

REPUBLIC OF CAMEROON
PEACE - WORK - HOMELAND

MINISTRY OF ECONOMY, PLANNING AND
REGIONAL DEVELOPMENT

GENERAL SECRETARIAT



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PEACE - WORK - FATHERLAND

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4TH International CONFERENCE ON FINANCING FOR DEVELOPMENT JUNE 30 - JULY 3, 2025

NATIONAL INTEGRATED FINANCING STRATEGY: ISSUES AND CHALLENGES FOR SUSTAINABLE STRUCTURAL TRANSFORMATION

Concept note

April 2025

SUMMARY

<i>SUMMARY</i>	2
<i>1. CONTEXT AND JUSTIFICATION</i>	3
<i>2. OBJECTIVES AND EXPECTED RESULTS</i>	6
2.1 General objective	6
2.2 Specific objectives	6
2.3 Expected results	6
<i>3. METHODOLOGY OF THE WORK</i>	6
<i>4. ORGANIZATION OF THE FORUM</i>	7
4.1. Steering and Organization Team	7
4.2. Communication	7
4.3. Date, Place, and Duration	8

1. CONTEXT AND JUSTIFICATION

The International Conference on Financing for Development held in Addis Ababa in July 2015 recommended that countries adopt Integrated National Financing Frameworks (INFF) to ensure the mobilization of resources to achieve the Sustainable Development Goals (SDGs). This is the third Conference on Financing for Development, following the 2002 Conference in Monterrey, Mexico, and the 2008 Conference in Doha, Qatar.

The 2015 conference noted that most countries do not have a clear financing strategy, backed by their development plans and strategies, thus amplifying the difficulties in implementing these public policies. While the development financing landscape has changed, it is noted that in several countries, the various internal or external sources of financing available (climate finance, Diaspora, PPP, FDI, Foundations, FinTech, Financial Markets, Decentralized Cooperation, Local Taxes, Joint Ventures, etc.) are not being adequately exploited. In addition, there is a weak alignment of budgeting with the priorities defined in strategic frameworks and often with international commitments (SDGs, etc.).

In this regard, the establishment of an adequate financing framework requires a thorough exploration of the country's financial ecosystem in order to identify potential sources of financing, which must be better developed through the development of a financing strategy focused on concrete and specific results. This must thus enable a more effective and efficient mobilization and use of the financial resources necessary to achieve the development objectives of national strategies and the Sustainable Development Goals (SDGs).

Indeed, an Integrated National Financing Framework (INFF) provides countries with a coherent framework that enables the government to develop and implement a strategic, holistic, and results-oriented approach to financing development. Thus, by operationalizing an INFF, the country expects to effectively mobilize the necessary investments and provide a framework that promotes coherence within the government and between the government and different development actors, mobilizing more resources and channeling resources to the most relevant areas, particularly in light of national and international circumstances, the emerging transformation of global development dynamics resulting from the COVID-19 crisis, and the international context of the crisis in Ukraine. An INFF also integrates approaches for strengthening the quality of public expenditure alongside increasing the mobilization of both public and private resources.

The State of Cameroon has not remained outside these advances in development management. In 2009, it adopted the 2035 Development Vision for its economic and social development, which aims to give it the status of an " *emerging, democratic country united in its diversity* ." The first phase of implementation of this long-term development vision was operationalized by the Growth and Employment Strategy

Paper (DSCE) for the period 2010-2019. The second phase is the subject of the National Development Strategy for the period 2020-2030 (SND30).

As the new reference framework for the Government's action over the period 2020-2030, the SND30 integrates the United Nations 2030 Agenda as well as the African Union's 2063 Agenda, whose vision is to build an "integrated, prosperous and peaceful Africa, driven by its own citizens, and representing a dynamic force on the world stage" over a 50-year period from 2013 to 2063. It aims to carry out the structural transformation of the Cameroonian economy through fundamental changes in the productive, industrial, financial, administrative, social and environmental structures in order to promote strong economic growth, shared prosperity, endogenous and inclusive development while preserving the opportunities of future generations.

Obviously, the implementation of the said strategy requires a significant volume of interventions and investments that imply the need to resort to new financing levers in order to avoid excessive indebtedness as recommended by the Addis Ababa Action Agenda. Moreover, the COVID 19 pandemic and the armed conflict in Ukraine have exacerbated the difficulties related to financing development, already perceptible in 2017 due to the reserve crisis in the Central African region.

The Government of Cameroon is aware that the volume of investments required to successfully implement the National Development Strategy 2020-2030 (SND30) is such that it requires the mobilization of all stakeholders, thus requiring the operationalization of a CNFI which, as a holistic approach, includes the evaluation of development financing (DFA), the development of an integrated national financing strategy, the revitalization of an inclusive dialogue framework, etc.

The objectives of the SND30 and Vision 2035 are very ambitious and require in particular doubling the level of the average annual growth rate of recent years to bring it to 8.1% compared to an average of around 4.5% over the DSCE period (2010-2019).

The urgency to accelerate the development process also responds to the need to strengthen the pace of achievement of the SDG targets prioritized by Cameroon, the evolution of the various indicators (INS 2022) demonstrates a rather slow pace of progress. The value of the SDG index 2022 for Cameroon, measuring the rate of completion of the SDGs is only 55.5 out of 100 (ranking Cameroon 134th out of 163 countries) compared to 62.8 for the highest-ranked sub-Saharan African country . At the global level, the best-performing country in terms of achieving the SDGs is Finland with a score of 86.5.

In line with the guidelines of the Addis Ababa Conference, the Cameroonian authorities have since 2017 undertaken an evaluation of Development Financing (DF) both at the national level (national DFA) and at the local level (local DFA) with the aim of defining and adjusting all actions to be carried out in the short, medium and long terms allowing Cameroon to optimally exploit all opportunities for mobilizing financial resources.

These development financing assessments were essential inputs to the development of the national integrated financing strategy for SND30 in 2022. The said strategy takes into account the financing needs of the flagship projects of SND30 estimated at more than 37,500 billion CFA francs for the period 2020-2030 but also the costing of other priority actions for achieving the overall objectives of SND30, the updated costing of SND30 exceeds 88,000 billion CFA francs over the same period, i.e. an average of 8,800 billion CFA francs annually, well above the annual resources of the State budget alone, the amount of which adopted for the year 2023 is 6,345 billion CFA francs for the year 2023.

Furthermore, according to the EFD/DFA recommendations, stimulating effective dialogue between multiple stakeholders based on an institutional framework would promote the expansion of partnerships, the consequent increase in more inclusive financing for the SND30.

An inclusive dialogue on financing for development and the SDGs in Cameroon would make it possible to share knowledge on the new financing landscape, innovative financing and the conditions for its mobilization, the tools, challenges and opportunities; to strengthen reflections; to reach consensus, to generate commitments, to strengthen actions aimed at mobilizing more resources.

Such a dialogue could also cover the different dimensions of planning, budgeting, implementation of expenditures, issues of accountability, transparency and participation at the national and sub-national levels and promote an enabling environment for the flourishing of national businesses and the profitability of public-private partnerships.

The multi-stakeholder dialogue would focus on examining potential sources of funding, bottlenecks to the optimal exploitation of different sources of public, private, local and diaspora revenue and issues related to the conditions for optimal mobilization of all stakeholders.

In view of the financing needs of the SND30 and the SDGs and the need to pool the efforts of all development actors to provide a response, the Government is considering, with the support of the United Nations Development Programme, the organization of a National Forum on Financing Development in Cameroon .

In this context, the organization of a Side-event in Seville (Spain) will create a framework for strategic dialogue between Cameroonian public actors, European donors, international financial institutions, technical partners, the diaspora and philanthropists for the financing of transformative initiatives of the national development strategy.

2. OBJECTIVES AND EXPECTED RESULTS

2.1 General objective

The objective is to mobilize international organizations, investors, the diaspora, and philanthropists to find ways to adequately finance Cameroon's structural transformation and inclusive and sustainable development. In other words, it will involve lobbying for the financing of transformative measures and initiatives in the National Development Strategy (NDS30).

2.2 Specific objectives

Specifically, it will involve having a shared and consensual vision on:

- ✓ Present the main guidelines of the national integrated financing strategy;
- ✓ Present in a unique way the instruments that Cameroon plans to implement to mobilize financing;
- ✓ Present the financing mechanisms for sustainable management of natural resources and measures related to climate change;
- ✓ Promote partnerships with international investors on major SND30 projects;
- ✓ Promote partnerships with international institutions on major SND30 projects;
- ✓ Present the country's business opportunities;
- ✓ Lobby investors and philanthropists.

2.3 Expected results

The expected results at the end of this forum are as follows:

- ✓ Stakeholders are made aware of the main directions of Cameroon's integrated financing strategy;
- ✓ Investors have a better understanding of business opportunities in Cameroon;
- ✓ Contacts are established with international organizations, investors and philanthropists for the financing of structuring projects of the national integrated financing strategy;
- ✓ Financing mechanisms for sustainable natural resource management and climate change measures are shared with investors, the diaspora and philanthropists.

3. METHODOLOGY OF THE WORK

The side-event will take place in two The first part will consist of a presentation on the needs and mapping of development financing in Cameroon, on the new financial

landscape in terms of mobilizing domestic, international and alternative financing; and business opportunities in Cameroon. The second part will be reserved for meetings and discussions with investors, the diaspora and philanthropists to establish productive contacts for the financing of transformative initiatives.

The presentation will focus on:

- ✓ The main guidelines of the national integrated financing strategy,
- ✓ The role of private investment and public-private partnerships
- ✓ Innovative financing: green bonds, climate taxes, mixed instruments
- ✓ The role of the diaspora
- ✓ Business opportunities in Cameroon;
- ✓ Monitoring, evaluation and accountability systems.

4. ORGANIZATION OF THE FORUM

4.1. Steering and Organization Team

The steering of the Forum includes;

The Presidency of the Forum

- ✓ *The President of the Forum is the Minister of Economy, Planning and Regional Development.*
- ✓ *The Co-Chair of the Forum is the Minister of Finance.*
- ✓ *The Vice-President is the Resident Coordinator of the United Nations System in Cameroon.*

The organizing team at the Forum

The organizing team includes the SDG Fund Committee , expanded to include experts and resource persons. Its role is to:

- ✓ Pre-validate the list of participants;
- ✓ Validate technical working documents;
- ✓ Ensure the facilitation and monitoring of work in plenary and workshop sessions;
- ✓ Review the forum report to be sent to the Prime Minister, Head of Government.

4.2. Communication

The National Forum on Financing for Development is also an opportunity for the government to communicate on public policy options and disseminate the results of studies carried out by the SDG Fund and MINEPAT as part of the implementation of the National Development Strategy 2020-2030.

In this regard, it could be considered to organize a mini-exhibition including:

- A stand for the SDG Fund to present the reports of studies carried out, including studies on mapping investment opportunities in the flour, wood and fish sectors;
- A stand for technical and financial partners who would like to communicate on this occasion;
- A stand for other stakeholders who would like to communicate on this occasion.

4.3. Date, Place, and duration

The side event will be held in Seville (Spain), **on Wednesday, 2 July, 2025**