory provisions prohibiting this practice, commercial banks refuse to repatriate their foreign assets. They have developed an interbank currency market and trade in parallel, which brings in between 50 and 80% of the net banking income of credit institutions operating in the area.

In response, the BEAC had to: (i) reduce the currency retrocession rate to 70% by the end of March 2019. The remaining 30% is retained by commercial banks to cover their foreign exchange transactions; (ii) require commercial banks to make available to the Central Bank the contact information of foreign exchange applicants requesting international transfers. The volume of foreign exchange returned by commercial banks to the Central Bank rose from 605.2 billion CFA francs in 2018 to 1,376.1 billion CFA francs in May 2019, an increase of 127%.

Despite the difficulties related to this crisis, the US rating agency MOODY'S ranked Cameroon 2nd in sub-Saharan Africa, behind Rwanda, in terms of compliance with mandatory public spending. However, out of community solidarity in the management of currencies and due to the application of the new CEMAC exchange regulations taken in 2018, Cameroon companies have suffered the consequences of the currency crisis of 2019.

As of June 15, 2019, transfer requests totalled several tens of billions of FCFA. Turnaround times were no longer met, ranging from weeks to months. In addition, currency transfer and purchase fees, as well as various bank charges were on the rise, and transfer procedures were longer and more complex. This situation resulted in the loss of protection of the assets of local

companies in connection with the actual non-payment of premiums due to international reinsurance companies; the decrease in the number of months of importation of the BEAC; the slowdown in imports of inputs necessary for the production of goods; the decline in economic activities. In addition, there was a decrease in non-oil tax revenues of FCFA 31.4 billion in absolute value, and 1.5% in relative value at the end of September 2019 compared to the same period in 2018.

### **2.5.2. Measures taken and their effects**

To immediately limit the consequences of the currency crisis, the Bank of Central African States (BEAC), together with the Ministers of Finance and Economy, CEMAC officials, representatives of bank associations and employers' organizations in the countries of the Economic and Monetary Community of Central Africa concluded on July 4, 2019, an agreement called the «Douala Compromise», following the awareness meeting on the new exchange regulation of the area.

Through this text, the Central Bank has undertaken to give a favorable response to the requests for the withdrawal of currencies of economic operators addressed to it, without taking into account the currencies that banks hold outside the CEMAC zone. In return, the Central Bank fined the banks that held unjustified foreign reserves by 5% of

the amount concerned. This new text imposed a five-day deadline on banks, compared to thirty days previously set to transfer 70% of the currencies in their possession to the Central Bank.

The second measure of flexibility on which BEAC, banks and economic operators agreed, was to make available to the Central Bank the contact details of importers and other companies requesting international transfers. In this way, the BEAC could directly inform the economic operator of the processing of its application.

The strengthening of the provisions for the application of the new foreign exchange rules has strongly contributed to the rise in BEAC's foreign exchange reserves. Indeed, according to data published by the Central Bank, they stood at 4,347.7 billion CFA francs at the end of December 2019 against 3,776.5 billion CFA francs at the end of December 2018. This recovery is supported by the economic and financial recovery measures undertaken by the Member States and the Community institutions, with the support of development partners. In particular, thanks to the rigorous application of the new exchange regulations, the retrocessions to the Central Bank of the foreign assets held by the primary banks reached 3,481 billion FCFA at 31 August 2019, against

1,858 billion CFA francs at 31 December 2018.

The interbank market also recorded good points, with the increase in the volume of transactions between commercial banks in the CEMAC zone in 2019, the cumulative volume of interbank transactions (289 in total) amounted to 2,358.1 billion CFA francs against 928,6 billion FCFA over the same period in 2018.

### **2.5.3. Review of response**

According to the analysis, the success observed in the management of this crisis is mainly due to better monitoring in the application of the exchange rate regulation whose responsibility fell to the BEAC, as well as to the trust that existed between the various actors.

In Cameroon in particular, the crisis revealed the following shortcomings:

- weak appropriation by local commercial banks and the private sector;
- the low involvement of key stakeholders (banks and the private sector) in risk management and monitoring the implementation of policy measures;
- the problem of information asymmetry

## **2.6. SONARA FIRE IN 2019**

### **2.6.1. Presentation of Facts**

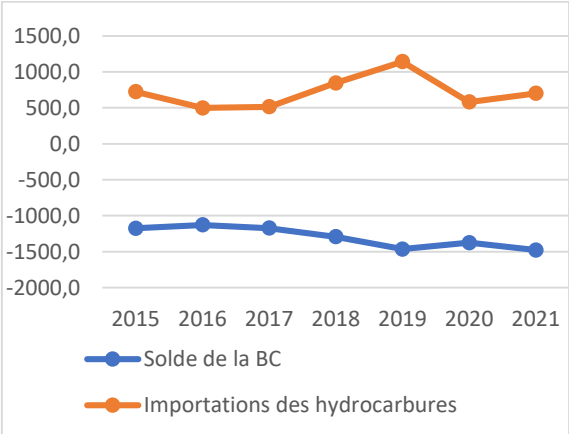
On the night of May 31, 2019, a fire occurred at the SONARA species fractionation site in LIMBE. The first observations report significant damage to the refinery system, ie 4 production units of the 13 newly installed during the 1st phase of the project to extend and improve the production equipment of this company. This situation has led to the shutdown of the refined oil production chain with repercussions on the country's economy.

In the real sector, there has been a contraction in local supply of downstream petroleum products in the short term. This led to a decline in the sector's contribution to GDP and increased deviations from forecasts.

This situation led to a systemic shock insofar as it increased the risk of non-payment of its debt, which stood at nearly 791 billion CFA francs at that date. Indeed, it should be noted that as of March 31, 2023, bank debt is set at nearly CFAF 298 billion. In addition, the debt vis-à-vis traders is estimated at nearly 324 billion FCFA. To this is added the tax debt of nearly 334 billion FCFA. Taking into account the shortfalls estimated at nearly FCFA 174 billion for 2022, we better measure the systemic risk of SONARA.

The cessation of activities currently observed within SONARA further deteriorates our trade balance as we observe the fall in exports of SONARA oil products. Crude oil imports fall to give way to imports of refined finished products. However, importing refined petroleum products is more expensive than importing crude oil for domestic refining. This trend generates a budgetary and balance of payments imbalance.

**Figure 14 :** Evolution of the cost of hydrocarbon imports in the trade balance



Source : MINFI/DGC

**2.6.2. Actions taken and their effects**

In the aftermath of the SONARA fire, the Government took a series of measures to allow financial restructuring (equity replenishment) and technical rehabilitation of SONARA. To ensure the repayment of the bank debts and traders of SONARA, the Government instituted a tax «support to the refinery» in the price structure of petroleum products in the amount of 47.88 FCFA/l. The funds

collected are housed in an escrow account at the BEAC. In addition, it should be noted that MINFI made a payment of FCFA 46 billion at March 31, 2021 to the banks and traders who signed the debt conciliation report with SONARA.

In order to guarantee the supply of oil products, the State signed with the Islamic International Trade Finance Corporation (ITFC), a financing agreement for an amount of 83.5 million euros or 54.8 billion FCFA in December 2021.

**2.6.3. Response Analysis**

A system has been put in place to manage the incident at the SONARA site, and work is currently underway to toadopt a restructuring plan for SONARA.

or the management of the SONARA site incident, a mechanism has been put in place and the work being carried out is aimed at adopting a restructuring plan for SONARA.

**2.7. COVID-19 PANDEMIC HEALTH CRISIS**

**2.7.1. Stylised Facts**

The COVID-19 pandemic first broke out in the Wuhan region of China at the end of 2019. Thanks to the international movement of goods and people, as well

as the low level of knowledge related to it, this pandemic then spread to almost all regions of the world, including Cameroon.

The first case of contamination was officially identified in Cameroon on March 06, 2020. The disease then quickly spread among the population due in particular to the lack of logistics necessary to carry out the controls at the entrance, the lack of technical facilities coupled with the country's heavy dependence on imports of pharmaceutical products and equipment. By the end of 2022, the health situation had reached 123,993 confirmed cases and 1,965 deaths, a case fatality rate of 1.6%.

To contain the spread of this pandemic, several containment measures, total or partial, have been taken internationally. These included the closing of public places (schools, drinking places and other places of entertainment, etc.), the cancellation of several sporting and cultural events, the closing of borders, Prioritization of telework and mandatory masking. In Cameroon, the restrictive measures were instituted from 17 March 2020. A comprehensive list of those measures is provided in the annex.

Thus, in addition to the health and human consequences, this pandemic, because of the restrictions it imposed both nationally and internationally,

affected the Cameroonian economy through several transmission channels linked to both supply and demand shocks.

Indeed, the supply shock was perceptible through the reduction or even the rupture of the supply chains of intermediate goods from abroad, but also from local origin. In addition, there is a general decrease in labour productivity as a result of restrictive measures. This has resulted in increased transaction costs and uncertainty, leading to tighter local and international financial conditions. In addition, the supply shock abroad has led to a decrease in the inflows of private and public funds, as well as a significant exodus of capital which has further reduced the financing possibilities of the national economy.

With regard to the demand shock, it has been observed through: (i) the decline in household incomes due to unemployment or inability to continue informal activities; and (ii) the slowdown, see the shutdown of businesses located locally or in other regions of the world. This situation has resulted in a fall in the prices of the main raw materials exported by Cameroon, in particular oil, wood, cocoa, bananas, cotton, rubber, with significant consequences on the level of government revenues.

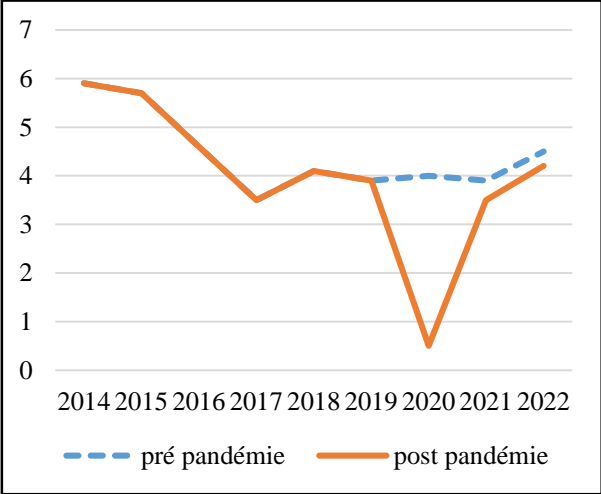
Due to limited control over supply and demand, the Cameroonian economy has recorded significant returns since 2020 at both macroeconomic and microeconomic levels.

**a) Macroeconomic situation**

At the macroeconomic level, the main indicators show significant deviations from the original 2020 forecast.

As for the growth rate, it was 0.3% in 2020, down 3.5 points from the forecast at the beginning of the year. This discrepancy is due to the impact of the pandemic in particular on the primary and tertiary sectors, and more specifically services for the reception of tourists (transport, hotels and restaurants, tourism, etc.).

**Figure 15 :** Evolution of the growth rate



Source : MINEPAT (2022)

On the other hand, the persistence of the consequences of the pandemic (in particular the rise in sea freight and prices of certain products, particularly agricultural products) limited the strength of the recovery envisaged in 2021, with a growth rate of 3,6% against 3.9% anticipated before the pandemic.

As for the primary budget deficit, it stood at -2.4% of GDP in 2020, compared to a forecast of -1.1% before the pandemic. Indeed, the health crisis has led to a fall in total revenues, particularly due to the slowdown in economic activity and the decline in international prices of raw materials exported, coupled with a significant increase in public spending induced by the explosion of health spending (tracking, testing and treatment) and assistance to the economic and social fabric. Thus, the amending Finance Act of 3 June 2020 revised down the total revenues of CFAF 5.42.6 billion compared to the original Finance Act, to CFAF 4.409.1 billion. This has contributed to eroding fiscal consolidation efforts under the 2017-2020 Programme (ECF) with the IMF.

The adverse effects of the COVID-19 pandemic continued to weigh on public finances in 2021, due in particular to the implementation of the population vaccination program. The budget deficit worsened by 0.6 points in 2021 compared to the pre-pandemic projection to be 1.6% of GDP.

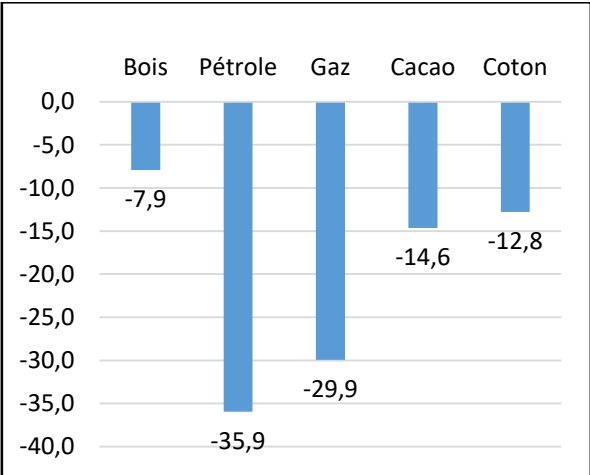
Regarding public debt, the IMF forecasts that the average increase in Cameroon’s debt over the period 2020-2024, compared to the pre-pandemic forecast, would be 4%. Indeed, it should be noted that COVID-19 has resulted in the granting of a large number of budget support to Cameroon (IMF



Rapid Credit Facility, assistance from the World Bank, the European Union, the Central African Development Bank, (IMF Rapid Credit Facility, assistance from World Bank, European Union, Central African Development Bank, etc.)

In terms of foreign trade, 2020 was marked by a decline in the volumes of the main exported products. Crude oil was 3.1% down on the previous year, while developments for other products were as follows: Natural gas (+0.9%), wood (-11.8%), cocoa (-14.6%), cotton (-12.8%). In value terms, the dynamics of these products are shown in the graph below, where there are significant declines due to falling prices on international markets. Thus there is a reduction of 7.9% in wood exports, 35.9% for oil, 29.9% for natural gas, 14.6% for cocoa, and 12.8% for cotton.

**Figure 16 :** Change in Exports of Major Commodities by Value in 2020



Source: DGC/MINFI Data.

These developments reflect an aggregate reduction of 19.6% in exports

in value, including a decrease of 9.5% in exports of goods other than hydrocarbons and 34.7 in exports of hydrocarbons.

Imports fell by 12.8% in value in 2020. This trend was recorded for both oil products and capital goods and intermediate consumption. However, imports of final consumption goods increased by 8.9%.

a) Microeconomic situation

At the microeconomic level, the production of businesses and the standard of living of households have been significantly altered due to the pandemic. This is what emerges from several surveys conducted by different Cameroonian institutions (NIS, TRANSFAGRI, ISSEA, University of Yaoundé II, etc.).

The socio-economic impact assessment of COVID-19 in Cameroon, conducted in March 2021 by the INS on a sample of 608 companies and 2680 households, showed as main results that 92,9% of business owners say they have experienced a decline in their level of activity compared to the pre-pandemic period. This decline resulted in an average 79% reduction in year-on-year sales among SMEs and Informal Production Units (UPI) over the 30 days preceding the survey, and a 64.8% drop in large enterprises. Although some structures indicate that they have benefited from the accompanying

measures put in place by the Government, the main difficulties encountered remain the lack of guarantee for credit operations (44.9% of companies) and still very high bank interest (35.9%).

In terms of households, more than half of household heads who lost their jobs between March 2020 and March 2021 reported losing them because of the consequences of COVID-19. The latter also reduced income from domestic production activities for about 60% of households surveyed. Moreover, while most of them indicate that they have not fully suffered the effects of inflation, about 7 in 10 households were food insecure, of which 44.7% were severely insecure.

### **2.7.2. Actions taken and their effects**

To address the effects of the COVID-19 crisis, the Government has adopted two main measures: (i) the strategy of response to COVID-19 and economic and social resilience and (ii) the Economic and Financial Programme for the period 2021-2024.

(i) COVID-19 response strategy and economic and social resilience

(ii) the Economic and Financial Programme for the period 2021-2024.

#### **(i) COVID-19 response strategy and economic and social resilience**

In order to contain the spread of the disease and mitigate the effects of the crisis on the national productive fabric and the purchasing power of households, the Government of Cameroon has implemented a Response Strategy to Covid-19 and economic and social resilience. This strategy, worth nearly CFAF 480 billion over the period 2020-2022, is broken down into five pillars: (i) strengthening the health system; (ii) economic and financial resilience; (iii) strategic procurement; (iv) strengthening research and innovation, and (v) social resilience.

For the year 2020, this strategy helped structure Ordinance No. 2020/001 of June 3, 2020, amending and supplementing certain provisions of Law No. 2019/023 of December 24, 2019, on the Finance Law of the Republic of Cameroon for the financial year 2020, through the institution of a Special Assignment Account (CAS COVID-19). This account entitled «Special National Solidarity Fund for the fight against the coronavirus and its economic and social repercussions» was endowed with a total amount of 180 billion FCFA to cover: (i) health expenditure related to the fight against the Coronavirus pandemic in Cameroon; (ii) State social support expenditure for vulnerable personnel affected by the health crisis due to Covid-19; (iii) financial support from the State to companies in sectors

affected by the pandemic; and (iv) funding for research and innovation in the fight against the Coronavirus

*With regard to the pillar on strengthening the healthcare system, the actions consisted of:*

- ✓ Social regulation, in particular by raising public awareness, strengthening barriers against COVID-19 and reinforcing border security, preventive policing and public surveillance.
- ✓ The search for and management of confirmed cases, in particular through the construction, rehabilitation, extension and fitting out of patient isolation units; the acquisition of medicines and equipment; the comprehensive hospital care of patients; and the management of mortal remains.
- ❖ *With regard to the economic and financial resilience pillar, actions have focused on:*
- ✓ The establishment of an economic recovery fund for the productive sector, aimed at capacity building and the provision of subsidies and credits at preferential rates for SMEs, in particular in the tourism sector, crafts, livestock and agriculture;
- ✓ The reduction of food dependence, through (i) the acquisition, distribution and

monitoring of improved seed use; (ii) the sowing of 2500 ha of land and lowlands for the production of short-cycle speculation, in the peri-urban areas of the chiefs-places in the most affected areas; (iii) rehabilitation of seed farms and production of organic fertilizers in areas most impacted by COVID-19; (iv) analysis of the food and nutrition situation of populations due to COVID-19; (v) the establishment of security stocks of rice, maize and millet for the benefit of vulnerable regions.

- ✓ Continuing to clear domestic debt ;
- ✓ Clearance of stocks of VAT credits;
- ❖ *For the Social Resilience Pillar, actions included:*
- ✓ The development of the distance education and training system;
- ✓ The distribution of educational tools and materials in rural areas, taking advantage of the decentralization process;
- ✓ The development of remote learning and control tools and virtual work platforms;
- ✓ The establishment of a monitoring system to ensure the availability of stocks of everyday consumer products;

- ✓ The extension of the Social Safety Nets Programme, with a focus on outbreaks of contamination;
- ✓ Support for socially vulnerable people (street children and the elderly);
- ✓ Setting up a more effective system for incentives and production;
- ✓ The establishment of a more effective mechanism for incentives and production..
- ❖ *In terms of strategic procurement and strengthening research and innovation*, the actions undertaken included:
  - ✓ The development of research and production of essential pharmaceutical products, including those on the Essential Medicines List (EML);
  - ✓ Strengthening the production of improved seeds and better producer guidance for consumer products or substitutes (rice, maize, millet, sorghum, fish, etc.).

The above actions were complemented by various tax expenditure measures estimated at about CFAF 116 billion. Those measures, which took place from 30 April 2020, are included in full in the table in the annex.

Thus, a total of 296 billion FCFA was spent by the State in 2020, under public

policies to fight the effects of COVID-19.

From 2021, the implementation of the global response strategy entered its second phase with a budget allocation of CFAF 200 billion. In addition to Pillars 3 and 4, for which the actions already undertaken have continued, Pillar 1 on strengthening the health system was characterized by the development and implementation of a National Immunization Plan. The plan aims to reach a minimum of 40% of the total population by the end of 2022.

In addition, Pillar 2 on economic and financial resilience has entered its recovery phase, following urgent actions to keep companies afloat by replenishing their cash. A Recovery Plan has been developed and is being implemented by the Government, with actions divided into 04 main axes :

- **Axis 1: strengthen agricultural production and processing of speculations considered sensitive in the implementation of import-substitution and national preference policy**

These are mainly rice, maize, soybeans, millet/sorghum, fish, and refined oil. To this end, a Fund to support the production and processing of consumer products amounting to 30 billion was set up in the State budget in 2021.

In the case of rice, the Government has directly supported the main local producers, namely the Yagoua Rice Expansion and Modernization Corporation (SEMRY) and the Upper Nun Valley Development Authority (UNVDA), to increase their productivity in paddy rice. For example, a MINEPAT mission evaluated in July 2021 the feasibility of an extension project worth FCFA 13 billion for UNVDA.

In addition, several partnerships are developed between the Government and companies that mainly use imported inputs. The overall aim is to replace these inputs with local substitutes, or to promote their production on the national territory..

- **Axis 2: Solve the difficulties of access to financing from the top and bottom of the balance sheet of companies**

It is with this in mind that the Finance Law 2021 provided for the increase of the state guarantee ceiling to 200 billion FCFA against 40 billion FCFA in 2020, and its extension to private sector actors. Portfolio agreements were signed to this effect in July 2021 between the Minister of Finance and several financial institutions. This guarantee line was maintained at 200 billion FCFA in 2022.

In addition, it should also be noted that as part of a concessional financing of about 12 billion FCFA from the Arab Bank for Economic Development in Africa (BADEA), the Government is considering the establishment of other financing lines dedicated to very small, small and medium-sized enterprises in the sectors most affected by the Covid-19 pandemic..

- **Axis 3: Strengthen local supply through the optimal exploitation of comparative advantages and the recovery of the most affected sectors/sectors, in order to satisfy domestic demand and then conquer international markets**

To this end an emphasis is placed on agricultural, agro-industrial and pharmaceutical production, in particular through the financing lines already mentioned above, but also through several exemptions from duties and taxes on imports of intermediate consumer goods and equipment from 2021.

In addition, with regard specifically to the pharmaceutical industries sector, the Government is currently conducting a baseline study on the situation of the sector, as a prelude to the implementation of more targeted actions aimed at facilitating input supply, capacity building and extension of opportunities..

➤ **Axis 4 : Reducing factor costs for very small, small and medium-sized enterprises operating particularly in the agricultural sector**

Specifically, it is about fostering the strengthening of (i) trade facilitation infrastructure, (ii) the capacity of actors in value chain development techniques, and (iii) research and innovation, particularly in agricultural development. In addition, it will also be necessary to strengthen the capacity to mobilize private savings to promote the financing of businesses and improve their access to public procurement.

The implementation of the SME Resilience and Recovery Support Project, with funding from BADEA and technical support from UNDP, will be central to the achievement of the aforementioned objectives. The project includes a \$2.8 billion component on improving the competitiveness and resilience of SMEs.

**(ii) Economic and Financial Program for 2021-2024**

To capitalise on the achievements of the reforms implemented under the programme supported by the Extended Credit Facility (ECF) and in accordance with the resolution of the Heads of State of Central Africa of November 2019 and

the orientations of the programme of economic and financial reforms included in the National Development Strategy 2020-2030 (SND30), the Executive Board of the International Monetary Fund (IMF) approved on 29 July 2021, new three-year agreements (2021-2024) under the Extended Credit Facility (ECF) and the Extended Credit Facility (EMCF) for Cameroon, \$689.5 million (nearly CFAF 375 billion).

Funding under the ECF and MEDC agreements aims to support the authorities' efforts to achieve a rapid post-pandemic recovery, strengthen medium-term external and fiscal sustainability and implement an ambitious structural reform agenda towards sustained, more inclusive and diversified growth.

In this context, the IMF-supported Programme relied on the SND-30, with a focus on measures to strengthen good governance, transparency and anti-corruption. It is based on five main pillars aimed at: (i) mitigating the health, economic and social consequences of the COVID-19 pandemic while ensuring internal and external sustainability; (ii) strengthen good governance and improve transparency and the fight against corruption; (iii) accelerate structural fiscal reforms in order to modernise tax and customs administrations, raise revenue, improve public financial management, increase investment

efficiency and reduce fiscal risks related to public enterprises; (iv) strengthen debt management and reduce debt vulnerabilities; and (v) implement structural reforms to accelerate private sector-led economic diversification and make the financial sector more resilient (iv) renforcer la gestion de la dette et réduire les facteurs de vulnérabilité de la dette ; et (v) mettre en œuvre des réformes structurelles pour accélérer la diversification économique tirée par le secteur privé et rendre le secteur financier plus résilient.

After a first review deemed conclusive by the Executive Board of the IMF under these new three-year agreements, the Government benefited from a disbursement of 116 million dollars (just over 67 billion FCFA).

In this respect, the reforms focused on:

- the completion of the reform of the single treasury account and the reduced use of direct interventions and exceptional expenditure procedures;
- the publication of the audit of COVID-19 funds by the Supreme Court's Audit Chamber;
- publication of information on public procurement related to COVID-19, including beneficial ownership;
- the publication of a report on COVID-19 expenses;
- the signing of the decree governing the creation,

organisation and operation of development programmes and projects.

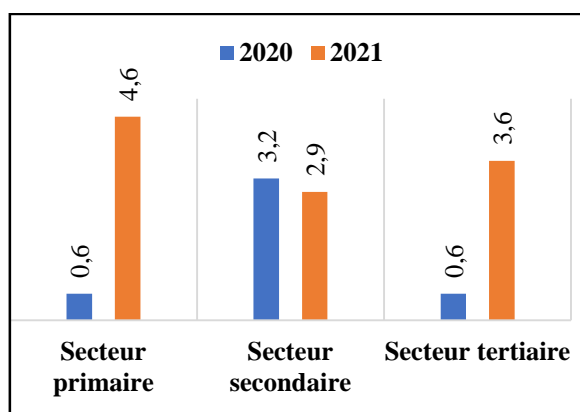
Thanks to this prompt reaction of the Government, it was observed that:

**In terms of health**, the situation is under control. Despite the occurrence of four waves of contamination and the emergence of new variants, the case fatality rate never exceeded the 2% threshold;

**On the economic front**, despite an unfavourable international situation in 2020, marked by a global recession (-3.3%), the Cameroonian economy remained resilient with growth of around 0.5%. This resilience of the Cameroonian economy is linked both to its structure less dependent on exports of raw materials, and to all the measures taken by the government.

In 2021, economic activity rebounded, recording real GDP growth of 3.6%. This dynamic was mainly driven by a strong recovery in the primary (+4.6% in 2021 against +0.6%) and tertiary sectors (+3.6% in 2021 against +0.6% in 2020).

**Figure 17 :** GDP growth rates by sector.



Source : MINEPAT (2022).

### 2.7.3. Response Analysis

The system put in place to manage the health crisis related to the COVID-19 pandemic is working. However, in the operationalization, some dysfunctions were observed (difficulties in implementing support measures, poor knowledge of financial procedures, lack of analysis, etc.) related in particular to weaknesses in the coordination of the response of the monitoring system..

## 2.8. RUSSIAN-UKRAINIAN CONFLICT

### 2.8.1. Presentation of Facts

On the night of February 23 to 24, 2022, a military conflict between Russia and Ukraine began. This conflict was followed by economic sanctions against Russia.

This situation, which comes at a time when the global economy is still recovering from the effects of the

Covid-19 pandemic, has led to negative consequences for both the global economy and the economies of African countries. As a result of this conflict, global growth in 2022 was 3.5% compared to 4.4% initially forecast and the IMF outlook for 2023 was revised to 3% against 3.8%.

These two countries are among the world's largest producers and exporters of energy and agricultural products.

Russia is the world's largest producer of wheat and Ukraine is the fifth, accounting for about 1/3 of world wheat exports. Russia is also the world's second largest producer of fuel and one of the world's largest oil exporters. It supplies about 40% of European gas and produces large quantities of metals. This country is also: (i) the leading producer of palladium, used in particular for the construction of catalytic converters for cars; (ii) the second producer of aluminium and nickel; (iii) the seventh world producer of copper, (iv) (iv) one of the world's largest exporters of fertilizer, which is mainly made from natural gas, of which it is also the world's largest producer.

Ukraine is also the world's largest producer and fourth largest exporter of maize, the world's largest exporter of sunflower (used in oil and feed production), and accounts for 18% of barley exports.



In Africa, the economic consequences have been felt through rising commodity prices, fuelling already existing inflationary pressures. In addition to the effects on inflation, Cameroon has also suffered this unfavourable situation through the rise in prices of certain raw materials, on which the national economy is dependent, such as crude oil, wheat, maize and fertilizers..

### **2.8.2. Measures taken and their effects**

Faced with the repercussions of the Russian-Ukrainian conflict on the national economy, measures taken to deal with the effects of the Covid-19 pandemic have been strengthened. This includes maintaining the 80% reduction in the freight rate to be taken into account when determining the value for customs purposes of goods imported by sea. To this list are added:

- the suspension of payments of certain taxes for the benefit of players in the milling sector, in particular the import weighing fee for wheat (for 6 months renewable), the conformity assessment program before boarding (PECAE), and the deposit of corporation tax;
- the upward adjustment of 5,000 FCFA of the selling price of the 50Kg bag of wheat flour and 25 FCFA of the price of the 200-gram bread baguette;

- the increase in the cost of subsidizing fuel prices at the pump by the 2022 budget group;
- reduction of the taxable values applicable to imports of refined petroleum products.

As regards the 80% reduction in the freight rate to be taken into account in determining the value for duty of goods imported by sea, it was intended to offset the effects of the increase in sea freight on the local market. This allowance allows importers to pay substantially the same as before the effects of Covid-19.

As for the subsidy of fuel prices at the pump, after the budget collective signed on June 2, 2022, this endowment increased from 265.4 to 625.4 billion CFA francs.

Regarding the increase in the price of flour bags and bread sticks, it should be remembered that since March 16, 2022, the price of a bag of 50 kg of wheat flour has increased from 19,000 to 24,000 FCFA on the Cameroonian market. At the same time, the bread baguette of 200 grams, which cost 125 FCFA so far, was increased to 150 FCFA and then reduced to 135 FCFA. This is to alleviate the difficulties encountered by local millers, who already feared a shortage of flour, because of the difficulties of wheat supply from Russia, a country that provides Cameroonian flour mills with about 35% of this raw material.

Overall, this crisis presented itself as a new opportunity for the Government to boost its import-substitution policy through the production of flour based on local substitutes for wheat.

### **2.8.3. Review of Response**

Because of these structural weaknesses (lack of contingency plan, weak

monitoring and early warning system, high dependence on agri-food imports, etc.) already mentioned in the analysis of other crises, the measures taken by the Government could not contain national inflation below the CEMAC Community threshold.

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## CHAPTER 3 : ANALYSIS OF CHANGES SINCE 2000

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The changes selected for this study relate to the Economic Partnership Agreements (EPAs), the Post-Brexit Agreement and the African Continental Free Trade Area Agreement (AfCFTA). This chapter presents for each mutation, a simulation of their impact on the economy, an analysis of the effects of the measures taken, and an examination of government resp.

### 3.1. ECONOMIC PARTNERSHIP AGREEMENT

#### 3.1.1. Presentation of the Agreement

Cameroon and the European Union signed an Economic Partnership Agreement in January 2009, ratified by Cameroon on 22 July 2014. Its application is effective since August 4, 2016. This agreement made it possible to maintain without limitation of duration, all imports of products originating in Cameroon enter the EU market without tax and without quota. These products include bananas, aluminum, processed cocoa products, plywood, and other fresh or processed agricultural products. In return, Cameroon is phasing out tariffs (tariff dismantling) on 80% of imports of products from the EU over a transitional period of 15 years.

The main features of the EPA are:

#### a) Trade in goods

omyThe provisions on trade in goods cover:

- free and quota-free access to the EU market for all imports of goods originating in Cameroon;
- an asymmetric and gradual opening of the Cameroonian market to goods originating in the EU, taking full account of the differences in levels of development between Cameroon and the EU;
- a chapter on trade defence, with bilateral guarantees allowing each party to reinstate taxes and quotas when imports from the other party disrupt or threaten to disrupt its economy ;
- a chapter on technical barriers to trade and sanitary and phytosanitary (SPS) measures to help Cameroonian exporters comply with EU standards;
- a chapter to facilitate trade through measures such as more efficient customs procedures and better cooperation between administrations (as well as between administrations and enterprises).

**b) The categories of goods subject to tariff dismantling**

The abolition of import duties is being phased in on products which have been divided into four groups.

Group 1 products are very lightly taxed: 79% of these products have a common external tariff (TEC<sup>4</sup>) of 10%. This group includes: products for household consumption (30%), raw materials (19%), and certain capital goods (27%).

Group 2 products are taxed low: 77% of these products have an average import duty rate of 12%. It includes: machinery and other capital goods (35%), semi-products (39%) and other raw materials.

Group 3 products are heavily taxed: 69% of products have a TEC of 30%. They have a high tax return. This group includes: raw materials and other capital goods (34%) which contribute strongly to customs revenue, semi-products (12%), finished products not produced locally and where a potential supply exists.

Group 4 is formed to protect the Cameroonian economy. This category of products (excluding tariff dismantling) includes several agricultural and non-agricultural consumer goods such as most types of meat, wine and spirits, malt, dairy products, flour, certain vegetables, wood and its derivatives, used second-hand goods and textiles, paints and tires.

*Table 10: Group breakdown of products to be dismantled*

Product group	Objectives	Speed of liberalization	Progressive reduction in customs duties	Liberalization period
Groupe 1	Fighting poverty and improving well-being	Rapid liberalisation	25% per year	2014-2019
Groupe 2	Encouragement of local production	Slow liberalisation	15% per year and 10% in the 7th year	2017-2023
Groupe 3	Protection of local production and tax revenues	Very slow liberalisation	10% per year	2020-2029
Groupe 4	Protection of the nascent industry, protection of the environment and the health of populations.	Exclusion of liberalisation		Exclus

**Source:** DGC, (2017).

<sup>4</sup> A Common External Tariff is a customs duty common to members of a group of countries, often linked by a Free Trade Agreement.

c) **Development cooperation**

The provisions on development cooperation provide a link with EU development cooperation policy and arrangements. They identify priority areas for cooperation, necessary to support the implementation of the EPA. The main areas identified are:

- the development of basic regional infrastructure;
- agriculture and food security;
- strengthening, diversifying and enhancing the capacity of economic and productive sectors;
- deepening regional integration;
- improving the business climate; and
- supporting the implementation of trade-related rules.

As part of the implementation of this Agreement, an EPA Management Committee called the Interministerial Committee for Monitoring the Implementation of EPAs (CSMO) was set up to monitor and evaluate the agreement and to concretize the dialogue between the partners (EU and Government of Cameroon private sector, civil society) in the field of trade and aid for trade and development.

**3.1.2. Actions taken and their likely effects**

In view of the challenges and challenges of the EPA, the Government has developed a plan to adapt the Cameroonian economy to the entry into force of this agreement. Estimated at FCFA 2,512 billion (80% expected from the State and 20% expected from TFPs) for the implementation of its 2014 Priority Action Plan-2016, the Adaptation Plan aimed to formulate economic policy measures to be implemented to enable our economy to take advantage of the opportunities offered by the EPA, while respecting the related commitments, to minimize the negative effects and preserve the gains of sub-regional integration. The Adaptation Plan, based on the guidelines of the various reference frameworks for government action (Vision 2035, GESP, Sectoral Strategies), is divided into three main areas: :

➤ **Axis 1: supply capacity building.**

This axis comprises three sub-axes: (i) business upgrading; (ii) production capacity building; and (iii) strengthening the standardization and quality system. The actions envisaged here concerned the support necessary for companies and producers to strengthen their competitiveness and improve supply capacities, in particular by supporting the upgrade of 600 companies by 2016, the strengthening of production capacity, including the creation of

three economic zones by 2016 and the strengthening of the standardization and quality system. normalisation et de qualité.

➤ **Axe2: development of export capacity. The sub-axes chosen for this axis refer to:** the development of trade-related support infrastructure; (ii) the development of trade negotiation and prospecting capacities; (iii) the improvement of the trade information system; and (iv) the financing and guarantee of exports. The measures identified aim to increase exportable supply through the development of trade-related accompanying infrastructure in order to provide the economy with factors and services of production in quantity and quality at reasonable prices, the development of trading and prospecting capacities, the improvement of the trade information system and the financing and guarantee of exports.

➤ **Axis 3: fiscal and institutional reforms related to the implementation of the EPA.** The following sub-axes were identified: (i) fiscal reforms (door and internal taxation) and; (ii) institutional reforms (preservation of integration). They concern the

improvement of the rate of return of the tax administration by a more increased mobilization of tax revenues, the widening of the tax base by reducing the weight of the informal sector and the implementation of institutional reforms to preserve regional integration in particular. By 2016, the measures aimed at: achieving the ratio of non-oil tax revenues to non-oil GDP of 15%; to improve by 10.5 percentage points the share of oil revenues on oil GDP and to reduce to 85% the weight of the informal sector in the economy.

Given the economic and financial situation, the Government's real capacity to mobilize CFAF 2000 billion to finance its Adaptation Plan has not been effective.

As a result, an EPA implementation strategy was developed as well as an advocacy document to mobilize the funds needed for a smooth deployment of the Agreement within the Cameroonian economy. In addition, a monitoring instrument of the EU-Cameroon EPA has been set up with the objective of taking stock since the beginning of its application and informing stakeholders on its progress. It is based essentially on the analysis of indicators agreed between the parties.

In addition, measures of economic patriotism were proposed to the main

companies benefiting from the Agreement to improve its impact on the Cameroonian economy by favouring import-substitution and value-added imports.

### **3.1.3. Review of response**

The analysis shows that the adaptation plan that had been validated to minimize the harmful effects of the EPA

## **3.2. POST-BREXIT TRADE AGREEMENT**

### **3.2.1. Presentation of the Agreement**

In order not to disrupt trade with its partners after leaving the EU, the UK has engaged in negotiating new agreements with non-EU countries linked to a trade agreement, including EPAs. It is in this perspective that the British Government referred the matter to Cameroon with a view to starting negotiations for the conclusion of a bilateral EPA between Cameroon and the United Kingdom of Great Britain and Northern Ireland.

Indeed, a report published by the United Nations Conference on Trade and Development (UNCTAD) on the implications of Brexit in developing countries revealed that the exit of the United Kingdom from the European Union (EU), would lead to an overall decline in Cameroonian exports to the United Kingdom of 28%. This would

and allow an adaptation of the Cameroonian economy has not been implemented. However, after the initial evaluations of the agreement, a strategy and monitoring of the agreement is planned to improve monitoring/evaluation. Moreover, one of the constraints is a high concentration of coordination at central level, a lack of research and innovation.

correspond to a dry loss of 17.1 million US dollars each year, or 9.9 billion FCFA.

These losses in export earnings would result, according to UNCTAD, from a 5% reduction in the preferential margin granted to Cameroonian exporters before Brexit. The main products affected by these losses in export earnings are bananas and wood.

Thus, on March 09, 2021, Cameroon and the United Kingdom signed a trade agreement, which is consistent with the Cameroon-European Union Bilateral EPA (CAM-EU). This Agreement aims to establish a free trade area between Cameroon and the United Kingdom. It allows the Cameroonian side to continue to benefit from preferential access (without customs duties and quota) to the British market.

In this Agreement, Cameroon agreed to gradually liberalize 80% of goods originating in the United Kingdom. Nearly 20% of imports from this country will continue to be subject to

payment of customs duties to enter Cameroon.

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The following table gives a breakdown of products by product group.

**Table 11:** Breakdown of products by product group

Product Group	% Tariff Lines (SH11)	% UK Imports (2010-2017 Average)
1	27,5	20,0
2	16,3	30,5
3	32,5	32,5
4	23,8	17,0
<b>General total</b>	<b>100</b>	<b>100</b>

To proceed with the liberalisation of products originating in the United Kingdom, three product groups identical to those of the CAM-EU step EPA were constituted. Products are classified into these groups according to their sensitivity: immediate liberalization, rapid liberalization and slow liberalization.

In order to ensure continuity in trade relations between Cameroon and the United Kingdom, the timetable for trade liberalization with the EU as of 1 January 2021 has been maintained. Spread over eight (8) years until 2029, this liberalization schedule provides for

a total liberalization of the products of the first group on 1 January 2021; a liberalization of 60% and 10% respectively for the products of the second and third groups.

**3.2.2. Adaptation measures and their effects**

The trade agreement with the United Kingdom was done with a view to strengthening economic and diplomatic relations. It is for both countries to comply with the new political situation with the decision of Great Britain to withdraw from the European Union.

As part of the operationalization of this Agreement, the United Kingdom has established the UK Trade Partnership Programme (UKTP)/Cameroon, in collaboration with the International Trade Centre (ITC).

The objective of the Programme is to increase Cameroonian exports to the United Kingdom, through the identification of sectors and products and the formulation of priority interventions in those sectors, consistent with the resources allocated to the Programme. The envelope allocated amounts to 1.3 billion FCFA including 800 million CFA francs provided by the United Kingdom and 500 million FCFA provided by Cameroon. The duration of the program is 03 years. It focuses on two



main products: cocoa and its derivatives and Penja pepper.

A Steering Committee has been set up to monitor this Programme and aims to:

- raise awareness among economic actors about UK/EU trade preferences and their benefits;
- making the business environment in Cameroon more transparent for exports to UK/EU markets;
- expand and improve trade support institutions, their business services to facilitate business access to UK/EU markets;
- strengthen the capacity of companies (in selected sectors) to export to UK/EU markets
- Support companies in seizing existing business opportunities, including support and participation in international fairs..

However, to date, it is difficult to assess the effects of these measures. However, UN statistics reported by the UK in 2021, the first year of implementation of the UK-Cameroon EPA Agreement,

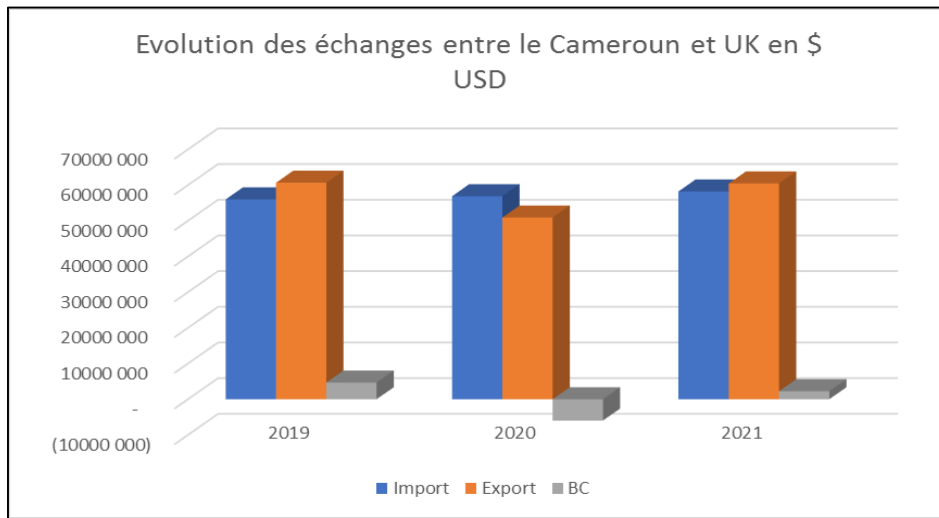
indicate that trade between the two countries has been very dynamic compared to 2020, weighed down by the COVID-19 pandemic.

Thus, the growth of Cameroonian exports to the United Kingdom of 19% combined with an import growth of 2% led to a trade surplus of \$2.2 million in 2021 against a trade deficit of \$6 million in 2020.

Cameroon's exports to the United Kingdom are poorly diversified. In addition to crude oil, which represented 62.1% over the period, two other main sectors/groups of export products were identified: wood and wood products (16.1% of total exports over the period 2013-2017) and fruit, particularly bananas (11.0%).

As regards Cameroon's imports from the United Kingdom, they are mainly composed of various mechanical or electrical machinery and apparatus, beverages (mainly whiskies), hydrocarbons (gas oils and liquefied butanes), articles of cast iron/steel (including tubes/pipes for oil extraction), vehicles (including agricultural tractors), chemicals, second-hand goods, pharmaceuticals, etc.

**Figure 18:** Evolution of trade between Cameroon and the United Kingdom



**Source :** MINEPAT (2022).

### 3.2.3. Review of response

Since its entry into force, the main observation refers to the ongoing development of an adaptation strategy to this change. This situation illustrates once again the weakness in the early warning system designed to anticipate a shock or a change.

## 3.3. AFRICAN CONTINENTAL FREE TRADE AREA

### 3.3.1. Presentation of the Agreement

In 1991, African Heads of State and Government signed the Treaty establishing the African Economic Community (Abuja Treaty). This Treaty sets out the guiding principles and objectives, as well as the regional framework for strengthening regional integration in Africa. The continental vision was to create an African Economic Community.

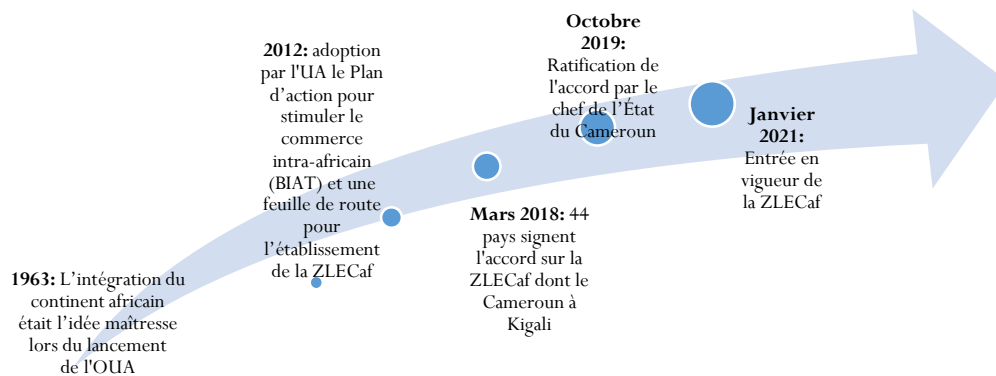
Noting that the Abuja Treaty does not specifically mention the creation of a continental free trade area, the African Union (AU) adopted in January 2012, a decision on the creation of a Free Trade Area African Continental Exchange during the 18th Ordinary Session of the Conference of Heads of State and Government held in Addis Ababa, Ethiopia. The summit was also an opportunity to endorse the action plan to boost intra-African trade. At the end of the negotiations launched in June 2015 in South Africa, the Agreement establishing the AfCFTA was signed on 21 March 2018 in Kigali by 44 countries including Cameroon. To date, 54 countries have signed the Agreement and 28 have ratified it, including Cameroon..

The African Continental Free Trade Area (AfCFTA), which entered into force on 1 January 2021, aims to

integrate all 55 Member States of the African Union. The aim is to create a single market and liberalize the movement of goods and services by

deepening trade and unifying Africa into a single trading area. The AfCFTA goes beyond commercial aspects and integrates trade in services.

**Figure 19 :** Key steps in implementing the AfCFTA



**Source :** MINEPAT (2022).

### a) Trade in goods

Trade liberalization is a process that leads to the elimination of tariff and non-tariff barriers. As a process, liberalization is done in stages. Not all products will be open to competition, and not all products that will be open at the same time. Under the AfCFTA, there are three categories:

- the main group which comprises 90% of tariff lines. This group contains the products that will be liberalized depending on whether one is a least developed country (LDC) or not. The

liberalisation period is 5 years for non-LDC countries. For LDCs this period is 10 years;

- sensitive products which account for 7% of tariff lines. Here, the liberalisation period is 13 years for LDCs and 10 years for non-LDCs;
- Products excluded from liberalization represent 3% of tariff lines (CEA, 2018).

The lists of products are notified to the African Union either by the States or by the Customs Unions. In the case of Cameroon, it is CEMAC.

**Table 12:** AfCFTA Reform Framework

Country ranking	Les réductions tarifaires		
	For non-sensitive products	For sensitive products	For excluded products No reduction No reduction No reduction
Countries outside the least developed country category	Total liberalisation in 5 years	Full liberalisation in 10 years	Aucune réduction
least developed countries	(Linear Reduction)	(Linear Reduction)	Aucune réduction
Group of Seven (Djibouti, Ethiopia, Madagascar, Malawi, Sudan, Zambia, Zimbabwe)	Total liberalisation in 10 years (Linear reduction)	Full liberalization in 13 years	Aucune réduction

**Source:** CEA (2018).

### b) Trade in services

As the second pillar of the multilateral trading system as part of the WTO's unique commitment, services are also a pillar of African continental integration. As such, they are an integral part of the agreement establishing the AfCFTA under which they are subject to a framework set out in the Protocol on Trade in Services. It enshrines among other things the principle of progressive liberalization by giving States Parties to engage in the first phase in the five (05) priority sectors that are: business services, financial services, transport services, tourism and travel services and communication services. The remaining seven (07)<sup>5</sup> sectors are to be opened in the second phase. Thus prescribed in Article 18 para. 3 "the liberalization process favours the

gradual elimination of the adverse effects of measures affecting trade in services as a means of providing effective market access, with the aim of stimulating intra-African trade in services." To achieve this, Cameroon is called upon to review its national services regulatory framework to assess its export potential to this vast market opened by the AfCFTA agreement.

### 3.3.2. Simulation of impact on the national economy

The agreement is expected to change the structure of trade, diversify the Cameroonian economy, increase productivity and competitiveness, and increase trade with the continent. Three study groups illustrated the impact of the AfCFTA on Cameroon's economy.

<sup>5</sup> The WTO's General Agreement on Trade in Services (GATS) classifies services into twelve sectors: (i) business and professional services; (ii) communication services; (iii) construction and related services; (iv) distribution services; (v) education services; (vi) energy services; (vii)

environmental services; (viii) financial services; (ix) health and social services; (x) tourism services; (xi) transport services and (xii) services related to the movement of natural persons.

These are ECA (2019), UNCED (2019) and IMF (2019) studies.

Studies conducted by the ECA (2019) point out that: the AfCFTA would lead to an increase in well-being in Cameroon of the order of 1.3%; per capita income would decrease by 0.2%; the share of expenditure in GDP would decrease by 1.2%; still according to these simulations, AfCFTA would result in a 0.5% drop in price levels by 2024.

According to UNCTAD (2019), the AfCFTA will: (i) improve the competitiveness of African firms and increase intra-African trade and investment; (ii) the creation of an economic climate and more favourable investment conditions for foreign direct investment and the creation of links between foreign and local enterprises; (iii) participation of small and medium-sized enterprises in regional and global value chains; (iv) development of agriculture and agro-industry and spillover effects for rural development.

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sized enterprises in regional and global value chains; (iv) development of agriculture and agro-industry and spillover effects for rural development.

According to the IMF (2019), the AfCFTA will only have significant effects if it is accompanied by significant structural reforms. This will require “supplementing the AfCFTA with structural reforms” to “significantly strengthen its impact on the GDP of developing and predominantly agricultural countries.” According to the IMF, “the GDP impact of trade development can even be increased by one-third if structural reforms are effective.” Based on the simulations, the IMF points out that the AfCFTA will change the distribution of income. In the context of the Cameroonian economy, simulations based on a 1% increase in trade openness show that:

- As regards the export of agricultural products, the incomes of rural exporters would increase by 4.6%, those of businesses by 1.4%. Incomes in the informal sector would remain stable. This would result in a decrease in inequality (-0.2% drop in the GINI index);
- With regard to exports of manufactured goods, incomes in the informal sector would increase by 2.7%, while those of businesses would increase by

2.9%. Rural incomes would fall by -1.5% (IMF: 52).

The AfCFTA will also affect Cameroon's customs revenues. Budget revenue declines would be generally small. On average, revenue loss would range from 0.5% to 0.8% of GDP, depending on elasticities. Cameroon's income losses would be slightly above 0.5% of GDP in the case of a weak trade diversion. In the case of a strong diversion of trade, these losses would be around 1% of GDP.

Geographically, proximity to Nigeria, the continent's largest economic power, with a market of more than 200 million inhabitants, is both an opportunity and a risk for Cameroon. The opportunity aspect is appreciated through the fact that Nigeria is a potential market for Cameroonian products. The risk is that with the opening of borders, Nigerian products can invade Cameroon..

### **3.3.3. Adaptation measures taken and their effects**

With a view to the entry into force of the Agreement in July 2019, the country adopted in December 2019 a strategy for implementing the AfCFTA based on 10 axes, namely:

- the appropriation of the African Continental Free Trade Area Agreement by the various national stakeholders;

- revision of the legal and institutional framework;
- Qualitative and quantitative improvement and access to economic and commercial infrastructure (factor cost reduction);
- reducing tariff and non-tariff barriers and all trade barriers;
- Promoting the production and processing of primary products, encouraging innovative production capacity to generate export surpluses;
- the development of cross-border and continental value chains, for example by encouraging meetings between entrepreneurs from different countries;
- prioritising exchanges with Nigeria and ECCAS, which are proximity markets that can serve as a springboard to more distant markets;
- the implementation of business intelligence measures;
- the creation of a trade finance bank;
- implementation and monitoring and evaluation, including proposals for the establishment of a national ZLECAf committee..

The development pools selected are: aluminium products, plastics, food and agri-food products, petroleum

products, rubber and rubber products, chemicals, glass products, cosmetics, products of the metallurgical industries, agricultural and horticultural products, wood and articles of wood, textiles and clothing, cigarettes, livestock products, beverages, ICT (start-ups).

The financing needs of the strategy are assessed over a period from 2020 to 2035 and are estimated at 518, 685 billion CFA francs. It is important to note that some actions related to the AfCFTA are already reflected in other policies and strategies. The cost of these actions is not included in this strategy.

Since the entry into force of the AfCFTA, a series of measures have been taken to optimize the country's participation in this vast market. These include:

the establishment of an institutional framework for the implementation of the AfCFTA through the operationalisation of the Inter-ministerial Committee responsible for monitoring and evaluating the implementation of the said Agreement::

- the adoption of the standards of the African Standards Organization (ARSO) where Cameroon has adopted nearly 300 standards to strengthen the portfolio of Cameroonian standards to facilitate intra-Cameroon trade and to be

reassured that the various products circulating in the continent from one country to another, respect the rules and are of good quality;

- the adoption of a common list of tariff concessions alongside the other CEMAC countries: an offer submitted to the African Union that integrates the three categories of products including non-sensitive products; sensitive products and products excluded from the list of tariff elimination commitments;
- drawing up with the other CEMAC Member States a harmonised list of specific commitments and forwarding them to the ECCAS Commission, the lead negotiating body for Central Africa at the AfCFTA Secretariat;
- training of administrative actors on the alignment of industrial and commercial policies for the ZLECAf market;
- strengthening the missions of the National Trade Facilitation Committee (CONAFE) with the designation of a trade facilitator for traders and the posting online of all export and import procedures as well as the different applicable rates and other commercial information.

- Furthermore, in 2022, negotiations on the second phase of the investment, intellectual property and competition protocols continued. In this process.

Furthermore, in 2022, negotiations on the second phase of the investment, intellectual property and competition protocols continued. In this process, Cameroon takes an active part in the various stages under the coordination of the National Committee in charge of monitoring/ evaluation of the implementation of the AfCFTA. Notably through its participation in the Guided Trade Initiative (ITG)<sup>6</sup>.

In this regard, Cameroon Customs has issued the first ZLECAf certificates of

origin to SMEs, including GIC AFATEX, CAMEROON TEA ESTATE and NDAWARA TEA ESTATE. These companies can now export their products to countries participating in the preferential tariff initiative..

### **3.3.4. Review of response**

*To adapt the economy to the entry into force of the AfCFTA, the country has adopted a national strategy for the implementation of the AfCFTA 2020-2035. In addition, preparatory work on adapting the economy to change is the subject of consultations with the various stakeholders concerned. On the other hand, the evaluation of the response reveals a high concentration of activities at national level and a low deployment at local level.*

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<sup>6</sup> Officially launched on 07 October 2022, the Guided Trade Initiative (GTI), which involves eight countries, is a first step towards the liberalisation of intra-continental trade. It aims to facilitate free trade in 96 products, including tea, coffee, processed cattle products, sugar and

dried fruit. The aim is to develop commercial exchanges with a view to operational, legal and institutional preparation for a large-scale roll-out in 2023, with more products and several countries involved.



## CHAPTER 4: MAIN FINDINGS

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This chapter highlights the main findings of the analysis of shocks and changes since 2000, particularly as regards determinants, vulnerabilities, transmission channels, and the management of those shocks and changes..

### 4.1. LESSONS LEARNED ON THE DETERMINANTS OF SHOCKS AND MUTATIONS

The analysis shows that several factors are at the origin of the shocks that have occurred since 2000, including economic, political, geopolitical and historical factors. While for the transfers, it is essentially the will of the Government to increase the volumes of trade with the outside.

#### 4.1.1. Economic Factors

##### a) The financial crisis

The financial crisis is a crisis that originates in the financial system. It can be a crisis on the foreign exchange market, stock market crisis, sovereign debt crisis or a banking crisis. It is generally transmitted to the real economy via a set of channels, including:

- *negative wealth effects*: which refer to the decline in real financial assets or even economic agents. With the occurrence of financial crises the

value of assets decreases by a general fall in prices, leading to a fall in values held by the holders of these assets in particular companies and households. Since household consumption is closely linked to the value of their income, a fall in the latter implies a reduction in their consumption. This decrease in consumption leads to a decrease in demand

- *the fall in the price of collateral and forced sales*: this occurs when assets are invested as collateral (collateral) in debt contracts. Thus, in the event of a burst of a speculative bubble, economic agents unable to repay their loans, are forced to sell their assets or have their assets placed as collateral seized by the banks that sell them to recover their funds. As a result of the massive sale of assets, prices plummet, prompting other holders to sell before prices were too low. This decline in the value of assets weakens both economic agents and banks by reducing the capacity of agents to borrow as well as a decrease in credit.
- *the contraction of credit*: when the price of assets falls, banks see the value of their assets decrease, which leads to a reduction in the volume of loans granted to businesses and

households. As a result of this credit contraction, business output is falling, wages are falling and consumption is falling, leading to a cycle of economic depression

#### **4.1.1.2. Variation in Supply Conditions**

The balance between supply and demand is one of the main factors for market stability. To this end, an imbalance of supply with respect to demand is mechanically reflected on the market through the variation of prices. If this price change is not controlled, it could have greater or lesser implications for economies.

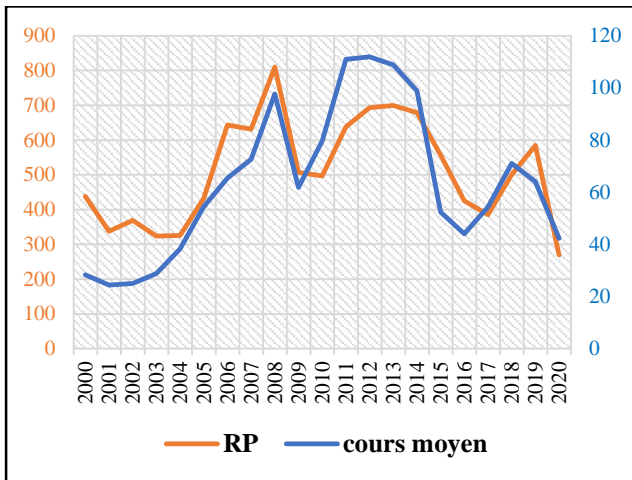
In the case of oil, its price has gradually become a determinant of economic growth for both net oil importers and exporters. At the Kuwait Conference on October 19, 1973, the member countries of the Organization of Petroleum Exporting Countries (OPEC) decided to reduce their production by 25%. The market reacted by quadrupling the price of oil from USD 3 to 12 per barrel. This is the first oil shock to cause panic in oil-hungry economies. The situation worsened five years later with the

Iranian revolution of 1978-1979 and the beginning of the Iran-Iraq war in 1980 which destabilized the major oil producers of the Middle East. The price rose to USD 39 per barrel in the early 1980s. A counter-shock occurred in 1986, bringing the price down to USD 12.

Since then, the price of oil has constantly fluctuated, with each time a significant impact on the prices of this raw material. These changes in oil prices are one of the sources of fluctuations in the world economy. Net importing countries suffer from higher oil prices while net exporters benefit, and vice versa if prices fall. The macroeconomic indicators generally affected by these fluctuations are the Gross Domestic Product, the Consumer Price Index, the current balance, the budget balance and foreign exchange reserves..

For Cameroon, price fluctuations directly affect oil revenues in the short term and reserves in the long term. It is this situation that the country went through during the last oil crisis of 2014 which resulted in a currency crisis in 2019.

**Figure 20 :** Evolution of oil prices (in dollars/barrel) and oil revenues (in billions of FCFA) in Cameroon



**Source :** MINFI 2022

#### 4.1.2. geopolitical factors

The evolution of the international context in recent years is marked by the polarization of States around economic and/ or security interests. This polarization into blocs of divergent interests has the effect of accentuating the risks of the occurrence of geopolitical tensions that can be a source of a destabilization of the world economy.

With regard to the Russian-Ukrainian crisis, it should be noted what is the result of the conflict between Russia and NATO, more precisely of the will of this organization to bring its borders closer to Russia..

#### 4.1.3. Historical Factors

These are events linked to the political, social and even cultural past of countries and regions whose

repercussions have an influence on inter and/or intra-state relations. These can be events related to the division or grouping of territories, agreements and treaties signed between different parties, underlying political ideologies, etc.

In the case of the security crisis in the North-West and South-West regions, it should be noted that they derive their deep origin from the independence ideology carried by small groups of individuals claiming the division of the country into two independent entities. Thus, the corporatist movements that took place in the city of Bamenda, were the pretext for these «separatists» to bring this ideology to the forefront and plunge the anglophone regions of the country into the crisis.

With regard also to the Russian-Ukrainian crisis, beyond the immediate factors that led to the outbreak of the crisis, the will of Russia to maintain its influence on the territories of the former USSR, maintaining the balance between the ideological blocs inherited from the Cold War, are among other historical elements that favored the occurrence of this crisis.

#### 4.1.4. Government's willingness to increase foreign trade volumes

The country's choice to opt for a change is partly explained by the Government's desire to increase the

volume of its exports. It is with this in mind that the Government intends to increase the share of exports of manufacturing products from 26.25% in 2015 to 54.5% in 2030, particularly through the country's accession to the EPAs and the CFFCA. Through these agreements, the State intends to expand the market outlets for local businesses.

## **4.2 LESSONS LEARNED ON THE VULNERABILITY FACTORS OF THE CAMEROONIAN ECONOMY**

During the occurrence of shocks and mutations, the existence of vulnerability factors that amplify their harmful effects was observed. In the case of shocks, this was partly due to the precarious employment situation of young people, whose frustrations and vacancy encouraged their involvement in violent movements; as well as the country's dependence on imports of basic necessities.

With regard to the changes, it is important to note the poor alignment of our products with standards and quality standards.

### **4.2.1. Youth unemployment and underemployment**

The precarious employment situation of young people is a vulnerability factor for the State of Cameroon. Indeed, the labour market is characterized by both

a relatively low level of unemployment in the broader sense of 5.7% (EESI, 2010) and a high underemployment rate around 77% in 2014 (ECAM-4). These data are explained by the predominance of the informal sector, which represents nearly 88.7% of the country's activities.

The formal sector, although contributing just over 70% to GDP, employs only 10% of the workforce. In 2013, enterprises in the modern productive sector employed 650,091 people (almost 7% of the working-age population), compared with nearly 610,000 in 2012, resulting in a net creation of 40,502 jobs (EAE/INS, 2014). This latest observation highlights the low capacity of companies to create jobs

### **4.2.2. Dependence on imports of consumer goods**

The outbreak of the health crisis linked to the Covid-19 pandemic and more recently of conflict between Russia and Ukraine, highlighted the vulnerability of the Cameroonian economy because of its strong dependence on the outside. In particular on consumer products (rice, wheat, maize, palm oil, fish, milk, etc.), which account for about 71% of the trade deficit.

Moreover, because of the restrictions required in the Economic Partnership Agreements signed between Cameroon and the European Union, certain

essential products are less and less part of imports such as vegetable oil, household soap, margarine, etc.

#### **4.2.3. Low alignment of our products to standards and quality standards**

One of the major obstacles to the competitiveness of Cameroonian products when opening to the external market is the poor alignment of local products with standards and quality standards. This is due in particular to the high costs of complying with the standards, the poor knowledge of existing standards by local companies and the technological backwardness of local companies. Therefore, the accession of Cameroon to the various trade agreements of partnership and free trade, could have negative repercussions on the local economic fabric without the implementation of appropriate measures.

### **4.3. STYLISED FACTS OF THE TRANSMISSION CHANNELS OF SHOCKS AND CHANGES ON THE CAMEROONIAN ECONOMY**

Previous analyses have identified five channels of transmission of shocks and changes on the Cameroonian economy. These are: (i) imports; (ii) exports; (iii) local supply and demand; (iv) foreign direct investment; and (v) price

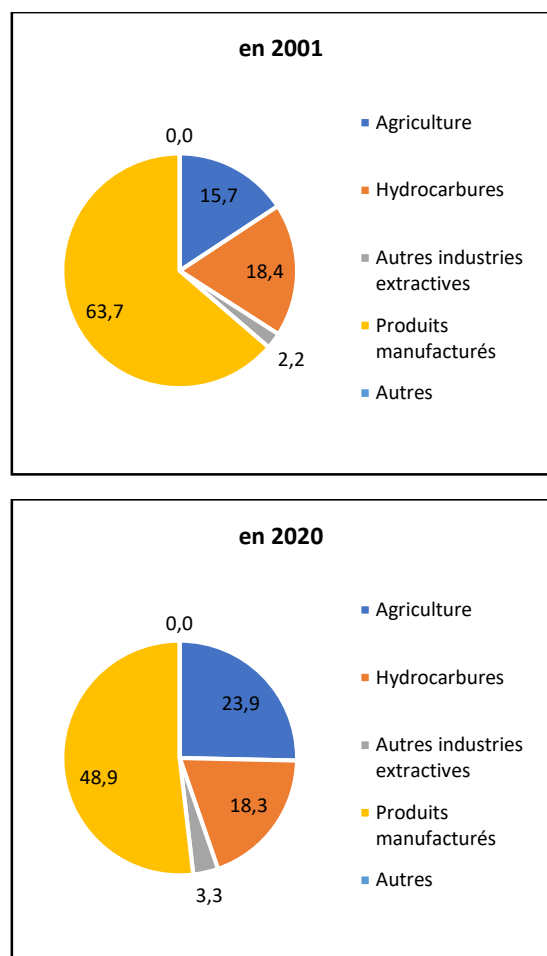
competitiveness. This section is dedicated to the presentation of these different channels.

#### **4.3.1. Imports**

Over the study period, the share of imports in GDP averaged 24.0% annually. The share of imports of products from the extractive industries also appears to be stable, consisting mainly of petroleum products and aluminum oxide for the refinery's needs. There was a significant increase in the share of food products and, by extension, a decline in manufactured products.

As regards food products, it is the imports of cereals (whose share in imports rose from 6% in 2001 to 10% in 2020) and frozen fish (which doubled during these two decades) which account for the largest share of food imports. With regard to imports of manufactured goods, there was a significant drop in imports of mechanical/electrical machinery and equipment, and transport equipment respectively from 16% to 12%; and from 10% to 6%. The country is still heavily dependent on products from the chemical industry (fertilizers, pharmaceuticals, etc.) whose share of imports (12%) has not changed in 20 years.

**Figure 21 :** Weight of imported products between 2001 and 2020



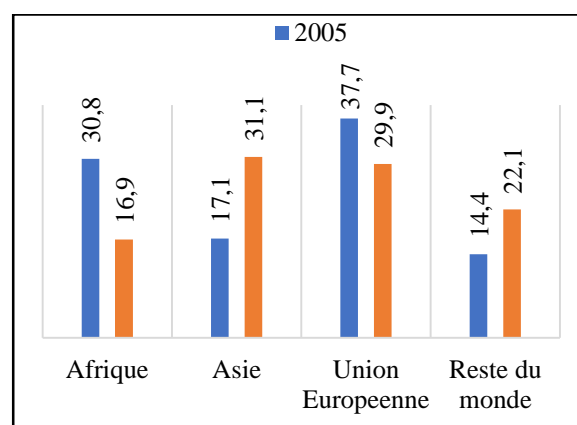
**Source :** UN Comtrade, 2022.

Cameroon’s imports are characterized by a great diversity of geographical areas of origin. In 2019, 31.1% of global imports were with Asia, 29.9% with the European Union, and 16.9% with Africa.

China, with 16.1% of shares, remains the leading source of Cameroonian imports. It is followed by France (8.1%), Togo (6.6%), Nigeria (6.3%), Belgium (5.7%). These countries constitute the top 5 suppliers of Cameroon and represent 42.7% of total imports. It is also observed that since 2000, Europe’s

share of Cameroonian imports has steadily decreased. In the same direction, African countries have also seen their share of Cameroonian imports decline over this period, in favor of several Asian countries that have significantly increased their market shares in Cameroon, including China, and Thailand.

**Figure 22 :** Evolution of the share of Cameroonian imports by source of origin between 2005 and 2019



**Source :** DGC (MINFI) & UN Comtrade.

### 4.3.2. Exports

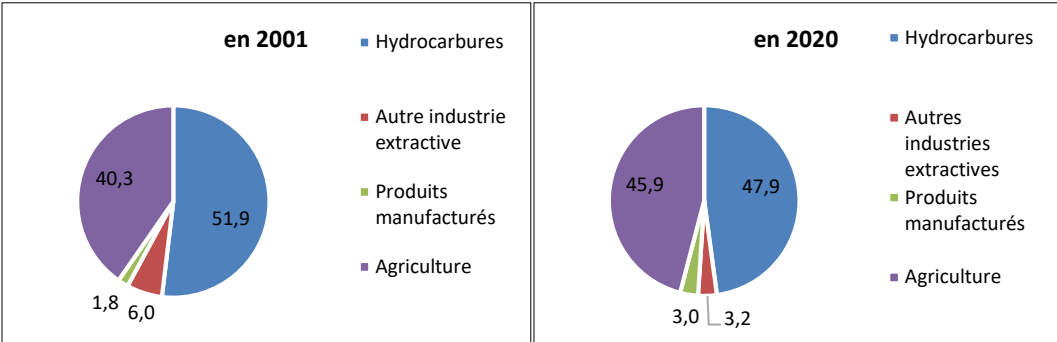
Cameroon is mainly an exporter of agricultural products. Apart from crude oil and aluminum, Cameroon’s main exports are wood, cocoa, coffee, rubber, cotton and banana, for an annual average of nearly 22% of GDP between 2000 and 2020.

Apart from the dynamism of cocoa bean exports, and its derivatives, whose share rose from 8.3% in 2001 to 14.3% in 2020, there has been little or no change in the structure of exports by product. However, there has been an increase in

sweet banana exports, which are now among the main export products, and exports of manufactured goods, whose

share has almost doubled over the period.

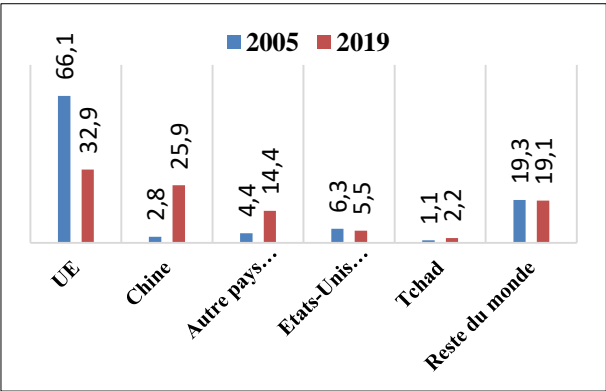
**Figure 23 :** Weight of products exported between 2001 and 2020



**Source :** UN Comtrade (2022).

The analysis of the country’s exports shows that the European Union remains the main destination of Cameroonian products, although its share seems to gradually decline in favor of Asian countries. Cameroon’s top ten customers, which account for about 75% of total exports, are China, the Netherlands, Italy, India, Spain, the United States, France, Bangladesh, Chad and Belgium.

**Figure 24 :** Evolution of the share of Cameroonian exports by source of origin between 2005 and 2019



**Source :** UN Comtrade (2022).

**4.3.3. Local Supply and Demand**

The supply of goods and services in Cameroon currently consists of about 25% local supply. Thus, the decline in supply observed at the local level could be explained in particular by the reduction or even the rupture of supply chains of goods from abroad or at the local level, as well as a general decrease in labour productivity due to confinement or the occurrence of crises in the producing regions (both internationally and nationally). This translates into increased transaction costs and market uncertainties, leading to tighter local financial conditions. The sectors most affected are trade, tourism and transport.

The decline in demand is generally linked to: (i) the decline in household incomes due to unemployment or the inability to continue economic activities; and (ii) the slowdown or even the stoppage of activity of businesses

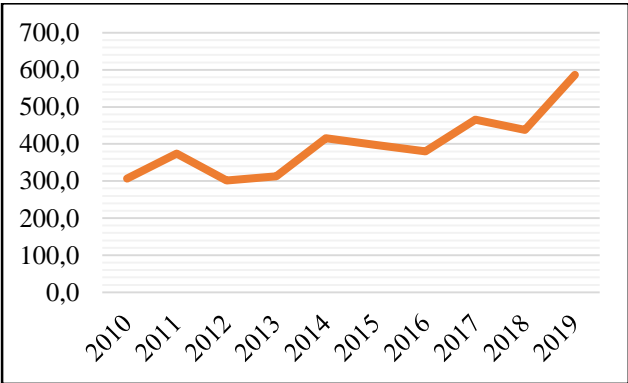
established locally. These factors are also a direct consequence of rising uncertainty, increased precautionary behaviour, containment efforts and rising financial conditions overall.

**4.3.4. Foreign Direct Investment**

Net inward FDI flows have not increased much in Cameroon in recent years, and their evolution, far from being regular, has been rather rocky. In 2016, the amount of incoming FDI in Cameroon was almost identical to that of 2011. Even if the level reached in 2019 is the highest over the period 2010-2020, the fact remains that this funding flow is volatile and unstable, demonstrating the country’s low level of attractiveness.

This low attractiveness of the country is explained by the negative impact of the various crises that the country has had to face on the business climate at the local level despite the efforts made by the Government.

*Figure 25 : Evolution of net inflows of FDI (in billion FCFA).*



**Source :** MINEPAT (2021)

**4.3.5. Price competitiveness**

For shocks, the fall in the terms of trade mainly due to lower oil prices and several other commodities affects the ability to produce goods and services at lower prices than competitors for equivalent quality.

As regards changes, two factors must be taken into account: (i) competition from imported products, which are often of better quality than local products because of the use of more advanced technologies; (ii) the possibility of importing equipment to boost local supply in quantity and quality and stabilize prices.

**4.4. MANIFESTATIONS OF ECONOMIC SHOCKS**

Shocks generally affect the economy in two (02) ways: slowing economic growth and inflation..

**4.4.1. Slowing Economic Growth**

Economic growth refers to the positive evolution of the production of goods and services in a given space over a given period. It is measured from GDP, which is the wealth generated by all production activities. That is to say, economic growth is intrinsically linked to the good performance of production activities, hence its sensitivity to events

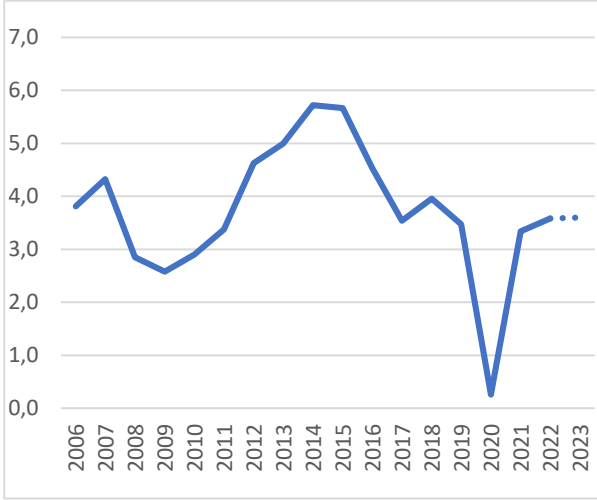


and phenomena having an impact on the real economy.

Over the period 2006-2023, the evolution of Cameroon’s economic growth curve shows an alternation between periods of rise and slowdown. In general, it can be seen that the slowdown in the economy over the above period corresponds to specific periods, namely:

- In 2008, the country lost 1.5 percentage points of growth due in particular to the international financial crisis, which led to tighter conditions for access to finance and soaring commodity prices;
- - The 2015-2017 period in which the country grew from 5.7% to 3.5%. This decrease is mainly due to the cumulative effects of the security crisis in the Far North region in 2014 and the 2014-2016 oil shock;
- The period 2018-2020 during which the country went from 4% to 3.5% in 2019, then from 3.5% to 0.3% in 2020. This slowdown is mainly due to the negative effects of the currency crisis that the country experienced in 2019 and the outbreak of the Covid-19 pandemic.

**Figure 26:** Evolution of Cameroon’s economic growth rate



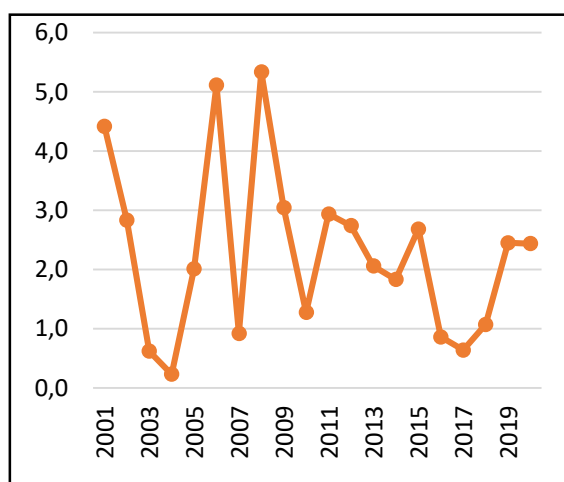
Source : MINEPAT

**4.4.2. Inflation**

Inflation can be the result of an imbalance between supply and demand for goods and services. Indeed, when aggregate demand increases faster than supply, it leads to an adjustment to higher prices. Work on the determinants of inflation in some African countries highlights the preponderance of supply shocks in the activation of inflationary pressures such as commodity price shocks, production shortage due to unpredictable factors (climate problems, floods, security crises, etc.) or austerity policies.

Over the period 2001-2020, the inflation rate in Cameroon was generally below the 3% threshold, adopted as a multilateral convergence criterion in

*Figure 27 : Evolution of the inflation rate in Cameroon (2002-2020)*



Source: MINEPAT (2022)

the CEMAC. The slippages were recorded in 2001, 2006 and 2008. In 2008, inflationary pressures caused social tensions and forced the Government to take a series of measures to combat the cost of living.

Over the period 2010-2020, the inflation rate in Cameroon remained contenu à 1,9% en moyenne annuelle. Toutefois, il It should be noted that since 2019, inflationary pressures have been observed again, supported by the upward momentum of imported inflation, whose contribution has risen

from 0.1 points in 2017 to 0.6 points in 2020. Thus, the inflation rate stood at an average of 2.5% per annum in this period, up 0.6 points from the average of the last 10 years.

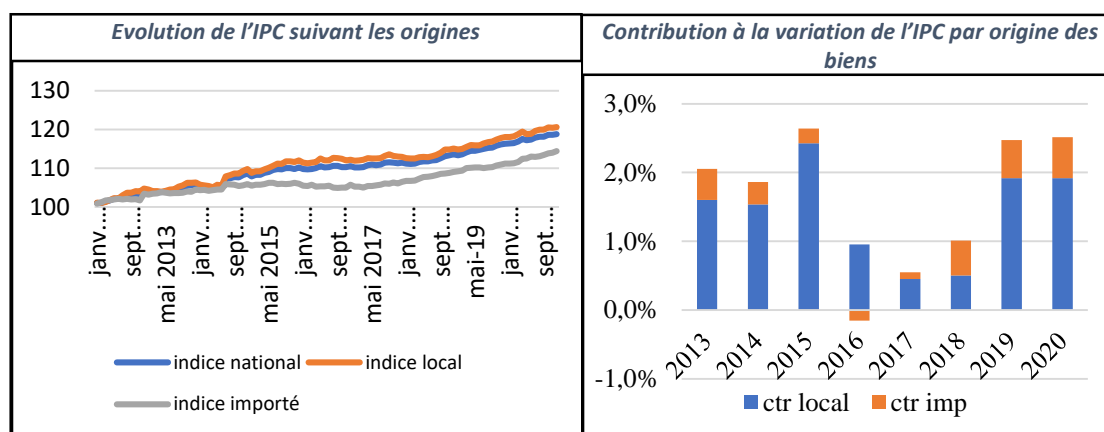
Since the beginning of fiscal 2021, these inflationary pressures have been compounded by significant increases in freight costs and prices of certain inputs (fertilizers) used in agricultural production.

According to INS data, inflation in Cameroon over the period 2013-2020 is more induced by locally produced goods. Indeed, the contribution of these goods over this period has always been higher than that of imported products.

Moreover, it appears that:

- *between 2010 and 2015, the contribution of inflation of imported goods was in a downward trend. In 2016, it was even negative;*
- *between 2017 and 2020, this contribution was again part of an upward dynamic from 0.1 points in 2017 to 0.6 points in 2020;*

**Figure 28 :** Evolution of the Consumer Price Index (CPI) according to the origins of goods



Source : NIS, 2022.

#### 4.5. THE SPRINGS OF RESILIENCE

Previous analyses have shown that despite the magnitude of the various shocks the country has faced, it has shown resilience to recover on the path of growth. This resilience has been possible due to the adaptation and mitigation measures taken by the

private sector alongside the accompanying measures put in place by the Government.

Thus, the following table presents the adaptation/mitigation measures adopted by the private sector as well as the support measures developed by the Government to deal with the various shocks.

*Table 13: Matrix presentation of adaptation/mitigation measures implemented by the private sector in response to different shocks*

	Very limited impact on the private sector		Average impact on the private sector		Strong impact on the private sector
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Shocks	Measures taken by the private sector	Accompanying measures put in place by the Government
Rising prices of basic commodities	- Adjusting the prices of certain products in response to rising international prices of imported raw materials	- lowering the pump price of petrol by 6 FCFA (5 FCFA for diesel and petrol); - raising the basic salary of civil servants and government employees by 15% and the housing allowance by 20%;

		<ul style="list-style-type: none"> <li>- Suspension of customs duties on certain essential products (rice, vegetable oil, fish and flour);</li> <li>- establishment of the Mission de Régulation des Approvisionnements des Produits de Grande Consommation (MIRAP).</li> </ul>
Security crisis in the Far North region	<ul style="list-style-type: none"> <li>- Relocation of production units;</li> <li>- the temporary and/or permanent reduction of the workforce</li> <li>- changes in the range of goods and services produced.</li> </ul>	<ul style="list-style-type: none"> <li>- strengthening the military presence</li> <li>- granting the Far North Region the status of "economically depressed area" in order to attract investment;</li> <li>- support for humanitarian assistance and the revival of economic activities;</li> <li>- implementation of the project to rebuild destroyed areas with the help of development partners;</li> <li>- the adoption of a Presidential Plan for the Reconstruction and Development of the Far North Region.</li> </ul>
Oil shock 2014-2016	<ul style="list-style-type: none"> <li>- price adjustments for certain products as a result of higher production costs linked to the increase in fuel prices at the pump</li> </ul>	<ul style="list-style-type: none"> <li>- adjusting the policy of subsidising fuel prices at the pump ;</li> <li>- strengthening the economic diversification policy to substitute certain imported products in order to reduce the country's dependence on imports</li> </ul>
Security crisis in the NOSO Regions	<ul style="list-style-type: none"> <li>- Relocation of production units;</li> <li>- the temporary and/or permanent reduction of the workforce</li> <li>- changes in the range of goods and services produced.</li> </ul>	<ul style="list-style-type: none"> <li>- the establishment of a Presidential Plan for Reconstruction and Development (PPRD) for the North-West and South-West Regions, focusing on three areas: (i) strengthening social cohesion, (ii) rehabilitating basic infrastructure, and (iii) revitalising the local economy.</li> </ul>
Currency crisis	<ul style="list-style-type: none"> <li>- Dialogue with public authorities and proposed solutions to mitigate the effects of the crisis;</li> <li>- Suspension of imports of certain products;</li> <li>- Quotas on imports of more or less essential products.</li> </ul>	<ul style="list-style-type: none"> <li>- Favourable response to requests from economic operators to the BEAC for the outflow of foreign currency;</li> <li>- Improving the processing time for international transfer requests from economic operators;</li> </ul>

SONARA Fire Incident		<ul style="list-style-type: none"> <li>- Setting up a working group to draw up a rehabilitation plan for SONARA.</li> <li>- The introduction of a "refinery support" tax of CFAF 47.88/l in the price structure of petroleum products;</li> </ul>
Health crisis linked to the Covid-19 pandemic	<ul style="list-style-type: none"> <li>- The development of a practical guide to resilience for SMEs and VSEs by GICAM.</li> <li>- Adapting the supply of goods and/or services produced;</li> <li>- Use of locally available substitute products;</li> <li>- Temporary and/or permanent reductions in the workforce, with immediate priority given to essential posts;</li> <li>- Use of informal financing mechanisms such as tontines, family assistance, loans to individuals, etc.</li> <li>- The development of teleworking.</li> </ul>	<ul style="list-style-type: none"> <li>- Setting up an economic recovery fund for the productive sector, designed to build capacity and provide subsidies and loans at preferential rates for SMEs, particularly in the tourism, crafts, livestock and agriculture sectors;</li> <li>- Reducing food dependency through (i) the acquisition, distribution and monitoring of the use of improved seeds; (ii) the planting of 2,500 hectares of land and lowlands for the production of short-cycle crops in the peri-urban areas of the main towns in the worst-affected zones; (iii) the rehabilitation of seed farms and the production of organic fertilisers in the areas most affected by COVID-19; (iv) an analysis of the food and nutritional situation of the population as a result of COVID-19; (v) the creation of security stocks of rice, maize and millet for vulnerable regions;</li> <li>- Continuing to clear domestic debt;</li> <li>- Clearance of VAT credit stocks.</li> </ul>
Russian- Ukrainian conflict	<ul style="list-style-type: none"> <li>- Search for local substitutes</li> <li>- Adjust product prices</li> <li>- Limiting imports of products that can be available locally;</li> </ul>	<ul style="list-style-type: none"> <li>- Maintenance of the 80% reduction in the freight rate used to determine the customs value of goods imported by sea;</li> <li>- the suspension of payment of certain taxes and duties for milling sector players, in particular the weighing fee for wheat imports (for 6 months), the pre-shipment conformity assessment programme (PECAE), and the advance payment of corporation tax;</li> <li>- an upward adjustment of 5,000 CFA francs to the selling price of a 50kg bag of wheat flour, and 25 CFA francs to the price of a 200-gram baguette;</li> <li>- the increase in the cost of subsidising fuel prices at the pump under the 2022 budget;</li> <li>- the reduction in taxable values applicable to imports of refined petroleum products.</li> </ul>

## **4.6. LESSONS LEARNED ON MANAGING SHOCKS AND CHANGES**

### **4.6.1. Comprehensive, Strategic and Institutional Approaches**

The evaluation of the overall approach to managing shocks and changes by the Government consisted in questioning on the one hand the mechanisms and framework of reference and orientation of public action in the event of a shock or a change, on the other hand, the involvement and consideration of other actors, particularly from the private sector, in the formulation and operationalization of the response. Thus, several observations emerge from the situational analysis.

The first observation is the absence of a reference document (strategy, action plan, etc.) for the management of economic and financial crises. The only document that was adopted in Cameroon to organize a common framework to guide the action of institutional partners, organizations and others in case of crisis is the national contingency plan adopted in 2011. This plan, whose implementation has been entrusted to MINAT, has a marked orientation towards civil protection including disaster management. It was accompanied by

the creation of a fund for disaster management.

The second observation concerns the institutional framework which organises the various bodies of consultation and coordination of public action. The Government always favours dialogue through consultations and consultations in its decision-making. However, it should be noted that the political environment has a great impact on the behaviour of decision-making actors. This is most often manifested by policy interventions in the implementation of the measures taken, with the main consequences: slow execution of activities; the cumbersome implementation of the measures and the exclusion of certain important actors from the dialogue. Moreover, even when all acts. This is most often manifested by policy interventions in the implementation of the measures taken, with the main consequences: slow execution of activities; the cumbersome implementation of the measures and the exclusion of certain important actors from the dialogue. Moreover, even when all the actors have been invited to the discussion, there is still very little involvement of these in the implementation and monitoring of the actions selected. The model of coordination and monitoring of the implementation of the crisis

response most often remains attached to the central level. This is explained in particular by the nature of the measures implemented that do not necessarily require a decentralization of coordination as was the case for health management or interventions by defence forces.

As for the changes, with the exception of the post-Brexit agreement, the country has economic adjustment plans

even though the review showed that these strategies have not been implemented. Institutional and legislative frameworks and consultations with stakeholders have been effective. However, as far as coordination is concerned, it is always at the central level, whereas adaptation to a change is strategic and must be coordinated at all levels to ensure that all actors are on board.

**Table 14:** State of the Global Approach in Responding to the Adverse Effects of Shocks and Mutations

	Comprehensive national economic risk reduction strategy, programme and plan	National institutional and legislative frameworks	Consultation with all stakeholders	Coordination at local, regional, national and international levels
<b>1. SHOCKS</b>				
Food crisis in 2008				
Security crisis in the Far North region				
Security crisis in the North-West and South-West regions				
Oil shock 2014-2016				
Currency crisis of 2019				
Covid-19 pandemic				
Incident at the SONARA site in Limbe in 2019				
Russian-Ukrainian conflict				
<b>2. MUTATIONS</b>				
EPA				
Post Brexit Agreement				
AfCFTA Agreement				

Non-existent:  Existing but ineffective:  Existing and effective:  Not concerned:

**4.6.2. Key elements of the preparation**

The process of preparing the response aims to establish a permanent response capacity to deal with various situations that could disrupt Cameroon by implementing a series of preparedness measures. These measures include (i) contingency planning; (ii) analysis and capacity building; (iii) risk monitoring, forecasting and early warning; and (iv) information management and reporting.

Contingency planning is the set of means and strategies put in place to enable units to maintain their activities in the event of an emergency or crisis. In this regard, the country has fared well both in the face of shocks and changes, through the implementation of measures that have supported purchasing power and ensure the maintenance and recovery of economic activity. However, the absence or weakness of this mechanism to facilitate their implementation significantly reduces the expected effects.

With regard to the “analysis and capacity building” component, we can

see that no such measures were taken during the 2008 food crisis, the security crisis in the North-West and South-West Regions and the Covid-19 pandemic.

In general, the components of “risk monitoring, forecasting and early warning” and “information and communication management” are those where the State has experienced the most shortcomings. This is due, on the one hand, to the fact that despite the multitude of economic surveillance and business intelligence structures (DAPE, DPPS, DPB, NIS, etc.) the alert component is still embryonic or non-existent. In addition, there is no instance of centralization of all monitoring elements capable of boosting the early warning mechanism, requiring the country to always be in a situation of reaction to a crisis with perverse effects. On the other hand, the centralization of coordination and the management of response measures does not promote the transmission of information to all parties involved.



**Table 15:** State of preparedness in response to adverse effects of shocks and mutations

	Contingency planning	Analysis and capacity	uilding Risk monitoring, forecasting and early warning	Information management and communication
<b>1. SHOCKS</b>				
Food crisis in 2008				
Security crisis in the Far North region				
Security crisis in the North-West and South-West regions				
Oil shock 2014-2016				
Currency crisis of 2019				
Covid-19 pandemic				
Incident at the SONARA site in Limbe in 2019				
Russian-Ukrainian conflict				
<b>2. MUTATIONS</b>				
EPA				
Post Brexit Agreement				
AfCFTA Agreement				

Non-existent:  Existing but ineffective:  Existing and effective:  Not concerned:

### 4.6.3. Ability to respond

The ability to respond to shocks or changes essentially affects three criteria: (i) response services or committees; (ii) rapid recovery of vulnerable value chains and economic activity; (iii) allocation of human resources, material and financial.

The issue of emergency management is a well-established practice in Cameroon. It is perhaps this characteristic that shapes the country’s resilience to shocks and changes. Emergency services and circumstantial

forecasts often take the form of a national committee with regional dismemberment depending on the problem. The case of the management of the Covid-19 pandemic is an example.

From the analysis carried out, it appears that the country has real strengths in response to shocks and changes, particularly with regard to the existence of emergency services and forecasting. However, actions in this direction are struggling to fully achieve the expected objectives, due to the lack of funding.

**Table 16: Response Capacity Status**

TYPE OF SHOCK OR MUTATION	EMERGENCY SERVICES AND PREVISIONAL	DEVICES INTEGRATING RAPID RECOVERY IN RESPONSE	PREPARATION RESOURCE ALLOCATION AND FUNDING
<b>1. SHOCKS</b>			
Food crisis in 2008			
Security crisis in the Far North region			
Security crisis in the North-West and South-West regions			
Oil shock 2014-2016			
Currency crisis of 2019			
Covid-19 pandemic			
Incident at the SONARA site in Limbe in 2019			
Russian-Ukrainian conflict			
<b>2. MUTATIONS</b>			
EPA			
Post Brexit Agreement			
AfCFTA Agreement			

Non-existent:  Existing but ineffective:  Existing and effective:  Not concerned:

In addition, an analysis of the SWOT of the shock and mutation response/adaptation system was

carried out, and the results are recorded in the following table.

**Table 17: SWOT Analysis of Shock and Mutation Response/Adaptation System**

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> <li>1. Multitude of monitoring and forecasting structure</li> <li>2. Decision-making through dialogue</li> <li>3. Coherent institutional and legislative framework</li> <li>4. Coordination in implementation</li> <li>5. Integration of Recovery Question in Response</li> <li>6. Strong ability to operate in emergency</li> <li>7. Existence of contingency plan at MINAT level</li> <li>8. Consideration of issues at the highest level of the State (Presidency)</li> <li>9. Availability of investment and contingency operating funds</li> <li>10. Establishment of Solidarity Funds</li> <li>11. Economic Diversification</li> </ol>	<ol style="list-style-type: none"> <li>1. Lack of a comprehensive response strategy and response to shocks and changes</li> <li>2. Embryonic alert system</li> <li>3. insufficient communication</li> <li>4. Weak centralization of information</li> <li>5. Lack of financial means to ensure capacity building</li> <li>6. Lack of Financial, Material Resources to implement and monitor recovery</li> </ol>

OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> <li>1. Adoption of several reforms including public financial management, rural sector development, public procurement</li> <li>2. Accelerating the decentralization process</li> <li>3. Implementation of Import Substitution Policy</li> <li>4. SND30 Implementation</li> </ol>	<ol style="list-style-type: none"> <li>1. High concentration of coordination at central level</li> <li>2. Deterioration of people's confidence in the State</li> <li>3. Abandonment of Public Policy in Progress</li> <li>4. High dependence of the economy on the outside</li> </ol>

#### 4.6.4. Second analysis thesis

Over the past two decades, Cameroon has had to take policy measures to address the socio-economic consequences of shocks and changes. The description of the effects of these measures and the analysis of the crisis management mechanism made it possible to understand why the response to shocks and mutations is not very effective. Anticipation measures are almost non-existent. While in action, the country faces many dysfunctions that hinder the implementation of adaptation mechanisms.

The “cause and effect” diagram below summarizes the main causes of the ineffectiveness of the response. They are grouped into five main groups:

➤ **Method:** there is no framework document that defines and frames crisis management. For mutations, strategies are developed but not sufficiently implemented

➤ **Material:** the local productive fabric is still weak and highly dependent on the outside. There is a low storage capacity of petroleum products (security reserves); difficulties in mobilizing financial resources; and a lack of research and innovation.

➤ **Environment:** coordination is concentrated at the central level and a weakness in the consultation of all actors, particularly in terms of their involvement in implementation. Cameroon has adopted several reforms including public finance management, rural sector development, public procurement, to name a few. In implementation, there has been non-appropriation of economic policy measures by different sectoral administrations, weak coordination and monitoring of the implementation of policy measures, weak ownership of reforms by sectoral administrations. (slow implementation of reforms, weak implementation of reform

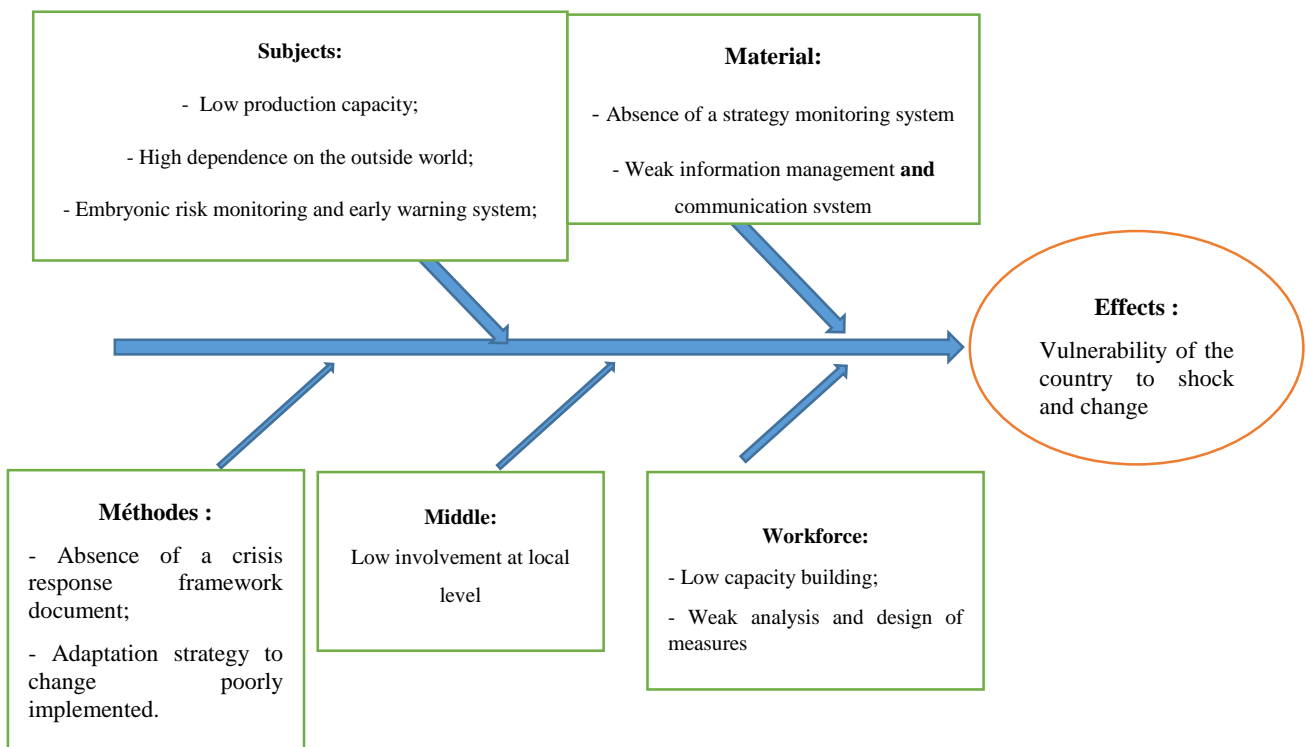
measures) ; problems of asymmetry of information.

- **Material:** lack of mechanism to facilitate the implementation of contingency planning; lack of mechanism to monitor/evaluate the response; lack of a business

intelligence system; weakness of the information management and communication system.. .

- **Workforce:** weak capacity building of actors: weak analysis; insufficient design of measures.

**Figure 29 :** Cause and effect diagram when shock and mutation occur

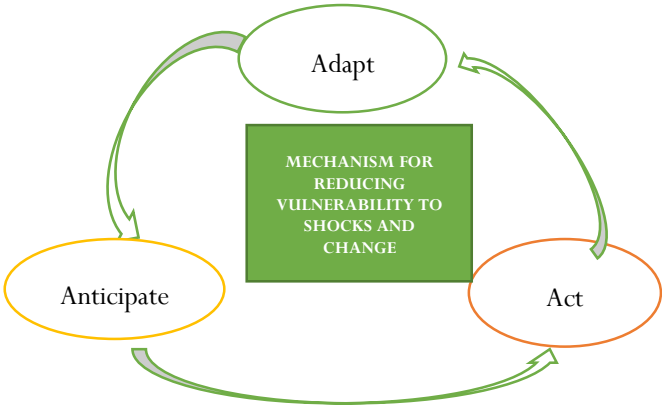


**Source :** MINEPAT (2022).

**CHAPTER 5: MECHANISM FOR REDUCING THE VULNERABILITY OF THE CAMEROONIAN ECONOMY TO SHOCKS AND CHANGES**

On the basis of lessons learned, it was noted that the mixed record of policy measures taken to contain the negative effects of shocks and changes is due to shortcomings in key elements of preparedness, of coordination, but also insufficient financial resources. To address this, this chapter proposes a mechanism to reduce the country’s vulnerability through three (03) complementary axes: (i) Anticipation measures; (ii) Action measures; (iii) Adaptation/mitigation measures.

**Figure 30** : Cycle of the mechanism for reducing the vulnerability of the economy to shocks and changes



**5.1. AXIS 1 : ANTICIPATION MEASURES**

- The main aim of the proposed policy measures is to strengthen the key elements of preparedness for shock or change. They are grouped into three components:

- strengthening the local offer by continuing to implement the import/substitution policy;
- decentralised management and crisis prevention;
- strengthening the alert and business intelligence system and supporting research and innovation..

**5.1.1. Component 1.1: Strengthening local supply through continued implementation of import/substitution policy**

Strengthening local supply will greatly reduce the dependence of the national economy on the outside in the event of a shock or change. For this, it will be a question of continuing the implementation of the import/substitution policy by focusing in particular on the development of the supply of agricultural inputs and equipment. Specifically, this involves: (i) ensuring producers' regular access to quality inputs at a competitive cost; (ii) strengthening the production and processing of agro-pastoral and fisheries products; (iii) facilitate access to financing for small and medium-sized producers..

**Specific objective 1.1.1: To ensure producers' regular access to quality inputs at a competitive cost.**

#### **Activity 1.1.1.1: Strengthening the market information system for agricultural inputs and equipment**

This includes: (i) establishing a producer database to facilitate the distribution of agricultural inputs and equipment; (ii) establishing a national observatory on agricultural inputs, zootechnics and veterinarians whose main objective would be to ensure the supply of agricultural inputs and equipment. To this end, it will have to produce and disseminate information bulletins on agricultural input and equipment markets and organize exchange meetings between agricultural producer organizations, suppliers and manufacturers of agricultural inputs and equipment..

#### **Activity 1.1.1.2: Increased production and storage capacity for quality seed/seedlings**

The actions to be carried out should concern: the rehabilitation and endowment of seed farms in particular in seed and plant conditioning chains; the development of new spaces for the production of seeds (animal and plant) for mass consumption

#### **Activity 1.1.1.3: Identification and Training of Private Consumer Seed Multipliers**

These include: (i) designing seed multiplication training modules; (ii) organizing training workshops for private operators on seed

multiplication; (iii) setting up public partnership platforms-(iv) creating new regional plant and animal seed production units..

#### **Activity 1.1.1.4: Strengthening the commercial capacity of producer organizations**

Interventions will focus on: the design of training modules adapted to the level of education and understanding of Agricultural Producer Organizations (OPA) ; the organization of OPA training workshops on the purchase of agricultural inputs and equipment under the best possible conditions..

#### **Activity 1.1.1.5: Producer support for large-scale use of agricultural inputs and equipment**

Actions should focus on: setting up regional input and equipment shops; promoting group orders; networking of agricultural, zootechnical and veterinary input shops; the establishment of communal input and feed and fish supply stations.

#### **Activity 1.1.1.6: Capacity building for seed inspectors on knowledge of the characteristics of distributed varieties and seed/plant production itineraries**

Interventions should focus on: (i) designing training modules on the characteristics of distributed varieties and seed and plant production itineraries; (ii) organising training

seminars for seed inspectors on knowledge of the characteristics of distributed varieties and seed/plant production itineraries.

**Activity 1.1.1.7: Increase in input production (seed, feed and fish, and fertiliser)**

Actions will focus on: (i) supporting the private sector to strengthen the production of good quality fry as well as rearing of fry broodstock and local production of poultry seed (grandparent and parental); (ii) strengthening the production of feed for poultry, pigs and fish; (iii) private investment in cow-calf production; (iv) organisation of beef, sheep and pig insemination campaigns; (v) establishment of a fertiliser production unit.

*Specific objective 1.1.2: Strengthen the production and processing of agro-pastoral and fishery products*

**Activity 1.1.2.1: Constitution of medium and large agro-pastoral farms**

Interventions should focus on: the development of large production areas of the main agro-pastoral and fisheries speculations (rice, maize, millet/sorghum, soya, fish, milk) and the allocation of large production areas developed to producer groups, and/or industrial companies.

**Activity 1.1.2.2: Development of agricultural storage and conservation techniques in large production basins**

Actions will focus on: the construction and equipping of infrastructure for the storage and conservation of agricultural products in large production basins.

**Activity 1.1.2.3: Promoting Processing of Wheat Substitutes**

Interventions should cover: (i) the acquisition and installation of storage and processing units for wheat substitutes for bread flour; (ii) the introduction of a tax relief scheme for companies that incorporate local flours into their production; (iii) continued advocacy for the phasing-out of tax benefits Customs duties on imports of durum wheat and/or wheat flour.

**Activity 1.1.2.4: Capacity building of agricultural producer organisations in agricultural storage, processing and marketing technology**

This activity consists of: designing training modules in storage technology, processing and marketing of agricultural products; organising training workshops for producer organisations in storage technology, processing and marketing of agricultural products.

**Activity 1.1.2.5: Strengthening fish storage, processing and distribution capacity for the benefit of the fishing community**

The aim is to build infrastructure for the conservation and processing of fishery products in water dams (Lom Pangar, Lagdo, Mbakao, Mekin, Mem'vele, Nachtigal, etc.).

#### **Activity 1.1.2.6: Development of aquaculture in Cameroon**

Interventions should focus on: the design of training modules on aquaculture techniques (floating cage and tank aquaculture); the organization of extension campaigns in the ten (10) regions of the country on aquaculture techniques (fish farming in floating cages and tanks).

#### **Activity 1.1.2.7: Development of the beef, pork, poultry, sheep and goat sectors**

This activity consists of: setting up an exchange platform between the actors of the different sectors; organizing awareness workshops of the various actors on their grouping into cooperatives; structuring the interprofessions for each of the sectors.

#### **Activity 1.1.2.8: Improvement of Veterinary Services**

It is about developing a satisfactory offer in veterinary service. To this end, it will be a question of bringing them closer to the production units and strengthening the production capacities of LANAVET.

#### **Activity 1.1.2.9: Construction of production, processing, conservation**

#### **and storage facilities for livestock products**

The aim is to continue the construction of slaughterhouses, slaughter areas, cold stores and vaccination parks.

#### **Objective 1.1.3: Facilitate access to funding**

#### **Activity 1.1.3.1: Facilitating access to financing for local producers**

Actions should focus on: (i) the creation of platforms for dialogue between agricultural producer organisations, traders' associations and partners (financial institutions, transporters, etc.); (ii) the conclusion of memoranda of understanding between agricultural producer organisations, trade associations and national financial institutions for the financing of agricultural inputs and equipment; (iii) the promotion campaign for national banks to boost investment in agriculture; (iv) the establishment of a national fund to finance purchases of agricultural inputs and equipment.

#### **Activité 1.1.3.2 : Développement des systèmes d'épargne intrants, équipements agricoles, et de warrantage**

Interventions will focus on: (i) the design of training modules on the development of input saving systems



and farm equipment, and warrantage<sup>7</sup>; (ii) training of trainers from producer organisations and project partners on warrantage techniques; (iii) information/training of trainers and MFI managers on warrantage techniques; (iv) training of agricultural producers on the development of input saving systems and agricultural equipment.

### **Activity 1.1.3.3: Implementation of agricultural insurance**

The aim is to design training modules on how agricultural insurance works and to train agricultural producers in a good understanding of how agricultural insurance works..

### **5.1.2. Component 1.2: Decentralised Management and Crisis Prevention**

Law No. 2019/024 of 24 December 2019 on the General Code of the RLA, gives the RLA a significant role in crisis prevention and management in Cameroon. In its Article 157, the RLA are responsible for «the preparation and implementation of specific communal plans for risk prevention and emergency response in case of disaster». Incorporating local perspectives into decisions and activities also ensures that changes in vulnerability and risk perception are recognized and taken into account in

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<sup>7</sup> **Warrantage** is a rural credit system whereby a farmers' organisation and/or its producer members obtain a loan by pledging a non-perishable agricultural product (millet,

institutional processes, risk assessments and other programs and policies..

Moreover, it is essential to strengthen the Government's response capacity at the local level in order to better contain the unwanted effects of shocks or changes. To achieve this, two objectives should be put forward: (i) train RLA managers in risk management; and (ii) Involve RLA in decision-making.

### *Objective 1.2.1: Train RLA managers in risk management*

#### **Activity 1.2.1.1: Accelerating Local Public Service Implementation**

This involves adopting the decree on the general status of the local public service.

#### **Activity 1.2.1.2: Support for the RLAs in supervising vulnerable sectors**

This activity will make it possible to organize with the RLA missions targeting vulnerable activities in order to train local entrepreneurs in the protection of their investment in the event of a shock or a mutation. Also, this activity to support the RLA in the development of local contingency plans for vulnerable sectors.

(sorghum, rice, maize, groundnuts, etc.) that is likely to increase in value.

*Objective 1.2.2: Involve RLAs in decision-making*

**Activity 1.2.2.1: Strengthening Budget Preparation Dialogue Frameworks**

The Government should further involve the RLAs in the budget process. By systematically integrating the RLA into the decision-making process and their implementation, the RLA should become the first forum for dialogue between the State and the populations. Indeed, based on a participatory approach, the role of the RLA should make it possible to exploit local projects more effectively while taking into account specific issues such as cultural and contextual factors.

**Activity 1.2.2.2: Facilitated dialogue between RLA and technical and financial partners.**

The aim is to set up a forum on local development, allowing TFPs to discuss directly with the TCs and provide support in activities that can make economic activity more resilient.

**5.1.3. Component 1.3: Strengthening the Business Intelligence and Alerting System**

The objective of this component is to set up an Economic Alert and Monitoring System (SAVE) to identify a number of risks (endogenous or exogenous) likely to generate macroeconomic imbalances in Cameroon, and to build a set of indicators necessary to anticipate the

occurrence of such risks. To do this, it will be necessary to: (i) Set up the alert and business intelligence dashboard; (ii) Improve the effectiveness of the information system.

**Objective 1.3.1: Establish an early warning and business intelligence system**

**Activity 1.3.1.1: Creation of an early warning and business intelligence unit**

We are talking about setting up an effective institutional framework dedicated solely to economic alert and monitoring.

**Activity 1.3.1.2: Operationalisation of the alert and business intelligence dashboard.**

This involves setting up an alert and business intelligence dashboard. This table will highlight the risk factors on the most relevant dimensions of macroeconomic imbalances and competitiveness losses. Thus, it will be necessary to: (i) build a database of monitoring indicators; (ii) ensure their regular updating; (iii) analyze their evolution; (iv) produce quarterly a risk assessment and alert note.

**Activity 1.3.1.3: Capacity building of the staff in charge of the operation of the early warning and business intelligence system**

This involves organising training seminars on the alert and monitoring

system and benchmarking trips to countries that have successfully implemented the alert and monitoring system.

**Objective 1.3.2: Improve the effectiveness of the information system**

**Activity 1.3.2.1: Facilitating the exchange of strategic information between key risk management stakeholders**

It is about establishing a platform for exchanges or relays (focal points) between the different actors involved in the management of shocks and changes in Cameroon. This is done with a view to facilitating the flow of information between early warning systems at local and national levels..

**Activity 1.3.2.2: Development of Strategic Data Storage Bases**

For a better response in the event of a shock and a change, it would be necessary to create a data center dedicated to strategic data.

**Activity 1.3.2.3: Establishment of a response mechanism to information attacks.**

The aim here is to provide the State with a protection system that can anticipate as well as react to all risks of information attacks.

**Activity 1.3.2.4: Set up an economic intelligence system prior to the service of administrations**

This is to provide jurisdictions with timely information for decision-making.

**Activity 1.3.2.5: Strengthening the use of instruments for the protection of the economic area**

There is talk of strengthening the protection of the national market (local products) in the face of imports by mobilising all national market protection tools and organising them into coordinated and coherent public action in order to limit imports of products that can be produced locally.

**5.1.4. Component 1.4: Support for Research and Innovation**

Research and innovation are based on the technological watch necessary to anticipate shocks and changes because they prepare our country to build resilience.

This component addresses the following objectives: (i) Establish a National Fund for Research, Development and Innovation to support and promote the Public-Private Partnership; (ii) Establish a National Research and Innovation System (SNRI<sup>8</sup>).

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<sup>8</sup> According to the OECD, an innovation system is a network of public and private institutions which, through

their activities and interactions, create, accumulate and transfer knowledge, skills and objects that are at the origin

**Objective 1.4.1: Create a National Fund for Research, Development and Innovation to support and promote the Public-Private Partnership**

The National Research, Development and Innovation Fund could contribute to the above activities.

**Activity 1.4.1.1: Funding of scientific research programs and projects**

It is a question of prioritising budgetary support, cooperation cycles, budget preparation and reform review, financing programmes and projects on the development of scientific research and innovation to improve yields and profitability in the production segment.

**Activity 1.4.1.2: Support for the maturation process of research and innovation projects**

This includes: (i) establishing a funding body to support the maturation activities of research and innovation projects in both public institutions and the private sector; (ii) developing and conducting research on seed production basic and basic, the introduction and development of new varieties; (iii) raising awareness on local production and processing of agro-sylvo-pastoral products..

**Activity 1.4.1.3: Building Scientific, Technological and Innovative Capacity for Research Results**

The aim is to provide state-of-the-art equipment at central and local level, helping to boost local production and strengthen the capacities of actors in the various agro-sylvo-pastoral sectors.

**Objective 1.4.2: Establish a National Research and Innovation System (SNRI)**

**Activity 1.4.2.1: Strengthening the national system for the exploitation, extension and transfer of research results**

This activity will be done through the establishment of dedicated cells in chambers of commerce in order to reduce the gap between research and the business world.

**Activity 1.4.2.2: Promoting Research and Innovation**

It is about promoting business incubators and startups.

**Activity 1.4.2.3: Development of an international research partnership strategy**

The aim of this activity is to capture technologies and knowledge that would have significant added value for the development of Cameroon.

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of new technologies and products. These institutions include companies, universities, public research bodies, professional or scientific associations, organisations, etc.

#### **Activity 1.4.2.4: Monitoring innovative activities with high potential for the Cameroonian economy**

It is a question of establishing the benchmark situation in terms of innovation, in order to take measures to capture innovative products and better anticipate development needs.

#### **5.1.5. Component 1.5: Development of risk-specific emergency and relief plans**

The objective would be to develop emergency and relief plans to guide the response of the Government, institutional partners, organizations and other stakeholders in the event of a shock or change. The national contingency plan adopted in 2011 could therefore be revised.

#### **Objective 1.5.1: Develop tools to respond to shocks and changes.**

#### **Activity 1.5.1.1: Ongoing diagnosis of the socio-economic environment**

Indeed, it is a question of constantly analyzing the magnitude of the risks in order to judge the need to update or develop emergency and rescue plans.

#### **Activity 1.5.1.2: Establishment of databases on vulnerable sectors**

This activity will be done through surveys to better target vulnerable sectors.

#### **Activity 1.5.1. 3: Risk Management Stakeholder Definition**

This involves identifying and clarifying the roles and responsibilities of the various actors.

### **5.2. AXIS 2: ACTION MEASURES**

The action concerns the implementation of emergency and emergency plans to ensure efficient coverage of risks. To this end, the following activities should be implemented:

#### **Activity 2.1: Establishment of the Risk Management Committee.**

This involves: (i) launching the signing of the regulatory texts of the decrees setting up the team in charge of the implementation of emergency plans, (ii) organizing sessions of the work and crisis meetings.

#### **Activity 2.2: Outreach to civil society, private sector and technical and financial partners**

This activity ensures buy-in, support from all stakeholders. This is a guarantee of success of the response.

#### **Activity 2.3: Mobilizing Financial Resources**

In order to act promptly in the event of a shock or a transfer, it will be a question for the Government to take

appropriate measures to ensure the rapid mobilization of resources. In addition, the Government could rely on other mechanisms for mobilizing financial resources. These include: (i) fundraising; (ii) residual resources from completed projects; (iii) resources from the re-taxation of certain imported products; (iv) resources made available by TFPs; (v) resources from the diaspora.

#### **Activity 2.4: Development and implementation of a response plan**

The response plan should contain both actions foreseen in the contingency plan as well as actions that will allow the rapid recovery of the economy. Therefore, this very detailed plan will set out the facilities and modalities for implementing business and household support measures. For this, it will be necessary to mobilize the information of the Unified Social Register of Cameroon.

### **5.3. AXIS 3: ADAPTATION AND MITIGATION MEASURES**

With the succession of shocks and changes since 2000, it is recommended to draw up a recovery plan and ensure the monitoring and evaluation of response measures.

#### **5.3.1. With the succession of shocks and changes since 2000, it is**

**recommended to draw up a recovery plan and ensure the monitoring and evaluation of response measures.**

With the succession of shocks and changes since 2000, it is recommended to draw up a recovery plan and ensure the monitoring and evaluation of response measures..

#### **Objective 3.1.1: Development of a recovery plan for economic activity**

The preparation of an economic recovery plan should build on the anticipation measures presented to ensure the establishment of a mechanism of resistance to shocks and adaptation to change. These measures should be complemented by appropriate accompanying mechanisms. These mechanisms may take the form of financial and non-financial support to the productive sector.

#### **Activity 3.1.1.1: In-kind support**

The types of non-financial support that the State could grant are: (i) diagnosis and upgrading of companies; (ii) tax-customs incentives; (iii) structuring of production chains into cooperatives or interprofessions; etc.

#### **Activity 3.1.1.2: Financial Support**

The objective sought through financial support would be to improve the conditions of access to adapted financing.

*Objective 3.1.2: Assess the performance of response and adaptation measures.*

**Activity 3.1.2.1: Establish a monitoring and evaluation system**

This activity should make it possible to monitor performance indicators and assess the level of implementation of response measures..

## CONCLUSION

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In the context of this study, the aim was to propose policy measures to adapt the Cameroonian economy to various shocks and changes in order to minimize the risks for the achievement of the objectives set by the NDS30.

Over the reference period (2000-2022), the country experienced in terms of shock: (i) in 2008, the food crisis due to rising prices of basic commodities; (ii) from 2014 to 2016, the decline in oil prices that led to a currency crisis and the conclusion with the IMF of an Economic and Financial Program (PEF) supported by the Extended Credit Facility (FEC); (iii) from 2014 to the present, the security crises in the regions of the FarNorth, Southwest and Northwest; (iv) from 2020 to the present, the health crisis related to the Covid-19 pandemic; (v) and since February 24, 2022, the Russian-Ukrainian conflict. As regards mutations, there were: (i) in 2017, the entry into force of the Economic Partnership Agreement (EPA); (ii) on 1 January 2021, the entry into force of the African Continental Free Trade Area (AfCFTA); (iii) and on March 09, 2021, the signing of the post-Brexit agreement with the United Kingdom.

The results of analysis are derived in part from the work of the workshop on the diagnosis of the system of response and adaptation of the Cameroonian

economy to shocks and changes, held from 08 to 10 June 2022 in Ebolowa. This was attended by experts responsible for monitoring the implementation of the measures in question with the administrations (MINEPAT, MINFI, NIS, CTS, etc.).

The main findings that emerge from the analysis of the Government's response to shocks and changes made it possible to note: the absence of a framework document «Economic contingency plan» that defines and frames economic management before, during and after the occurrence of a shock or a change; the strong dependence of the economy on the outside; the insufficiency in the system of forecasting and early warning; the weak (or late) mobilization of financial resources; and the low involvement of RLA.

Based on these observations, in order to better prepare the Government's interventions for the next shocks and mutations, a mechanism for reducing the vulnerability of the Cameroonian economy, structured around three complementary axes focusing in particular on anticipation measures, **action and adaptation/mitigation** has been proposed and implemented into an operational action plan as detailed in the annex.



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**ANNEX 1: Detailed description of the activities to be carried out in the context of the implementation of the Mechanism of Reduction of the Vulnerability of the Cameroonian Economy in the face of shocks and changes**

ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
<b>AXE1: ANTICIPATION MEASURES</b>			
Component 1.1: Strengthening of local supply through import/substitution policy			
<i>Specific objective 1.1.1: To ensure producers' regular access to quality inputs at a competitive cost.</i>			
Activity 1.1.1.1: Strengthening the market information system for agricultural inputs and equipment	Establishment of a database on the production, distribution and use of agricultural inputs and equipment	MINADER	NIS, MINDDEVEL, /RLA, IRAD
	Establishment of a national observatory on agricultural, zootechnical and veterinary inputs	MINADER	MINEPIA, MINCOMMERCE, MINDDEVEL, RLA
	Production and dissemination of newsletters on agricultural input and equipment markets	MINADER	MINCOMMERCE, MINDDEVEL, RLA
	Organization of exchange meetings between organizations of agricultural producers, suppliers and manufacturers of agricultural inputs and equipment	MINADER	MINDDEVEL, RLA, MINMIDT
Activity 1.1.1.2: Increased production and storage capacity for quality seed/seedlings	Rehabilitation and endowment of seed farms including seed and seedling packaging chains	MINADER	IRAD, MINRESI, MINEPIA, MINEPAT, MINDDEVEL, RLA, CAPE
	Development of new areas for the production of seeds (animal and vegetable) for mass consumption	MINADER	IRAD, MINRESI, MINEPIA, MINEPAT, MINDDEVEL, RLA, CAPE
Activity 1.1.1.3: Identification and Training of Private Consumer Seed Multipliers	Design of seed multiplication training modules	MINADER	MINRESI, MINEPIA, MINDDEVEL, RLA, IRAD, CAPEF
	Organization of training workshops for private operators on seed multiplication	MINADER	MINRESI, MINEPIA, MINDDEVEL, RLA, IRAD, CAPEF
	Organization of public-private partnership platforms to develop high-yield industrial nursery systems	MINADER	MINRESI, MINEPIA, MINDDEVEL, RLA, IRAD, CAPEF
	Support for the creation of new regional plant and animal seed production units	MINADER	MINRESI, MINEPIA, MINDDEVEL, RLA, IRAD, CAPEF

ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
Activity 1.1.1.4: Trade Capacity Building of Agricultural Producer Organizations	Design of training modules adapted to the level of education and understanding of agricultural producer organizations (OPA)	MINADER	MINCOMMERCE, MINDDEVEL, RLA, CAPEF
	Organization of OPA training workshops on the purchase of agricultural inputs and equipment under the best possible conditions	MINADER	MINCOMMERCE, MINDDEVEL, RLA, CAPEF
Activity 1.1.1.4: Producer support for large-scale use of agricultural inputs and equipment	Support for the establishment of regional input and equipment shops	MINADER	MINDDEVEL, RLA, CAPEF, CENEEMA
	Bulk order promotion	MINADER	MINDDEVEL, RLA, CAPEF, CENEEMA
	Networking of agricultural, zootechnical and veterinary input shops	MINADER	MINDDEVEL, RLA, CAPEF, CENEEMA
	Establishment of communal input supply stations and communal feed and fish supply stations	MINDDEVEL	MINADER, MINEPIA, RLA
Activity 1.1.1.6: Capacity building of seed inspectors on knowledge of the characteristics of varieties disseminated and seed/plant production routes	Design of training modules on the characteristics of varieties distributed and production routes of seeds and seedlings	MINADER	MINRESI, MINDDEVEL, IRAD
	Organization of training seminars for seed inspectors on the knowledge of the characteristics of the varieties disseminated and the production routes of seeds/seedlings	MINEPIA	IRAD, MINDDEVEL, RLA, CAPEF
Activity 1.1.1.7: Increased production of inputs (seed and feed) for livestock and fish	Support for private investment in the production of good quality fry	MINEPIA	IRAD, MINDDEVEL, RLA, CAPEF
	Support of producers in rearing broodstock	MINEPIA	IRAD, MINDDEVEL, RLA, CAPEF
	Support for private investment in local production of poultry seed (grandparent and parental)	MINEPIA	MINMIDT, MINEPAT, MINFI, IRAD, CAPEF, API, RLA
	Support for the production of poultry, pork and fish feed	MINEPIA	MINMIDT, MINADER, MINEPAT, MINFI, MINDDEVEL, RLA, IRAD, CAPEF, API, SODEPA
	Support for private investment in cow-calf production	MINEPIA	SODEPA, CAPEF
	Organisation of beef, sheep and pig insemination campaigns	MINEPIA	SODEPA, CAPEF

ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
Activity 1.1.8: Development of a public-private partnership to set up a central purchasing centre for agricultural inputs and equipment	Raising awareness of the various actors involved in the purchase of agricultural inputs and equipment	MINADER	MINDDEVEL, RLA, CAPEF
	Establishment of the central purchasing centre for agricultural inputs and equipment	MINADER	MINCOMMERCE, MINDDEVEL, RLA
Specific objective 1.1.2: Strengthen the production and processing of agro-pastoral and fishery products			
Activity 1.1.2.1: Constitution of medium and large agro-pastoral farms	Development of large production areas for the main agro-pastoral and fisheries (rice, maize, millet/sorghum, soya, fish, milk)	MINEPAT	MINDCAF, MINADER, MINEPIA, MINDDEVEL, RLA, CAPEF
	Allocation of large production areas to industrial companies	MINEPAT	MINDCAF, MINADER, MINEPIA, MINDDEVEL, RLA, CAPEF
Activity 1.1.2.2: Development of agricultural storage and conservation techniques in large production basins	Acquisition of equipment for the storage and conservation of agricultural products	MINADER	MINDDEVEL, RLA, CAPEF
	Construction and equipment of infrastructure for the storage and conservation of agricultural products in large production basins	MINADER	MINDDEVEL, RLA, CAPEF
Activity 1.1.2.3: Promoting Processing of Wheat Substitutes	Development of large production areas for wheat substitutes (cassava, potato, plantain, potato) for the benefit of producers	MINEPAT	MINDCAF, MINADER, MINEPIA, MINDDEVEL, RLA, CAPEF
	Making quality seeds and fertilizers available to producers	MINADER	MINRESI, MINDDEVEL, RLA, CAPEF, IRAD
	Support for the acquisition and installation of storage and processing units for wheat substitutes into bread-making flour	MINADER	MINDDEVEL/RLA, CAPEF, MINMIDT, ANOR, CTA-CAM
	Implementation of a tax relief scheme for companies that incorporate local flour into their production	MINFI	MINEPAT
	Continued advocacy for the phasing out of tax-customs benefits for importers of durum wheat and/or wheat flour	MINFI	MINEPAT, MINCOMMERCE
Activity 1.1.2.4: Capacity building of agricultural producer organisations in the field	Design of training modules in agricultural storage, processing and marketing technology	MINADER	MINCOMMERCE, MINEPAT, MINDDEVEL, RLA, CAPEF

ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
of storage, processing and marketing of agricultural products	Organisation of training workshops for producers' organisations in agricultural storage, processing and marketing technology	MINADER	MINCOMMERCE, MINDDEVEL, RLA
Activity 1.1.2.5: Strengthening fish storage, processing and distribution capacity for the benefit of the fishing community	Construction of modern docks and fish markets in water dams (Lom pangar, Lagdo, Mbakao, Mekin, Mem'vele, etc.)	MINEPIA	MINCOMMERCE, MINEPAT, MINDDEVEL, RLA, CAPEF, EDC
Activity 1.1.2.6: Development of aquaculture in Cameroon	Design of training modules on aquaculture techniques (floating cage and tank aquaculture)	MINEPIA	MINDDEVEL, RLA, CAPEF
	Organization of extension campaigns in the ten (10) regions of the country on aquaculture techniques (fish farming in floating cages and tanks)	MINEPIA	MINDDEVEL, RLA, CAPEF
Activity 1.1.2.7: Development of landing points in major water bodies and fisheries	Construction of Managed Landing Points (PDA) including conservation and marketing devices	MINEPIA	MINDDEVEL, RLA, EDC
Activity 1.1.2.8: Development of the beef, pork, poultry, sheep and goat sectors	Establishment of an exchange platform between the actors of the different sectors	MINEPIA	SODEPA, MINDDEVEL, RLA
	Organization of workshops to raise awareness of the various actors on their grouping into cooperatives	MINEPIA	SODEPA, MINDDEVEL, RLA
	Establishment of an interprofession for each sector	MINEPIA	SODEPA, MINDDEVEL, RLA
Activity 1.2.9: Improve veterinary services and make them fully compliant with international standards	Development of networks of laboratories for the analysis and manufacture of veterinary medicinal products	MINEPIA	MINMIDT, ANOR
Activity 1.1.2.10: Construction of production, processing, conservation and storage facilities for livestock products	Continued construction of slaughterhouses, slaughter areas, cold stores and vaccination parks	MINEPIA	MINMIDT, MINPMEESA, MINDDEVEL, RLA
<b>Objective 1.1.3: Improve financing systems for the purchase of agricultural inputs and equipment</b>			
Activity 1.1.3.1: Facilitating access of local producers to financing agricultural inputs and equipment	Creation of platforms for dialogue between organizations of agricultural producers, associations of traders and partners (financial institutions, transporters, etc.)	MINADER	MINFI, MINCOMMERCE, MINDDEVEL, RLA, CAPEF, CCIMA
	Conclusion of Memoranda of Understanding between agricultural producer organizations, trade associations and national financial institutions for the financing of agricultural inputs and equipment	MINADER	MINFI, MINCOMMERCE, MINDDEVEL, RLA, CAPEF, CCIMA

ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
	Promotion campaign for national banks to boost agricultural investment	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF
	Establishment of a national fund to finance purchases of agricultural inputs and equipment	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF
Activity 1.1.3.2: Development of input savings systems and agricultural equipment, and warrantage	Design of training modules on the development of input savings systems and agricultural equipment, and warrantage	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF, MINTSS, ASAC
	Training of trainers from producer organisations on warrantage techniques	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF, MINTSS, ASAC
	Training of project managers on warrantage techniques	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF, MINTSS, ASAC
	Information/training of MFI trainers on warrantage techniques	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF, MINTSS, ASAC
	Information/training of MFI managers on warrantage techniques	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF, MINTSS, ASAC
	Training of agricultural producers on the development of input saving systems and agricultural equipment	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF, MINTSS, ASAC
Activity 1.1.3.3: Implementation of agricultural insurance	Design of training modules on the operation of agricultural insurance	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF
	Training of agricultural producers in a good understanding of how agricultural insurance works	MINFI	MINEPAT, MINADER, MINDDEVEL, RLA, CAPEF, MINTSS, ASAC
<b>Component 1.2: Decentralized management and crisis prevention</b>			
<i>Objective 1.2.1: Strengthen CPC capacity for risk management</i>			
Activity 1.2.1.1: Accelerating Local Public Service Implementation	Adoption of the decree on the general status of the local civil service.	MINDEVEL	MINFOPRA, MINFI, MINESUP, MINEFOP, RLA
Activity 1.2.1.2: CPC Support for Vulnerable Sectors	Organization with the RLA of missions of targeting vulnerable activities in order to train local investors in the protection of their products in the event of the occurrence of a shock or a mutation.	MINEPAT	MINDEVEL, MINFI, MINADER, MINEPIA, MINESUP, MINEFOP, RLA
	Support for the development of local contingency plans for vulnerable sectors.		
<i>Objective 1.2.2: Involve RLAs in decision-making</i>			

ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
Activity 1.2.2.1: Strengthening Budget Preparation Dialogue Frameworks	Expand the decision-making power of the RLA in the context of budgetary policy debates.	Chambres parlementaires	MINEFI, MINEPAT, MINDEVEL, RLA
	Give the RLA the first instance of dialogue between the State and the population with the aim of exploiting local projects more effectively while generally taking into account specific issues such as cultural and contextual factors.	MINDEVEL	MINEFI, MINEPAT, RLA
Activity 1.2.2.1: Facilitate dialogue between CPC and technical and financial partners.	Set up a forum on local development, allowing the TFP to contribute to activities that can make economic activity more resilient.	MINEPAT	MINFI, MINDEVEL, RLA
<b>Composante 1.3 : Renforcement du système d’alerte et de veille économique</b>			
<i>Objective 1.3.1: Establish an early warning and business intelligence system</i>			
Activity 1.3.1.1: Creation of an early warning and business intelligence unit	Establish an effective institutional framework dedicated solely to alert and economic monitoring	MINEPAT	MINREX, MINFI, MINADER, MINEPIA, DGRE, INS
Activity 1.3.1.2: Operationalization of the alert and business intelligence dashboard	Build a database;	MINEPAT	MINREX, MINFI, MINADER, MINEPIA, DGRE, INS
	Calculate and regularly update monitoring indicators	MINEPAT	MINREX, MINFI, MINADER, MINEPIA, DGRE, INS
	analyze the evolution of indicators	MINEPAT	MINREX, MINFI, MINADER, MINEPIA, DGRE, INS
	Produce the dashboard and the Risk Assessment Report (RER) quarterly	MINEPAT	MINREX, MINFI, MINADER, MINEPIA, DGRE, INS
Activity 1.3.1.3: Capacity building of the staff in charge of the operation of the early warning and business intelligence system	Organise training seminars on the alert and monitoring system	MINEPAT	MINREX, MINFI, MINADER, MINEPIA, DGRE, INS
	Organise benchmarking trips to countries that have successfully implemented the alert and monitoring system.	MINEPAT	MINREX, MINFI, MINADER, MINEPIA, DGRE, INS
<i>Objective 1.3.2: Improve the effectiveness of the information system</i>			
Activity 1.3.2.1: Facilitating the exchange of strategic information between key risk management stakeholders	Set up a platform for exchanges or relays (focal points) between the various actors involved in the management of shocks and changes in Cameroon.	MINPOSTEL	MINEPAT, MINFI, MINAT, MINREX, MINCOM, INS, BUCREP
Activity 1.3.2.2: Development of Strategic Data Storage Bases	Create a data center dedicated to strategic data.	MINPOSTEL	MINEPAT, MINFI, MINAT, MINREX, MINCOM, INS, BUCREP



ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
Activity 1.3.2.3: Establishment of a response mechanism to information attacks.	Provide the State with a protection system capable of anticipating as well as reacting to all risks of information attacks.	MINEPAT	MINFI, MINAT, MINREX, MINCOM, INS, BUCREP
Activity 1.3.2.4: Set up an economic intelligence system prior to the service of administrations	Provide timely information to jurisdictions for decision-making	INS	MINEPAT, MINFI, MINAT, MINREX, MINCOM, INS, BUCREP
Activity 1.3.2.5: Strengthening the use of protective instruments	Strengthen the protection of the national market (local products) against imports by mobilizing all the protection tools of the national market.	MINEPAT	MINREX, MINFI, MINPOSTEL, MINCOMMERCE, MINCOM
	Organize coordinated and coherent public action to limit imports of products that can be produced locally	MINEPAT	MINREX, MINFI, MINPOSTEL, MINCOMMERCE, MINCOM
<b>Component 1.4: Support for Research and Innovation</b>			
<i>Objective 1.4.1: Create a National Fund for Research, Development and Innovation to support and promote the Public-Private Partnership</i>			
Activity 1.4.1.1: Funding of scientific research programs and projects as well as the work of researchers and innovators likely to contribute to the improvement of the living conditions of populations	promote the Public-Private Partnership	MINEPAT	MINFI, MINRESI, MINPOSTEL ? RLA
Activity 1.4.1.2: Support for the maturation process of research and innovation projects	Prioritize within the framework of budget support, cooperation cycles and budget preparation and reform review, financing programmes and projects focused on the development of scientific research and innovation to strengthen the resilience of the country's economy when a shock or change occurs	MINEPAT	MINFI, MINRESI, MINPOSTEL, RLA, MINEFOF, MINEFOP
	Create a funding body to support the maturation activities of research and innovation projects in both public institutions and the private sector	MINRESI	MINFI, MINEPAT, MINPOSTEL, RLA, MINFOF, MINEFOP
	Develop and conduct research on the production of pre-basic and basic seeds, the introduction and development of new varieties; (iii) Sensitization on the production and local processing of agro-sylvo-pastoral products	MINEPAT	MINFI, MINRESI, MINPOSTEL, RLA, MINEFOF, MINEFOP
	Raise awareness of local production and processing of agro-sylvo-pastoral products	MINEPAT	MINFI, MINRESI, MINPOSTEL, RLA, MINEFOF, MINEFOP, MINMIDT

ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
Activity 1.4.1.3: Building Scientific, Technological and Innovative Capacity for Research Results	Provide state-of-the-art equipment at the central and decentralized level, helping to boost local production	MINEPAT	MINFI, MINRESI, MINPOSTEL, RLA, MINEFOF, MINEFOP
<i>Objective 1.4.2: Establish a National Research and Innovation System (SNRI)</i>			
Activity 1.4.2.1: Strengthening the national system for the exploitation, popularization and transfer of research results, in particular	Set up a dedicated cell at the chamber of commerce level to reduce the gap between research and the business world	MINRESI	MINEPAT, MINFI, MINPOSTEL, RLA
Activity 1.4.2.2: Promoting Research and Innovation	Promote business incubators, startups and junior companies resulting from student initiatives.	MINRESI	MINEPAT, MINFI, MINPOSTEL, RLA
Activity 1.4.2.3: Development of an international research partnership strategy	Capture technologies and knowledge that would have significant added value for the development of Cameroon.	MINRESI	MINEPAT, MINFI, MINPOSTEL, RLA
Activity 1.4.2.4: Monitoring innovative activities with high potential for the Cameroonian economy	Create a benchmark for innovation to capture innovative products to better anticipate development needs	MINRESI	MINEPAT, MINFI, MINPOSTEL, RLA
<b>Component 1.5: Development of risk-specific emergency and relief plans</b>			
<i>Objective 1.5.1: develop guidance documents in response to shocks and changes..</i>			
Activity 1.5.1.1: Ongoing diagnosis of the socio-economic environment	Constantly analyze the magnitude of risks in order to assess the need to update or develop emergency and emergency plans	MINEPAT	MINFI, MINADDER, MINCOMMERCE, MINEPIA, MINEE
Activity 1.5.1.2: Identification of vulnerable sectors	Organize vulnerability surveys of the Cameroonian economy in conjunction with business surveys that will better target sectors and areas of high vulnerability.	MINEPAT	MINFI, MINADDER, MINCOMMERCE, MINEPIA, MINEE
Activity 1.5.1.3: Risk Management Stakeholder Definition	Clearly identify and specify the roles and responsibilities of the different actors	MINEPAT	MINFI, MINADDER, MINCOMMERCE, MINEPIA, MINEE
<b>AXE2: ACTION MEASURES</b>			
<b>Component 2.1: Implementation of emergency and relief plans..</b>			
<i>Objective 2.1.1: Ensure the implementation of emergency and emergency plans.</i>			
Activity 2.1.1.1: Risk Management Committee Implementation	Launch the signing of the regulatory texts of the decrees setting up the team in charge of the execution of emergency plans.	SPM	MINEPAT, MINFI, MINAT, MINDEVEL, MINCOMMERCE, MINREX, MINRESI, MINPOSTEL
	Organize work sessions and crisis meetings	SPM	MINEPAT, MINFI, MINAT, MINDEVEL, MINCOMMERCE, MINREX, MINRESI, MINPOSTEL

ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
Activity 2.1.1.2: Civil society, private sector and TFP outreach	Ensure buy-in, support from all stakeholders, which is a guarantee of success of the response	MINEPAT	MINCOMMERCE, MINFI, MINAT, MINDEVEL, MINREX, MINRESI, MINPOSTEL
Activity 2.1.1.3: Mobilizing Financial Resources	make appropriate arrangements to ensure rapid mobilization of resources.	MINEPAT	MINFI, MINCOMMERCE, MINAT, MINDEVEL
	Assisting the vulnerable productive sector, investment and operating interventions on lines 94 and 65 housed in MINEPAT and MINFI respectively will be used.	MINEPAT	MINFI, MINCOMMERCE, MINAT, MINDEVEL
	Use in particular fundraising, residual resources from completed projects, resources from the re-fiscalization of certain imported products.	MINEPAT	MINFI, MINCOMMERCE, MINAT, MINDEVEL
	Mobilize resources under the Extended Credit Facility, partner support to respond to the crisis	MINEPAT	MINFI, MINCOMMERCE, MINAT, MINDEVEL
Activity 2.1.1.4: Development and implementation of a response plan	Identify all the tools available using lessons learned from past experiences, including updated vulnerable household files, windows for financing affected businesses.	MINEPAT	MINFI, MINCOMMERCE, MINAT, MINDEVEL
	Identify new actions in the emergency and rescue plan	MINEPAT	MINFI, MINCOMMERCE, MINAT, MINDEVEL
	Proposal of the operating procedure for the implementation of support measures for businesses and households	MINEPAT	MINFI, MINCOMMERCE, MINAT, MINDEVEL
	Pro	MINEPAT	MINFI, MINCOMMERCE, MINAT, MINDEVEL
<b>AXIS 3: ADAPTATION MEASURES</b>			
Component 3.1: Development and implementation of an economic recovery plan			
<i>Objective 3.1.1: Preparation of the recovery plan</i>			
Activity 3.1.1.1: Non-financial support to the highly affected productive sector	Diagnose and upgrade companies. Activity 3.1.1.2: Financial Support	MINEPAT	MINFI, MINCOMMERCE, INS, MINPEESA, RLA
	Structure the sectors into cooperatives and interprofessions	MINEPAT	MINFI, MINCOMMERCE, INS, MINPEESA, RLA
		MINFI	MINEPAT, MINMIDT, MINADER, MINEPIA, MINCOMMERCE, MINAT

ACTIVITES	TASKS	ADMINISTRATION IN CHARGE	STAKEHOLDERS
Activity 3.1.1.2 Financial support to the highly affected productive sector	Strengthening tax and customs incentives	MINFI	MINEPAT, MINMIDT, MINADER, MINEPIA, MINCOMMERCE, MINAT
<i>Objective 3.1.2: Assess the performance of response and adaptation measures.</i>			
Setting up an effective monitoring system	Monitor performance indicators	MINEPAT	Toutes les parties prenantes
	Assess the implementation of response measures	MINEPAT	Toutes les parties prenantes

## ANNEXES 2: Analytical grids of the Government's responses to shocks and changes

**Table A:** Analysis of the response to the 2008 food crisis

Rising prices of basic necessities in 2008		
	Evaluation grid	Responses and Comments
Global approaches, strategies and institutional frameworks	No	No
	MINFI, MINEPAT, MINCOMMERCE and SONARA were the main actors in the implementation of the measures taken by the Government	MINFI, MINEPAT, MINCOMMERCE and SONARA were the main actors in the implementation of the measures taken by the Government
	Yes, there have been consultations with members of the transport unions and others.	Yes, there have been consultations with members of the transport unions and others.
	Coordination took place at the central level with regard to the nature of the measures	Coordination took place at the central level with regard to the nature of the measures
Key elements of the preparation	The main measures taken by the Government were:	The main measures taken by the Government were:
	Gasoline sales price decrease of 6 FCFA (5 FCFA for diesel and oil)	Gasoline sales price decrease of 6 FCFA (5 FCFA for diesel and oil)
	Upgrading the basic salary of civil servants and State agents by 15% and 20% for the housing allowance;	Upgrading the basic salary of civil servants and State agents by 15% and 20% for the housing allowance;
	suspension of customs duties on certain basic products (rice, vegetable oil, fish and flour);	suspension of customs duties on certain basic products (rice, vegetable oil, fish and flour);
	establishment of the Mission for the Regulation of Supplies of Consumer Products (MIRAP).	establishment of the Mission for the Regulation of Supplies of Consumer Products (MIRAP).
Response capacity	There were not enough elements of analysis for effects because the response did not provide for a rapid recovery plan	There were not enough elements of analysis for effects because the response did not provide for a rapid recovery plan
	The country did not have a capacity-building mechanism for actors involved in crisis management.	The country did not have a capacity-building mechanism for actors involved in crisis management.
	Weak risk monitoring, forecasting and early warning system	Weak risk monitoring, forecasting and early warning system

**Table B:** Analysis of the response to the security crisis in the Far North Region

SECURITY CRISIS IN THE FAR NORTH		
	Evaluation grid	Response and Comments
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	In 2014, the country adopted a contingency plan that unfortunately did not take into account the socio-economic consequences of a security crisis
	What was the institutional and legislative framework convened?	MINFI, MINEPAT, MINDDEVEL, MINDEF, MINTP, SENATE & NATIONAL ASSEMBLY

SECURITY CRISIS IN THE FAR NORTH		
	Evaluation grid	Response and Comments
	During the preparation, were all stakeholders consulted? If so, in what context?	There is limited consultation among stakeholders.
	How the response coordination was organized (local, regional, national and international)	There was little coordination of actions.
Key elements of the preparation	What measures were taken to respond to this crisis?	The main measures taken by the Government are: <ul style="list-style-type: none"> <li>- strengthening the military presence;</li> <li>- the adoption of a presidential plan for the reconstruction and development of the Far North Region in 2022;</li> <li>- granting the status of "economically affected area" to this Region;</li> <li>- support for humanitarian assistance;</li> <li>- the implementation of the reconstruction project for the destroyed areas.</li> </ul>
	Were there sufficient analytical elements to take action?	The measures taken had more aspects of raising economic activity without taking into account all the socio-political aspects of the problem. This socio-political analysis of the situation in the Region should have been incorporated in the preparation for the response.
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	Also, the implementation of the incentives contained in the SEZ showed that it has a weakness in the design of this mechanism.
	Was there a system for monitoring risks, forecasting and early warning? If so, how did it work?	Military cooperation has enabled capacity building in the fight against terrorism.
	Was there an information management and communication system?	Structures existed to monitor risks, including those related to military and economic security. But these structures did not really function as a warning system, especially in economic terms.
Response capacity	Have emergency services or forecasting systems been put in place?	There was a system for managing data (INS, MINEPAT, MINFI, MINADER, MINCOMMERCE, MINDEF, etc.), but shortcomings were noted, in particular: the absence of an economic information management centre at national level; the problem of asymmetry of information around the actions of the Government.
	Did the measures taken consider the rapid increase or capitalization of the gains?	Yes, but the effects are still expected.
	Were the resources (human, financial, material, etc.) allocated sufficient?	The military response has mobilized significant resources. However, there are still difficulties in seeking financing, particularly because of the international situation and the occurrence of other crises.

**Table C: Analysis of the response to the oil shock from 2014 to 2016**

OIL SHOCK FROM 2014 to 2016		
evaluation grid		Responses and Comments
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	The country did not have a risk management plan related to the 2008 oil crisis (Economic and Financial Contingency Plan) that could have made it possible to better react to such a crisis.
	What was the institutional and legislative framework convened?	MINFI, MINEPAT and SNH were the main actors in the implementation of the measures taken by the Government
	During the preparation, were all stakeholders consulted? If so, in what context?	Sectoral administrations had not been sufficiently involved in the validation process of response measures, although it had interdepartmental consultations including the private sector.
	Was there a national strategy for managing risks related to shocks/changes?	Weak coordination and monitoring of the implementation of policy measures was observed, coordination only at national level
Key elements of the preparation	How the response coordination was organized (local, regional, national and international)	The main measures taken by the Government concern: <ul style="list-style-type: none"> <li>▪ adjusting the subsidy policy for fuel prices at the pump.</li> <li>▪ The strengthening of the policy of diversification of economic activities to substitute certain imported products through the increase of the raw material;</li> <li>▪ The adoption of the Economic and Financial Programme with the IMF supported by the Extended Credit Facility (ECF) in 2017.</li> </ul>
	What measures were taken to respond to this crisis?	There was not enough analysis on strengthening the policy of diversification of economic activities.
	Were there sufficient analytical elements to take action?	The country did not have a capacity-building mechanism for actors involved in crisis management.
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	The country had a risk monitoring system (SONARA, SNH) at the time of the oil crisis. However, the country did not have significant reserve capacity.
	Was there a risk monitoring, forecasting and early warning system? If so, how did it work?	There were data management structures (INS, MINEPAT, MINFI, MINADER, MINCOMMERCE, MINDEF, etc.), however, the absence of an economic information management centre at national level and problems of information asymmetry were observed.
Response capacity	Was there an information management and communication system?	A National Monitoring Committee for the EFP 2017-2020 has been established.
	Have emergency services or forecasting systems been put in place?	Yes, through structural reforms for economic diversification and financial sector resilience.

OIL SHOCK FROM 2014 to 2016	
evaluation grid	Responses and Comments
Did the measures take into account the rapid increase or capitalization of gains?	The country has received significant support from the TFP through the EFP. However, these resources were not sufficient to ensure the economic recovery and curb the effects of the crisis.

**Table D:** Analysis of the response to the security crisis in the Northwest and Southwest regions

Security crisis in the Northwest and Southwest Regions		
evaluation grid	Responses and Comments	
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	The risk management plan did not take into account the security aspects
	What was the institutional and legislative framework convened?	MINFI; MINEPAT; MINDDEVEL; MINAT; MINDEF; SENAT&AN
	During the preparation, were all stakeholders consulted? If so, in what context?	Consultation with stakeholders within the framework of the Grand National Dialogue. However, there are still claims about the legitimacy of the chosen actors.
	How the response coordination was organized (local, regional, national and international)	coordination bodies have been set up at all levels.
	What measures were taken to respond to this crisis?	<p>The main measures taken by the Government are:</p> <ul style="list-style-type: none"> <li>▪ the holding of the Grand National Dialogue;</li> <li>▪ the establishment of the PPRD</li> <li>▪ the creation of the National Committee for Disarmament, Demobilization and Reintegration and the centres dedicated to these missions</li> <li>▪ the National Bilingualism and Multiculturalism Commission</li> <li>▪ the acceleration of the decentralization process with special status for</li> <li>▪ Anglophone Regions</li> </ul> <p>multiform support for economic recovery by CDTs and regional development missions (MIDENO, SOWEDA);</p> <ul style="list-style-type: none"> <li>▪ trengthening the military presence.</li> </ul>
	Were there sufficient analytical elements to take action?	There has been a lack of research and innovation and the training of stakeholders. However, the implementation of Phase 1 of the PPRD allows for a better understanding of the problem and the possibility of proposing corrective measures.



Security crisis in the Northwest and Southwest Regions		
evaluation grid		Responses and Comments
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	The experience of managing the security crisis in the Far North has been capitalized in the context of this crisis
	Was there a risk monitoring, forecasting and early warning system? If so, how did it work?	There were structures in place to monitor risks, including military and economic security risks. But these structures did not really function as a warning system.
	Was there an information management and communication system?	Existence of data (INS, MINEPAT, MINFI, MINADER, MINCOMMERCE, MINDEF, etc.); Absence of an economic information management centre at national level
Response capacity	Have emergency services or forecasting systems been put in place?	A PPRD Implementation Coordinating Committee has been established
	Did the measures take into account the rapid increase or capitalization of gains?	Existence of the PPRD
	Were the resources (human, financial, material, etc.) allocated sufficient?	The military response has mobilized significant resources. However, there are still difficulties in seeking financing, particularly because of the international situation and the occurrence of other crises.

**Table E: Analysis of the 2019 currency crisis response 2019**

2019 CURRENCY CRISIS		
Evaluation grid		Responses and Comments
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	Although the country was resilient to the currency crisis, no risk management strategy for such a crisis existed.
	What was the institutional and legislative framework convened?	The main actors in the implementation of the measures taken by the BEAC are: MINFI, MINCOMMERCE, MINEPAT.
	During the preparation, were all stakeholders consulted? If so, in what context?	The BEAC decision of 4 July 2019 was taken without the involvement of commercial banks and the private sector

2019 CURRENCY CRISIS		
Evaluation grid		Responses and Comments
	How the response coordination was organized (local, regional, national and international)	The coordination of the response to the currency crisis was mainly at the sub-regional level (BEAC)
Key elements of the preparation	What measures were taken to respond to this crisis?	The strengthening of the enforcement provisions of the new exchange rules has made it possible to achieve the expected effects.
	Were there sufficient analytical elements to take action?	A study on BEAC's vulnerability to oil shocks from 2014 to 2016 identified the risks of the currency crisis occurring in the area.
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	The non-appropriation of the new foreign exchange regulations adopted in 2018, long before the currency crisis occurred, shows the absence of a capacity-building mechanism by the main actors, including the private sector and commercial banks.
	Was there a risk monitoring, forecasting and early warning system? If so, how did it work?	The BEAC had a system for monitoring the risks of a currency crisis. It was the Central African Banking Commission (COBAC), which was created by the Convention of 16 October 1990.
	Was there an information management and communication system?	There was a management and communication system within the BEAC
Response capacity	Have emergency services or forecasting systems been put in place?	Following the outbreak of the crisis, the BEAC through the Committee of Ministers, composed of two Ministers for each Member State, including the Minister of Finance, examined the broad economic policy guidelines of the Member States and ensured their coherence with the common monetary policy. Cameroon is represented by MINFI and MINEPAT.
	Did the measures take into account the rapid increase or capitalization of gains?	The BEAC decision did not sufficiently take into account the financing needs of economic activities, which led to the «Douala Compromise».
	Were the resources (human, financial, material, etc.) allocated sufficient?	Through its resources, the country was able to overcome the adverse effects of the currency crisis.

**Table F:** SONARA fire response analysis in 2019.

SONARA FIRE IN 2019		
	evaluation grid	Responses and Comments
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	There was a contingency plan developed in 2011 at the Ministry of Territorial Administration. However, it was not adapted to the oil crisis, since it only takes into account risks related to civil protection.
	What was the institutional and legislative framework convened?	SONARA, MINFI, MINEPAT, MINEE, SNH, MINAT
	During the preparation, were all stakeholders consulted? If so, in what context?	All stakeholders were consulted.
	How the response coordination was organized (local, regional, national and international)	Coordination only at national level
Key elements of the preparation	What measures were taken to respond to this crisis?	The main measures taken by the Government were: <ul style="list-style-type: none"> <li>- Setting up a working group to develop a restructuring plan for SONARA;</li> <li>- The introduction of a tax on petroleum products for the payment of bank debt and SONARA traders;</li> <li>- The signing of a financing agreement to guarantee the supply of petroleum products.</li> </ul>
	Were there sufficient analytical elements to take action?	There were sufficient elements of analysis including the diagnostic study of the SONARA situation committed by the CTR.
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	There is a structure in charge of the rehabilitation of public enterprises whose staff capacities are regularly strengthened.
	Was there a risk monitoring, forecasting and early warning system? If so, how did it work?	Internal risk oversight structures existed.
	Was there an information management and communication system?	Weakness in communication on response.
Response capacity	Have emergency services or forecasting systems been put in place?	A SONARA Restructuring Working Group has been established
	Did the measures take into account the rapid increase or capitalization of gains?	Yes, but the effects are not yet noticeable.
	Were the resources (human, financial, material, etc.) allocated sufficient?	The plan was being developed, the resource requirements are not yet finalized.

**Table G** : Analysis of the response to the health crisis linked to the Covid-19 pandemic

COVID-19 PANDEMIC HEALTH CRISIS		
evaluation grid		Responses and Comments
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	There was the contingency plan developed in 2011 at the Ministry in charge of Territorial Administration. However, it was not adapted to the health crisis in view of its magnitude and its consequences on the economy.
	What was the institutional and legislative framework convened?	SPM, MINEPAT, MINFI, MINSANTE, MINPMEESA, MINAT, MINDDEVEL, MINMIDT, MINRESI, etc.
	During the preparation, were all stakeholders consulted? If so, in what context?	All stakeholders were involved.
	How the response coordination was organized (local, regional, national and international)	Coordination took place at all levels.
Key elements of the preparation	What measures were taken to respond to this crisis?	The main measures taken by the Government are: - COVID-19 response strategy and economic and social resilience including recovery plan; - Economic and financial programme.
	Were there sufficient analytical elements to take action?	Following the consequences of the implementation of the first barrier measures and drawing lessons from the first impact assessment of these measures, the response was adjusted.
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	The country did not have a capacity-building mechanism for actors involved in crisis management.
	Was there a risk monitoring, forecasting and early warning system? If so, how did it work?	There are structures for monitoring health risks.
	Was there an information management and communication system?	Structures exist, but do not function as an information management device. However, an emphasis was placed on communication.
Response capacity	Have emergency services or forecasting systems been put in place?	A Response Coordination Committee for PMS has been established.
	Did the measures take into account the rapid increase or capitalization of gains?	Yes.
	Were the resources (human, financial, material, etc.) allocated sufficient?	Yes for the health response, but the implementation of the other aspects of the response suffers from insufficient financial resources.

**Table H:** Analysis of the response to the economic consequences of the Russian-Ukrainian conflict

RUSSO-UKRAINIAN CONFLICT		
evaluation grid		Responses and Comments
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	There was a post-Covid-19 response and recovery strategy.
	What was the institutional and legislative framework convened?	The main actors in the implementation of the measures taken are: MINCOMMERCE, MINEPAT and MINFI.
	During the preparation, were all stakeholders consulted? If so, in what context?	Consultations were held between representatives of the private sector and the Government.
	How the response coordination was organized (local, regional, national and international)	Coordination of the crisis response was essentially at the national level.
Key elements of the preparation	What measures were taken to respond to this crisis?	<ul style="list-style-type: none"> <li>- Maintaining the 80% reduction in the freight rate to be taken into account when determining the value for customs purposes of goods imported by sea;</li> <li>- the suspension of payments of certain taxes for the benefit of millers, in particular the import weighing fee for wheat, the pre-board conformity assessment programme (PECAE), and the advance payment of corporation tax;</li> <li>- the upward adjustment of 5,000 FCFA of the selling price of the 50Kg bag of wheat flour and 25 FCFA of the price of the 200-gram bread baguette;</li> <li>- the increase in the cost of subsidizing fuel prices at the pump by the 2022 budget group;</li> <li>- reduction of the taxable values applicable to imports of refined petroleum products.</li> </ul>
	Were there sufficient analytical elements to take action?	Yes, analytical work was carried out upstream, particularly in the context of the response to the covid-19 pandemic.
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	Yes, we can say that the actors were equipped to respond to the crisis, given that we could capitalize on the experience gained in managing the covid-19 crisis.
	Was there a risk monitoring, forecasting and early warning system? If so, how did it work?	There was no risk monitoring and early warning system.
	Was there an information management and communication system?	The main deficiency observed in the management and communication of the effects of the Russian-Ukrainian conflict is the problem of information asymmetry.
Response capacity	Have emergency services or forecasting systems been put in place?	the bodies set up for the response against covid-19 have managed this crisis.
	Did the measures taken take into account the rapid increase or capitalization of assets?	The post-covid-19 recovery strategy has been adjusted to take into account the effects of the Russian-Ukrainian conflict.

RUSSO-UKRAINIAN CONFLICT		
evaluation grid		Responses and Comments
	Were the resources (human, financial, material, etc.) allocated sufficient?	

**Table I:** Analysis of response to EPA effects

ECONOMIC PARTNERSHIP AGREEMENT		
evaluation grid		Responses and Comments
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	-Adoption of an adaptation plan 2014-2016; -Implementation of the National EPA Implementation Strategy for the period 2020-2030; -Monitoring of the Progress EPA Agreement.
	What was the institutional and legislative framework convened?	MINEPAT, MINFI, MINREX, MINCOMERCE, the Interministerial Committee for monitoring the implementation of EPAs.
	During the preparation, were all stakeholders consulted? If so, in what context?	All stakeholders were consulted.
	How the response coordination was organized (local, regional, national and international)	Coordination at national level and coordination at international level.
Key elements of the preparation	Was contingency planning in place?	Existence of a series of measures taken after consultation with the private sector.
	Were there sufficient analytical elements to take action?	Several studies were carried out in preparation for the signing of the agreement.
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	Insufficient training.
	Was there a risk monitoring, forecasting and early warning system? If so, how did it work?	Existence of a mechanism for monitoring and negotiating EPAs.
	Was there an information management and communication system?	Data available and centralised at MINEPAT, MINFI, INS.
Response capacity	Have emergency services or forecasting systems been put in place?	An EPA Implementation Monitoring Committee has been established.
	Did the measures take into account the rapid increase or capitalization of gains?	the measures have been taken to support the private sector.
	Were the resources (human, financial, material, etc.) allocated sufficient?	Yes, there was support from the TFP, but insufficient in terms of the expected level of funding.

**Table J:** Analysis of the response to the adverse effects of the post-Brexit trade agreement

POST-BREXIT TRADE AGREEMENT		
evaluation grid		Responses and Comments
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	The country does not yet have a strategy or implementation plan for this Agreement.
	What was the institutional and legislative framework convened?	MINEPAT, MINFI, MINCOMMERCE.
	During the preparation, were all stakeholders consulted? If so, in what context?	Interdepartmental consultations extended to the private sector were regularly organized
	How was the coordination of the response organized (local, regional, national and international)?	Coordination and implementation are centrally driven. Although as part of the implementation of the first phase of this agreement, there is a deployment towards the production basins of targeted speculations including Penja pepper and cocoa.
Key elements of the preparation	Was contingency planning in place?	The contingency plan is being developed.
	Was there enough analysis to take action?	No impact assessment studies were conducted at the country level to better identify the potential risks of this Agreement and maximize the expected benefits.
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	Efforts are being made to strengthen the capacities of public actors as well as private companies that interact with the United Kingdom.
	Was there a risk monitoring, forecasting and early warning system? If so, how did it work?	Existence of a mechanism for coordinating and monitoring the negotiations of the Bilateral Agreement, but absence of a monitoring and adaptation mechanism regarding the implementation of the Agreement.
	Was there an information management and communication system?	Data are not sufficiently available at the national level to support decisions based on empirical information.
Response capacity	Have emergency services or forecasting systems been put in place?	Existence of a Monitoring and Coordination Committee for the Negotiations of a Bilateral Economic Partnership Agreement between Cameroon and the United Kingdom of Great Britain and Northern Ireland.
	Did the measures take into account the rapid increase or capitalization of gains?	A programme is set up with the British side to ensure better productivity and competitiveness for the cocoa and pepper sectors of Penja.
	Were the resources (human, financial, material, etc.) allocated sufficient?	The Agreement is supported by development partners, including the United Kingdom. However, it should be noted that economic operators are not generally trained and sufficiently trained in the procedures for conquering British markets.

**Table K: Analysis of the response to the effects of the coming into force of the AfCFTA**

ENTRY INTO FORCE OF THE AfCFTA		
evaluation grid		Responses and Comments
Global approaches, strategies and institutional frameworks	Was there a national strategy for managing risks related to shocks/changes?	There is a national implementation strategy for the AfCFTA.
	What was the institutional and legislative framework convened?	MINCOMMERCE, MINFI, MINEPAT.
	During the preparation, were all stakeholders consulted? If so, in what context?	All stakeholders were consulted
	How the response coordination was organized (local, regional, national and international)	Concentration of activities at national level and low deployment at local level
Key elements of the preparation	Was contingency planning in place?	The process is starting, there are not enough elements to do contingency planning.
	Were there sufficient analytical elements to take action?	Studies were carried out in 2019 by the CEA and the IMF on the impact of the AfCFTA on the economy of Cameroon.
	Was there a mechanism to strengthen the capacities of stakeholders in the preparation of responses?	Public actors were trained and private actors supported on the alignment of industrial and commercial policies for the ZLECAf market.
	Was there a risk monitoring, forecasting and early warning system? If so, how did it work?	No.
	<i>Was there an information management and communication system?</i> <i>Was there an information management and communication system?</i>	The mission of the National Trade Facilitation Committee (CONAFE) is to put online all the export and import procedures as well as the different applicable rates and any other commercial information.
Response capacity	Have emergency services or forecasting systems been put in place?	The establishment of an institutional framework for the implementation of the AfCFTA through the operationalization of the Interdepartmental Committee responsible for monitoring and evaluating the implementation of the AfCFTA.
	Did the measures take into account the rapid increase or capitalization of gains?	It is early to evaluate it.
	Were the resources (human, financial, material, etc.) allocated sufficient?	Insufficient financial and material resources



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