

**PRESS RELEASE FOLLOWING THE CABINET MEETING OF
THURSDAY 28 SEPTEMBER 2017**

Yaounde, 28 September 2017

The **Prime Minister, Head of Government, His Excellency Philemon YANG**, this Thursday 28 September 2017 chaired a Cabinet Meeting for the current month at 9 am at the main building of the Prime Minister's Office. The meeting was attended by Ministers of State, Ministers, Ministers Delegate and Secretaries of State.

Two themes featured on the agenda:

1. statement by the Minister for Finance on *the content of the Economic and Financial Programme concluded with the International Monetary Fund and its implication for the management of the State's operating budget*;
2. a supplementary statement by the Minister Delegate at the Ministry of the Economy, Planning and Regional Development on the *implications of the said Programme on the management of the State's investment budget for the 2018 financial year*.

In his introductory statement, the Prime Minister recalled that the Economic and Financial Programme, approved on 26 June 2017 by the International Monetary Fund (IMF), builds on the resolutions of the Extraordinary Summit of CEMAC Heads of State held in Yaounde on 23 December 2016, at the initiative of the President of the Republic, **His Excellency Paul BIYA**. The Head of Government also indicated that this programme does not undermine the development path laid out by the Head of State, but rather opens up prospects for greater cooperation with the technical and financial partners of Cameroon.

Speaking on the first theme on the agenda, the Minister for Finance specified that the Agreement concluded with the IMF is part of a common approach with CEMAC countries, gripped for some years now by oil and/or security shocks, with a view to strengthening macroeconomic stability through internal and external adjustment efforts. This agreement, which is in line with the objectives of the Growth and Employment Strategy Paper (GESP), is supported by an Extended Credit Facility of approximately CFA 400 billion over the 2017-2020 period, supported by a supplementary financing envelop granted by Cameroon's main donors.

While discussing the content of the said programme, the Minister for Finance indicated that it is based on four major pillars, namely: (i) progressive adjustment of the budget deficit which aims to restore macroeconomic equilibrium and boost sustained private sector-led economic growth; (ii) safeguarding social achievements which constitute the purchasing power; (iii) implementing structural reforms aimed at enhancing the performance of the State; (iv) turning to viable and sustainable debt, focused more on concessional resources for the implementation of priority investment projects backed by the GESp.

Regarding the impact of the Agreement signed with the IMF on the management of the operating budget of the State, the Minister for Finance announced a series of budgetary consolidation measures, focused on significantly reducing consumer expenditures on goods and services, as well as subsidies and allocations to public companies.

He underscored the importance of ensuring the relevance of activities to be included in the budget, streamlining expenses inherent in missions abroad and the functioning of committees, ensuring greater coherence between the State's cash flow plan and the budget plan commitments of ministries.

Taking the floor to address the second point on the agenda, the Minister Delegate at the Ministry of the Economy, Planning and Regional Development revealed that the Economic and Financial Programme recently concluded with the IMF aims to consolidate achievements and strengthen conditions to enable the private sector to take the lead in public investments so as to fast track growth. During the implementation of the said programme, the Government intends to tighten its public debt policy and limit new commitments with regard to external debt. To achieve this, concessional loans and Public-Private partnership contracts shall be given priority and, particular attention shall be paid to improving the selection and maturation process of second generation projects.

On the implications of the Economic and Financial Reforms Programme on the budgetary choices for the 2018 fiscal year, as concerns public investment, the Minister Delegate pointed out that priority shall be given to investment expenses with a huge impact on economic growth, notably through (i) the completion of first generation projects; (ii) the completion of the three-year emergency plan to speed up growth; (iii) sustained support to populations in Regions affected by cross-border insecurity and; (iv) the diversification of the economic fabric through increased processing of local products and better integration of the national economy into the global value chain.

As part of ensuing discussions, Members of Government dwelt on mechanisms to optimise the management of the budget for the 2018 financial year, in strict respect of commitments made with donors. The Prime Minister then instructed the Minister for Finance to pursue measures to streamline the budget which entails a significant reduction of non-priority expenses and to see to the regularity of sessions of the platform for dialogue with technical and financial partners, in order to ensure the close monitoring of the Agreement concluded with the IMF. To the Minister for the Economy, Planning and Regional development, the Head of Government demanded that all superfluous operating expenses be curtailed and that the Strategic Development Plan for Partnership Contracts should be updated.

The meeting was adjourned at 11:30 am.-

Yaounde, 28 September 2017

Séraphin Magloire FOUDA

**Secretary General,
Prime Minister's Office**