The Plan of Presentation

• 1. Context, Development Trends and Fiscal Space
• 2. Social Protection Profile in Cameroon
• 3. Social Protection Policies and Schemes in Cameroon
• 5. Financing and Fiscal Sustainability
• 6. Conclusion and Recommendation
1. Context, Development Trends and Fiscal Space

- Cameroon is richly endowed with natural resources, human resources and a diversified production activity.

- However, Cameroon’s potential failed to exhibit higher returns to economic development.
1. Context, Development Trends and Fiscal Space

• From independance to the end of 70s
  – Rapid real economic growth: about 6%.
  – Growth rate over passed the average annual population growth rate (about 3%).
  – Average annual increase in private consumption: 2%
  – Period marked by five year planning policy centered on Agriculture productivity and rural development
1. Context, Development Trends and Fiscal Space

• **Oil-led boom period: end of 70s-mid 80s**
  – Growth led by oil;
  – Traditional growth sectors’ carelessness, hence the decline in their productivity;
  – Poverty headcount: 40% in 1984

  – Sharp decline in world market prices for cocoa, coffee and oil;
  – Real GDP declined by an annual of about 4% per cent from 1986 to 1994;
1. Context, Development Trends and Fiscal Space

• The economic crisis /adjustment period: (continued)
  – Real per capita income decreased on average by nearly 7%;
  – External debt rose, from 39% of GDP in 1986 to 65 per cent in 1992 and 105% of GDP in 1994 (as a result of CFA franc devaluation);
  – Poverty increased in 1996: 53%
  – Unsuccessful internal adjustment policies led to Bretton Woods institutions assistance between 1988 and 1994.
1. Context, Development Trends and Fiscal Space

Yaounde: per capita consumption in 1983 CFA Francs

Sources: Own estimations based on EBC83/84; E 1-2-3 1993; ECAM1; ECAM2; ECAM3;
1. Context, Development Trends and Fiscal Space

Increase (in %) in revenues between 1996 and 2001

<table>
<thead>
<tr>
<th></th>
<th>Urban areas</th>
<th>Rural areas</th>
<th>Cameroon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in mean revenue</td>
<td>26,54</td>
<td>16,56</td>
<td>21,15</td>
</tr>
<tr>
<td>Increase in poor revenue</td>
<td>45,48</td>
<td>7,7</td>
<td>16,74</td>
</tr>
<tr>
<td>Growth effect</td>
<td>18,94</td>
<td>-8,86</td>
<td>-4,41</td>
</tr>
</tbody>
</table>

Source: Nembot Ndefo, Emini and Ningaye (2009)

Growth has been weakly pro-poor in urban areas, antipoor in rural areas and antipoor at national level.
1. Context, Development Trends and Fiscal Space

  - The main objective of Cameroon's PRSP was to boost the country's real economic growth from around 4% in 2003 to about 8%, the minimum necessary to achieve the MDGs;
  - The implementation of the PRSP has been disappointing, leading to lower growth compared to projections;
  - Poverty declined to 40% but inequalities rose.
1. Context, Development Trends and Fiscal Space

![Graph showing observed and targeted GDP growth with labels in French: croissance observée du PIB and croissance recherchée par le DSRP.](image-url)
1. Context, Development Trends and Fiscal Space

• The Growth and Employment Strategy

  Period: 2009 – 2020

  – The GES is the first phase of ten years of the implementation of the country Vision 2035 (Cameroon being an emergent country by 2035).

  – The GES is center on three important strategies:
    • a growth strategy;
    • an employment strategy;
    • a management strategy.
1. Context and Development Trends

• To sum up,

• All development episodes are characterized by high underemployment rate (75% in 2010).

• Growth has been weak, non employment-based, less cross-sectors based, and relatively less shared. For this reason, it has not been inclusive.

• Social protection could be a channel to make Cameroon’s growth inclusive.
2. Social Protection Profile in Cameroon

• Legal Protection
  - Cameroon’s Constitution;
    ➢ Preamble
    ➢ Article 26; Article 45
  - An important number of national texts;
  - International Agreements;
2. Social Protection Profile in Cameroon

• Institutional Protection
2. Social Protection Profile in Cameroon

• Social Protection coverage
  – National institutions cover 7 of the 9 ILO branches of social security as defined by convention 102. Unemployment benefits and health benefits are not covered.
  
  – The seven branches served by national institutions cover only 10% of active population.
  
  – The 10% of the population covered are in 90% non poor (ECAM2007).
2. Social Protection Profile in Cameroon

• Basic social security guarantees of social protection floor in Cameroon
  – Familial allocations are served at 1800 CFA francs per child and per month (less than 10% of the national poverty line); benefits only to 2.6% of children;
  – Free access to basic education in public schools;
  – Income security programmes for children;
  – Limited access to essential health care and other goods and services;
2. Social Protection Profile in Cameroon

• Basic social security guarantees of social protection floor in Cameroon (continued)

  – Per capita government expenditures in health represented 17 USD in 2010 (the WHO target is 44 USD);

  – Food for work (WFP) and labour intensive projects (Government and ILO);

  – 15% of population aged 60 and more received pensions from CNPS or the ministry of finance.
# 2. Social Protection Profile in Cameroon

## Safety nets programmes

<table>
<thead>
<tr>
<th>Programmes/Project</th>
<th>Target/beneficiaries</th>
<th>Main Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to food for school girls and boys in high poverty areas</td>
<td>More than 55 000 pupils between 2008 and 2009.</td>
<td>PAM, MINEDUB</td>
</tr>
<tr>
<td>Food distribution</td>
<td>Orphans and vulnerable children specifically those affected by HAIDS</td>
<td>UNICEF, CARE, CRS, AWA, Autres ONG</td>
</tr>
<tr>
<td>Public works</td>
<td>Youth, seasonal workers</td>
<td>PAD-Y (BIT, BAD), PAM</td>
</tr>
<tr>
<td>Emergency interventions</td>
<td>Populations vulnerable in during drought, refugees</td>
<td>PAM, MINADER, UNICEF</td>
</tr>
<tr>
<td>Subsidies on energy products, food and transport</td>
<td>All populations</td>
<td>MINFI</td>
</tr>
<tr>
<td>Funds transfers</td>
<td>Abandoned Children, children of the street, persons with disabilities, elders and cultural minorities</td>
<td>MINAS</td>
</tr>
<tr>
<td>Funds transfers</td>
<td>School pupils, students, university students</td>
<td>MINSANTE, MINEDUB, MINESUP</td>
</tr>
</tbody>
</table>
2. Social Protection Profile in Cameroon

Safety nets programme expenditures

<table>
<thead>
<tr>
<th>Programme/projet</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to food for boys and girls in high poverty areas</td>
<td>90</td>
<td>107</td>
<td>1796</td>
<td>1801</td>
<td>1796</td>
</tr>
<tr>
<td>Free basic education</td>
<td>1400</td>
<td>1600</td>
<td>4400</td>
<td>6400</td>
<td>6400</td>
</tr>
<tr>
<td>Fund transfers</td>
<td>22</td>
<td>112</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Subsidies on energy products, food and transport</td>
<td>1600</td>
<td>59400</td>
<td>213100</td>
<td>76700</td>
<td>166700</td>
</tr>
<tr>
<td>Public works</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3196</td>
<td>3196</td>
</tr>
<tr>
<td>Emergences</td>
<td>329</td>
<td>215</td>
<td>26109</td>
<td>6765</td>
<td>14893</td>
</tr>
<tr>
<td>Food distribution</td>
<td>100</td>
<td>100</td>
<td>147</td>
<td>147</td>
<td>147</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3541</strong></td>
<td><strong>61534</strong></td>
<td><strong>245602</strong></td>
<td><strong>95059</strong></td>
<td><strong>193182</strong></td>
</tr>
<tr>
<td><strong>Development partners (in %)</strong></td>
<td>13,7</td>
<td>0,6</td>
<td>11,4</td>
<td>11,8</td>
<td>10</td>
</tr>
<tr>
<td><strong>Cameroon's Government in %</strong></td>
<td></td>
<td></td>
<td>86,3</td>
<td>99,4</td>
<td>88,6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>88,2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>90</td>
</tr>
</tbody>
</table>

## 2. Social Protection Profile in Cameroon

### Social Capital Protection

Proportion of people belonging to association that offer assistance

<table>
<thead>
<tr>
<th>Region</th>
<th>Poor</th>
<th>Non poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douala</td>
<td>92,8</td>
<td>93,1</td>
<td>93,1</td>
</tr>
<tr>
<td>Yaounde</td>
<td>100,0</td>
<td>92,2</td>
<td>92,4</td>
</tr>
<tr>
<td>Adamaoua</td>
<td>73,2</td>
<td>86,4</td>
<td>80,8</td>
</tr>
<tr>
<td>Centre</td>
<td>95,9</td>
<td>96,4</td>
<td>96,3</td>
</tr>
<tr>
<td>East</td>
<td>88,1</td>
<td>95,0</td>
<td>93,7</td>
</tr>
<tr>
<td>Far-North</td>
<td>46,6</td>
<td>70,5</td>
<td>55,5</td>
</tr>
<tr>
<td>Littoral</td>
<td>92,2</td>
<td>94,9</td>
<td>94,2</td>
</tr>
<tr>
<td>North</td>
<td>95,4</td>
<td>81,9</td>
<td>87,0</td>
</tr>
<tr>
<td>North-Wouest</td>
<td>88,6</td>
<td>88,2</td>
<td>88,3</td>
</tr>
<tr>
<td>Wouest</td>
<td>85,0</td>
<td>92,4</td>
<td>90,7</td>
</tr>
<tr>
<td>South</td>
<td>91,1</td>
<td>88,3</td>
<td>88,8</td>
</tr>
<tr>
<td>South-Wouest</td>
<td>83,5</td>
<td>86,9</td>
<td>86,3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82,3</strong></td>
<td><strong>90,9</strong></td>
<td><strong>88,9</strong></td>
</tr>
</tbody>
</table>

Source: ECAM 3 (2007)
3. Social Protection Policies and Schemes in Cameroon

• No social protection strategy in Cameroon;

• Government is actually reviewing the national strategy on social protection initiated in 2004 but not finalised;

• Development partners are engaged to support Government in defining social protection policies.

• The ILO Rapid Assessment Protocol (RAP)
  – RAP estimates the future cost of introducing one or more cash transfer elements of the Social Protection Floor.
  – The model is based on four components: a demographic framework, a labour market model, the macroeconomic model and the general government operations models.
  – Combining the four components leads to the benefits costing, the main output of RAP. The RAP is articulated as in figure below.

Source: ILO 2012

Developing a Social Protection Floor in Cameroon: Estimated Beneficiaries

Source: ILO 2012

Developing a Social Protection Floor in Cameroon: Estimated Costs (in million CFA Francs)

Source: ILO 2012
5. Financing and Fiscal Sustainability

• Actual receipts can be explained by:
  – Actual receipts for social security and;
  – Actual expenditures on safety nets.

• Projecting these receipts/expenditures and comparing them with ILO (2012) cost estimations gives a broad view of the existing financial gap.
5. Financing and Fiscal Sustainability

Estimated Financial Gap (in million CFA Francs)

- Total receipts for social protection
- Total cost SPF (ILO)
5. Financing and Fiscal Sustainability

• Cameroon can launch a social protection floor by 2013. Estimated receipts are higher than ILO (2012) estimated costs;

• The financial gap that appears in 2014 grows at a steady rate;

• Important new sources of funding a social protection floor are needed.
5. Financing and Fiscal Sustainability

• The new consumption behaviours (ICT products, luxury products...) could be an important sustainable sources of funding;

• Beside new taxes, good governance could be regarded as a key element;

• The private sector is also an important source of funding;

• Households can also play a key role.
6. Conclusion and Recommendations

• Cameroon can afford investing in a social protection floor in its earlier implementation stage;

• To do so, there is a need of covert ing actual social safety nets expenditures on targeted social protection schemes;

• There is a need of extending the actual fiscal basis coupled by better resources management.