

EXTRAORDINARY SUMMIT OF HEADS OF STATE OF THE CENTRAL AFRICAN ECONOMIC AND MONETARY COMMUNITY ON THE MACROECONOMIC SITUATION IN CEMAC AND RECOVERY MEASURES

FINAL COMMUNIQUE

YAOUNDE, 18 AUGUST 2021

At the invitation of **His Excellency Paul BIYA**, current President of the Conference of CEMAC Heads of State, President of the Republic of Cameroon, an Extraordinary Summit of Heads of State of the Central African Economic and Monetary Community was held through videoconferencing on 18 August 2021.

The Summit sought to assess the macroeconomic situation in CEMAC amid the COVID-19 pandemic, and to analyze appropriate recovery measures to strengthen the resilience of the sub-region's economies and fast-track their structural transformation for sustained, sustainable, inclusive and job-creating growth.

Participants at the meeting were:

- His Excellency **Paul BIYA**, President of the Republic of Cameroon;
- His Excellency **Faustin Archange TOUADERA**, President of the Central African Republic;
- His Excellency **Ali BONGO ONDIMBA**, President of the Gabonese Republic;
- His Excellency **OBIANG NGUEMA MBASOGO**, President of the Republic of Equatorial Guinea;
- His Excellency **MAHAMAT IDRIS DEBY ITNO**, President of the Transitional Military Council, President of the Republic of Chad;
- His Excellency **Anatole Collinet MAKOSSO**, Prime Minister of the Republic of the Congo.

The following personalities also participated in the deliberations:

- **Ms KRISTALINA GEORGIEVA**, Managing Director of the International Monetary Fund;
- **Mr DAVID MALPASS**, President of the World Bank Group;
- **Dr SERGE N'GUESSAN**, Regional Director-General of the African Development Bank for Central Africa;
- **Mr EMMANUEL MOULIN**, Director-General of the French Treasury;
- **Prof. DANIEL ONA ONDO**, President of the CEMAC Commission;
- **Mr ABBAS MAHAMAT TOLLI**, Governor of the Bank of Central African States (BEAC).

After the opening speech by the current President, the Heads of State and Government listened to the Special Statement of **H.E. Denis SASSOU N'GUESSO**, on the status of implementation of the CEMAC Economic and Financial Reforms Programme (PREF-CEMAC) and on the post-COVID-19 recovery measures adopted by PREF-CEMAC, delivered by the Congolese Prime Minister, **H. E. Anatole Collinet MAKOSSO**.

The Heads of State paid glowing tribute to the Marshal of Chad, **H.E. IDRIS DEBY ITNO**, who fell in the line of duty on 20 April 2021. They expressed their solidarity to the Republic of Chad, the Chadian people and the President of the Transitional Military Council, the President of the Republic of Chad, **H.E. MAHAMAT IDRIS DEBY ITNO**, and urged the international community to support a successful transition.

They then listened to the addresses of the Managing Director of the International Monetary Fund (IMF), the President of the World Bank, the Representative of the African Development Bank and the Representative of the French Republic.

At the end of the presentations, the Heads of State and Government had wide-ranging discussions on the extent of the impact of security, health and economic crises in the sub-region.

The crises have resulted in fundamental economic imbalances within CEMAC, just when the region had already started benefiting from the reforms embarked on by national and regional authorities, with the support of external partners as part of the crisis exit strategy adopted at the 23 December 2016 Summit in Yaounde.

In this regard, they reviewed the measures taken at the national and regional levels to limit the adverse effects of the crises on the populations and the economies of the sub-region, as well as the priority economic policies and reforms intended to support post-COVID-19 recovery.

Following rich and fruitful discussions, the Head of States:

1. Congratulated the PREF-CEMAC Chair for the progress made up to 2019 in implementing the Programme, which has yielded positive outcomes for the overall recovery of CEMAC economies;
2. Noted with satisfaction the progressive consolidation of the level of community foreign currency reserves at above 3 months of import, thereby strengthening external stability and avoiding currency adjustment;
3. Noted that, owing to the pandemic and its impacts, CEMAC countries experienced a recession in 2020 and a deterioration of their macroeconomic and financial balances. Although macroeconomic outlook in 2021 is positive on the whole, there are many lingering challenges and uncertainties;
4. Commended the exceptional response measures taken by States and community institutions, including the CEMAC Commission, BEAC, COBAC, BDEAC and OCEAC, to contain the adverse effects of the rapid spread of COVID-19 and the high volatility of oil prices on CEMAC economies;
5. Affirmed their determination to step up vaccination campaigns to protect the populations, save lives and encourage measured reopening of the economies of the sub-region by taking advantage of bilateral and multilateral initiatives, and enlisted the support and solidarity of the international community for wide and equitable access to vaccine and for the promotion of a true pharmaceutical industry in the sub-region;
6. Urged States and community institutions, including BEAC and COBAC, to envisage careful and gradual lifting of exceptional economic support

measures in order to take into account the lingering health crisis in CEMAC and its effects on economies;

7. Welcomed all international support initiatives, including emergency financing, the Debt Service Suspension Initiative, debt restructuring and relief, and the establishment of the G20 Common Framework to sustainably ensure public finance viability and debt sustainability;
8. Commended the new general allocation of Special Drawing Rights (SDRs) decided by the IMF to the tune of US\$ 650 billion, and advocated for the on-lending of the SDRs of developed countries to developing countries as well as for an ambitious replenishment of IDA-20 resources by at least US\$ 100 billion;
9. Urged member States and sub-regional institutions to adopt the CEMAC Community Post-COVID Economic Recovery Plan as a common cause, and called on technical and financial partners to massively support them in the implementation thereof;
10. Reaffirmed their attachment to community solidarity in addressing health, security and economic shocks through the implementation of a coherent and coordinated strategy to preserve public finance viability and strengthen CEMAC's external position;
11. Called on Member States to implement appropriate fiscal policies based on increased mobilization of non-oil revenue, stepping up public expenditure quality and effectiveness, and rigorous public debt management;
12. Urged States to continue to streamline the financial system by formulating credible and comprehensive arrears payment strategies that take into account the impacts of the health crisis and are consistent with the commitments contained in the programmes;
13. Reaffirmed their commitment to strengthening external currency stability, in particular through the implementation of a prudent and effective monetary policy and the judicious application of exchange rate regulations to all sectors of activity. In this regard, they

encouraged BEAC to pursue all actions undertaken or envisaged in this area;

14. Reiterated their guidelines to the CEMAC Commission and BEAC regarding ongoing brainstorming on the framework and conditions for a new monetary cooperation with France;
15. Congratulated the PREF-CEMAC Steering Committee and BEAC on the successful completion of the first phase of the merger of CEMAC financial markets, encouraged BEAC to complete the restructuring and optimal operationalization of the structures of the unified financial market, and urged States to further revitalize the market towards a broad-based mobilization of community savings and the financing of the economies of the sub-region;
16. Decided to resolutely implement priority policies and reforms as part of the second phase of PREF-CEMAC to bring about a real structural transformation leading to the industrialization of CEMAC economies and create the best conditions for sustained and equitable private sector-driven growth;
17. Urged Member States to improve the functioning of public institutions, governance and transparency in the public and extractive sectors, public finance management, particularly investment quality, as well as the monitoring of fiscal and debt risks inherent in public enterprises management;
18. Encouraged States to step up efforts to develop human capital by providing adequate financing for the education, vocational training and health sectors, as well as strengthen social protection systems to cope with the effects of the current pandemic and prevent possible crises and vulnerabilities;
19. Recommended the mobilization of hybrid external financing in the new programmes with partners, in order to combine the characteristics of financial support from various donors, and substantially increase financing by prioritizing concessional resources and public-private partnerships (PPPs);
20. Resolved to continue formulating and implementing environmental policies aimed, inter alia, at combating climate change and ecosystem degradation, and mobilizing related financing;
21. Reaffirmed their strong determination to promote and deepen regional integration by consolidating the free movement of persons

and goods, promoting the digital economy, constructing regional infrastructure, ensuring sustainable access to energy and implementing the eleven priority integration projects, whose financing was successfully mobilized at the Paris Round Table in November 2020, to strengthen intra-community trade and make greater use of the potential of the African Continental Free Trade Area (AfCFTA);

22. Agreed to accelerate the improvement of the business climate by facilitating and simplifying, inter alia, the procedures for starting businesses and streamlining the legal environment to enhance the attractiveness of the community space, attract foreign direct investments to fill the financing gap for major structuring projects, which should effectively contribute to the industrialization of CEMAC countries;
23. Decided to give a new and strong impetus to the regional economic and financial recovery strategy, through the second-generation economic and financial programmes to be concluded with the International Monetary Fund (IMF), backed by the World Bank, the African Development and France, among others;
24. In this regard, increased coordination of multilateral and regional partner operations will ensure greater mobilization of financing and more economic, financial and social impact;
25. Urged the relevant Member States to finalize and conclude programmes with the IMF, with a view to giving the regional recovery strategy its community and supportive character, and to ensure utmost success of the strategy with the support of the IMF, World Bank, AfDB, France and other technical and financial partners.

Concerned by the lingering adverse effects of security, health and economic crises on the peoples' living conditions, the Heads of State and Government support and encourage all internal and external initiatives aimed at restoring peace, stability, security and health conducive to the emergence of CEMAC.

Consequently, at this deciding moment of implementing the community's crisis exit strategy, the CEMAC Heads of State express their firm and resolute desire to pursue the efforts made since 2016 as part of a second cycle of economic and financial programmes backed by the IMF and all the other technical and

financial partners, geared towards achieving the objectives of strong, green, resilient and inclusive growth by creating more wealth and jobs.

At the end of their deliberations, which took place in an atmosphere of serenity, mutual understanding and conviviality, the Heads of State and Government lauded the participation of special guests at the Summit, and congratulated the CEMAC Commission for the successful preparation of this meeting.

Lastly, they expressed deep and fraternal gratitude to His Excellency Paul BIYA, current President of CEMAC, President of the Republic of Cameroon, for the success of this Extraordinary Summit.

Done in Yaounde, on 18 August 2021

For the Conference of Heads of State,

Paul BIYA
Current President