



Amendment to

Project Proposal for

CENTRAL AFRICAN ECONOMIC AND

MONETARY COMMUNITY (CEMAC)

June 2025

Component: Spending

Module: SM-II: Managing Public Finance



PROJECT SUMMARY

COUNTRY:	CEMAC - Central African Economic and Monetary Community (Cameroon, Central African Republic, Chad, Republic of Congo, Republic of Equatorial Guinea, Gabon)
LEAD DEPARTMENT:	FAD
REGION:	AFR
PLANNED DATES:	FY26-27
PROJECT MANAGERS:	Anthony Ramarozatovo (Revenue Administration, FADR2, Lead) Thomas Cantens (Revenue Administration, FADR2) Clement Ncuti (Public Financial Management, FADM2)
ESTIMATED BUDGET	\$267,500
BUDGET FOR ENDORSEMENT:	\$267,500

PROJECT AMENDMENTS:	PURPOSE	SC APPROVAL
INITIAL PROJECT PROPOSAL	Proposal for RM-II: Revenue Administration module	June 2024
AMENDMENT 1	Addition of SM-II: Managing Public Finances module	June 2025

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ACRONYMS

AFC	IMF's Regional Technical Assistance for Central Africa
CD	Capacity development
CEMAC	Central African Economic and Monetary Community
FAD	IMF's Fiscal Affairs Department
PFM	Public financial management
STX	Short-term expert

I. PROJECT AMENDMENT PURPOSE

Member States of Central African Economic and Monetary Community (CEMAC) have undertaken significant reforms to improve public financial management (PFM), with support from the IMF. In December 2011, a council of ministers adopted six key PFM directives, followed by two more on stock accounting (2020) and public-private partnerships (2024). Implementation has varied across countries, with delays and repeated deadline extensions. To address this, a regional action plan was developed and regularly updated to support lagging areas. The current 2024–26 plan outlines nearly 100 activities across 12 themes and 29 domains of the PFM cycle. The CEMAC Commission has sought assistance from development partners, including the IMF, to support its implementation.

This CD program will help the CEMAC Commission and CEMAC Member States to strengthen their PFM policies and processes. Building on previous engagement with the CEMAC Commission and CEMAC Member States, the project will support implementation of activities identified in the regional action plan, aiming at preparing and disseminating regional practical guides on topic PFM issues. The regional practical guides provide hands on conceptual and practical reference for CEMAC Member States policy makers and PFM practitioners aiming at strengthening their fiscal institutions laws, processes and procedures for improved aggregate fiscal discipline, strategic resource allocation, and efficient service delivery.

The CEMAC Commission reiterated its strong interest in continued support from the IMF during the 2025 Spring Meetings. Acknowledging progress already made with the regional action plan for implementation of the PFM Directives with the availability of half a dozen practical guides, and additional guides in the pipeline, the Commission appreciated continued support with preparation and dissemination of the regional practical guides, and support to the Commission with implementation of its transformation plan.

The estimated budget for this project is \$267,500 covered within the total budget endorsement request for CEMAC of \$921,231 through FY27.

II. BACKGROUND

Macro-fiscal situation

The overall fiscal outturn in CEMAC deteriorated in 2024. From an overall fiscal surplus in 2023 of 0.7 percent of GDP, the fiscal outturn deteriorated to a deficit of about 1.1 percent of GDP in 2024, owing mainly to decreasing hydrocarbon revenue and increases in primary spending. While CEMAC's public debt ratio remained broadly unchanged, risks of debt distress continue to be high. A tightening of financing conditions, both external and domestic, and with four out of the six Member States of CEMAC being fragile or conflict states, highlight the importance of sustainably addressing fiscal imbalances, through strengthening fiscal discipline, enhanced public spending efficiency, improved cash management, and more broadly with carrying through with reforms in the regional PFM directives.

Country engagement and alignment to reform priorities

The CEMAC Commission through its Public Finance directorate has been coordinating the implementation of the regional PFM directives. The Commission plays a key role through its surveillance of Member States in assessing progress with implementation of the regional PFM directives and identifying and documenting measures to be implemented to accelerate reforms. With the deadline for implementation of PFM directives now extended to 2029, the extension should provide more time to consolidate progress for Member States already making significant progress, and fast-tracking progress in those where progress has been slow. The Commission's continued coordination, monitoring and reporting of progress to its organs (council of ministers, conference of Heads of States) will continue to be critical to strengthen PFM in Member States.

III. PROJECT AMENDMENT MODULES - DESCRIPTION

This proposal is an amendment to an existing project. The amendment proposes CD support to the Central African Economic and Monetary Community (CEMAC) in the area of public financial management. 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 II / Managing Public Finances	• Improve Fiscal Transparency and Reporting • Strengthen Budget Management

A. SM II – Managing Public Finances

Scope

The project is aligned with the CEMAC Commission and Member States' priorities identified in the regional action plan for implementation of the regional PFM directives. Of the 12 thematic areas identified in the regional action plan, five are relevant to ongoing support provided to the Commission and Member States. The project will therefore aim to support, through the provision and dissemination of practical guides, the implementation of the action plan on the thematic areas of: (i) budget frameworks and budget preparation, (ii) budget documentation and fiscal risks, (iii) budget execution, (iv) cash management and treasury single account, and (v) accounting and fiscal reporting.

Program Objectives

The program's objective is to develop and disseminate practical guides for the CEMAC Commission and Member States to support implementation of the regional PFM Directives. With observed delays with implementation of the regional PFM Directives and successive rescheduling of implementation of the deadline for full implementation of the Directives, owing in part to identified institutional weaknesses and individual practical knowledge gaps, continued support with implementation of CEMAC's triennial regional action plan for reforms in Member States with provision of regional practical guides and manuals will contribute to further improvements to in PFM practices and processes in CEMAC Member States.

Expected Results (outcomes)

CD will provide practical guides that contribute to member states' ability to achieve the following goals:

- Strengthened budget frameworks and budget preparation processes in CEMAC Member States.
- Strengthened budget execution and control processes in CEMAC Member States.
- Improved quality of fiscal reports in CEMAC Member States.
- Strengthened accounting processes in CEMAC Member States.

Project proposals typically cover only one to two years of CD activities, which are expected to contribute to the achievement of the objectives outlined in the sections above. The objectives of this GPFP project may require extended and ongoing support to be fully and sustainably realized. Therefore, progress reports will serve to monitor advancement towards these objectives, and it may be necessary to adjust or broaden project workplans to better facilitate the achievement of these goals.

IV. ORGANIZATIONAL ARRANGEMENTS

A. Country Engagement

There has been continuous engagement with the CEMAC Commission both from headquarters and with the IMF's Regional Technical Assistance for Central Africa (AFC). FAD and AFC supported the CEMAC Commission in the review of recent regional PFM directives and in the drafting of regional practical guides to support implementation of the regional PFM directives. Six regional practical guides on accounting, budgeting and cash management topics were prepared and validated by CEMAC Member States between 2021 and 2023 and an additional three regional practical guides on medium term budgets, fiscal risks, and revenue accounting are being finalized. The CEMAC Commission has been very cooperative in coordinating inputs from Member States for the regional practical guides and in convening meetings for their validation and dissemination.

B. Delivery Modalities

CD will comprise 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. The following CD activities will be delivered as a package:

- **Short-term expert (STX)** visits to help implement the recommendations delivered by the HQ missions; a limited number of STXs will be assigned to provide specialized assistance in specific areas of public financial management. The project will seek to use Spanish-speaking experts for activities involving Equatorial Guinea.
- **Workshops**, during the HQ missions, staff visits, or STX visits, to share experiences, provide stakeholders with a view of progress achieved and challenges faced, and discuss with the managers and staff their views on the reforms and particular technical subjects.

C. Coordination / Cooperation

Coordination			
Partner	Coordination Type	Coordination Area	Frequency
IMF's African Department country team, CEMAC team, AFC, IMF's Monetary and Capital Markets Department, IMF's Statistics Department	CD design and delivery, mission timing, joint CD support, report reviews	PFM, fiscal and debt statistics, debt management	Quarterly
Cooperation			
Partner	Type of cooperation	Area of cooperation	Frequency
World Bank, Agence Française de Développement	Exchange information/agree on areas to be covered by each partner	PFM	Annual

V. RISK ASSESSMENT AND MITIGATION

Category/Module	Description	Risk Assessment	Mitigation Measures
EXTERNAL CLIMATE/CONDITIONS			
SM II - Managing Public Finance	Delays and challenges with implementation of reforms at country level.	High	Provide targeted CD to CEMAC Member States in line with regional PFM reform priorities.
POLITICAL SUPPORT			
SM II - Managing Public Finance	Lack of political support for PFM reforms within the Commission and within Member States.	Low	Engage at various fora with senior officials on regional reform priorities to seek buy-in and support.
MANAGEMENT AND TECHNICAL STAFF SUPPORT AND COMMITMENT			
SM II - Managing Public Finance	Staffing and capacity constraints within the public finance directorate at the CEMAC Commission.	Medium	Consistently invite CEMAC Commission staff to all regional and inter-regional training events.
RESOURCE ADEQUACY			
SM II - Managing Public Finance	Financial resource constraints not allowing the CEMAC Commission to ensure follow up with Member States.	High	Prioritize activities within resource envelop and advocate for increased resources.
OTHER RISKS			
SM II - Managing Public Finance	N/A	N/A	N/A

VI. CD DELIVERY PLAN

Table 2. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY26	FY27	FY28	FY29	Grand Total
SM II - Managing Public Finance					
HQ led CD mission and Staff visit	-	-	-	-	-
STX visits (remote and field based)	2	3	-	-	5
Workshops (inc. during HQ and remote CD)	1	1	-	-	2
Total	3	4	-	-	7

Note:

- In-person delivery was chosen in most instances because of the poor technology available in most of the countries in Central Africa, and because of the sensitivity of the CD messages being conveyed.
- Remote delivery was chosen in several instances because of the short duration of the activity, the cost of travel and security risks in the country.
- Hybrid delivery was chosen in several instances to enable AD colleagues and other DPs to join the opening and closing meetings.
- Collectively, the blend of CD delivery proposed over the duration of this project/program reflects the optimal balance of in-person, remote, and hybrid activities needed to achieve the project/program outcomes taking into account the needs of the country and the resources available.

Table 3. First year workplan

Timing	CD Modality	Proposed Topics of CD
SM-II: Managing Public Finances		
Q1/FY26	Interactive learning and workshops	CEMAC Seminar of regional PFM Experts
Q2/FY26	Duty station-Based work – DS	Drafting of topical PFM regional practical guide in the area of budget frameworks and budget preparation processes
Q3/FY26	Duty station-Based work – DS	Drafting of topical PFM regional practical guide in the area of accounting and fiscal reporting

VII. PROGRAM FINANCIALS

Module	FY26	FY27	TOTAL (USD)
Direct Delivery			
SM-II: Managing Public Finance	\$110,000	\$140,000	\$250,000
Trust Fund Management Fee (7%)	\$7,700	\$9,800	\$17,500
TOTAL	\$117,700	\$149,800	\$267,500

Note: The estimated budget for this project is \$267,500 and endorsement is requested for the full amount through FY27. 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-II: Managing Public Finances

Objective: Improve Fiscal Transparency and Reporting - FTR	
Outcome(s)	Indicator(s)
Comprehensive, timely, and high-quality fiscal reports	Improved transparency of other fiscal reports and processes
Objective: Strengthen Budget Management - SBM	
Outcome(s)	Indicator(s)
Strengthened annual budget process for more efficient and effective use of resources	Improved comprehensiveness and credibility of annual budget