



**CEMAC
INTEGRATIVE
PROJECTS**

28 & 29 NOVEMBER 2023 - PARIS



PARTICIPANT'S WORKBOOK



**HIS EXCELLENCY DENIS SASSOU N'GUESSO
PRESIDENT OF THE REPUBLIC OF THE CONGO
DEDICATED PRESIDENT OF THE PREF-CEMAC**

MESSAGE FROM THE PRESIDENT OF THE PREF-CEMAC STEERING COMMITTEE

On behalf of the Central African Economic and Monetary Community (CEMAC) member states, I congratulate ourselves on the holding of this second roundtable, which gives us a good opportunity to perceive that the goals we set for ourselves during the first roundtable have globally been achieved.

It is due to the success of the first program of integrative projects, whose financing was mobilized at the Paris Roundtable of November 2020, that the Conference of CEMAC Heads of State adopted a second program composed of thirteen (13) priority integrative projects, on the proposal of **His Excellency Denis SASSOU N’GUESSO, President of the Republic of the Congo and Dedicated President of the CEMAC Economic and Financial Reforms Program (PREF-CEMAC)**. The adoption took place on 17 March 2023, during its fifteenth ordinary session held in Yaoundé (Republic of Cameroon). This second program particularly targets:

- The development of physical infrastructure to support the development and competitiveness of economies of the subregion;
- The strengthening of the production of stable energy that is cheap and accessible to CEMAC people;
- The promotion of a single market to strengthen trade integration;
- Economic diversification conducive to the densification of the productive base, environmental protection, inclusive growth, and development.

The implementation of this second program will allow our subregion to strengthen its resilience against the future shocks, to develop intra-community trade, particularly to accelerate its economic growth, to guarantee food security, and to take greater advantage of the African Continental Free Trade Area (AfCFTA).

On the basis of regional planning, the Conference of CEMAC Heads of State adopted several cycles of priority integrative projects to place the subregion on the path of integration, growth, and emergence.

The goal of the Paris Roundtable slated for 28 and 29 November 2023, and placed under the high chairmanship of His Excellency Denis SASSOU N’GUESSO, President of the Republic of the Congo and Dedicated President of the CEMAC Economic and Financial Reforms Program (PREF-CEMAC), is to mobilize the necessary resources to complement the efforts of CEMAC countries. The implementation of this second program can only be achieved through the optimal mobilization of our States’ own resources and the support of our Technical and Financial Partners.

The budget necessary to finance the second program of integrative projects is estimated at 8 835.875 million euros. 1 513.701 million euros of that amount, representing 17.13 percent of the total cost, have already been mobilized. CEMAC is requesting from all its partners the funding of 82.87 percent of the total cost of its integrative projects, corresponding to 7 322.174 million euros.

Once again, I would like, on behalf of CEMAC Heads of State, to express our gratitude to all our Technical and Financial Partners for the multifaceted and constant support they provide to the development of our subregion. I thank in advance all our partners who will commit to supporting us in carrying out the integrative projects of this second program.

THE PRESIDENT OF THE PREF-CEMAC STEERING COMMITTEE

A handwritten signature in black ink, appearing to be 'J. Ondaye', is written over a horizontal line. The signature is stylized and somewhat abstract.

Jean-Baptiste ONDAYE

Minister of Economy and Finance of the Republic of the Congo

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I. CONTEXT OF CENTRAL AFRICA

I.1 CEMAC and its economic situation

Created on 16 March 1994, the Central African Economic and Monetary Community (CEMAC) has six member countries, including Cameroon, the CAR, Congo, Gabon, Equatorial Guinea, and Chad. It covers a territory of 3.02 million km², representing 1.99 percent of the world's habitable surface area and had approximately 63.8 million inhabitants in 2022, representing 0.77 percent of the world's population.

CEMAC presented a positive record over the last three years with an improvement in its main aggregates, proof of an effective resumption of economic activity after the period marked by the COVID-19 pandemic, due to the success of policies and reforms undertaken. The economic prospects of countries of the subregion remain positive despite an international context marked by the Russian-Ukrainian conflict and the disruptions it causes at the global level. Indeed, according to statistics published by the International Monetary Fund:

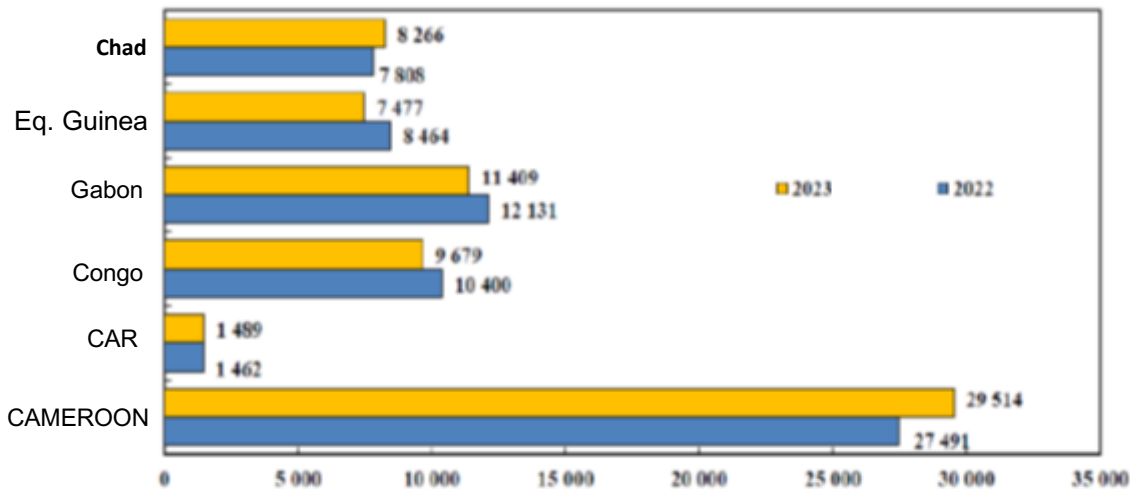
- The outlook for 2023 is globally positive, driven by oil prices, the lifting of barriers linked to the COVID-19 pandemic, and the assumption of continued prudent management of additional oil revenues. Inflation is expected to slow to 3.3 percent at the end of 2023 before falling below the 3 percent convergence criterion from 2024 onwards, as monetary policy remains sufficiently tight to firmly anchor inflation expectations and support the external position.
- mid-term growth is expected to gradually increase to 3.5 percent, mainly due to a more dynamic recovery in the non-oil sector, while reforms aimed at improving governance, transparency, and the business environment are expected to start bearing fruit. High oil prices, if sustained, will also restore external and fiscal equilibrium, and significantly reduce debt levels by 2024. Public debt is expected to decline to almost 40 percent of GDP by 2026, compared to about 53 percent of GDP in 2022.
- On 31 January 2023, CEMAC's foreign exchange reserves stood at 6 771.3 billion FCFA compared to 4 781.9 billion FCFA during the same period the previous year, corresponding to an increase of 41.6 percent year-on-year. This favorable development results mainly from the rise in the price of a barrel of crude oil, the efforts to repatriate export revenues, and the sharp increase in foreign exchange retrocessions by primary banks (+557.0 billion FCFA), for their extractive sector clients authorized to hold foreign currency accounts.

The situation of public finance turned out to be favorable, due to the increase in prices of products exported by countries of the CEMAC zone, particularly crude oil, and the budgetary support from the International Monetary Fund (IMF) within the framework of mechanisms and Extended Credit Facilities (ECF). Thus, the overall budget balance, including donations, stood at 1.5 percent of GDP in 2022 compared to -1.5 percent of GDP in 2021.

According to IMF statistics, the balance of payments within CEMAC recorded an external deficit of about 2.1 percent of GDP in 2022 compared to a deficit of 2.8 percent of GDP in 2021, representing an improvement of 0.7 percentage points in the balance on annually shifting. This performance is linked to the improvement in terms of trade by 28.0 percent.

In 2022, the nominal GDP of countries of the CEMAC subregion oscillated between 55 billion US dollars for Cameroon and 3 billion US dollars in the CAR, according to the histogram below established by the Bank of Central African States (BEAC). However, it should be noted that the rich natural capital of CEMAC countries is not taken into account in the calculation of the nominal GDP of these countries.

Nominal GDP of CEMAC States
(in billions of FCFA)



I.2 A strategic geographical position

Central Africa’s geographical position at the heart of the continent is a major advantage for the development of trade with all other Regional Economic Communities (RECs) in Africa. Indeed, Central Africa is the only region bordering all the four other regions of the continent. Therefore, it occupies a strategic position as a crossroads and link between all parts of Africa. In addition, its climate is largely equatorial, hot, and humid, with alternating dry and rainy seasons throughout the year for almost all countries, giving it a unique agricultural potential on the continent.

CEMAC countries have more than 1 800 km of coastline on the Atlantic Ocean, stretching over a wide climatic range from the forests of the Congo Basin in the south to the desert areas of Chad.

Moreover, Central Africa is a strategic zone, not only because of its historic role as a land, air or sea routes within Africa and between it and other continents, but also because of its oil production, fishing, mining, and forestry activities, which make it a highly coveted area.

Finally, Central Africa has the Congo Basin Forest, the world’s second-largest forest cover and humanity’s second lung after the Amazon region. As the world’s largest carbon well, and rich in biodiversity, the Congo Basin Forest helps combat climate change and plays an essential role in maintaining the balance of the earth’s ecosystem.

I.3 A subregion full of opportunities

The CEMAC subregion is “a land of opportunities” that can help the world return to growth. Today more than ever, the world needs a dynamic growth to tackle the multiple challenges such

as: unemployment, deficit, debt, poverty, climate change, etc. CEMAC countries have abundant mineral and natural resources to play a vital role to boost growth, which the global economy needs today.

The main strengths and opportunities of the subregion, which give it a comparative advantage, result from its geographical position, its natural capital endowed with significant varied natural and mining resources, as well as a demographic dividend due to its predominantly young population. The main sectors in the subregion that offer excellent investment opportunities are, among others:

- significant oil and mining deposits,
- immense natural resources,
- infrastructure (transport, energy, telecommunications, etc.),
- agriculture (abundance of arable land and water),
- the Congo Basin forests,
- the great hydroelectric potential,
- significant tourist potential,
- qualified and cheap labor.

II. AGENDA OF ECONOMIC AND FINANCIAL REFORMS AND INTEGRATION

II.1 Strong political commitment of Heads of State

The Central African Economic and Monetary Community was born from the desire of Heads of State of the subregion to work together to build an integrated community space.

During the extraordinary summit of the Conference of CEMAC Heads of State held on 18 August 2021, the Heads of State reaffirmed their firm desire to promote and deepen regional integration, through the consolidation of the free movement of people and goods, the promotion of the digital economy, the construction of regional infrastructure, the sustainable access to energy, and the implementation of integrative projects to strengthen intra-community trade and take greater advantage of the potential of the African Continental Free Trade Area (AfCFTA). This summit gave a strong signal and constituted a decisive step in the commitment to resolutely implement priority structural reforms leading to the strong, green, and inclusive economic growth.

In addition, the fifteenth ordinary session of the Conference of CEMAC Heads of State held on 17 March 2023 in the Cameroonian capital, Yaoundé, with the participation of all the Heads of State of the subregion, testifies to their common will to further strengthen their bonds of solidarity, fraternity, and cooperation. The recommendations of the Conference aim, in particular, to accelerate the implementation of economic and financial reforms, the economic diversification, as well as the regional integration process.

II.2 PREF-CEMAC: An international consensus for the implementation of reforms in the subregion

Following the economic, financial, and security shocks that led, on the economic level, to a slowdown in growth and the deterioration of public finance accounts, the CEMAC Heads of State established the Economic and Financial Reforms Program (PREF-CEMAC) in July 2016 in Malabo. The PREF-CEMAC aims to implement rapid, vigorous, and coordinated actions, both at the national and subregional level, for the stabilization of the macroeconomic framework

and a profound structural transformation of economies of the subregion to strengthen their resilience and place them on the path to the growth, sustainable development, and the emergence.

The implementation of PREF-CEMAC is satisfactory, with a positive impact on the recovery of economies of the subregion. The results obtained throughout the PREF-CEMAC reflect a certain diligence in respecting economic and financial discipline by countries of the CEMAC zone.

Indeed, since the implementation of PREF-CEMAC actions, great progress has been recorded, including improvement in the quality of public spending in member states, the widening of the tax base, the reconstitution of foreign exchange reserves, the continuation of dialogue with the main companies exploiting natural resources in the CEMAC zone with a view to repatriating export revenues, the merger of the two financial markets of the subregion, the implementation of the free movement of people and goods, as well as the execution of the economic and financial agreements concluded with the IMF by countries of the subregion, just to mention a few.

Furthermore, although faced with inflationary tensions, the tightening of financing conditions on international financial markets and a multiplicity of exogenous economic, financial, security, and climatic shocks, the CEMAC economies have shown themselves to be resilient since 2020 by recording a dynamic evolution of the real GDP growth rate estimated at 3.0 percent in 2022 after the recovery of 2021 (1.8 percent) and the recession of 2020 (-1.8 percent).

Today, there is a consensus among international financial bodies and institutions on the contribution of PREF-CEMAC to the resilience demonstrated by the economies of the subregion and on the financing of the second program of CEMAC priority integrative projects. Indeed, in its aide-memoire, the IMF Mission welcomed, on 21 June 2023, the progress made in the implementation of structural, governance, and transparency reforms within the framework of the PREF-CEMAC and encouraged the Technical and Financial Partners (TFPs) to support the implementation of the second program of CEMAC priority integrative projects.

During the CEMAC-France Meeting of Governors and Finance Ministers on 25 April 2023 in Paris, Ministers of Economy and Finance, Heads of regional institutions, and Governors of central banks praised the resilience demonstrated by economies and the financial system of CEMAC countries, due more particularly to the implementation of the reforms undertaken within the framework of PREF-CEMAC, with the support of all TFPs.

In addition, the participants of this Meeting, on the one hand, welcomed the success recorded in the execution of the first CEMAC integrative project agenda and the holding of the roundtable in Paris in November 2023 on the financing of the second program of integrative projects in the subregion, and on the other hand, called for the strengthening of regional economic integration, a factor of resilience and solidarity of states in the face of exogenous shocks, in a context of the increasing security, economic, climate, and financial risks, notably through the financing and implementation of CEMAC priority integrative projects and the economic diversification strategy.

In its “Economic Outlook Report in Central Africa in 2022,” the African Development Bank (AfDB) indicates that the improvement in the region’s current balance comes mainly from the current account surplus, due to the consolidation efforts undertaken within the framework of the PREF-CEMAC. Similarly, during the 58th Annual Meeting of the AfDB held from 22 to

26 May 2023 in Sharm El-Sheikh, Egypt, the bank welcomed the adoption of a second program of priority integrative projects by the fifteenth ordinary session of the Conference of CEMAC Heads of State and invited TFPs to contribute to its financing as part of coordination among all development actors. Furthermore, governors representing member countries called on the AfDB Group to strengthen its support for regional integration in line with the Agreement on the African Continental Free Trade Area (AfCFTA).

II.3 Acceleration of the implementation of economic and financial reforms and of the integration

Based on the decisions of the Conference of CEMAC Heads of State relating to the creation, organization, and operation of the PREF-CEMAC, the Steering Committee of the PREF-CEMAC adopted on 15 April 2021, during its thirteenth ordinary session, the Revised Framework Document of the PREF-CEMAC for the 2021-2025 period, as well as the matrix of related actions. As mentioned above, the Extraordinary Summit of CEMAC Heads of State, held on 18 August 2021, recommended the acceleration of the process of implementing priority reforms of the second phase of the PREF-CEMAC.

The main economic and financial reforms implemented in 2022 by CEMAC member countries include, among others: (i) the rationalization and the improvement of the quality of public spending, due to efforts made by states in these areas in connection with their programs with the IMF; (ii) maintaining the long-term external stability of the currency; (iii) the reinforcement of the involvement of the BDEAC in financing CEMAC economies; (iv) the operationalization and the revitalization of the subregional financial market; and (v) the reinforcement of the economic diversification, private sector development, and the alternative forms of financing.

III. EVALUATION OF THE IMPLEMENTATION OF THE FIRST PROGRAM OF INTEGRATIVE PROJECTS

III.1 Reminder of conclusions of the first roundtable

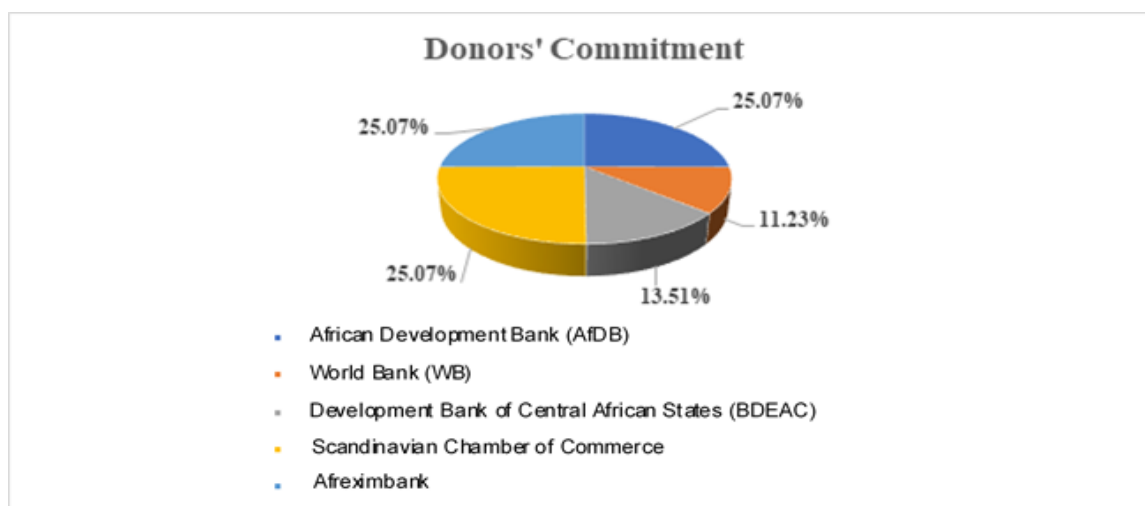
The Community of Technical and Financial Partners (TFPs) strongly mobilized around CEMAC countries during the first roundtable organized in Paris on 16 and 17 November 2020 for the financing of the 11 integrative projects of the first program. Considering the prevailing situation of the COVID-19 pandemic, the roundtable took place both in person and by videoconference.

The roundtable was a historic success, not only because it brought together the six CEMAC member states, friendly states, TFPs, and private investors at the highest level but also because it made it possible to mobilize nearly 3.9 billion euros for a funding target of 3.3 billion euros. The financing of eight out of the 11 projects presented was thus completed at the end of the roundtable. The distribution of financing mobilized by donors is given in the table below.

Funder's name	Amount in euros	Commitment in % of resources mobilized
African Development Bank (AfDB)	1 000 000 000	25.07%
World Bank (WB)	448 030 000	11.23%
Development Bank of Central African States (BDEAC)	538 880 000	13.51%

Scandinavian Chamber of Commerce	1 000 000 000	25.07%
Afreximbank	1 000 000 000	25.07%
SX CAPITAL HOLDINGS	2 000 000	0.05%
TOTAL	3 988 910 000	100.00%

Some donors and TFPs that took part in the roundtable had expressed their interest in financing, without specifying the amounts to be committed. These are: JMC PROJECTS INDIA, SOGEA-SATOM, BADEA and OLAM. Others, on the other hand, had indicated the projects in which they were interested, particularly on axes 2 and 3, and had requested additional details to refine their intentions. These are: JMC PROJECTS INDIA, STOA and the Islamic Development Bank.



III.2 State of mobilization of commitments

The table given in Appendix 1 presents the state of mobilization of funding per financing source, per axis, and per project. This table shows that, overall, the commitments made by TFPs during the Paris Roundtable in November 2020 have been respected.

III.3 State of project execution

Since the roundtable was held, performance in terms of resource mobilization has been satisfactory, due to the maturity stage of the projects and the constant monitoring of the PREF-CEMAC Steering Committee, as well as the decisive support of the CEMAC Commission, the AfDB, the BDEAC, FODEC, and the World Bank, which made it possible to control project cycles.

These positive results also reflect the efforts made by the PREF-CEMAC to fully involve the stakeholders concerned (administration, communities, civil society, private sector, development partners, etc.) in the formulation and monitoring of projects.

The table given in Appendix 2 presents the state of execution of the first program of integrative projects. It shows that 80 percent of the integrative projects in this program, representing eight projects, have actually started or are in the process of being started, recording remarkable progress just three years after the roundtable. Concretely:

- Regarding the Pointe Noire-Brazzaville-Ouesso-Bangui-N’Djamena corridor (CD13) project: (i) in the Congo: the development, construction, and the asphaltting works on the Ouesso-Pokola road (56 km) are in progress and maintenance works on the Pokola-Gouga-CAR border road (455 km) are underway too. Furthermore, rehabilitation work on the degraded sections between Brazzaville and Ouesso, more precisely the Inga-Owando section, has been completed, thus making traffic between Douala-Ouesso-Brazzaville more fluid, (ii) in the CAR: tender procedures of construction and asphaltting work on the Gouga-Mbaïki road (109 km) and the rehabilitation of the Mbaïki-Bangui road (120 km) are underway;
- Concerning the development project of the Ndendé-Dolisie road of the Libreville-Brazzaville corridor (Gabon-Congo), the construction and asphaltting works of the Dolisie-Ndembo section (31 km), including the bridge over the Niari, have been completed and those of the Ndembo-Kibangou section (30 km) are in progress and scheduled to be completed at the end of 2023. Regarding the Ndendé-Doussala section, arrangements necessary for the implementation of the project have started, particularly: (i) the establishment of the Project Unit, (ii) consultation procedures for updating studies and (iii) the action plan for the resettlement of people;
- With regard to the Kogo-Akurenam road development project (230 km) of the Libreville-Bata corridor (Gabon-Equatorial Guinea): (i) the construction and asphaltting works on the first 65 kilometers have been completed and (ii) the construction and asphaltting works on the Akurenam-Minang section (111 km) are in progress;
- Regarding the interconnection project of CEMAC countries by optical fiber, the interconnection works between Cameroon-Congo, Cameroon-Gabon, Congo-Gabon, Congo-CAR, and Cameroon-Equatorial Guinea have been completed. Interconnection work between CAR-Cameroon and CAR-Chad will start shortly;
- Concerning the construction project of the Interstate University (Congo-Cameroon), the construction of buildings is being finalized on the Sangmelima campus, the teaching equipment has been installed, and the process of securing the areas of the Ouesso campus has been completed.

Thus, the implementation of CEMAC integrative projects has led to remarkable success for the first time since the adoption of the CEMAC Regional Economic Program in 2011, in a global context marked by the effects of the COVID-19 pandemic and the war in Ukraine, which are weakening almost all economies.

From now, the national integrative project management teams are in place. Moreover, disbursements by the World Bank, the AfDB, and the BDEAC continue for the benefit of the states concerned, in accordance with the loan and grant agreements duly signed and ratified by national parliaments. Furthermore, the European Union and the European Investment Bank have just granted new financing for the continuation of road works on two of these projects.

IV. FINANCING OF THE SECOND PROGRAM OF INTEGRATIVE PROJECTS

IV.1 Description of projects and their economic impacts

The general goal of the Regional Economic Program (PER) is to promote economic growth, regional integration, poverty reduction, and improvement of the well-being of people through the development of infrastructure and human capital. The choice to focus on basic infrastructure

is based on the fact that they are the basis of sustainable development and that without them, no economic take-off is possible.

The integrative projects of the second program represent a precise, complete, and coherent set of projects aimed at promoting the exit of countries of the Community from the category of least developed countries towards the emergent states path. This second program is divided into four (4) axes and thirteen (13) projects. Each project is the subject of a descriptive sheet so that TFPs can directly read and examine the sheets that interest them without being obliged to read all the sheets. The integrative projects are developed below per axis.

Axis 1: Development of transport infrastructure to facilitate physical integration and free movement of people and goods

Axis 1 projects aim to facilitate transport and the movement of people and goods across borders. Transport costs in the region represent on average 40 percent of the value of exports and imports, which has weakened the international competitiveness of the CEMAC zone. These road projects will fully contribute to the achievement of the goals of: (i) country development, (ii) poverty reduction, (iii) pro-poor growth, (iv) regional integration based on the development of policies aimed at reducing transport costs, improving security, and intensifying exchanges between regions and the rest of the world. They are essentially focused on the construction and upgrading of Interstate road corridors, and more particularly concern:

- the development of the Pointe-Noire-Brazzaville-Ouesso-Bangui-N'Djamena corridor (Congo-CAR-Chad), phase 2;
- the development and asphaltting of the Kélo-Pala-Léré-Cameroon border road (Chad-Cameroon);
- the development and asphaltting of the Kougouleu-Medouneu-Akurenam road, more specifically the Kougouleu-Medouneu section over a length of 168 km (Gabon-Equatorial Guinea);
- the development and asphaltting of the Garoua-Boulaï-Baboua road on corridor 2 (Cameroon-CAR);
- the construction of the extension of the railway between N'Gaoundéré and N'Djamena (Cameroon-Chad);
- the construction of the Ndende-Dolisie road of the Libreville-Brazzaville corridor (last phase) (Gabon-Congo);
- the construction of access roads to the road-rail bridge (Congo-DRC);
- river and port developments on the Congo River and its tributaries (Congo-CAR)

Axis 2: Reinforcement of the electrical energy production

The projects selected in axis 2 aim to: (i) secure the supply of electrical energy to member countries, (ii) facilitate and coordinate the implementation of regional electrical infrastructure projects, (iii) improve the integration of national markets of member countries with a view to creating a Regional Electricity Market through the establishment of legal and technical instruments of the Market and (iv) increase the rate of regional electrification and satisfy all forms of demand for electrical energy. These projects concern:

- the Grand Poubara and Imboulou electrical connection (580 km) (Gabon-Congo), and
- the electrical interconnection between Cameroon (Bertoua) and the CAR (Boali).

Axis 3: Promotion of the single market to strengthen commercial integration

The dynamism of international trade and the interconnection of economies have highlighted the issue of congestion in seaports and port cities in the CEMAC area, something that influences the cost of goods. With a view to streamlining traffic around and within ports, CEMAC has chosen the option of building dry ports along the main corridors to: (i) bring the logistics service closer to the hinterland countries, (ii) create new logistics hubs, (iii) relieve seaport congestion, (iv) reduce the costs and delivery times of products through a single hub that brings together all stakeholders and (v) create and develop new markets through the implementation of projects such as:

- the construction of a dry port in Ebebiyin in the three-border area (Cameroon-Equatorial Guinea-Gabon),
- the construction of the Ngueli dry port (Chad-Cameroon).

Axis 4: Economic diversification

CEMAC remains a very undiversified economy and heavily dependent on oil production. Thus, it is imperative to diversify the economy by expanding the production base beyond the export of oil and other basic products, to place CEMAC on a path of green and inclusive growth, through the development of the private sector. This is the goal targeted by this axis 4 through:

- the project to support the development of the timber sector in the Congo Basin (Cameroon-Congo-Gabon-CAR-Equatorial Guinea).

IV.2 Project costs and financing gap

The total cost of the thirteen integrative projects is estimated at 8 835.875 million euros. 1 513.701 million euros of that amount, representing 17.13 percent of the total cost, were already mobilized. The requesting funding is then 7 322.174 million euros, corresponding to 82.87 percent of the total cost. The costs of integrative projects per axis are given in the table below.

Strategic axes	Number of projects	Total cost in euros	Amount of funding acquired in euros	Amount of funding required in euros	Gap in %
Axis 1: Development of transport infrastructure to facilitate physical integration and free movement of people and goods	8	7 957.210	1 398.852	6 558.358	82.42%
Axis 2: Reinforcement of the electrical energy production	2	195.034	32.103	162.931	83.54%
Axis 3: Promotion of the single market to reinforce the commercial integration	2	387.831	0	387.831	100%

Axis 4: Economic diversification	1	295.800	82.746	213.054	72.03%
TOTAL	13	8 835.875	1 513.701	7 322.174	82.87%

Details of these costs per axis and per project are given in Appendix 3.

CEMAC intends to mobilize funding from the following donors, partners, and initiatives:

- Traditional institutional donors, loans on concessional conditions or blended finance such as the BDEAC, the AfDB, the World Bank, the IDB, and the European Union;
- International and national private investors for the execution of some projects in the PPP mode, particularly those of axes 2, 3, and 4, as well as certain projects of axis 1 (Ngaoundéré-N'Djamena railway);
- New programs announced as part of summit meetings with Africa (USA/Africa, China/Africa, Russia/Africa, Turkey/Africa, Europe/Africa, etc.) and whose terms of introduction, reception, and requests for loans/grants and technical assistance are set by the donor country;
- New development banks in countries such as China, India, Russia, Turkey, and Islamic banks. To this end, we can mention the New BRICS Development Bank (NDB), AFREXIMBANK, the Islamic Development Bank (IDB), Al-Rajhi Bank (Saudi Arabia), Kuwait Finance House (Kuwait), Dubai Islamic Bank (United Arab Emirates), Abu Dhabi Bank (United Arab Emirates), the Arab Bank for the Development of Africa (BADEA);
- Nordic banks, including the Nordic Investment Bank, the African Chamber of Commerce in Scandinavia;
- Friendly countries that usually support CEMAC states in the implementation of regional projects, particularly France, the United States, Germany, China, India, Russia, Turkey, Brazil, South Korea, Japan, the Kingdom of Saudi Arabia, and Nordic countries such as Sweden, Norway, and Denmark.

IV.3 Financing of projects using concessional resources and the PPP mode

Under this second program, the ambition of CEMAC decision-making bodies and states is to diversify sources of financing by placing particular emphasis on concessional resources, blended finance, public and private partnerships while respecting the ratios of viability and sustainability of public debts of CEMAC countries.

The infrastructural development and the search for full growth potential in promising sectors constitute, not only a requirement for development but also a sine qua non condition for the implementation of productive, profitable projects likely to increase wealth, create jobs, and contribute to improving the well-being of people.

By their nature, infrastructure and productive sectors require significant funding that state budgets are still unable to meet. It is for this fundamental reason that Public-Private Partnership (PPP) has been chosen by many governments as a method of carrying out and managing these projects. The construction of infrastructure and the exploitation of growth potential through PPP modes offer the double advantage of attracting significant flows of private investment to countries and causing the transfer of technical, commercial, and managerial know-how that contributes positively to the knowledge capital of countries.

Finally, the operating rules of the private sector, based on the search for competitiveness and efficiency, should allow infrastructure constructed under the PPP to be able to offer a better quality/price ratio, which would result in the provision of better quality services at a lower economic cost than that which a public operator would have incurred for the provision of the same services.

PPPs enable efficient and predictable long-term management of public spending. The cost of a project for a given duration is known from the outset and takes into account maintenance and upkeep, as well as the development of new services, the adaptation of existing services to take into account the constantly evolving expectations and needs of users. Rules on PPPs are very strict and the contracts are drawn up with great precision.

The public authorities and their private partners are required to respect those contracts. Considering the precise framework of their financing method, PPPs are even one of the most secure and transparent forms of contract.

The countries of the CEMAC zone have already implemented certain PPP methods, whether it involves opening the capital of mixed economy companies or public limited companies, joint ventures or a concession to the private sector.

In view of the foregoing, the integrative projects of axes 2, 3, and 4, as well as certain projects of axis 1 (Ngaoundéré-N'Djamena railway) could be considered priorities for their execution in the PPP mode. For the financing, development, and operation of these projects, several options can be considered, including: (i) financing by the public sector and outsourcing of operation through a management contract with the private sector, (ii) financing and operating by the private sector and (iii) other forms of Public-Private Partnership.

IV.4 Debt viability and sustainability framework

To ensure their macroeconomic stability, the CEMAC countries have defined macroeconomic convergence criteria and indicators, one of which relates to the establishment of a debt control in order to limit the medium-term accumulation of public debt. This convergence criterion caps the outstanding public debt at 70 percent of nominal Gross Domestic Product (GDP).

The CEMAC countries have prudent management of their debt and are characterized by a low debt rate. Indeed, according to the IMF's regional outlook, the subregion's debt rate should stand at 46.2 percent in 2023, below the debt convergence criterion and in sharp decline compared to its levels in 2022 (49.6 percent), 2021 (57.3 percent), and 2020 (60 percent). This debt rate should continue to fall, according to BEAC estimates, to reach 40.6 percent in 2024, 37.6 percent in 2025, and 35.8 percent in 2026.

In addition, the macroeconomic outlook for CEMAC countries published by the IMF for 2022 and 2023 is globally favorable. Taking advantage of the continued dynamism of activity in the non-oil sector, growth stood at 3 percent in 2022 in CEMAC and should accelerate to stand at 3.3 percent at the end of 2023, despite just a slight increase in activity in the oil sector.

Furthermore, it should be noted that the integrative projects for which funding is sought are mature, economically and financially profitable projects given that they are capable of generating sufficient income on their own to cover their expenses (at least the repayment of loans granted for their execution). The expected return on productive investments would lead to an increase in budgetary revenues, excluding grants, and by extension an improvement in the ratio of the current value of external debt on projected budgetary revenues.

Finally, the mobilization of independent financing within the framework of Public-Private Partnership (PPP) makes it possible not to burden national budgets and consequently not to increase outstanding public debt in compliance with the convergence criterion capping the debt rate.

V. CONCLUSION ET RECOMMENDATIONS

In order to meet the challenges of sustainable development and integration, countries of the subregion have adopted the vision consisting of *"Making CEMAC an emerging integrated economic space where security, solidarity, and good governance reign, at the service of human development."* To achieve this vision, a Regional Economic Program (PER), whose goal is to develop the main resources of the subregion and build a competitive, diversified, and high value-added economy, was developed and adopted.

To this end, CEMAC has woven a set of integrative projects to achieve this goal as quickly as possible. Thus, a first program composed of 11 integrative projects is being implemented following the mobilization of funding during the roundtable in November 2020. The second program comprising 13 integrative projects is consistent, complements the first program, and is related to infrastructural development and the facilitation of transport and trade in the subregion.

The implementation of the second-generation integrative projects will be spread over a period of five years for a total cost of 8 835.875 million euros. 1 513.701 million euros of that amount, corresponding to 17.13 percent of the total cost, were already mobilized. The requesting funding amounts by the CEMAC countries are 7 322.174 million euros, representing 82.87 percent of the overall cost of the program.

The distribution of costs of integrative projects per axis is given in the table below.

Strategic axes	Number of projects	Total cost in euros	Amount of funding acquired in euros	Amount of funding required in euros	Gap in %
Axis 1: Development of transport infrastructure to facilitate physical integration and free movement of people and goods	8	7 957.21	1 398.852	6 558.358	82.42%
Axis 2: Reinforcement of the electrical energy production	2	195.034	32.103	162.931	83.54%
Axis 3: Promotion of the single market to reinforce the commercial integration	2	387.831	0	387.831	100%

Axis 4: Economic diversification	Economic	1	295.8	82.746	213.054	72.03%
TOTAL		13	8 835.875	1 513.701	7 322.174	82.87%

Sources of funding for integrative projects will be diversified and will not be limited to traditional public resources (own resources or public development aid) mobilized in the form of donations, quasi-donations or concessional loans, or blended finance. New investment financing mechanisms will be explored with a view to further involving the private sector in the execution of the projects. The CEMAC states, with the support of their TFPs, will take all measures to, on the one hand, put the subregion on the path of emergence, sustainable development, regional integration, and on the other hand, to create the conditions to make this Regional Economic Community a haven of peace and a vector of harmony and contact between all the regions of the continent.

With the support of its TFPs, CEMAC has acquired a rich experience in the coordination and implementation of integrative projects supported by a monitoring-evaluation system with objectively verifiable indicators.

CEMAC thanks all its TFPs for their support and invites them to continue to work alongside it for sustainable development of the subregion.

Appendix 1: Mobilization of commitments from the November 2020 roundtable

Axis	Projects	Total amount of the project (in million of euros)	Stakeholders	Contribution of stakeholders	Financing methods	Missing Mobilized Funding
AXIS 1: FACILITATION OF TRANSPORT AND TRADE	1. Construction of a bridge over the Ntem River (including road connections) and facilitation of transport and road safety on the Kribi-Campo-Bata transnational road linking Cameroon and Equatorial Guinea.	111.94	CAMEROON	4.718		
			EQUATORIAL GUINEA	7.61		
			EU	35	Concessional loan	
			BDEAC	22.83	Non-concessional loan	0
			ADF	25.27	Non-concessional loan	
			AfBD	38.05	Concessional loan	
			CAMEROON	13.7		
	2. Construction of the Lolabé-Campo expressway (39 km) between Cameroon and Equatorial Guinea	62.2	EQUATORIAL GUINEA			
			AfBD	52.8	Concessional loan	0
			BDEAC	68.5	Non-concessional loan	
			CONGO			
			GABON			
	3. Construction of missing sections of the Ndende-Dolisie road of the Libreville-Brazzaville corridor	221.98	AFREXIMBANK	100		
			BDEAC	61.18		0
AfBD			211			
EQUATORIAL GUINEA						
4. Construction of the Kogo-Akurenam road (South-East Equatorial Guinea-Gabon)	396.37	GABON				
		AFREXIMBANK	200	Non-concessional loan	0	
		African Chamber of Commerce in Scandinavia	131.2			

Axis	Projects	Total amount of the project (in million of euros)	Stakeholders	Contribution of stakeholders	Financing methods	Lead partner	Missing Mobilized Funding	
AXIS 2: PRODUCTION AND INTERCONNECTION OF ELECTRICAL AND COMMUNICATION NETWORKS	5. The Brazzaville-Ouessou-Bangui-N'Djamena Corridor (Congo/CAR/Chad). The funding sought is complementary to that sought by ECCAS.	605.37	BDEAC AFBD African Chamber of Commerce in Scandinavia FODEC BDEAC	200 321.267 116.768 2.287 178	Non-concessional loan Non-concessional loan Non-concessional loan Non-concessional loan Non-concessional loan	BDEAC	0	
	6. Hydroelectrical development of Chollet and electrical lines (Cameroon/Congo/ Gabon/ CAR)	1 832	CAMEROON CONGO GABON CAR WORLD BANK AFREXIMBANK	49.47 500	Concessional loan Non-concessional loan	WORLD BANK	1 282.5	
	7. Interconnection of electricity networks (Cameroon-Chad)	466	CAMEROON CHAD AFBD WORLD BANK CAMEROON	12.69 299.86 398.56	Concessional loan Concessional loan Concessional loan	WORLD BANK	0	
	8. Interconnection of Cameroon with CEMAC countries by optical fiber	8.4	BDEAC WORLD BANK CAR	8.4	Non-concessional loan	BDEAC	0	
	9. Construction of the Beloko dry port (Douala-Bangui Corridor)	182.939	AFREXIMBANK	100	Non-concessional loan	AFREXIM BANK MEMBER STATES	82.939	
	10. Construction of the Dolisie dry port (Gabon-Congo Corridor)	182.939	CONGO AFREXIMBANK	100	Non-concessional loan	AFREXIM BANK	82.482	
	AXIS 3: COMMON MARKET AND ECONOMIC DIVERSIFICATION							

Axis	Projects	Total amount of the project (in million of euros)	Stakeholders	Contribution of stakeholders	Financing methods	Lead partner
			FODEC	0.457	DONATION	MEMBER STATES
AXIS 4: HUMAN CAPITAL	11. Interstate University (Cameroon - Congo)	4.5	CAMEROON			C CEMAC
			CONGO			
			FODEC	2.5	DONATION	
			SIX CAPITAL HOLDINGS	2	DONATION	
						0

Appendix 2: State of execution of the first program of integrative projects

Project title		Project components	State of implementation
Development of the Brazzaville-Ouessou-Bangui-N'Djamena Corridor (CDI3)	CAR	Construction and asphaltting works on the Gouga-Mbaiki road (109 km) Repair and upgrading works on the Mbaiki-Bangui road (120 km)	Tender procedures for construction and asphaltting works on the Gouga-Mbaiki road (109 km) and rehabilitation of the Mbaiki-Bangui road (120 km) are in progress
	Congo	Construction and asphaltting works on the Ouessou-Pokola road (56 km) Minimal development work on the Pokola- Gouga- CAR border road (455 km)	Development, construction, and asphaltting works on the Ouessou-Pokola road (56 km) is in progress while maintenance work on the Pokola-Gouga-CAR border road (455 km) is in progress
Interconnection of electrical networks	Cameroon- Chad	Interconnection of the electricity networks of Cameroon and Chad	Cameroon and Chad are awaiting the Notice of No Objection (ANO) from the AfDB for the selection of the company that will carry out the project. The first meeting of the Technical Committee of the project is scheduled for 6 October 2023.
Interstate university	Cameroon Congo	Construction works at the Congo-Cameroon Interstate University	Construction works on the buildings is being finalized on the Sangmelima campus; the teaching equipment has been installed and the process of securing the premises of the Ouessou campus is completed
Interconnection of Cameroon with CEMAC countries by optical fiber	Cameroon & the whole of CEMAC	Interconnection works between Cameroon and CEMAC countries via optical fiber	Interconnection works between Cameroon-Congo, Cameroon-Gabon, Congo-Gabon, Congo-CAR, and Cameroon-Equatorial Guinea is completed.

Project title		Project components		State of implementation
				Interconnection works between CAR-Cameroon and CAR-Chad will start shortly
Development of the Ndendé-Dolisie road	Gabon	Construction and asphaltting works on the Ndendé-Doussala road (49 km)		Arrangements necessary for the implementation of the project have started, particularly: (i) the establishment of the Project Unit, (ii) consultation procedures for updating studies and (iii) the population resettlement action plan
	Congo	Construction and asphaltting works on the Dolisie-Kibangou road (93 km)		Construction and asphaltting works on the Dolisie-Ndembo section (31 km), including the bridge over the Niari, have been completed and those on the Ndembo-Kibangou (30 km) are in progress and scheduled to be completed at the end of 2023.
		Construction and asphaltting works on the Kibangou-Gabonese border section		Funding mobilized; ongoing implementation procedures
Construction of the Lolabé-Campo Expressway	Cameroon Equatorial Guinea	Construction of the Lolabé-Campo Expressway		Funding mobilization procedures are completed after evaluation of the project by the donors concerned; consultations have been finalized between the two parties for the bridge site, as well as on the issue of the border post and that of the composition of the project management teams.

Project title		Project components		State of implementation
Construction of the bridge over the Ntem River	Cameroon Equatorial Guinea	Construction work on the bridge over the Ntem River and its access routes		Funding mobilization procedures underway after evaluation of the project by the donors concerned
Development of the Kogo-Akurenam road	Equatorial Guinea Gabon	Construction and asphaltting works on the Kogo-Akurenam road (230 km)		(i) construction and asphaltting work on the first 65 kilometers have been completed and (ii) the construction and asphaltting work on the Akurenam-Minang section (111 km) is in progress
Hydroelectric development of Chollet and associated power lines	Cameroon Congo Gabon CAR	Projects for the development of hydroelectricity and associated power lines		Works on the PK65-Kogo section: financing mobilization procedures completed
Construction of the Beloko dry port	CAR	Construction works of the Beloko dry port		These two projects are being restructured for their implementation in the Public-Private Partnership (PPP) mode with a view to their start-up in 2024
Construction of the Dolisie dry port (Gabon-Congo corridor)	Congo	Construction of the Dolisie dry port (Gabon-Congo corridor)		On 12 April 2022, the Republic of the Congo and the Republic of Rwanda signed a restructuring agreement in the PPP mode for this project.

Appendix 3: Sharing of the cost of the second program of integrative projects per axis

Project title	Total cost in millions of euros	Funding acquired in millions of euros	Amount required in millions of euros
Axis 1: Development of transport infrastructure to facilitate physical integration and the free movement of people and goods			
1- Development of the Pointe-Noire-Brazzaville-Ouessou-Bangui-N'Djaména corridor - Phase 2- CD13 (four sections: Pokola-Gouga-Central African Border, Bossembélé-Baoro, Mbaiki-Boda-Yaloke, Mbaiki-Bendja-Bekoninga) (Congo/CAR/Chad)	994.572	620.55	374.022
2- Development and asphaltting of the Kelo-Pala-Léré-Cameroon border road (phase 1) (Chad-Cameroon)	110.008	47.112	62.896
3- Development and asphaltting of the Kougouleu-Medouneu-Akurenam road, Kougouleu-Medouneu section over a length of 168 km (Gabon-Equatorial Guinea)	426.858	100	326.858
4- Development and asphaltting of the Garoua-Boulai-Baboua road on corridor 2 (Cameroon-CAR)	79.28	20	59.28
5- Construction of the extension of the railway between N'Gaoundéré and N'Djaména (Cameroon-Chad)	5 596	500	5 096
6- Construction of missing sections of the Ndende-Dolisie road of the Libreville-Brazzaville corridor (last phase) (Gabon-Congo)	290.264	51.19	239.074
7- Construction of access roads to the Brazzaville-Kinshasa road-rail bridge on the Congo River (Congo-DRC)	71.86	10	61.86
8- Fluvial and port development for navigation on the Congo River and its tributaries (CD13) (Congo-CAR)	388.368	50	338.368
Sub-Total Axis 1	7 957.21	1 398.852	6 558.358
Axis 2: Reinforcement of the energy production			
9- Electrical connection between Grand Poubara and Imboulou (580 km) (Gabon-Congo)	145.8	20.615	125.185
10- Electrical interconnection between Cameroon (Bertoua) and CAR (Boali)	49.234	11.488	37.746
Sub-Total Axis 2	195.034	32.103	162.931

Project title	Total cost in millions of euros	Funding acquired in millions of euros	Amount required in millions of euros
Axis 3: Promotion of the single common market to reinforce the commercial integration			
11- Construction of a dry port in Ebibeyin in the three-border area (Cameroon-Equatorial Guinea-Gabon)	204.892		204.892
12- Construction of the Nguéli Dry Port (Chad-Cameroon)	182.939		182.939
Sub-Total Axis 3	387.831	0	387.831
Axis 4: Economic diversification			
13- Support for the integrated development of the timber sector in the Congo Basin (Cameroon-Congo-Gabon-CAR-Equatorial Guinea)	295.8	82.746	213.054
Sub-Total Axis 4	295.8	82.746	213.054
TOTAL	8 835,875	1 513,701	7 322,174



MORE INFORMATION

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