



Amendment to
Project Proposal for
CAMEROON

June 2026

Component: Spending

Module: SM-I: Spending Policy/Climate



PROJECT SUMMARY

COUNTRY: Cameroon

LEAD DEPARTMENT: FAD

REGION: AFR

PLANNED DATES: FY27-28

PROJECT MANAGERS: Anthony Ramarozatovo (Revenue Administration, FADR2, Lead)
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ESTIMATED BUDGET US\$ 214,000

PROJECT AMENDMENTS:	PURPOSE	SC APPROVAL
INITIAL PROJECT PROPOSAL	Proposal for modules below RM-II: Revenue Administration; SM-II: Managing Public Finances; SM-I: Spending Policy/Climate (<i>included</i>)	June 2024
AMENDMENT 1/1	For Climate Policy (SM I): Follow-up CD to identify fiscally relevant climate reforms and build disaster risk data collection and analytical capacity.	June 2026

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ACRONYMS

CD	Capacity development
CPD	Climate Policy Diagnostic
DRF	Disaster risk financing
DRFS	Disaster Risk Financing Strategy
FAD	IMF's Fiscal Affairs Department
NCP	National Climate Plan
NDC	Nationally Determined Contributions

I. PROJECT AMENDMENT PURPOSE

Country request and relevance/importance

The authorities have requested follow-up CD to strengthen the implementation of the National Climate Plan (NCP) and Disaster Risk Financing Strategy (DRFS), supported by the original proposal. Appropriate anchoring of fiscal policies is critical for achieving Cameroon's climate commitments. Cameroon's 2021 Nationally Determined Contributions (NDCs) estimate total investment needs of US\$57.6 billion by 2030, comprising US\$25.8 billion for mitigation and US\$ 31.9 billion for adaptation. At the same time, Cameroon is increasingly exposed to climate-related disaster risks including floods and droughts, underscoring the need to strengthen fiscal and policy preparedness for climate shocks. This amendment will support the authorities' reform priorities by (1) identifying and prioritizing fiscally relevant climate reforms to operationalize the NCP via the Climate Policy Diagnostic (CPD) and (2) strengthening data collection and analysis that underpin implementation of the DRFS.

Description of Module

The amendment module is comprised of two activities that support the implementation of (1) Cameroon's climate policy agenda and (2) disaster risk financing (DRF), namely:

- **(1) Climate Policy Diagnostic (CPD)** - reviews Cameroon's existing mitigation and adaptation policy package across relevant sectors such as energy, forestry, water and disaster management and identifies priority, fiscally relevant, reform options. It focuses on the use of fiscal policy instruments (e.g., pricing, taxation, subsidies) plus regulatory measures, evaluating their fiscal and distributional implications, and advising on the institutional arrangements needed to implement the reforms.
- **(2) Strengthening of DRF Data Collection and Analytical Capacity** – supports the building of data collection and analytical capacities needed for the implementation of the high, immediate term priority actions as identified across the fiscal policy pillars of the DRF Strategy such as “establish a data collection system for disasters and specific expenditures”, “conduct an objective assessment of potential needs from contingent funds.” Evaluate Cameroon's existing institutional set up and operational practice of disaster related data and its use in expenditure planning and identify areas of improvement.

The estimated budget for this project amendment is US\$ 214,000, and covered within the total budget endorsement requested for Cameroon of US\$ 1,814,388 through FY28.

II. BACKGROUND

Macro-fiscal situation

Cameroon is a fragile and conflict affected state that continues to face development challenges rooted in economic and institutional weaknesses. The underlying macro-fiscal challenges remain, similar to those described in the original proposal with additional risk posed by the global and domestic factors. According to the 2026 Article IV consultation, Cameroon's economy has grown by 3.1 percent in 2025, a slower pace than previously forecast as election-related disruptions affected trade, services, and investment. Inflation declined to 3.4 percent, on average, through December 2025, driven by moderating food and transport prices. Preliminary estimates suggest the fiscal position weakened in 2025, with a non-oil primary deficit of 2.6 percent of GDP, exceeding the budget target of 1.4 percent of GDP. The deterioration was driven by the underperformance on non-oil revenues and slippage in current expenditures. Cameroon's current account deficit is expected to have widened to 3.9 percent of GDP in 2025 (from 3.3 percent in 2024), partly reflecting lower oil export receipts.

Country engagement and alignment to reform priorities

Cameroon's NCP anchors the country's climate commitments as described in the NDCs within the macro-fiscal planning, identifying priorities actions across 9 sectors including energy, forestry, agriculture and infrastructure. The use of fiscal policies will be keys to fostering identified actions such as the promotion of renewables, reduction in deforestation, and integrated management of water resources, but the authorities currently lack systematic knowledge regarding fiscal policy instruments to promote mitigation and adaptation actions. The planned CPD builds the authorities' capacity to identify and implement relevant fiscal policies to advance their climate actions.

Cameroon's DRFS aims to strengthen fiscal and financial resilience to climate-related shocks, ensuring resources are available on time for immediate response and recovery while preserving budget balance and economic stability. Cameroon's DRFS strategic priorities include (1) improve and consolidate fiscal buffers; (2) promote private sector

participation and resilient financial inclusion; (3) strengthen the institutional framework for disaster risk management/financing; (4) improve coordination plus monitoring and evaluation of DRR spending and financing. Strengthening disaster data collection and analytical capacity is fundamental to effective DRFS implementation, as it underpins risk quantification, the calibration of fiscal buffers and disaster risk-layering instruments, and more credible expenditure planning for emergency response, recovery, and reconstruction.

IMF priority areas / cross-cutting themes

This amendment aligns with the IMF's climate strategy by supporting member countries in addressing macro-critical climate risks through targeted capacity development on climate policy reform identification and resilience to climate shocks. The CPD will help the authorities identify and prioritize fiscally relevant reform options that support implementation of the NCP and are consistent with related ongoing reforms (including the NDC update and National Adaptation Plan currently under development). In parallel, strengthening DRF data collection and analytical capacity will improve expenditure planning and fiscal preparedness as disaster risks rise, by better informing budget allocations, contingency planning, and post-disaster economic recovery.

III. PROJECT AMENDMENT MODULES - DESCRIPTION

This proposal is an amendment to an existing project. The amendment proposes CD support to Cameroon on climate policy. FAD CD will support improvements within the strategic objectives presented in Table 1.

Table 1. Summary of Objectives covered by the Proposal

Component	Module	Objective
Spending	SM-I: Spending Policy / Climate	Improved fiscal policies and institutional frameworks to combat climate change and its impacts

A. SM I – Spending Policy / Climate

Scope

The scope of the CD program is to help the **Cameroonian authorities in the implementation of the NCP and DRFS**. The project's activities will be a combination of diagnostic missions led from HQ (including workshops) and follow-up virtual meetings as needed to put in place their main recommendations.

Program Objectives

The program objective are two-fold: (1) **to gain clarity on fiscally relevant climate policy reform options** that will help advance the implementation of the NCP priorities across the mitigation and adaptation policy areas (e.g. promoting renewables, curbing deforestation, and improving water resources management) through CPD; and (2) **strengthen institutional coordination, reporting and analysis of disaster related data** for improved expenditure planning related to disaster response, recovery and reconstruction.

Expected Results (outcomes)

- **The authorities will have an improved understanding of a prioritized set of fiscally relevant climate policy reform options** to support implementation and monitoring of the NCP;
- **The authorities will strengthen capacity to compile and analyze disaster event and expenditure data** to better quantify resource needs and available financing for emergency response, recovery, and reconstruction

IV. ORGANIZATIONAL ARRANGEMENTS

A. Country Engagement

This amendment builds on successful prior engagement funded by the GPFP supporting **Cameroon's climate agenda**, including the development of the NCP and DRFS and associated institutional arrangements. It shifts the engagement from strategy preparation to implementation by providing missing technical inputs: the CPD will identify prioritized, fiscally relevant mitigation and adaptation reform options and advise on enabling institutions, while the DRF work will strengthen

disaster event and expenditure data systems and analytical capacity to quantify financing needs and improve budget planning for response, recovery, and reconstruction.

B. Delivery Modalities

CD will comprise of a mix of remote and in-person activities. Virtual deliveries will be used to provide efficiencies to in-person support, including pre-engagement meetings and post-follow-up meetings:

- **Headquarters-led (HQ) missions and staff visits** to provide strategic recommendations, conduct regular follow-ups, assess progress, ensure work is aligned to plans, coordinate with other CD providers, and adjust reform implementation plans.
- **Workshops**, during the HQ missions, to share experiences, provide stakeholders with a view of progress achieved and challenges faced on technical subjects such as disaster related data collection.

C. Coordination / Cooperation

Coordination			
Partner	Type of coordination	Area of coordination	Frequency
IMF area department country team, IMF Resident Representative	CD design and delivery	Stakeholder engagement (IMF area department country team and Resident Representative)	Continuous
Cooperation			
Partner	Type of cooperation	Area of cooperation	Frequency
World Bank	Exchange information / agree on areas to be covered by each donor	Mitigation and adaptation activities	Continuous

V. RISK ASSESSMENT AND MITIGATION

Module	Description	Risk Assessment	Mitigation Measures
Political Support			
SM-I – Spending Policy / Climate	Shifting government policy priorities during CD implementation	Medium	Phased approach to policy dialogue with the authorities, in which time will be allocated for sensitization of implementation priorities of NCP and DRFS.
Resource Adequacy			
SM-I – Spending Policy / Climate	Risks arising from lack of access to data and information needed to carry out CD activities	Medium	Close coordination with development partners regarding relevant analytical activities; the use of globally sourced data may substitute locally information.

VI. CD DELIVERY PLAN

Table 2. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY27	FY28	Grand Total
SM-I – Spending Policy / Climate			
HQ led CD mission	2	-	2
STX visits	-	-	-
Staff visits	-	-	-
Workshops (inc. during HQ and remote CD)	1	-	1
TOTAL	2	-	2

Note: In-person delivery was chosen in most instances because of the importance of face-to-face interaction in providing tailored CD support.

Table 3. First year workplan

Timing	CD Modality	Proposed Topics of CD
SM-I – Spending Policy / Climate		
Q2/FY27	Field-Based work - FB	Climate Policy Diagnostics
Q3/FY27	Field-Based work - FB	Strengthening of Disaster related Data Collection and Analysis

VII. PROGRAM FINANCIALS

Module	FY27	FY28	TOTAL (USD)
Direct Delivery			
SM-I – Spending Policy / Climate	200,000	-	200,000
Trust Fund Management Fee (7%)	14,000	-	14,000
TOTAL	214,000	-	214,000

Note: The estimated budget for this project amendment is US\$ 214,000 and endorsement is requested for the full amount. Endorsement for future plans will be requested at a later date as funding for the program is secured and reform plans gain traction.

VIII. TARGETED LOGICAL FRAMEWORK

A. SM-I – Spending Policy / Climate

Objective: Improved fiscal policies and institutional frameworks to combat climate change and its impacts (SDG 13) - CLM	
Outcome(s)	Indicator(s)
Authorities have a baseline understanding of how well fiscal policies and institutional frameworks support environmental sustainability and opportunities for increase alignment	Diagnostic or scoping have produced baseline and opportunities for improvement
Improved fiscal policy for climate mitigation	Effectiveness of fiscal interventions to support climate objectives is regularly assessed and reported