



REPUBLIC OF CAMEROON
MINISTRY OF FINANCE

INFORMATION DOCUMENT
ISSUANCE OF FUNGIBLE TREASURY
BONDS THROUGH BID INVITATION
TO PRIMARY DEALERS (SVT)

2020 FINANCIAL YEAR

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II. DEFINITIONS AND ABBREVIATIONS

Tender	Procedure by which BEAC, acting on behalf of the Treasury, conducts the physical organization of issuance of public securities via open subscription and their distribution among the various authorized bidding credit institutions
Fungibility	Linking a newly issued security to a previous borrowing line with the same characteristics
BEAC	Bank of Central African States
BTB	Fungible Treasury Bills
BTP	Building and Public Works
CEMAC	Central African Economic and Monetary Community
CRCT	Securities Settlement and Custody Unit
DGTCFM	Directorate General of the Treasury. Financial and Monetary Cooperation
DSX	Douala Stock Exchange
CFA F	Central African Financial Cooperation Franc
ECF	Extended Credit Facility
MINEPAT	Ministry of the Economy, Planning and Regional Development
MINFI	Ministry of Finance
MINREX	Ministry of External Relations
OHADA	Organization for the Harmonization of Business Law in Africa
OTA	Fungible Treasury bonds (negotiable securities issued during a public borrowing and representing a medium or long term claim on the State)
GDP	Gross Domestic Product
SVT	Primary dealers in Government securities
TIAO	Tender Interest Rates

III. TERMS AND CONDITIONS OF RELEASE OF THIS DOCUMENT

This Information Document is intended for Primary Dealers in Government securities within the context of a program by the central bank (BEAC) in conjunction with the CRCT to issue Fungible Treasury Bonds (hereafter referred to as transaction) by tender.

It shall be circulated or sent either in paper or electronic format free of charge to all Primary Dealers in Government securities approved by the Ministry of Finance of Cameroon and appearing on the list below:

Table 1: List of approved SVT Cameroon

Institutions	Address
1. Afriland First Bank	B.P. 11834 Yaoundé (Cameroun)
2. Banque Internationale du Cameroun pour l'Epargne et le Crédit (BICEC)	Avenue du Général de Gaulle. B.P. 1925 Douala (Cameroun)
3. Banque Internationale pour le Commerce et l'Industrie du Gabon (BICIG)	B.P. 2241 Libreville (Gabon)
4. Banque Sino-Congolaise pour l'Afrique	Brazzaville – Congo
5. BGFIBANK Gabon	1295. Boulevard de l'indépendance. B.P.2253 Libreville (Gabon)
6. CCEI-GE	Guinée Equatoriale
7. Commercial Bank Cameroun (CBC)	Douala – Cameroun
8. Commercial Bank Centrafrique (CBCA)	Bangui (RCA)
9. Commercial Bank Tchad (CBT)	N'Djamena (Tchad)
10. Crédit du Congo	B.P. 2470 Brazzaville (Congo)
11. Ecobank Cameroun	Boulevard de la Liberté. B.P. 582 Douala (Cameroun)
12. Ecobank Centrafrique	Place de la République. B.P. 910 Bangui (RCA)
13. ORABANK TCHAD	N'Djamena (Tchad)
14. Société Commerciale de Banque (SCB) Cameroun	530. Rue du Roi Georges. B.P. 300 Douala (Cameroun)
15. Société Générale (SG) Cameroun	78. Rue Joss. B.P. 4042 Douala (Cameroun)
16. Société Générale (SG) Tchad	BP : 461. Rue Du Commandant Galyam Negal N'Djamena (Tchad)
17. Standard Chartered Bank Cameroon (SCBC)	B.P. 1784 Douala (Cameroun)
18. Union Bank of Cameroon Limited (UBC)	B.P. 15569 Douala (Cameroun)
19. Union Gabonaise de Banque (UGB)	Avenue du Colonel Parant. B.P. 315 Libreville (Gabon)
20. United Bank for Africa Cameroon (UBA)	1144. Boulevard de la Liberté. B.P. 2088 Douala (Cameroun)
21. United Bank for Africa Gabon (UBA)	Libreville (Gabon)

This Document may also be downloaded on the following Cameroonian Government Websites:

- www.minfi.gov.cm
- www.dgtcfm.net
- www.minepat.gov.cm

- In order to ensure the success of the Transaction, Primary dealers (SVTs) are authorized to make this Document available to any resident or non-resident investor they will partner with to place the securities acquired by tender.

IV. WARNING AND RESTRICTIONS

A. Warning

The attention of potential investors is drawn to the fact that an investment in financial instruments involves risks and that the value of the investment may rise or drop, subject to factors that may be internal or external to the Issuing authority.

The Bank of Central African States (BEAC) shall make no pronouncement on the advisability of bidding transactions or on the success of the planned operation. The endorsement of BEAC shall relate exclusively to the quality of information provided and its consistency with the laws and regulations in force.

B. Restrictions

This information note is not open to persons residing where the laws do not authorize subscription (or purchase) of the securities which constitute the subject of this note.

Those in possession of this information note should read it and respect the regulations to which they are bound with respect to a public call for savings.

Each bidding Primary dealer may only offer for sale the securities specified in this Information Note, in accordance with the laws and regulations within the CEMAC area.

V. PREAMBLE

The regulatory framework of the planned Operation shall be as follows:

- Regulation no. 03/08/CEMAC/UMAC/CM of 06 October 2008, on public securities via open tender issued by CEMAC member States, which specifies the provisions governing the issuance, placement and management of the said securities;
- Law No. 2018/012 of 11 July 2018, on the Financial Regime of the State and other Public Entities;
- Law No. 2019/023 of 24 December 2019 on the Finance Law of the Republic of Cameroon for the financial year 2020;
- Decree No 2020/132/of/18 March 2020 habilitating the minister of finance to issues public securities intended to finance development projects registered in the finance law of the republic of Cameroon for fiscal 2020;
- Circular No. 00008349/C/MINFI of 30 December 2019 on Instructions relating to the execution of Finance laws, Follow-up and Control of the execution of the Budget of the State and other Public Entities for the 2020 financial year.

In addition to the presentation of the different outlines of the planned Operation (characteristics, indicative calendar, guarantee mechanisms, terms and conditions of investment and repayment).

The goal of this Information Document is to inform Primary dealers on the following:

- recent trends of the economic and financial situation of the State of Cameroon;
- status of public finances;
- trend of main growth macroeconomic aggregates;
- debt situation and medium term strategy;
- execution level of the Programme with the International Monetary Fund, backed by the ECF;
- use of funds to be raised on the money market;
- COBAC weighting of planned borrowings.

This Document is buttressed with information provided by Government services implementing the State Budget.

VI. OFFICIALS OF THE INFORMATION NOTE AND AUDIT OF ACCOUNTS

Authorization of the minister of finance, representing the issuing authority

REPUBLIQUE DU CAMEROUN	PAIX – TRAVAIL – PATRIE
<p>DECRET N° <u>2020/132</u> DU <u>18 MARS 2020</u></p> <p>habilitant le Ministre des Finances à recourir à des émissions de titres publics d'un montant maximum de trois cent vingt milliards (320 000 000 000) de francs CFA destinées au financement des projets de développement inscrits dans la loi de finances de la République du Cameroun pour l'exercice 2020.-</p> <p>LE PRESIDENT DE LA REPUBLIQUE,</p> <p>Vu la Constitution ;</p> <p>Vu la loi n° 2019/023 du 24 décembre 2019 portant loi de finances de la République du Cameroun pour l'exercice 2020 ;</p> <p>Vu le décret n° 2011/408 du 09 décembre 2011 portant organisation du Gouvernement, modifié et complété par le décret n° 2018/190 du 02 mars 2018,</p> <p>DECRETE :</p> <p>ARTICLE 1^{er}.- Le Ministre des Finances est habilité, avec faculté de délégation, à recourir, au nom du Gouvernement, à des émissions de titres publics, notamment des obligations du trésor, pour un montant maximum de trois cent vingt milliards (320 000 000 000) de francs CFA, destinées au financement des projets de développement inscrits dans la loi de finances de la République du Cameroun pour l'exercice 2020.</p> <p>ARTICLE 2.- Les emplois des ressources découlant des émissions de titres publics visées à l'article 1^{er} ci-dessus, sont soumis à l'approbation préalable du Président de la République.</p> <p>ARTICLE 3.- Le présent décret sera enregistré, publié suivant la procédure d'urgence, puis inséré au Journal Officiel en français et en anglais./-</p> <p>Yaoundé, le <u>18 MARS 2020</u></p> <p>LE PRESIDENT DE LA REPUBLIQUE,</p> <p> PAUL BIYA</p> <p></p> <p></p>	

VII. PRESENTATION OF THE ISSUING AUTHORITY

A. Macroeconomic outlook

In 2020, the macroeconomic outlook remains favorable. The overall objective of economic policy remains the sustainability of the major macroeconomic balances, despite a volatile and uncertain international context. This objective includes the search for sustained growth that creates jobs, pursuit of inflation control, strengthening the profile of public finances and improving external accounts.

The economic growth rate is thus projected at 4% in 2020, after 3.9% estimated in 2019. This growth would be sustained mainly by the non-oil sector. In fact, the oil sector is expected to grow by 0.6%, driven by gas production, while growth in the non-oil sector should improve to 4.2% in 2020 (as against 3.6% in 2019).

By sector of activity, growth in *the primary sector* should accelerate to stand at 3.6% as against 2.1% in 2019, thanks to the recovery of agricultural activity, following a relative easing expected in insecure regions. In the *secondary sector*, growth should stand at 3.1% after 5.1% in 2019, due to a slowdown in the hydrocarbons subsector. Excluding hydrocarbons, the sector should benefit from the good performance of the manufacturing industries, benefiting from a better supply of electrical energy. The *tertiary sector* should grow by 4.6% in 2020, after 3.8% in 2019, thanks to the two abovementioned sectors (primary and secondary), the development of activities in the Kribi deep water port and the induced effects of 2021 African Cup of Nations.

Table Table 2: Sector-by-sector breakdown of GDP

	2016	2017	2018	2019	2020	2021	2022
Primary Sector	5.0	3.2	5.1	2.1	3.6	4.2	4.7
of which: - Agriculture of food products	5.8	4.8	5.1	3.7	4.7	5.3	5.4
- Industrial and export agriculture	6.6	-3.1	3.9	0.4	2.3	3.1	5.1
- Forestry and logging	1.2	6.3	7.3	-2.4	1.0	2.2	2.0
Secondary Sector	3.6	1.3	3.1	5.2	3.1	2.7	3.8
of which: - Extractive industries	-3.4	-	-2.6	10.4	0.6	-5.6	-4.8
- Agrifoods industries	5.7	7.5	4.0	3.4	3.8	4.6	4.8
- Other manufacturing industries	4.4	5.6	3.3	3.0	2.0	4.1	5.2
- Buildings and public works	10.4	8.9	7.6	5.8	6.0	6.1	7.8
Tertiary Sector	4.9	4.3	4.4	3.8	4.6	4.8	4.6
of which: - Vehicle trade and repair	5.6	4.5	5.1	4.4	4.4	6.3	6.1
- Restaurants and hotels	6.6	5.3	4.3	4.0	4.8	7.0	4.0
- Transport, warehouses and communications	2.2	4.2	4.0	4.7	5.0	5.8	4.9
- Information and telecommunications	6.0	5.7	-2.3	-0.7	1.5	3.0	1.9
GDP at factor cost	4.5	3.3	4.1	3.9	4.0	4.1	4.4
GDP	4.6	3.5	4.1	3.9	4.0	4.1	4.4

Source : MINFI/ DP

After 2.4% in 2019, the inflation rate should not exceed the 3% threshold in 2020, in connection with measures taken by the Government to control prices on the one hand and, on the other hand, to improve local supply in consumer products. As for external accounts, the projections are for a gradual reduction of the current account deficit, which should stand at 2.7% in 2020.

Table 3:: Table of key indicators

	History		Estimates	forecast		
	2017	2018	2019	2020	2021	2022
Real sector						
GDP at current prices (billion CFAF)	20 328	21 493	22 692	23 925	25 029	26 452
Oil GDP	718	1000	1140	1093	973	907
Non-oil GDP	19 610	20 493	21 551	22 832	24 056	25 545
GDP at constant price	15 629	16 264	16 904	17 584	18 312	19 110
Oil GDP	846	823	908	914	863	822
Non-oil GDP	14 783	15 441	15 996	16 670	17 449	18 288
	Annual growth (in %)					
GDP at constant price	3.5	4.1	3.9	4.0	4.1	4.4
Oil GDP	-16.4	-2.7	10.4	0.6	-5.6	-4.8
Non-oil GDP	5.0	4.4	3.6	4.2	4.7	4.8
Price						
GDP deflator	1.5	1.6	1.6	1.4	0.5	1.3
Consumer prices (inflation)	0.6	1.1	2.4	2.2	2.0	2.0
Terms of trade	3.4	4.9	0.6	-3.2	-3.8	-2.0
Components of demand (in% of GDP)						
Consumption	81.1	81.6	81.0	80.7	80.2	81.1
GFCF	23.0	22.8	23.5	23.8	24.3	24.0
B&S exports	18.6	19.3	19.8	19.3	18.4	17.8
B&S imports	22.6	23.7	24.3	23.7	23.0	22.4
Public sector (% of GDP)						
Total Revenue and grants	15.0	15.7	16.4	15.2	15.1	14.9
of which Non-oil revenue (Tax pressure)	12.3	12.6	13.6	13.0	13.2	13.5
Expenses	18.8	18.5	18.7	17.4	16.7	16.4
of which capital expenditure	7.2	6.5	6.3	6.3	5.9	6.0
Overall budgetary balance (payment basis)						
Excluding grants	-4.1	-2.9	-2.7	-2.6	-2.0	-1.9
Including grants	-3.8	-2.5	-2.3	-2.1	-1.6	-1.9
Baseline budget balance (CEMAC)	-3.3	-2.9	-2.9	-2.2	-1.3	-1.0
Non-oil primary fiscal balance	-4.9	-3.9	-3.4	-2.8	-1.7	-1.1
Foreign sector						
Current account balance	-3.4	-3.5	-2.8	-2.7	-2.6	-2.8
Monetary situation (nominal growth)						
Money supply (M2)	5.9	14.4	5.9	5.9	6.0	5.2
Net foreign assets	15.5	5.2	6.2	2.5	5.1	0.7
Credit to the economy	2.6	12.1	5.7	6.0	6.0	5.6

Source: MINFI/DP

B. Budget projections for 2020

The objective of fiscal policy for the financial year 2020 remains the reduction of the overall budgetary deficit in accordance with the economic and financial reforms programme concluded with the IMF and with the criteria set in the framework of stability and convergence of the policies of the CEMAC countries. The budgetary framework shows a reduction in the overall budget deficit (commitment basis), from 2.3% of GDP in 2019 to 2.1% in 2020, under the effect of an improved mobilization of non-oil revenues and greater efficiency of public expenditure.

In terms of fiscal policy, Government's objective remains the optimal mobilization of non-oil internal revenue to support economic recovery. In 2020, the tax burden rate should be 13%. The tax revenue mobilization will have as its spring: (i) broadening of the tax base, (ii) securing revenue, (iii) combating tax fraud and tax evasion, and (iv) promoting good citizenship tax.

The following measures are thus planned:

- ❖ **In terms of optimizing revenue from internal taxation:** (i) the establishment of a reduced VAT rate on certain essential goods hitherto exempted; (ii) the readjustment of the VAT liability threshold; (iii) the establishment of an appropriate system of electronic transactions taxing; (iv) strengthening the mechanism to combat illicit transfer of profits; (v) modernization of the methods of collecting certain stamp duties;
- ❖ **In terms of improving the business climate:** (i) streamlining the taxation procedures for SMEs; (ii) reducing the number of taxes; (ii) rationalization of taxation for labour placement companies;
- ❖ **In terms of optimizing customs tax revenues:** (i) readjusting the tax rate of excise duty on products that harm health, morals and the environment; (ii) gradual restoration of customs duties on tax-exempt products (rice. wheat. fish. etc.); (iii) adjustment of export tax rates to the degree of processing of exported products or to their local added value, in particular for wood, cocoa. etc.; (IV) revision of the rates of the common external tariff, in conjunction with the CEMAC; (v) establishment of a specific tax system for vehicles intended for public transport; (vi) rationalization, simplification and harmonization of supply chain and customs clearance procedures.

Budgetary resources include internal revenue, loans and grants. Internal revenues include oil revenues and non-oil revenues. Oil revenues include the SNH royalty and the oil company tax. To these, revenues from the export of natural gas shall be added in 2020.

Consolidated oil revenues will amount to 443 billion in 2020, down 88.8 billion from estimates of the 2019 fiscal year. The expected SNH oil royalty is 293.2 billion. The forecast of the gas royalty is CFAF 48.3 billion, and that of the tax on oil companies is 101.5 billion.

Non-oil revenue is expected to grow at the same rate as nominal non-oil GDP, taking into account the impact of new fiscal and administrative measures. In 2020, non-oil revenue is expected to stand at 3 174.2 billion, of which 2 103 billion from taxes and duties, 859.2 billion from customs revenue and 212 billion from non-tax revenue.

Loans and grants are forecast at 1 334.5 billion, of which 767 billion project loans, 115.5 billion budget support, 320 billion issues of public securities, 102 billion grants and 30 billion bank financing.

With regard to expenditure, the Government intends to guarantee the sustainability of public finances through the rationalization of public expenditure. The measures envisaged relate notably to: (i) the pursuit of efforts to reduce State expenditure; (ii) the continuing clean-up of the balance file; (iii) the effective implementation of the SIGIPES II application to ensure integrated and decentralized management of salaries, pensions and careers of state personnel; (iv) the

prioritization of capital expenditure through, in particular, finalization of major first generation projects as well as the strengthening of budgetary allocations intended for the restructuring of SONARA to allow this important company to upgrade its infrastructure.

Budgetary expenditure is sub-divided into three main headings: current expenditure, capital expenditure and public debt. Current expenditure is projected at 2 443.5 billion against 2 531 billion estimated for the 2019 financial year, representing 87.5 billion drop. Capital spending is forecast at 1496.3 billion, up 67.5 billion from the 2019 estimate. Public debt service is projected at 1 011.9 billion, of which 472.2 billion external debt and 539.7 billion domestic debt.

Ultimately, the state budget is balanced in revenue and expenditure at the sum of 4 951.7 billion, down by 233.3 billion (-4.5%) compared to the amended 2019 finance law.

The macroeconomic outlook and the 2020 budgetary forecasts presented above could be negatively affected by the economic disturbances caused by the coronavirus pandemic, referred to as covid-19, which has hit practically all the countries of the world since the beginning of the year and which raises fears of a decline in global growth. In its interim report on economic outlook released on 2 March 2020, the OECD revised downwards its forecast for growth in the world economy for 2020 from 2.4% to 2.9%. China and the European Union, Cameroon's largest trading partners, are badly hit and this could have repercussions on the Cameroonian economy as well as cause a drop in oil prices as observed since March 2020.

Table 4.: Budgetary forecasts (in billions)

	LF. 2019	Estimates 2019	LF 2020	Variations
		a	b	(b- a)
A - TOTAL RESOURCES (I + II + III)	4 850,5	5 380,5	4 951,7	-428,9
I - INTERNAL REVENUES	3 529,5	3 695,7	3 617,2	-78,6
1-Oil and gas revenues	450,0	531,8	443,01	-88,8
2-Gross non-oil revenue	3 079,5	3 164,0	3 174,2	10,2
* Non-oil revenue	3 079,5	3 164,0	3 174,2	10,2
of which: - Taxes and duties	2 058,0	2 070,0	2 103,0	33,0
- Customs revenue	841,5	912,0	859,2	-52,8
II - LOANS AND GRANTS	1 321,0	1 684,8	1 334,5	-350,3
Of which: - Issue of public securities	260,0	350,0	320,0	-30,0
B - TOTAL EXPENSES (I + II + III + IV)	4 850,5	5 380,8	4 951,7	-429,1
I- Current expenses	2 465,5	2 531,0	2 443,5	-87,5
II- Capital expenditure	1 327,6	1 428,8	1 496,3	67,5
III- Net loans	0,0	75,8	0,0	-75,8
IV- Public debt	1 057,3	1 345,2	1 011,9	-333,3

Source: MINFI/DP

C. Banking sector

In recent decades, banking activity in Cameroon has experienced consolidation thanks to measures taken by regulatory authorities to strengthen its stability. As of 31 December 2019, the banking sector in Cameroon had 15 active banks, the majority of which are large international groups. These include:

- Banque Internationale du Cameroun pour l'Epargne et le Crédit (BICEC) ;
- Société Générale Cameroun (SGC) ;
- Société Commerciale de Banque (SCB) ;
- Standard Chartered Bank Cameroon (SCBC) ;
- Afriland First Bank (AFB) ;
- Commercial Bank Cameroun (CBC) ;
- Citibank Cameroon ;
- Ecobank Cameroun ;
- Union Bank of Cameroon (UBC) ;
- National Financial Credit Bank (NFC-Bank) ;
- United Bank for Africa (UBA) ;
- Banque Atlantique Cameroun (BACM) ;
- Banque Gabonaise pour le Financement International (BGFI-Bank) ;
- Banque Camerounaise des Petites et Moyennes Entreprises (BC-PME) ;
- Crédit Communautaire d'Afrique Bank (CCA-Bank).

As of 31 December 2019, the total balance sheet of banks operating in Cameroon amounted to CFA francs 6 472.40 billion. Deposits stand at CFA francs 487.00 billion for a total amount of credits of CFA francs 3 664.40 billion. The net profit of all the banks stands at CFA francs 75.5 billion.

D. Microfinance sector

As of 31 December 2019, Cameroon had 418 accredited microfinance Institutions (MFIs), of which 88.04% in the first category (123 self-employed and 245 in the network), 11.24% in the second category (47 institutions) and 0.72% in the third category.

Between the end of December 2017 and the end of December 2018, the total balance sheet of MFIs dropped from 816.40 to 708.50 (-107.80) billion. Deposits collected by MFIs fell from 668.20 to 514.20 (-154) billion during the period under review, a drop of 23.50% on a year-on-year basis. The loans granted by the MFIs dropped from 464.20 to 385.10 (-79.10) billion between the end of December 2017 and the end of December 2018, a drop of 17.00% year-on-year.

At the end of December 2019, the total balance sheet of the microfinance sector was 32.80% of that of the commercial banks. MFI deposits and credits represent 18.50% and 22.90% of bank deposits and credits respectively.

E. Financial market

1. Institutional and regulatory framework

The Cameroonian financial market was established by Law N ° 99/015 of 22 December 1999 on establishment and organization of a financial market. Its purpose is to conduct transactions of private and public securities, within the framework of regulated investment services. Following the decision by CEMAC Heads of State in October 2017 to merge the two financial markets of the Economic and Monetary Community of Central African States (CEMAC), the additional act unifying the two CEMAC financial markets, namely the Central African Securities Exchange (BVMAC) and the Douala Stock Exchange (DSX), was signed on February 19, 2018.

Its main organs are:

- The Central African Financial Market Supervisory Commission (COSUMAF), which is the sole regulatory authority, established in Libreville, Republic of Gabon, responsible for supervision and control of the market and actors;
- the Central African Securities Exchange (BVMAC), which is a single market enterprise, established in Douala, Republic of Cameroon, ensures management and transactions of the Regional Stock Exchange;
- the Bank of Central African States (BEAC), which is the sole Central Depository, ensuring the conservation of all securities circulating on the CEMAC capital market.

2. Some indicators of the new BVMAC

The BVMAC has three compartments: the equity securities compartment, the debt securities compartment and the over-the-counter compartment.

Updated on 26 February 2020, the capital securities compartment includes four securities: SEMC, SOCAPALM, SAFACAM and SIAT GABON for a total market capitalization of CFAF 120 624 000 000.

The BVMAC bond compartment has seven (07) securities (ALIOS.02, EOG.02, EOG.04, ALIOS.01, GSEZ, EOCG.01, and ECMR04).

Market capitalization

The Value of the transactions is estimated at CFAF 41 367 080 including a capitalization of shares amounting to CFAF 253 245 591 554 and a capitalization of Bonds amounting to CFAF 775 635 162 828.

3. Financial market outlook

As part of strengthening of financial integration, CEMAC Heads of State decided at the end of their Conference held on 21 October 2017 in Chad, to merge the two financial markets of CEMAC: Douala Stock Exchange (DSX) and the Central African Securities Exchange (BVMAC).

Supervised by BEAC, the process was finalized in 2019 with the new configuration of the regional financial market structured as follows:

- a single regulatory authority: the Banking Commission of the Central African States (COSUMAF), based in Libreville (Gabon), independent and endowed with the powers and means necessary to regulate the unified financial market;
- a single stock exchange: BVMAC, headquartered in Douala (Cameroon), resulting from the merger of the two existing financial markets;
- a single central custodian of the financial market, which will be temporarily housed in the central services of the BEAC in Yaoundé.

4. The state of Cameroon's interventions on the capital markets

Since 2010, the State of Cameroon resorts to raising funds regularly on the capital markets, in particular through syndication on the national financial market and auction on the **open** subscription public securities market of BEAC. As of 29 February 2020, the total amount of securities issued on the capital market amounted to CFAF 2 934.95 billion.

CFAF 1 699.6 billion were raised until the end of 29 February 2020 by auction on the **open** subscription public securities market of BEAC, of which CFAF 273.72 billion of OTA with 2 to 5-year maturity and, CFAF 1 695.89 billion of BTA with 13, 26 and 52 weeks maturities.

CFAF 795 billion were raised by syndication on the national financial market, CFAF 200 billion in 2010 at 5.6% net interest rate, CFAF 80 billion in 2013 at 5.9% net interest rate, CFAF 150 billion in 2014 with 5.5% net interest rate, CFAF 165 billion in 2016 at the interest rate of 5.5% net and CFAF 200 billion in 2018 at 5.6% net interest rate, all with a 5-year maturity, amortizable every quarter after a year of deferral.

The outstanding amount of securities issued by syndication amounted to CFAF 282.5 billion on the same date, including CFAF 82.5 billion for the loan made in 2016 and CFAF 200 billion for the loan completed in 2018.

Table 5: Summary of securities issued by syndication

Security Code	Year of issuance	Amount (in billions of CFAF)	Maturities	coupon rate	Amortization (in billions of CFAF)	Interests paid (in billions of CFAF)	Outstanding amount as of 29 February 2020 (in billions of CFAF)
ECMR 5.60% net 2010-2015	2010	200	2015	5.60%	200	39.2	0
ECMR 5.90% net 2013-2018	2013	80	2018	5.90%	80	16.52	0
ECMR 5.50% net 2014-2019	2014	150	2019	5.50%	150	28.88	0
ECMR 5.50% net 2016-2021	2016	165	2021	5.50%	82.5	24.96	82.5
ECMR 5.50% net 2018-2023	2018	200	2023	5.60%	0	11.20	200

Source: MINFI/DITRE

Table 6: History of issues on the BEAC open subscription securities market between 2018 and 02/29/2020

Security Code	Amount	Weighted Average Rate	Auction Date	Maturity Date
CM1200000576 BTA-26 20-JUL-2018	5 000 000 000	3.70%	17-Janv-18	20-Jul-18
CM1100000551 BTA-13 27-APRIL-2018	5 000 000 000	3.23%	24-Janv-18	27-Apr-18
CM1100000569 BTA-13 11-MAY-2018	5 000 000 000	3.09%	07-Febr-18	11-May-18
CM1100000577 BTA-13 18-MAY-2018	5 000 000 000	3.04%	14-Febr-18	18- May -18
CM1100000585 BTA-13 25-MAY-2018	5 000 000 000	2.95%	21-Febr-18	25- May -18
CM1200000584 BTA-26 31-AUG-2018	10 000 000 000	3.03%	28-Febr-18	31-August-18
CM1200000592 BTA-26 07-SEPT-2018	10 000 000 000	3.01%	07-March-18	07-Sept-18
CM1200000601 BTA-26 14-SEPT-2018	10 000 000 000	3.03%	14- March -18	14-Sept-18
CM1100000593 BTA-13 29-JUNE-2018	5 000 000 000	2.87%	28- March -18	29-June-18
CM1100000618 BTA-26 12-OCTO-2018	5 000 000 000	3.00%	11-Apr-18	12-Oct-18
CM1300000401 BTA-52 19-APRIL-2019	5 000 000 000	3.40%	18- Apr -18	19-Apr-19
CM1100000601 BTA-13 27-JUL-2018	7 000 000 000	2.90%	25- Apr -18	27- Jul -18
CM1200000626 BTA-26 02-NOV-2018	7 000 000 000	3.15%	02-May-18	02-Nov-18
CM1100000619 BTA-13 10-AUG-2018	7 000 000 000	3.00%	09- May -18	10- August -18
CM1100000627 BTA-13 17-AUG-2018	7 000 000 000	3.25%	16- May -18	17- August -18
CM1100000635 BTA-13 24-AUG-2018	7 000 000 000	2.98%	23- May -18	24- August -18
CM1100000643 BTA-13 07 SEPT 2018	10 000 000 000	2.91%	06-June-18	07-Sept-18
CM1200000634 BTA-26 21-DECE-2018	7 000 000 000	2.70%	20- June -18	21-Dec-18
CM1200000642 BTA-26 28-DECE-2018	7 000 000 000	2.81%	27- June -18	28-Dec-18
CM1100000650 BTA-13 12-OCTO-2018	7 000 000 000	2.61%	11-Jul-18	12-Oct-18
CM1100000668 BTA-13 19-OCTO-2018	7 000 000 000	2.67%	18- Jul -18	19-Oct-18
CM1200000659 BTA-26 25-JAN-2019	7 000 000 000	2.90%	25- Jul -18	25-Jan-19
C M1100000676 BTA-13 02-NOVE-2018	7 000 000 000	2.67%	01-Agust-18	02-Nov-18
CM1100000648 BTA-13 09-NOVE-2018	10 000 000 000	2.75%	08- Agust -18	09-Nov-18
CM1100000692 BTA-13 16-NOVE-2018	10 000 000 000	2.69%	15- Agust -18	16-Nov-18
CM1100000700 BTA-13 23-NOVE-2018	10 000 000 000	2.60%	22- Agust -18	23-Nov-18
CM1200000667 BTA-26 08-MARCH-2019	10 000 000 000	2.71%	05-Sept-18	08-March-19
CM1200000675 BTA-26 15-MARCH-2019	10 000 000 000	2.71%	12-Sept-18	15-March-19
CM1300000419 BTA-52 20-SEPT-2019	-		19-Sept-18	20-Sept-19
CM1100000718 BTA-13 28-DECE-2018	10 000 000 000	2.54%	26-Sept-18	28-Dec-18
CM1100000726 BTA-13 04-JAN-2019	10 000 000 000	2.60%	03-Oct-18	04-Jan-19
CM1100000734 BTA-13 11-JANV-2019	10 000 000 000	2.56%	10-Oct-18	11-Jan-19
CM1200000683 BTA-26 26-APRIL-2019	10 000 000 000	2.62%	24-Oct-18	26-Apr-19
CM1200000691 BTA-26 10-MAY-2019	10 000 000 000	2.54%	07-Nov-18	10- May -19
CM1100000742 BTA-13 15-FEB-2019	10 000 000 000	2.63%	14-Nov-18	15-Febr-19
CM1100000759 BTA-13 22-MARCH-2019	10 000 000 000	2.59%	19-Dec-18	22-March-19
CM1100000767 BTA-13 29-MARCH-2019	10 000 000 000	2.60%	26-Dec-18	29- March -19
CM1100000775 BTA-13 12-APRIL-2019	5 000 000 000	2.51%	09-Jan-19	12-Apr-19
CM1200000709 BTA-26 19-JUL-2019	10 000 000 000	2.49%	16-Jan-19	19- Jul -19
CM1200000717 BTA-26 26-JUL-2019	7 000 000 000	2.46%	23-Jan-19	26- Jul -19
CM1300000427 BTA-52 31-JAN-2020	10 000 000 000	2.72%	30-Jan-19	31-Janv-20
CM1300000435 BTA-52 07-FEB-2020	10 000 000 000	2.69%	06-Febr-19	07-Febr-20
CM1200000725 BTA-26 16-AUG-2019	10 000 000 000	2.42%	13- Febr -19	16- August -19
CM2J0000014 OTA-3,7% 22-FEBR-2022	14 770 000 000	98.51%	20- Febr -19	22-Febr-22
CM1200000733 BTA-26 30-AUG-2019	50 000 000 000	2.54%	27- Febr -19	30- August -19
CM1100000783 BTA-13 21-JUNE-2019	20 000 000 000	2.48%	20-March-19	21- June -19

CM1200000741 BTA-26 11-OCTO-2019	10 000 000 000	2.34%	10-Apr-19	11-Oct-19
CM1300000443 BTA-52 17-APR-2020	10 000 000 000	2.81%	17-Apr-19	17-Apr-20
CM1200000758 BTA-26 08-NOVE-2019	10 000 000 000	2.32%	08-May-19	08-Nov-19
CM2J00000022 OTA-03 ANS 4,00% 24-MAY-2022	72 540 000 000	99.67%	22- May -19	24- May -22
CM2K0000011 OTA-04 ANS 4,75% 31-MAY-2023	48 482 000 000	98.28%	29- May -19	31- May -23
CM2B00000020 OTA-05 ANS 5,60% 14-JUNE-2024	53 585 100 000	98.18%	12-June-19	14- June -24
CM1100000791 BTA-13 20-SEPT-2019	20 000 000 000	2.24%	19-June-19	20-Sept-19
CM1100000809 BTA-13 11-OCTO-2019	25 000 000 000	2.34%	10-Jul-19	11-Oct-19
CM1200000766 BTA-26 17-JAN-2020	30 000 000 000	2.57%	17-Jul-19	17-Janv-20
CM2B00000020 OTA-05 ANS 5,60% 14-JUNE-2024 MN1	18 418 000 000	99.01%	31-Jul-19	14- June -24
CM1100000817 BTA-13 08-NOVE-2019	20 000 000 000	2.32%	07-August-19	08-Nov-19
CM2J00000022 OTA-03 ANS 4,00% 24-MAY-2022 MN1	10 500 000 000	98.99%	22-May-19	24- May -22
CM1200000774 BTA-26 28-FEBR-2020	30 000 000 000	2.37%	28- August -19	28-Febr-20
CM1100000825 BTA-13 06-DECE-2019	20 000 000 000	2.41%	04-Sept-19	06-Dec-19
CM1200000782 BTA-26 20-MARCH-2020	10 000 000 000	2.24%	18-Sept-19	20- March -20
CM1200000790 BTA-26 27-MARCH-2020	16 010 000 000	2.46%	25-Sept-19	27- March -20
CM1200000808 BTA-26 10-APRIL-2020	20 000 000 000	2.63%	09-Oct-19	10-Apr-20
CM2A00000047 OTA-2 ANS3,40% 25-OCTO-2021	21 910 000 000	98.71%	23-Oct-19	25-Oct-21
CM1200000816 BTA-26 08-MAY-2020	20 000 000 000	2.63%	06-Nov-19	08- May -20
CM1200000824 BTA-26 15-MAY-2020	20 000 000 000	2.71%	13-Nov-19	15- May -20
CM1200000832 BTA-26 05-JUNE-2020	20 000 000 000	2.66%	04-Dec-19	05- June -20
CM1200000840 BTA-26 10-JUL-2020	20 000 000 000	2.13%	08-Jan-20	10- Jul -20
CM1300000468 BTA-52 15-JAN-2021	10 000 000 000	2.69%	15-Jan-20	15-Janv-21
CM1200000857 BTA-26 31-JUL-2020	47 000 000 000	2.69%	29-Jan-20	31-Jul-20
CM1200000865 BTA-26 14-AUG-2020	5 200 000 000	2.67%	12-Febr-20	14- August-20
CM1300000476 BTA-52 19-FEBRUARY-2021	20 000 000 000	3.35%	19-Febr-20	19-Febr-21

Source: DGTCFM/DITRE

F. Public debt situation in Cameroon

Over the past decade, Cameroon's public debt has experienced a relatively upward trend. As shown in the table below, as of 31 December 2019, the stock of public and public guaranteed debt is estimated at CFAF 8 424 billion and represents about 37.3% of GDP, compared to CFAF 5 039 billion or 30% of GDP at the end of 2015. This evolution observed over the last five years (67.2% increase) is mainly due to (i) drawings on statutory advances granted by development partners (IMF, World Bank, AfDB and France) in the context of the Economic and Financial Program, and (ii) the acceleration of work on major infrastructure projects.

Table 7: Evolution of the Public Debt

Rubriques	31 décembre 2015 *	31 décembre 2016 *	31 Décembre 2017 *	31 Décembre 2018 *	31 Décembre 2019 ***
Montants en Milliards de FCFA					
Dettes extérieures	3 664	3 942	4 649	5 651	6 445
Multilatérale	1 032	1 152	1 450	1 995	2 345
dont appuis budgétaires			273	582	749
Bilatérale	1 704	1 953	2 316	2 618	3 016
dont appuis budgétaires			66	131	197
Commerciale	928	837	884	1 039	1 084
Dettes intérieures	1 284	1 304	1 578	1 691	1 942
Titres publics	295	370	307	440	706
Emprunt consolidé BEAC	138	231	577	577	577
Dettes structurées	587	513	569	581	579
Dettes non structurées	264	190	125	93	80
Dettes Publiques Directes	4 948	5 246	6 227	7 342	8 387
Dettes avalisées	90	66	50,9	46	37
Dettes Publiques et à Garantie Publique	5 039	5 312	6 278	7 388	8 424
dont appuis budgétaires total			339	714	945
En pourcentage du total					
Dettes extérieures	72,7%	74,2%	74,1%	76,5%	76,5%
Dettes intérieures	25,5%	24,6%	25,1%	22,9%	23,0%
Dettes Publiques Directes	98,2%	98,8%	99,2%	99,4%	99,6%
Dettes avalisées	1,8%	1,2%	0,8%	0,6%	0,4%
Dettes Publiques et à Garantie Publique	100,0%	100,0%	100,0%	100,0%	100,0%
dont appuis budgétaires total	0,0%	0,0%	5,4%	9,7%	11,2%
En pourcentage du PIB					
Dettes extérieures	21,8%	20,6%	22,9%	26,3%	28,6%
Dettes intérieures	7,6%	6,8%	7,8%	7,9%	8,6%
Dettes Publiques Directes	29,4%	27,5%	30,6%	34,2%	37,2%
Dettes avalisées	0,5%	0,3%	0,3%	0,2%	0,2%
Dettes Publiques et à Garantie Publique	30,0%	27,8%	30,9%	34,4%	37,3%
dont appuis budgétaires total	0,0%	0,0%	1,7%	3,3%	4,2%

* données définitives ** données semi-définitives *** données provisoires

In terms of composition, the public and public guaranteed debt as at 31 December 2019 is composed of (i) 77.1% external debt valued at CFAF 6,650 billion, of which 25.7% is concessional debt, 57.6% non-concessional debt and 16.7% budget support, (ii) 22.5% domestic debt evaluated at CFAF 1 942 billion and 0.4% guaranteed debt, or CFAF 37 billion.

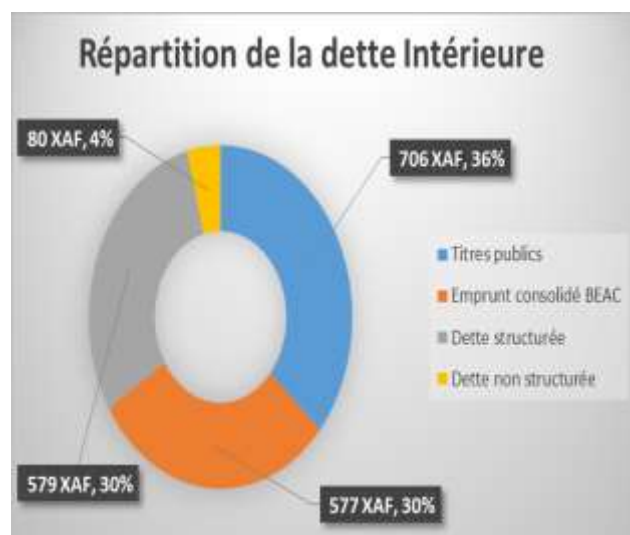
As shown in the graph below, as at 31 December 2019, external debt is made up respectively of 41% of debt owed to bilateral partners (CFAF 3 016 billion), 32% of debt owed to multilateral donors (CFAF 2 345 billion), and 14 % of the commercial debt (CFAF 1 084 billion) and budget support (CFAF 945 billion).

Graph 1: Distribution of external debt



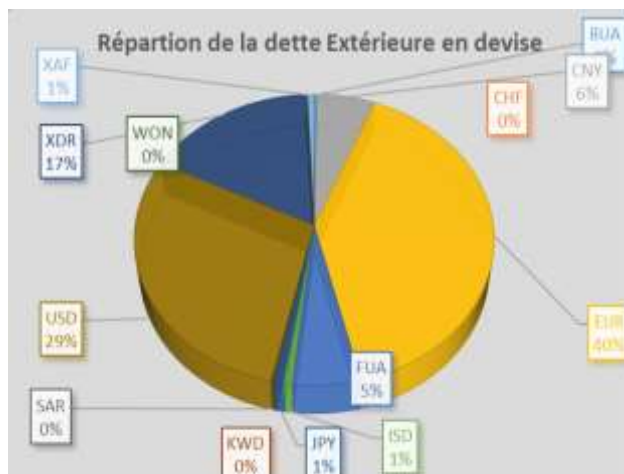
With regard to domestic debt, it is made up of 36% of public securities (CFAF 706 billion), of which 30% BEAC consolidated debt (CFAF 579 billion) and structured debt (CFAF 577 billion) and 4% unstructured debt (CFAF 80 billion). Securities held by non-residents, whose outstanding stock at 31 December 2019 is estimated at CFAF 12.4 billion, are classified as external debt.

Graph 2: Distribution of domestic debt



Concerning assessment of the exchange risk at 31 December 2019, the public debt portfolio is relatively diversified with a proportion of 76.3% of debt in foreign currency including 29.4% of debt in Euro. Taking into account the parity between the CFAF and the Euro, the proportion of public debt actually subject to exchange rate risk is estimated at 46.9%. Especially, the breakdown of external debt in foreign currency is presented in the graph below, all of the internal debt being denominated in CFAF:

Graph 3: Composition of foreign currency debt



Source : MINFI/CAA

G. Medium-Term Debt Strategy for 2020-2022

The public debt and public debt management strategy paper appended to the 2020 Finance Law contains the 2020-2022 medium-term debt strategy as well as the annual financing plan for the 2020 financial year. This document is consistent with the macroeconomic and budgetary framework drawn up within the framework of the Finance Law and in compliance with the

commitments made with the IMF according to the Economic and Financial Program (PEF) in terms of debt ceiling and disbursement ceiling.

The SEMT 2020-2022 shall be carried out in pursuit of (i) application of CEMAC Regulations, setting the frame of reference for the policy of public debt and public debt management, and (ii) optimum search for financing to cover the State's financing need, while optimizing costs and risks and, promoting the development of the domestic market. At the operational level, emphasis will be placed on the one hand, on the timely settlement of debt service and the clearance of all internal and external arrears during the period under review, and on the other hand, on the efficient mobilization of external resources and public securities issues.

In terms of composition, the 2020-2022 SEMT will ultimately aim to achieve a global portfolio of 77% external debt (foreign currency debt, of which 25% in US dollars) and 23% domestic debt (debt in CFAF), as against " a composition projected at the end of 2019 at 77.8% of external debt; 21.7% of domestic debt and 0.4% of guaranteed debt.

The government's debt need (including budget support) for the period 2020-2022 is CFAF 3 440 billion, of which CFAF 1 217 billion shall be covered in 2020.

In this respect, the Government shall resort to external and internal loans for implementation of projects and the financing of short-term cash needs, but also for budget support estimated at about CFAF 100 billion in 2020.

The fixing of the new external commitments ceiling for the period 2020-2022 takes account of the constraints linked to the capacity to reimburse the contracted debt and the authorities' desire to maintain the debt sustainable while reducing the high risk of debt distress. It is set at CFAF 1 950 billion, including 650 billion FCFA in 2020 (300 billion FCFA for concessional loans and 350 billion FCFA for non-concessional loans).

The ceiling for new domestic commitments over the same period is 1,030 billion FCFA, including CFAF 350 billion in 2020 as shown in the table below.

The ceiling on guarantee to be granted by the State is set at CFAF 120 billion for the period 2020-2022, including 40 billion CFAF in 2020.

The optimal strategy adopted aims to bring the share of new external borrowing to 72% in 2020, and set a target of 75% of new external debt in 2021 and 80% in 2022, by increasing the share of concessional and semi-concessional multilateral financing. The targets set are as follows:

- debt / GDP ratio of 35.4% at the end of 2022 as against 38.3% estimated at the end of 2019;
- a minimized cost of debt of 2.2%;

- a reduced refinancing risk due to the increase in the average duration of the overall portfolio, which would drop from 7.3 years in 2019 to 8.4 years at the end of 2022;
- an interest rate risk also minimized due to the increase in the share of debt with fixed interest rate from 85.4% in 2019 to 86% in 2022;
- an average time to repay the debt, increasing from 6.6 years at the end of 2019 to 7.6 years at the end of 2022.

Table 8: Breakdown of new 2020 commitments (Domestic debt)

Debt Instruments	Type of interest rate	Maturity (year)	Grace Period (year)	Weight	Amount (in billions of CFAF)
Fungible Treasury bill(BTA)	Fixed	1	0	28.6%	100
Fungible treasury bonds(OTA/OT)	Fixed	2-7	1-3	62.9%	220
Bank borrowing	Fixed	10	3	8.6%	30
Total				100%	350

Source : MINFI/CAA

H. 2017-2020 ECONOMIC AND FINANCIAL PROGRAM

On 26 June 2017, Cameroon concluded with the International Monetary Fund (IMF), an Agreement on a three-year Programme (2017-2020), supported by the Extended Credit Facility of the IMF. Other partners are supporting Cameroon's efforts to achieve the Programme's objectives, namely the World Bank, the African Development Bank, the European Union and AFD. The overall volume of expected drawings, in the form of budget support, is CFAF 1 302 billion.

1. Program objectives

The 2017-2020 Economic and Financial Programme (PEF) is part of the collective effort of CEMAC countries to deal with the economic crisis that has shaken the sub-region since the second half of 2014, following the fall in world prices of commodities, including oil, and the effects of the security crises experienced by some States in the area. The objective of the Programme is therefore to restore external and budgetary viability, to improve Cameroon's economic competitiveness, while supporting growth and strengthening financial sector resilience.

2. State of implementation

At the end of the IMF Executive Board held on 22 January, 2020 in Washington DC, the fifth (5th) review of Cameroon's PEF was conclusive. The Board also approved the request for

exemption for the non-observance of a performance criterion as well as that for the modification of performance criteria. The 5th review resulted in an immediate disbursement of SDR 55.20 million, increasing to SDR 427.80 million the total amount of drawings since the signing of the programme (June 2017).

Since the launch of the programme, economic growth stands at an annual average of 4%, despite the persistence of the above-mentioned crises. Inflation is under control and stood at 1.1% in 2018. Fiscal policy measures made it possible to considerably reduce the overall budgetary balance, which stood at 2.7% of GDP at the end of 2018 as against more than 6% when the programme started. The target for 2019 was 2% of GDP. The reduction of the public deficit is mainly due to: efforts to mobilize non-oil revenues by widening the tax base; rationalization of expenditure and strengthening of budgetary discipline; debt control (34.2% of GDP at the end of 2018). These performances can be achieved without prejudice to social expenditure, which is preserved during the Programme. Externally, the currency coverage rate improved, to stand at around 3 months of exports compared to 1.5 months at the start of the Programme.

3. Prospects

The Economic and Financial outlook remains encouraging. The achievement of the objective of macroeconomic and budgetary stability is on track, but an additional effort is necessary to reach growth rates more suited to Cameroon's emergence ambitions. Adjustments are envisaged in the content of the programme for a more sustained economic recovery.

I. FRAMEWORK OF THE OPERATION

Since 2010, the State of Cameroon resorts to raising funds on the domestic capital market (money and financial markets), in order to finance a vast investment programme, including growth and employment generating projects, notably port, road and energy infrastructure. These huge investments fall in line with the guidelines of its Growth and Employment Strategy Paper (GESP), which seeks to make Cameroon an emerging country by 2035.

Efforts deployed so far have permitted the execution of some major investment projects as follows:

- Kribi deep seaport;
- Second bridge over the River Wouri in Douala;
- East and West gateways into Douala;
- East gateway into Yaounde;
- Lom-Pangar hydro-electric dam;
- Mekin dam;
- Construction of the second access road into Bamenda;

- Construction of the Kumba-Mamfe road;
- Etc.

And the launch of other projects such as:

- Yaounde – Douala highway;
- Yaounde – Nsimalen highway;
- Rehabilitation and construction of sports complexes and access routes in many Regions of Cameroon within the prospect of the organization of the 2019 AFCON postponed to 2021;
- tarring of the Foumban-Manki- MAPE connecting road and construction of the MAPE bridge;
- tarring of the Mengong-Sangmelima road (73 km) ;
- tarring of the Bamenda-Ekok-Batchuo-Akagbe corridor;
- Etc.

Pursuant to the 2020 Finance Law, State budget revenue and expenditure stand at CFA F 4 850.50 billion of which CFA F 350, 00 billion meant to finance investment projects shall be generated through the issuance of public securities.

It is in this context that the State of Cameroon, represented by the Minister of Finance, duly authorized by Presidential decree, seeks to raise on the money market, a total amount of **CFA F 220 000 000 000 (two hundred and twenty billion)** broken down into 03 (three) fund-raising operations through the issuance of Fungible Treasury Bonds, with CFAF **50 000 000 000 (fifty billion)** for the 2-year maturity, **CFA F 70 000 000 000 (seventy billion)** for the respective 3-year maturities of **CFAF 100 000 000 000 (one hundred billion)** for the 5 (five) years maturity

In accordance with the above-mentioned CEMAC regulation, the final characteristics of these transactions shall be notified to Primary dealers by MINFI within the prescribed regulatory timeframes.

1. Objective of the loans

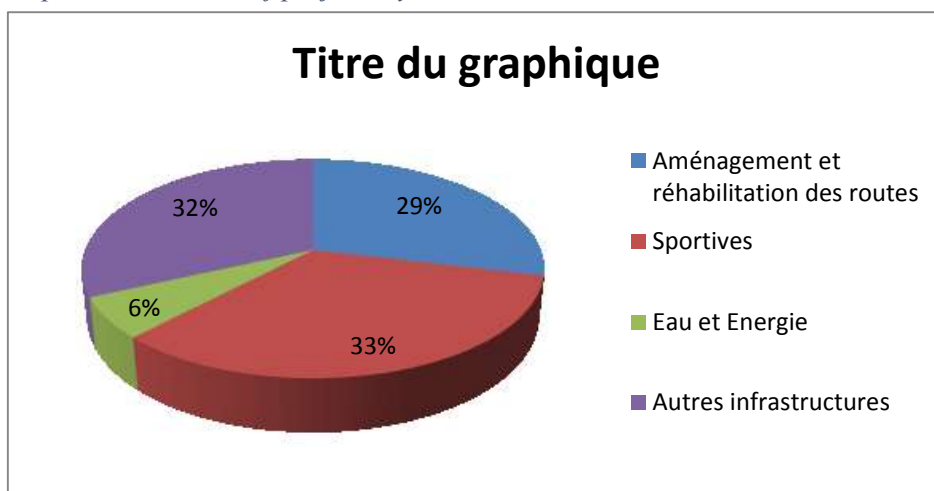
The funds collected through this OTA issuance programme shall be used primarily to finance all of the projects listed in the 2020 Finance Law as shown below:

Table 9: List of eligible projects by Sector.

Sector	Projects	Grants in CP
Infrastructure	Road development and rehabilitation	63 200 000 000
	Sports	73 500 000 000
	Water and Energy	38 300 000 000
Other infrastructure	Health equipment and other projects	45 000 000 000
	Total	220 000 000 000

Source : MINFI/DIRTRE

Graph 4: Breakdown of projects by sector



2. Characteristics of issuance

During the 2020 financial year, the state plans to come up with a programme for issuing public securities, in particular OTA, for an amount of CFAF 220.00 billion in accordance with the financing plan captured in the medium term debt strategy (MTDS) appended to the 2020 Finance Law. The characteristics of the securities to be issued are shown in the following tables: assignment of the proceed generated from the issuance of fungible treasury bonds.

Table 10: OTA – 2 years

TERMS AND CONDITIONS OF THE FIRST ISSUANCE: OTA WITH A 2-YEAR MATURITY	
Type of securities	FUNGIBLE TREASURY BONDS (OTA)
Form of securities	Dematerialized securities, kept in the books of SVT and CRCT of BEAC, acting as the central depository.
Issuance procedure	Invitation to tender launched by the Public Treasury to SVT. followed by bidding organized by BEAC
Amount of the issuance	CFA F 50 000 000 000 (fifty billion)
Nominal unit value of a OTA	CFA F 10 000
Number of securities to be issued	5 000 000 bonds
Maturity	2 years
Repayment of the capital	In fine (2022)
Payment of interests	Interests shall be payable yearly on the basis of the expressed rate. They shall be calculated on the basis of the calendar year, that is. 365 or 366 days
Interest rate	3.50%
Physical organization	National Head Office of BEAC, in conjunction with CRCT shall ensure the physical organization of the issuance.
Repayment guarantee	Securities shall be issued by Cameroon's Public Treasury and shall enjoy the sovereign guarantee of the State. An agreement to automatically deduct from Treasury's Single account has been signed with BEAC as additional guarantee.
Indicative periods of bids	Bids shall be dematerialized during the indicative period from 4pm 16-29 April 2020.
Date and time limit for the submission of bids	Wednesday, 29 April 2020 at 09:00 a.m.
Date of opening of bids	Wednesday, 29 April 2020 at 03:00 p.m.
Value date of Securities	Friday 1 st May 2020 at 09:00 a.m.
Terms of subscription of securities	Access to the primary market for open-ended public securities is reserved for the Primary Dealers (SVTs) listed above. All other investors may acquire the securities on the secondary market through the SVTs of their choice. In this case, they will sign a securities account agreement with the SVT after the tender Submissions are dematerialized and will be done via the DEPO-X application.
Subsequent Assimilations	In the event that the Issuing authority subsequently issues new securities enjoying in all respects the same rights as those of this issue, it may, without requiring the consent of the holders and provided that the issuance contracts so provide, assimilate all the securities of successive issues. thus unifying all operations relating to their management and negotiation
Refinancing at BEAC counters	Fungible Treasury Bonds are eligible for refinancing by the Central Bank under the conditions set by the Monetary Policy Committee and are negotiable on the secondary market
Taxation of securities	Interest received on Treasury Bonds is exempt from tax in Cameroon
Buyback or exchange of securities	The issuing State shall authorise itself throughout the duration of the life of the securities to exchange or repurchase them on the market
Weighting of securities	The OTAs subject to this operation have a zero weighting (0%) in the banks' balance sheets, in accordance with letter

Source : MINFI/DIRTRE

Table 11: OTA - 3Years

TERMS AND CONDITIONS OF THE SECOND ISSUANCE : OTA WITH 3-YEAR MATURITY	
Type of securities	FUNGIBLE TREASURY BONDS (OTA)
Form of securities	Invitation to tender launched by the Public Treasury to SVT, followed by bidding organized by BEAC
Issuance procedure	Tenders issued by the Public Treasury for the attention of SVTs, followed by the auction organized by the BEAC
Amount of the issuance	CFA F 70 000 000 000 (fifty billion)
Nominal unit value of a OTA	CFA F 10 000
Number of securities to be issued	7 000 000 bonds
Maturity	3 years
Repayment of the capital	In fine (2023)
Payment of interests	Interests shall be payable yearly on the basis of the expressed rate. They shall be calculated on the basis of the calendar year, that is 365 or 366 days
Interest rate	4.00%
Physical organization	National Head Office of BEAC. in conjunction with CRCT shall ensure the physical organization of the issuance.
Repayment guarantee	Securities shall be issued by Cameroon's Public Treasury and shall enjoy the sovereign guarantee of the State. An agreement to automatically deduct from Treasury's Single account was signed with BEAC as additional guarantee.
Indicative periods of bids	The Bids indicative period from 09 – 15 April 2020.
Date and time limit for the submission of bids	Wednesday. 15 April 2020 at 09:00 a.m.
Date of opening of bids	Wednesday. 15 April 2020 at 03:00 p.m.
Value date of securities	Friday. 17 April 2020 at 09:00 a.m.
Terms of subscription of securities	Access to the primary market for open-ended public securities is reserved for the Primary Dealers (SVTs) listed above. All other investors may acquire the securities on the secondary market through the SVTs of their choice. In this case, they will sign a securities account agreement with the SVT after the tender. Bids shall be dematerialized via DEPO-X application.
Subsequent Assimilations	Access to the primary market for open-ended public securities is reserved for the Primary Dealers (SVTs) listed above. All other investors may acquire the securities on the secondary market through the SVTs of their choice. In this case, they will sign a securities account agreement with the SVT after the tender
Refinancing at BEAC counters	Fungible Treasury Bonds are eligible for refinancing by the Central Bank under the conditions set by the Monetary Policy Committee and are negotiable on the secondary market
Taxation of securities	Interest received on Treasury Bonds is exempt from taxes in Cameroon.
Buyback or exchange of securities	The issuing State shall authorise itself throughout the duration of the life of the securities to exchange or repurchase them on the market.
Weighting of securities	The OTAs subject to this operation have a zero weighting (0%) in the banks' balance sheets. in accordance with letter-----

Source : MINFI/DIRTRE

Table 12: OTA-5 years

TERMS AND CONDITIONS OF THE THIRD ISSUANCE: OTA WITH 5-YEAR MATURITY	
Type of securities	FUNGIBLE TREASURY BONDS (OTA)
Form of securities	Dematerialized securities, kept in the books of SVT and CRCT of BEAC, acting as the central depository.
Issuance procedure	Invitation to tender launched by the Public Treasury to SVT. followed by bidding organized by BEAC
Amount of the issuance	CFA F 100 000 000 000 (hundred billion)
Nominal unit value of a OTA	CFA F 10 000
Number of securities to be issued	5 000 000 bonds
Maturity	5 years
Repayment of the capital	In fine (2025)
Payment of interests	Interests shall be payable yearly on the basis of the expressed rate. They shall be calculated on the basis of the calendar year, that is, 365 or 366 days
Interest rate	5.70%
Physical organization	National Head Office of BEAC, in conjunction with CRCT shall ensure the physical organization of the issuance.
Repayment guarantee	Securities shall be issued by Cameroon's Public Treasury and shall enjoy the sovereign guarantee of the State. An agreement to automatically deduct from Treasury's Single account has been signed with BEAC as additional guarantee.
Indicative periods of bids	The Bids indicative period shall run from 08 to 10 April 2020.
Date and time limit for the submission of bids	Wednesday. 08 April 2020 at 09:00 a.m.
Date of opening of bids	Wednesday. 08 April 2020 at 03:00 p.m.
Value date of securities	Friday. 10 April 2020 at 09:00 a.m.
Terms of subscription of securities	Access to the primary market for open-ended public securities is reserved for the Primary Dealers (SVTs) listed above. All other investors may acquire the securities on the secondary market through the SVTs of their choice. In this case, they will sign a securities account agreement with the SVT after the tender. Bids shall be dematerialized via DEPO-X application.
Subsequent Assimilations	In the event that the Issuing authority subsequently issues new securities enjoying in all respects the same rights as those of this issue, it may, without requiring the consent of the holders and provided that the issuance contracts so provide, assimilate all the securities of successive issues, thus unifying all operations relating to their management and negotiation.
Refinancing at BEAC counters	Fungible Treasury Bonds are eligible for refinancing by the Central Bank under the conditions set by the Monetary Policy Committee and are negotiable on the secondary market
Taxation of securities	Interest received on Treasury Bonds is exempt from tax in Cameroon
Buyback or exchange of securities	The issuing State shall authorise itself throughout the duration of the life of the securities to exchange or repurchase them on the market
Weighting of securities (*)	The OTAs subject to this operation have a zero weighting (0%) in the banks' balance sheets in accordance with letter -----

Source : MINFI/DIRTRE

(*) The weighting of public debt securities in CEMAC countries is dependent on compliance by the issuing State with the 4 Community convergence criteria.

Since June 6, 2018, Cameroon has not met two out of four convergence criteria, namely:

- The criterion of the basic budgetary balance (weighting of 20%); and
- The criterion of the accumulation of arrears (weighting of 65%).

Table 13: Convergence criteria

	Reference budgetary balance (% nominal GDP)	Average annual inflation rate (%)	Outstanding public debt (% nominal GDP)	Payment arrears (in billions of CFAF)	
				External	Domestic
Standards	≥ -1.5%	≤3%	≥ -70%	0	0
Cameroon	-2.2	0.6	33.3	ND	>0

Consequently, the weighting rate applicable on the commitments of banks to the State of Cameroon is 85%. However, the Issuer having changed the mechanism for securing the reimbursement of this loan by entrusting management to the BEAC, COBAC has made this loan eligible for a weighting rate of 0%.

3. Terms and conditions of repayment of a bond

The annual interest payment and the repayment of the principal at maturity have been simulated in the indicative amortization table below for a Bond of CFAF 10.000.

Table 14: Amortization of a 2-year maturity bond (in millions of CFAF)

OTA -2 years. If interest rate tendered = 3.50%					
Due dates	Outstanding at the start of the period	Interests	Amortization	Annuities	Outstanding at the end of the period
24/04/2020	10 000	-	-	-	10 000
24/04/2021	10 000	350	-	400	10 000
24/04/2022	10 000	350	-	10 400	-
TOTAL	-	700	10 000	10 700	

Source : MINFI/DIRTRE

Table 15: Amortization of a 5-year maturity bond (in millions of FCFA)

OTA -3 years. If interest rate tendered = 4.00%					
Due dates	Outstanding at the start of the period	Interests	Amortization	Annuities	Outstanding at the end of the period
17/04/2020	10 000	-	-	-	10 000
17/04/2021	10 000	400	0	400	10 000
17/04/2022	10 000	400	0	400	10 000
17/04/2023	10 000	400	0	10 400	-
TOTAL		1 200	10 000	11 200	

Source : MINFI/DIRTRE

Table 16: Amortization of a 5-year maturity bond (in millions of FCFA)

OTA -5years. If interest rate tendered = 5.70%					
Due dates	Outstanding at the start of the period	Interests	Amortization	Annuities	Outstanding at the end of the period
10/04/2020	10 000	570	-	-	10 000
10/04/2021	10 000	570	-	570	10 000
10/04/2022	10 000	570	-	570	10 000
10/04/2023	10 000	570	-	570	10 000
10/04/2024	10 000	570	-	570	10 000
10/04/2025	10 000	570	10 000	10 570	-
TOTAL		2 850	10 000	12 850	

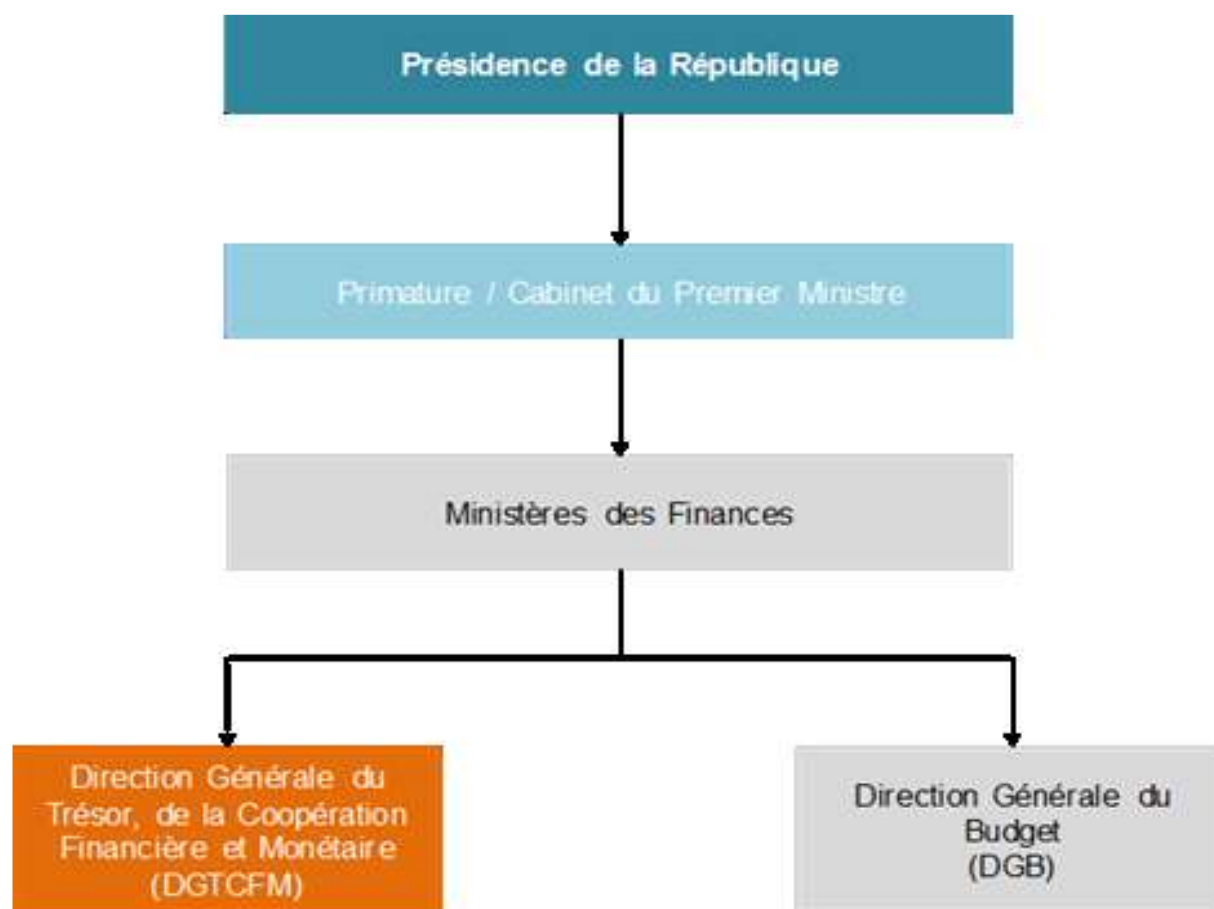
4. SECURITIES REDEMPTION GUARANTEES

The repayment of matured securities and the payment of accrued interest are initiated by the CRCT, in the name and on behalf of the Public Treasury.

- *For each issue, the CRCT establishes a repayment schedule and an interest payment schedule for OTAs.*
- *Fifteen (15) days before the date of payment of interest or redemption of the securities, the CRCT will send the Treasury a notice of due date, reminding it of the characteristics of the securities concerned and the amounts required for settlement.*
- *On the due date, the Treasury is required to make full payment of the sums due, no partial payment being authorised.*
- *The Minister of Finance authorises BEAC to automatically debit the Treasury's Single Account in its books as soon as a due date falls. An ad hoc Agreement signed between the parties formalizes this authorization.*

The Issuing authority is the State of Cameroon represented by the Minister of Finance. The Directorate General of the Treasury, Financial and Monetary Cooperation (DGTCFM) is the administrative entity responsible for managing the issuance of these OTAs and monitoring their financial service on behalf of the State.

Figure 1: Organization Chart of the Issuing Authority



Source : MINFI/DIRTRE

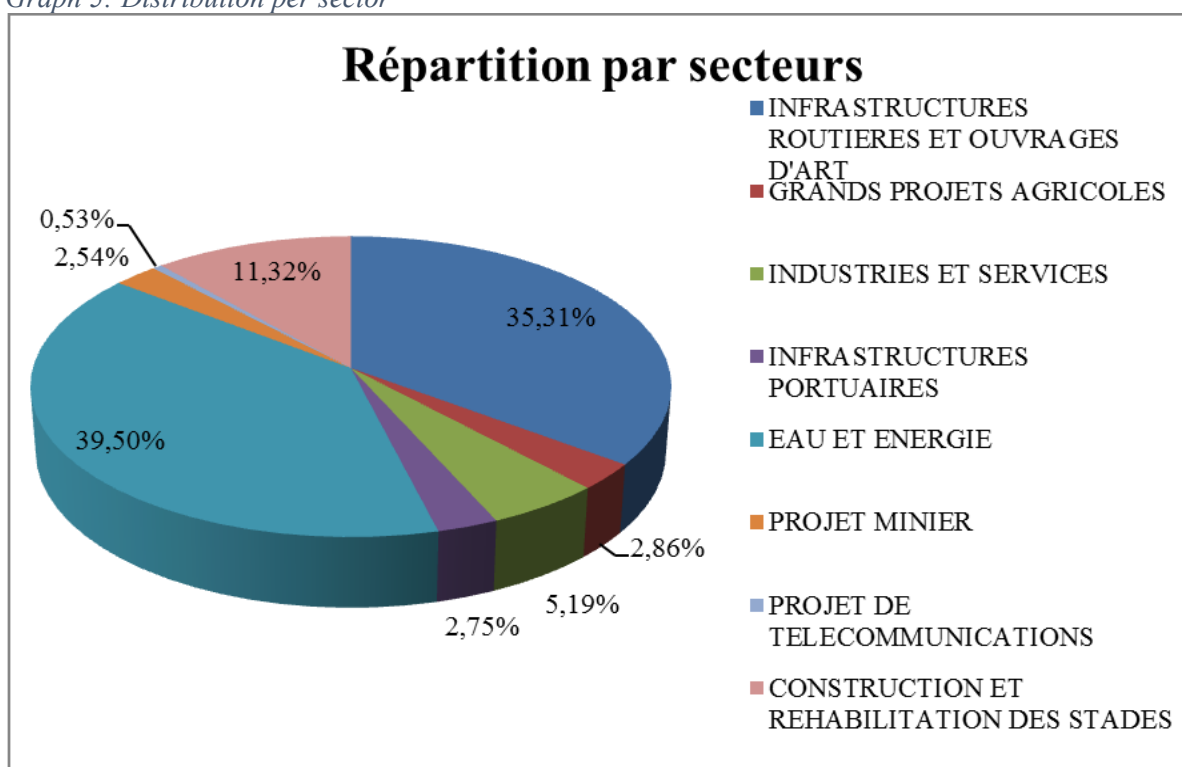
VIII. ASSESSMENT OF THE STATE'S INTERVENTION ON THE CAPITAL MARKETS

Since 2010, Cameroon has raised CFAF **3 112. 751** billion through its various interventions on the Capital Market broken down as follows:

- On the BEAC Money Market: CFAF **1867.401** billion, of which CFAF **1 593. 685** billion in BTA and CFAF **273.716** billion in OTA;
- On the National Financial Market: CFAF 795 billion was raised by Bond Loan;
- On the International Financial Market: USD 750 million equivalents to CFAF 450.35 billion was raised through a Eurobond issue.

These amounts raised have made it possible to carry out a number of major infrastructure projects in various sectors of activity as shown in the graph below:

Graph 5: Distribution per sector



Source : MINFI/DIRTRE

SOME INVESTMENT PROJECTS

