MINISTRY OF WATER AND ENERGY

EXPOSED
THE MINISTER OF WATER AND ENERGY BEFORE THE COMMITTEE ON FINANCE AND THE BUDGET OF THE NATIONAL ASSEMBLY

MINISTRY OF WATER AND ENERGY

Budget for the 2022 Financial Year
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Madam Chairperson of the Committee on Finance and the Budget;
Honourable Committee Members;
Ladies and Gentlemen,

I am particularly pleased and honoured to take the floor before your august committee to fulfil this noble duty of submitting, for prior approval by the National Assembly, the sector’s economic, financial, social and cultural programme of the Ministry of Water and Energy for the 2022 Financial Year.

Madam Chairperson, I express my heartfelt thanks for the kind words addressed to me and the delegation accompanying me.

I also wish that our discussions may contribute to consolidate Government vision for the Water and Energy sector. As such, you can count on my open collaboration and, above all, my complete readiness to address all possible concerns, while respecting our institutions.

Following this brief introduction, if you permit, my presentation will be structured in the following way:

• presentation of the strategic objectives of the Ministry of Water and Energy;
• state of implementation of programmes for the 2021 Financial Year: assessment and prospects;
• presentation of the draft budget for the 2022 Financial Year.

I. PRESENTATION OF THE STRATEGIC OBJECTIVES OF THE MINISTRY OF WATER AND ENERGY

Madam Chairperson;
Honorable Committee Members;
Ladies and Gentlemen,

It seems appropriate for me to recall that according to the provisions of Decree No. 2012/501 of 7 November 2012 to organize the Ministry of Water and Energy, the latter is mainly responsible for preparing and implementing Government policy on water and energy production, transport and distribution.

The Ministry of Water and Energy, organised by Decree No. 2012/501 of 7 November 2012, is responsible for developing and implementing Government’s policy on water and energy production, transport and distribution.

In line with the National Development Strategy 2020-2030 (NDS30) and in order to play a decisive role in achieving emergence by 2035, the Water and Energy sub-sector has as strategic objective to develop water and energy production and promote their access, at lower cost, to populations in the short, medium and long term.

In accordance with instructions from the Head of State contained in Circular No. 001/CAB/PRC of 10 July 2020 relating to the Preparation of the State Budget for the 2021 Financial Year, MINEE’s
action specifically focused on:
- Completing the construction and operation of first generation major projects;
- Reinforcing energy infrastructure so as to meet the expressed needs of the population;
- Carrying on the implementation of the Three-Year Emergency Plan for Accelerated Economic Growth (PLANUT);
- Accelerating the maturation of major second generation structuring projects;
- Further improving populations’ access to drinking water and electricity.

II. STATE OF IMPLEMENTATION OF PROGRAMMES FOR THE 2021 FINANCIAL YEAR: ASSESSMENT AND PROSPECTS;

Madam Chairperson,

A year ago, for the implementation of the four (04) programmes under the responsibility of my Ministry, your Committee adopted a budget amount of 226 billion 084 million 106 thousand CFA francs including 221 billion 011 million 106 thousand FCFA for investment and 05 billion 073 million FCFA for operation, with the aim of improving not only supply but also the population’s access to energy, water and sanitation.

Generally speaking, the execution of the Cameroon State Budget for the 2021 financial year was marked by the implementation of the government’s strategy to respond to the Coronavirus and its economic and social repercussions, the Post Covid 19 economic recovery plan, as well as the implementation of the new economic and financial programme signed with the International Monetary Fund (IMF). On the security front, it is taking place in a context marked by the prevalence of polymorphous threats in our country.

With regard to the electricity sector in particular, the year 2021 was marked by more severe water conditions than those experienced in 2020 in the Benue basin, with the Lagdo dam receiving only 1.6 billion m3 of water in 2021 compared with 2 billion in 2020 and 4 billion in 2019. The consequence is a drop in production at the Lagdo power station, which does not exceed 15 MW out of an installed capacity of 72 MW. To compensate for this deficit, the thermal power stations of Ngaoundéré, Garoua and Maroua are being used to contribute. This system will be completed in 2022 with the installation of modular solar power plants in Maroua and Guider and a new thermal power plant in Guider.

Also in 2021, my Ministry completed the diagnostic phase of the future master plan for the production, transmission and distribution of electricity by 2030. The main results of this diagnosis, which were shared with the honourable members of parliament during a plenary session of your august chamber on 28 June 2021, show that 9,000 localities out of the 14,000 in our country are not electrified. The financing needs in the electricity sector between 2021 and 2030 amount to 6,000 billion CFA francs. The implementation of new production projects will require CFAF 4,200 billion (in ppp mode), while electricity transmission will require CFAF 926 billion and peri-urban and rural electrification will require CFAF 874 billion.
Another observation is that due to the network’s instability, industrialists are increasingly engaging in self-production of energy. Indeed, they use equipment with a power of 450 MW such as boilers, ovens and dryers that use fuel oil, diesel, kerosene, wood and gas rather than the electricity produced and injected into the electricity transmission network. It is for this reason that I met with the members of GICAM in July 2021 in order to share with them these results which cause the electricity sector to lose several billion CFA francs per month. Industrialists have set as a precondition for migration to electrical equipment which is to improve the quality of the public service of electricity.

On the social front, the Government, in partnership with the World Bank, has launched a new programme to connect 163,000 households for the 2021-2023 period using a mechanism known as «revolving funds», which consists of pre-financing household connections with Eneo. The latter are expected to repay this pre-financing over a period of seven (07) years. This programme is scheduled to start at the beginning of 2022.

It is against this background that the assessment of the 2021 budget implementation is presented.

A- REPORT ON THE EXECUTION OF THE 2021 BUDGET

The major fields that guided the implementation of the 2021 budget relate to energy supply (1), energy access (2), access to drinking water and liquid sanitation (3), governance and institutional support for the sub-sector (4).

1- EXECUTION OF THE ENERGY SUPPLY PROGRAMME

As part of the energy supply programme, actions carried out under the 2021 budget had the following objectives:

- secure the country’s short, medium and long term supply in electricity and petroleum products at lower cost;
- improve access to modern energy services for populations in urban, suburban and rural areas;
- Promote the interconnection of the Southern, Eastern and Northern grids to achieve a single interconnected national grid;
- Promote the interconnection of electricity grids with neighbouring countries for energy exchange;
- improve the institutional and regulatory framework and ensure the capacity-building of institutional actors of the electricity sector;

In the electricity sector, in 2021, one of the highlights was the allocation by the 2021 Finance Law of CFAF 07 billion for the activities of the Electricity Sector Development Fund (ESFD) created in August 2020 by the President of the Republic.

The Committee in charge of validating ESFD projects has been set up and held its first session in June 2021.

For the 2021 fiscal year, the ESDF has financed services related to the electrification of some forty localities throughout the country as well as the connection of certain agro-industrial units.
At the operational level, actions mainly focused on power generation and transmission infrastructure projects, which are currently under construction or at various stages of preparation:

- **Project to construct the power plant, substation and evacuation line of the Lom Pangar facility (30MW)**

It should be recalled that the construction work on the Lom Pangar reservoir dam, with a capacity of 6 billion m³, completed since 2017 makes it possible to regulate the flow of River Sanaga thus increasing its production to 120MW during low water level periods compared to the production level of the Edea and Songloulou power plants before the commissioning of this facility.

The construction progress rate of the power plant with an installed capacity of 30 MW and of the 90kV power transmission line between Lom Pangar and Bertoua is approximately 45% as at 30 October 2021 compared to 23% as at 30 October 2020. The commissioning of the first 7.5 MW generator of the plant is scheduled for March 2022. As for the completion of the transmission line, it is planned for June 2022, the bulk of the work in 2021 is devoted to civil engineering work and the construction of the evacuation line.

- **Memve’ele hydroelectric development (211 MW)**

This project involves the construction of a 211MW hydropower plant on River NTEM. The construction work on the dam has been completed. The full commissioning of this facility, which currently produces only 90 MW, depends on the completion of the construction of the Nyabizan-Yaoundé evacuation line, which was 92% complete as at 30 September 2021.

Indeed, the completion of this work depends on the signing of the compensation decree in the Mfoundi Division and the payment of compensation to the people affected by the line’s corridor.

This is also an opportunity to thank the populations who allowed the work to continue despite the fact that they were not compensated.

It is worth noting that the revenue generated since the powering up from April 2019 to October 2021 amounts to about **CFAF 45 billion**. In addition, this partial production enabled the shutdown of the Ahala, Oyom-Abang, Mbalmayo and Ebolowa thermal power stations.

- **Mekin hydroelectric power plant (15MW)**

After it was powered up in June 2019 with operation in stand-alone mode, this plant experienced some technical difficulties. The year 2021 was marked by the plant being brought back into production in May 2021 and it currently supplies the D31 Sangmélima and D32 Meyomessala feeders. The three generators of the power station are available and in productive condition.

- **Nachtigal Amont hydroelectric development (420 MW)**

The project consists of the construction of a 420MW upstream of Nachtigal on River Sanaga, combined with a 225 kilovolts (kV) double-circuit electricity transmission line between Nachtigal and Yaounde. Construction work started on 1st February 2019 is going on smoothly. Commissioning of the first turbine is planned for March 2023 and the seventh and final turbine is scheduled for March
2024. As of September 2021, the work’s progress rate is approximately 50%.

- **Chollet hydroelectric development (600MW)**

  The Chollet Hydroelectric Development Project on the DJA River, is an interstate project that emerged from the desire of Presidents Paul BIYA of Cameroon and Dénis SASSOU NGUESSO of Congo. With a capacity of 600 MW, this project aims to provide both countries with an electricity production and transmission infrastructure for the benefit of their populations.

  Actions carried out in 2021 include, among others:
  
  - the signature of the Project Agreement, after the High Level Agreement of the Heads of State of Cameroon and Congo, by the Ministers in charge of Energy of the two countries and the successful bidder CHINA GEZHOUBA INTERNATIONAL ENGINEERING COMPANY LTD (CGGC INTERNATIONAL) called to carry out the said Project in BOT mode;
  
  - the signing and publication of the Restricted International Tender Notice (RITN) by the Ministers in charge of Energy of the two countries;
  
  - the start of studies for the opening of access roads to the Project site on the Cameroon and Congo sides by the Partner.

- **The Bini à warak hydroelectric development (75 MW)**

  This project involves the construction of a 75 Megawatts (MW) hydropower plant at Warak on the Bini River, combined with a 225 kilovolts (kV) high-voltage electricity transmission line to transfer the energy generated to the national grid.

  In 2021, the implementation activities of the Resettlement Action Plan (RAP), as well as the Environmental and Social Impact Assessment (ESIA) of the transmission line were completed. And compensation decrees have also been issued.

  As a reminder, the preparatory work, site installation and opening of access roads on the site have been completed since 2018 and so is the excavation work on the left dike’s right-of-way. The work contract for the company SINOHYDRO was signed on 2 September 2019.

  The continuation of work is dependent on the payment of the start-up advance by the Industrial and Commercial Bank of China (ICBC), the financial partner, to SINOHYDRO. Discussions are ongoing between the Ministry of the Economy, Planning and Regional Development (MINEPAT) and ICBC to resolve this issue.

  It should also be noted that within the framework of parliamentary diplomacy, the Bini à Warak case is particularly followed by the august chamber. Indeed, it was one of the points of discussion during the China-Cameroon interparliamentary conference held on 8 July 2021, which aimed at reviewing the state of parliamentary cooperation between our two countries. On that occasion, Cameroonian parliamentarians pleaded with their Chinese counterparts for a happy outcome to this issue, with a view to continuing work on this important hydroelectric project, which is intended to meet the electricity needs of the northern part of the country.
Grand Eweng hydroelectric development on River Sanaga (1,080MW)

The planned project involves the construction of a 1,080 Megawatts (MW) hydropower plant at the Eweng site on the Sanaga River, combined with a power transmission line.

The year 2021 was marked by the continuation of technical studies as well as the technical and financial structuring of the project. Also, the letter of intent for the purchase of the power generated was signed with ENEO.

Katsina Ala hydroelectric development(285MW)

This project entails the construction of a 285 Megawatts (MW) hydropower plant at the Kpep site on the Katsina Ala River (Menchum Division, North West Region) and a transmission line.

In 2021, the partner led discussions for the signing of a Letter of Intent to purchase energy (L.o.i) with the concession holder.

With regard to the electricity transmission segment, the year 2021 was mainly characterized by the continuation of construction work on transmission lines whose implementation is as follows:

Project to Upgrade Electricity Transmission Network and for Sector Reform (PRRTERS)

This project’s objective is to improve the capacity, efficiency and reliability of the electricity transmission network in Cameroon. Its operational component focuses on «strengthening the public electricity transmission network».

To implement this component, three decrees have been signed, namely:

- The decree relating to the release of the site of the future Nyom II substation;
- that of the corridor of the 90 kV double three-phase circuit line «Nyom-Ngousso» in the Mefou and Afamba Division;
- that of the corridor of the 225 kV double three-phase circuit line «Garoua-Maroua» in the Mayo Kani Division, Far North Region.

The project also involves the construction of a new 400kV line between Edéa and Yaoundé to reinforce the N-1 security of Yaoundé’s power supply.

It is important to recall that the Nyom II substation construction project and the 90 Kv Nyom II-Ngousso power line will contribute to the evacuation of energy produced by the Nachtigal hydroelectric power station, the first generator of which is scheduled to be commissioned in September 2023.

As of October 2021, the populations impacted by the said project and whose compensation decrees are available have been compensated to a large extent, the earthworks of the Nyom II substation site have been completed and the order has already been placed for heavy equipment. Some contracts have already been awarded, including those for the Nyom II substation and the lines in the city of Yaoundé, and the companies that signed the contracts are working on the ground to meet the deadlines.
Project for the reinforcement and stabilization of the electricity network in the city of Yaoundé

This project involves the construction of a 90 kV loop in the city of Yaoundé (Ahala-Nkolanga-NKodenguï), and a 90/30/15 kV substation in the locality of Nkolanga, as well as the extension of the substations in the city of Yaoundé. This project will also enable the 225 kV Kribi-Mangombe line to be brought down to the new 225 kV transformer substation under construction in Edéa.

In order to allow for the completion of the construction of the lines and the Nkolanga substation, the relevant compensation decree was signed on 1st September 2021 and measures are being taken to pay the compensation and thus allow work to start at the Nkolanga substation. As of October 2021, acceptance tests for equipment in the Ahala, Oyomabang and Ngousso substations are being carried out. The physical completion rate of the work is 72%. The project will be completed by the end of 2022.

Project for the construction of the 225kV electricity transmission line between Nkongsamba-Bafoussam and Yaounde-Abong-Mbang, the construction of the 225/90/30kV EHV substation in Bafoussam, 225/90 kV in Abong-Mbang as well as the extension of the Ahala and Bekoko substations.

The main objective of this project is:

- the interconnection of the Southern Interconnected Grid (SIG) with the Eastern Interconnected Grid through the 225 kV Ahala-Abong-Mbang transmission line and the 225/90 kV Mampang (Abong-Mbang) transformer substation;
- the reinforcement of the transmission network in the West and North-West Regions through the construction of the 225 kV transmission line between Nkongsamba and Bafoussam, and the 225/90 kV interconnection substation in Bafoussam.

It is important to note that the start of the project was not easy because the company responsible for carrying out the work could not be deployed on the project sites as it did not have a compensation decree. Thus, in order to allow the company to start work despite certain pockets of resistance, I carried out several missions to the localities crossed by the project in order to raise awareness and negotiate with the affected populations.

The first compensation decrees have already been signed, including that for the construction site of the Mampang interconnection substation.

As October 2021, the implementation rate of the works is about 82.5% and the acquisition of the equipment is 95% done.

Project for the construction of the 225 kV electricity transmission line between Ebolowa and Kribi, the 90kV line between Njom-Yekombo and Mbalmayo and the 225/30kV substation in Kribi

This project aims at evacuating part of the energy generated at Memve’ele, securing electricity for the Kribi port and industrial complex and connecting the Mekin hydroelectric dam to the Southern Interconnected Grid (SIG).
The project has two phases: the first phase is the construction of the Kribi substation and the extension of the Ebolowa, Mbalmayo and Ndjomekombo substations.

As of October 2021, all technical studies are completed. The financing agreement has been signed between the State of Cameroon and two financial backers, namely the Bank of China Ltd Hunan Branch and China Development Bank Hunan Branch.

Regarding the country’s supply in petroleum products, supply of petroleum products has been going on successfully through the new supply mechanism which became effective in March 2020, on high instructions from the HEAD OF STATE.

As a reminder, the said mechanism consists in selecting, through an International Invitation to Tender, Traders who, for a given period, will be in charge of mobilizing their products in Cameroon waters with a more competitive level of premium as a selection criterion, and selling them to the main importers including SONARA.

During the last quarter of 2021, this mechanism made it possible to obtain premium prices of US$30/MT for premium-grade petrol and US$23/MT for diesel fuel.

It should be recalled that prior to the mechanism, premiums peaked at record levels of USD 179/MT on these products.

As a result, the state is making budgetary savings of around CFAF 7 billion per month in pump price subsidies, despite the sharp rise in oil prices.

For the first three quarters of the current year, out of a total volume of 1,698,000m³ of all products ordered, 1,616,000m³ had already been delivered by 31st October 2021.

As for the refinery support line of FCFA 47.88/litre, about FCFA 138 billion have already been collected as of 10 October 2021.

Concerning the rehabilitation of SONARA,

Government, through MINFI, selected the HYDRAC/CLSS AUDIT CONSEIL consortium to carry out a diagnostic study of the National Refining Company (SONARA) to propose possible technical and technological options for an efficient, competitive and viable refinery. At the end of the study, the Inter-Ministerial Committee for the Rehabilitation of Public Enterprises (CIM-MREP) selected option 3, which consists of rehabilitating and modernising the refinery by equipping it with a hydrocracking unit.

While waiting for the refinery to be rehabilitated, SONARA has undertaken several projects in 2021 aimed at improving the import of finished products. These include the conversion of crude oil tanks into premium-grade petrol storage tanks with a capacity of 72,000m³, whose commissioning is scheduled for November 2021, which is expected to increase storage capacity for finished products and reduce demurrage; the conduct of detailed studies for the rehabilitation and modernisation of petroleum products transactional metering equipment; and the study for the construction of three (3) new raw water wells for the operation of its facilities.

With regard to the harnessing of natural gas resources,

During the months of January to October 2021, the floating natural gas liquefaction plant
operated by the SNH/PERENCO/GOLAR consortium allowed the export of 9,335,000m³ of LNG, an increase of 34% compared to 2020 when the volume exported was around 6,182,000m³.

During the same period, the Bipaga processing unit of natural gas to commercial butane gas also increased its production from 22,000MT to 28,000MT, thus reducing imports of this product.

As for the imports of commercial butane gas, about 75,000MT were delivered on the domestic market.

2- IMPLEMENTATION OF THE ENERGY ACCESS PROGRAMME

As part of this programme, forecasts for 2021 aimed at:

• increasing and improving access to modern energy services for economic operators and populations in urban, peri-urban and rural areas;
• improving the institutional and regulatory framework for energy access and strengthening institutional capacities in this field.

With regard to urban, peri-urban and rural electrification: Government’s objective is to significantly improve electricity access rate, especially in rural areas.

This improvement continued in 2021 not only through the implementation of several rural electrification projects carried out by the State and its components, but also through the increase in the number of ENEO subscribers from 1,400,000 to 1,500,000.

Thus, the actions carried out in 2021 enabled to:

• electrify the localities planned under the 2021 PIB and connect more than 4,500 households, in rural and peri-urban areas, to the national electricity grid and via solar power plants;
• finalize electrification works under the IDB Phase II and BADEA financing;
• continue the activities of the PRERETD project (Programme for the Reinforcement of Transmission and Distribution Equipment), which in the medium term will enable the electrification of 495 localities in 8 regions of Cameroon;
• stabilize energy supply in the town of Ebolowa and its surroundings by lowering the loads at the 90kV/30kV/15kV Djop substation in Ebolowa;
• ensure the maturation of the rural electrification and energy access project in under-served areas of Cameroon (PERACE) which targets 200,000 households in the North, East, North West and South West regions; in this respect, an agreement was signed in July 2021 between the Rural Electrification Agency (AER) and ENEO for the implementation of the «revolving fund» mechanism for household connections;
• support Regional and Local Authorities in the maturation of electricity access development projects.

Concerning the regulation of the electricity sector, in order to complete the operationalisation of the National Electricity Transmission Company (SONATREL), the major activity consisted in finalising the Transmission Network Access Contracts (CART). At the same time, the Electricity Sector Regulatory Agency (ARSEL) finalised the evaluation of the takeover indemnity to be paid to
ENEO, due to the withdrawal, by the State, of the transmission segment in the concession contract signed with ENEO.

With respect to the implementation of petroleum products and gas distribution programmes and projects, it continued with the increase in the number of petroleum products distribution points throughout the national territory, notably the construction of seven (7) new service stations, thus raising the total number of such facilities to 858 as of 10 October 2021, 36% (308 service stations) of which are in rural areas.

This increase in the petroleum product distribution network is the due to the entry into the sector of six (6) new companies approved for the distribution of petroleum products, which has allowed the creation of at least 5,850 jobs for youths. For the first 10 months of the year, the sector collected about CFAF 100 billion in special tax on petroleum products.

Moreover, in order to provide consumers with a quality product, the Coordination Committee for the Fight against Fraud in Petroleum Products intensified its actions aimed not only at eradicating the sale of petroleum products along the roads, but also at putting an end to the proliferation of illicit trafficking of these products. Such actions enabled to seize approximately 920,000m³ of all products. The Chemical Labelling Programme, for its part, made it possible to reduce the pollution rate to 0.6% as at 30 September 2021, compared to 36% registered when it was launched in 2011.

Regarding the storage of petroleum products, SCDP completed work to secure the Yaounde, Douala and Bafoussam depots with a video surveillance and remote gauging system. Work to improve firefighting also continued at the Mboppi depot.

In addition, the depot increased its storage capacity by building a 10,000m³ diesel fuel tank at Nsam and modernised its commercial butane gas filling equipment by installing a new carousel at the Bonabéri site, which increased its daily production from 80 to 100 tonnes.

Finally, weigh bridges were built in Douala and Yaounde to ensure a better way to load cargoes.

Concerning renewable energy, in collaboration with the International Renewable Energy Agency (IRENA), the Ministry of Water and Energy has started to develop a Renewable Energy Master Plan which will serve as a guide for planning renewable energy and achieving the objective of a 25% share of renewable energy in the electricity mix by 2035. Currently, data collection, training in the use of MESSAGE and SPLAT software, as well as the insertion and updating of data in the said software are underway. Following this phase, the document itself will be drafted and validated.

As part of the process to reduce the deficit between supply and demand on the Northern Interconnected Grid, and as a prelude to the 2021 TOTAL ENERGIES AFCON, Government has agreed that the concessionaire ENEO urgently installs three (3) modular solar power plants with storage batteries having a cumulative capacity of 30MW + 20MWh in Maroua, Guider and Kousseri and a 10MW thermal power plant in Guider.

During the 2021 Financial Year, Government continued discussions to finalise, with private partners, licensing contracts for solar power plant projects instructed by the Head of State, notably the solar power plants in Maroua, Guider and Ngaoundere.

With regard to the project for the rural electrification of 1,000 localities by solar...
photovoltaic systems, in 2021, the Ministry’s action focused on carrying out the connections of the first phase (166 localities) of the project to electrify 1,000 localities by photovoltaic solar system; the completion of the second phase (184 localities) and the finalisation of the technical and administrative maturation of the third phase (200 localities).

Regarding phase I, the connection campaigns are ongoing. Presently, all power stations have been commissioned with more than 13,984 connections made including 3,100 in 2021.

Furthermore, the process of handing over the management of these plants to the Rural Electrification Agency was completed in February 2021.

As regards phase II, construction work has been completed. The ongoing connection campaigns have already increased the number of connected households from 6,720 to 9,820. 3,946 new households connected in 2021. The handover of these plants to the Rural Electrification Agency is underway.

On the project to construct a small hydropower plant with a capacity of 1.4MW at Mbakaou Carrière in the Djerem Division, this project aims to replace the ENEO thermal power station in the town of Tibati and to electrify surrounding villages. As of September 2021, the work is proceeding smoothly and the overall execution rate is 90%. The commissioning is scheduled for December 2021.

In the long term, this project will allow for the connection of 300 new households in the Djerem Division and increase energy supply in 1,500 households already electrified. It is expected to reduce CO2 emissions by 3,200 tonnes from the first year, thus contributing to the fight against air pollution.

The Project to promote the use of renewable energy and energy efficiency technologies in households in rural areas of Cameroon (PUERTEM), conducted with support from UNESCO, aims at improving access to clean and sustainable energy for populations in the North and Far North Regions of Cameroon. It involves training and the distribution of renewable energy and efficiency equipment to at least 6,000 people (particularly women and youth).

Currently, 1,000 households have already been identified, 36 agents are trained to coach the households. During the year 2021 more than 600 households received training in the assembly and maintenance of solar kits, the manufacture of improved stoves, ecological briquettes, biodigesters and smoke stoves. Five (05) women also received a 4-month training from June to October 2021 on the assembly of solar equipment in Dakar, Senegal.

It should be noted that within the framework of this project, 2,500 improved stoves have been manufactured since September 2021 for households and the distribution of 1,000 solar kits is planned for January 2022.

3- IMPLEMENTATION OF THE PROGRAMME ACCESS TO DRINKING WATER AND LIQUID SANITATION

Actions carried out by MINEE for the implementation of its various development projects relating to the supply of drinking water consist of the following:
Drinking Water Supply Project for the City of Yaounde and its surroundings from River Sanaga (PAEPYS)

This project, designed to produce an additional 300,000m³/d per day, with possibility to extend to 400,000m³/d per day, will eventually make up for the lack of drinking water supply in the city of Yaounde and its surroundings.

Actions carried out until October 2021 have brought the overall physical execution rate of the project to 81.5%; execution studies: 99.8%; supply: 97.2%; works: 68.5%.

Progress rate of the works by lot:
- Nachtigal raw water collection and pumping station: 97%
- water treatment plant at Emana Batchenga: 98.5%
- 90kV/30kV transformer substation at Nkometou: 97.6%
- treated water pumping station at Nkometou: 96.1%
- treated water pumping station at Nyom: 61%
- Ndindan treated water tank: 5.2%
- laying of pipes from Nachtigal to Yaounde: 36%

There has been a significant increase in work from 36.95% in October 2020 to 68.5% in October 2021. This progress is reflected in a significant increase in the laying of pipes, from 800 metres last year to 27 kilometres this year. It should be noted that this work has slowed down due to the late release of rights of way and the non-payment of the company’s invoices for several months.

Also, a programme to integrate this project into the current distribution network of the city of Yaoundé is being implemented.

Drinking Water Supply Project for 7 Secondary Centres

Financed by the Arab Bank for Economic Development in Africa (BADEA) and the OPEC Fund for International Development (OFID) to the tune of USD14,500,000, this project was completed in 2021 and the equipment is operational in the seven centres concerned, namely, Ketté, Messamena, Bot Makak, Akom II, Olamzé, Mvengué et Mvangan.

Project to build, rehabilitate and extend drinking water supply systems in 52 centers

This project consists of the rehabilitation, reinforcement and extension of drinking water supply systems in 52 centres. It is structured in 7 phases.

Work on the first six (6) phases of this project, which concerned 38 localities, has been completed and the completion reports have been issued.

In 2021, work on the last component, which covers 14 centres in the cities of Mayo Oulo, Chidifi, Figuil, Banyo, Bankim, Dimako, Mbé, Djoum, Lomié, Sa’a, Pitoa Yoko, Bangoua and Mbalmayo, was also completed with the provisional acceptance of work on the Bangoua, Banyo, Mbalmayo and Djoum centres.
**Project to improve drinking water supply in Yaounde and three secondary cities**

*(Edéa, Bertoua and Ngaoundere)*

This project is financed by the French Development Agency (AFD) and the European Investment Bank (EIB) for a total amount of CFAF 103.6 billion. It will strengthen drinking water supply systems in the cities of Edea, Ngaoundere and Bertoua. The works consist of the rehabilitation and reinforcement of production, storage and distribution capacities as well as distribution networks.

For 2020, the overall rate was 81% at the same period, with the following respective rates: 71% in Bertoua, 80% in Edéa and 72% in Ngaoundéré. As of September 2021, the overall physical execution rate of the works is about 95%: 100% for the city of Yaoundé, 99% for the city of Edéa, 96% for the city of Bertoua and 82% for the city of Ngaoundéré, a net progression of 14%. It should be noted that the slowdown in the execution of work in Ngaoundéré is due to the withdrawal of financing from the EIB. To this end, MINEPAT has asked CAMWATER to draw up and sign the additional contract required for the continuation and completion of the said works with funding from the State.

**Nine cities project funded by Eximbank China**

This project has as objective to extend and upgrade drinking water production plants in nine (9) cities.

The first phase concerns four (04) cities, namely: Bafoussam, Bamenda, Kribi and Sangmélima. Eventually, it will provide additional daily production of 10,000 m³ per city in Bafoussam and Bamenda, and 7,000 m³ per city in Kribi and Sangmélima, for a total of 34,000 m³. The work of this first phase has been completed in the cities of Bafoussam, Kribi and Sangmélima, and has been the subject of provisional acceptance. The city of Bamenda remains on standby due to the prevailing security situation.

**Rehabilitation programme of 350 SCANWATER stations throughout the country.**

Conscious of the need to improve the quality of life of our populations, Government, with the support of the Chinese company SINOMACH, has undertaken to rehabilitate the 350 SCANWATER stations throughout the country. Following the building and commissioning of the SCANWATER station at Ndjoré which served as the programme pilot site, the Ministry of Water and Energy signed an MOU with SINOMACH. Studies began in July 2020. To date, six (6) of the eight (8) Regions with SCANWATER stations have already been visited to carry out studies in two hundred and forty-eight (248) stations.

**Project to study the mobilization and harnessing of rainwater through hillside dam reservoirs in the North Region (PEMVEP)**

Funded by a €1.45 million (or about 950 million CFA Francs) grant from the African Water Facility managed by the AfDB, this project mainly consists of conducting studies for the mobilization and harnessing of rainwater in view of constructing hillside reservoirs to reduce poverty and combat drought in a context of climate change. In 2021, the aim was to finalise the detailed design studies as well as the environmental and social impact studies and to prepare tender documents in order to present bankable studies to donors for the construction of reservoirs in the North Region.
As part of the Three-Year Emergency Plan for Accelerated Economic Growth, decided by the Head of State, the Ministry of Water and Energy proceeded with the construction of boreholes in the ten (10) regions. As of September 2021, 1,519 boreholes compared to 1,263 boreholes at the same time in 2020 and 19 drinking water supply systems have been built, representing a total of 256 boreholes drilled during the first nine months of this year.

4- IMPLEMENTATION OF THE PROGRAMME GOVERNANCE AND INSTITUTIONAL SUPPORT TO THE WATER AND ENERGY SUB-SECTOR

The objective of this programme is to ensure the smooth functioning and strengthening of synergy between all MINEE structures. To achieve this, the following activities were carried out:

- the personnel file at MINEE was updated by means of a physical census in central and decentralized services;
- the summary report of MINEE short and medium-term budget strategy and programming was produced within the time limits set through the Medium-Term Expenditure Framework (2020-2022 MTEF), validated by the joint services of MINEPAT and MINFI during the Expanded Programming and Associated Performance Conferences;
- MINEE Basic General Inventory mission is ongoing, as a prelude to the alignment of the functioning of the State on the basis of patrimonial accounting, the implementation of which is announced as from 2022;
- the organization of training seminars for the capacity building of staff and the promotion of ethics and deontology at MINEE;
- the continuation in the construction of infrastructure and acquisition of office equipment, aimed at improving the working environment and reception conditions;
- 08 training seminars to build the capacity of staff in the following areas: the use of ANTILOPE for staff pay, the use of office automation applications, the use of the public finance application (PROBMIS), standards and equipment for the construction of boreholes, the execution and monitoring of water supply projects and the setting up of rural electrification projects, training of administrators and users of MINEE’s website, alignment of MINEE’s programmes with the orientations of the National Development Strategy2020-2030 and promotion of ethics, deontology and administrative writing at MINEE;
- the continuation of the construction of infrastructures housing the services of the divisional delegations of Mbéré, Bamboutos and Boumba and Ngoko; the rehabilitation of buildings housing the services of the Far North and Mbam and Inoubou; and the acquisition of office equipment, computer equipment, technical equipment and inspection equipment for works aimed at improving the working environment and reception conditions;
- the promotion of bilingualism through the organisation of language training (French and English) for staff;
- the implementation of monitoring missions on water, electricity and petroleum products.
C- DIFFICULTIES ENCOUNTERED

Several issues impacted on the implementation of projects as part of the execution of the above-mentioned 2021 budget. These include:

- security crisis in the North West and South West Regions;
- failure to mobilise Counterpart Funds on time for projects with financing agreements;
- delay in the process of signing financing agreements for projects with proven maturity;
- the late release of certain land rights-of-way;
- difficulties in paying companies bills;
- difficulties in accessing certain sites.

D- PROSPECTS FOR THE YEAR 2022

Madam Chairperson of the Committee;
Honourable Committee members;
Ladies and Gentlemen,

Despite the difficulties just mentioned, the Ministry for which I am responsible is committed to improving energy supply and access, as well as access to drinking water and liquid sanitation. Therefore, significant efforts and financial means should be mobilised to better support the projects included in the 2022 budget.

On the preparation and update of energy access policies and strategies, the objective will be to:

- carry on the development of the Electricity Generation, Transmission and Distribution Master Plan, taking into account all components of the sector;
- finalise the national survey on energy access, which will provide information on the indicator of access to commercial butane gas, electricity and renewable energy;
- finalise the electricity map, the design of which was launched in 2013;
- develop and update the instruments governing the activities of the petroleum and gas sector;
- finalise the Renewable Energy Master Plan;
- set up the National Energy Management Program.

In the field of electricity, the goal will be to:

- commission the Lom Pangar plant at toe of dam by June 2022;
- continue the process of selecting the technical and financial partner for the construction of the 350 MW Limbé thermal power plant;
- commission a 10 MW thermal power plant in Guider by the end of 2021 to strengthen the security of electricity supply in the NIG;
- continue work to strengthen the stabilisation of the electricity networks in the city of Yaoundé;
• start work to reinforce the transmission network in Douala;
• start the implementation of the Cameroon-Chad interconnection project;
• continue the maturation of the SIG-NIG interconnection project;
• effectively start the implementation of the PERACE project;
• continue the maturation of other structuring hydroelectric projects such as Chollet, Kikot, Grand Eweng, Katsina, Menchum and Colomines;
• continue the construction of the Bini à Warak dam, if the blockages linked to financing by ICBC (Industrial and Commercial Bank of China) are lifted.

**In the field of petroleum products**, the following activities will be undertaken:
• Continue to supply the country with petroleum products through the new mechanism put in place
• Intensify the fight against fraud involving petroleum products throughout the country
• continue negotiations with technical and financial partners with a view to starting work on the rehabilitation of the National Refining Company (SONARA)
• continue the construction of new storage tanks for petroleum products in order to increase capacity
• initiate the studies and construction of the Kribi hydrocarbon terminal;
• build a new 1,000 metric ton tank at Bonabéri to increase LPG storage capacity
• start studies for the construction of a new LPG loading centre in Kendeck in the Sanaga Maritime Division.

**In the field of renewable energies**, the Ministry of Water and Energy plans to:
• carry on the implementation of a micro-hydro power development programme;
• carry on the project to promote the use of renewable energy and energy efficiency technologies in rural households in Cameroon;
• complete the handover to AER of the management of the works of the 2nd phase of the project to supply electricity to 1,000 localities using solar photovoltaic systems;
• complete household connections under phases 1 and 2 of the 1,000 localities electrification project by solar photovoltaic systems;
• launch the third phase of the project to electrify 1,000 localities using solar photovoltaic systems
• commission the Mbakaou Carrière mini hydroelectric dam
• complete the development of the two mini hydropower plants in Bafang and Manjo;
• complete the development of solar power plants connected to the northern interconnected grid;
• finalise activities aimed at reducing the electricity bills of public administrations through
the deployment of a pilot programme for the monitoring, control and optimisation of public sector electricity bills (PSCOFE);

- implement and complete energy efficiency measures.

**In the field of water and liquid sanitation.** For 2022, this will involve:

- Carrying on and completing the work on the drinking water supply project for Yaoundé and its surroundings from the Sanaga River (PAEPYS)
- Carrying on and completing the project to study the mobilisation and harnessing of rainwater through hillside dam reservoirs in the Northern Region (PEMVEP);
- Continuing with the work of the Three-Year Emergency Plan for Accelerated Economic Growth concerning the construction of 3,000 boreholes in the Northern part of Cameroon
- Carrying on the IDB-funded rural water and sanitation project (PAEA-MRU);
- Continuing with the Rural Drinking Water Supply Study Project in 350 localities financed by the ADB;
- Updating the National Action Plan for Integrated Water Resources Management (PANGIRE)
- Continuing with the inventory of drinking water supply, hygiene and sanitation infrastructures (WASH);
- Carrying on the maturation of the programme to rehabilitate 350 SCANWATER stations throughout the country.
- Implementing the «SANMARK» approach to sanitation marketing to stimulate demand for improved toilets and facilitate access to them;
- Carrying on the feasibility study for the construction of 3,600 toilet blocks with water posts in all 360 councils of Cameroon.

**As part of the promotion of governance and institutional support of the Water and Energy subsector,** activities will include:

- Improve the working conditions of staff;
- Strengthen the logistical means of the devolved services to better address the problems of access to drinking water and energy services
- Increase the transfer of credits and competences to the Regional and Local Authorities;
- Continue to modernise working tools by providing devolved services with computer and technical equipment for inspecting and monitoring works in the water and energy sub-sector;
- To acquaint with the new MINEE programme mapping based on the National Development Strategy (NDS 30).

These are the non-exhaustive objectives of the Water and Energy sub-sector for the year 2022.
III. PRESENTATION OF THE DRAFT BUDGET FOR THE 2022 FISCAL YEAR

Madam Chairperson;
Honourable Committee Members;
Ladies and Gentlemen,

In order to better address all these concerns mentioned at the very beginning of my speech and to achieve the objectives we have set ourselves, the 2022 draft budget that I am submitting for your consideration follows the contours of previous years.

Thus, the budget for the Water and Energy sub-sector, with a ceiling of Commitment Authorisations (CA) to be opened for 2022, is **238 billion 150 million CFA Francs** and in Payment Credits (PC) intended to cover the annual installment of the said Commitment Authorisations of **244 billion 563 million CFA Francs**, is broken down as follows:

- Public Investment (PIB): CFA Francs 239 billion 150 million;
- Recurrent Budget (RB): CFA Francs 5 billion 413 million.

The Public Investment Budget is broken down by type of major mass as follows,

- **External Resources**: CFA Francs 190 billion
- **Internal Resources**: 49 billion 150 million 106 thousand CFA Francs, including:
  » 24 billion 840 million 683 thousand CFA Francs in Counterpart Funds in real expenditure;
  » 6 billion 500 million CFA Francs provisioned in taxes and customs duties for the Counterparty Funds;
  » 9 billion 500 million 909 thousand CFA Francs in Transferred Resources;
  » 1 billion CFA Francs in resources dedicated to the financing of PLANUT activities and;
  » 7 billion 300 million 514 thousand CFA Francs for Ordinary Internal Resources (Grants, Other centrally managed credits and devolved credits).

The breakdown of the 2022 Public Investment Budget by programme is presented in the table below:

<table>
<thead>
<tr>
<th>Program</th>
<th>Rising (FCFA)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy supply</td>
<td>137 568 418 000</td>
<td>57,52</td>
</tr>
<tr>
<td>Access to energy</td>
<td>43 123 134 000</td>
<td>18,03</td>
</tr>
<tr>
<td>Access to drinking water and liquid sanitation</td>
<td>50 128 448 000</td>
<td>20,96</td>
</tr>
<tr>
<td>Governance and institutional support</td>
<td>8 330 000 000</td>
<td>3,48</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>239 150 000 000</strong></td>
<td><strong>100,00</strong></td>
</tr>
</tbody>
</table>

In more detail, the resources dedicated to public investment by programme are as follows:
1. Energy supply (016): The Commitment Authorisations for the 2022-2024 three-year period amount is 143 billion 568 million 418 thousand CFA Francs and the Payment Credits are 137 billion 568 million 418 thousand CFA Francs, broken down as follows:

<table>
<thead>
<tr>
<th>Resource Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>External resources</td>
<td>117 billion 583 million 321 thousand FCFA</td>
</tr>
<tr>
<td>Matching funds in actual expenditure</td>
<td>18 billion 212 million 797 thousand FCFA</td>
</tr>
<tr>
<td>Ordinary internal resources (Other credits at central management)</td>
<td>01 billion 772 million 3,009 thousand FCFA</td>
</tr>
</tbody>
</table>

The resources of the «Energy Supply» programme are distributed between activities that contribute to increasing the production of electrical energy and securing and extending the transmission network in order to improve the coverage rate of the national territory. Emphasis was placed on the commissioning of the Lom Pangar plant and the 10 MW thermal power plant in Guider. It also concerns the finalisation of transmission projects, notably the construction of the Yaoundé - Abong-Mbang and Nkongsamba-Bafoussam 225 kV lines and the Ebolowa Kribi and Mbalmayo-Mekin transmission lines.

2. Access to energy (137): The Commitment Authorisations for the 2022-2024 three-year period amount to 43 billion 43 million 153 thousand FCFA and the payment credits are 43 billion 123 million 134 thousand FCFA, broken down as follows:

<table>
<thead>
<tr>
<th>Resource Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>External resources</td>
<td>36 billion 268 million 495 thousand FCFA</td>
</tr>
<tr>
<td>Matching funds in actual expenditure</td>
<td>01 billion FCFA</td>
</tr>
<tr>
<td>Other Central Management (RIO)</td>
<td>969 million 981 thousand FCFA</td>
</tr>
<tr>
<td>Transferred resources</td>
<td>04 billion 884 million 658 thousand FCFA</td>
</tr>
</tbody>
</table>

It should be noted that most of the resources of this programme are dedicated to the electrification of unserved areas (notably PERACE), the continuation of electrification works. Part of these funds will be used to finance the continuation of the jointly financed electrification programme in rural areas.

In order to accompany the decentralisation process and in accordance with the orientations of the Circular on the preparation of the budget for the 2022 financial year, the envelope dedicated to resources transferred to Local Authorities amounts to 4 billion 884 million 658 thousand CFA Francs for 2022, i.e. an increase of over 338 million CFA Francs.

3. Access to drinking water and liquid sanitation: The budget of programme 138 amounts to 50 billion 263 million 059 thousand FCFA in Commitment Authorisations and 50 billion 128 million 448 thousand FCFA in Payment Credits for the three-year period 2022-2024 at 92 billion 867 million 230 thousand FCFA. This Payment Credit is broken down as follows:

<table>
<thead>
<tr>
<th>Resource Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>External resources</td>
<td>36 billion 148 million 184 thousand FCFA</td>
</tr>
<tr>
<td>Matching funds in actual expenditure</td>
<td>05 billion 637 million 203 thousand FCFA</td>
</tr>
<tr>
<td>Other credits at Central Management (RIO)</td>
<td>2 billion 727 million 719 thousand FCFA</td>
</tr>
<tr>
<td>Activities dedicated to PLANUT</td>
<td>01 billion FCFA</td>
</tr>
<tr>
<td>Transferred resources</td>
<td>04 billion 615 million 342 thousand FCFA</td>
</tr>
</tbody>
</table>
The resources dedicated to this programme are essentially devoted to the completion of the PAEPYS works by the end of 2022, to the payment of counterpart funds for the benefit of certain projects for which CAMWATER is the project manager. A part is planned for the reconfiguration of the supply network of the city of Yaoundé for the integration of the PAEPYS project and the remainder is devoted to the construction of water schemes and, the continuation of the Three-Year Emergency Plan - water component and other projects with joint financing.

Within the framework of resources transferred to Local Authorities, the provision amounts to 4 billion 615 million 342 thousand CFA Francs, an increase of more than 482 million CFA Francs.

4. Governance and institutional support in the Water and Energy subsector:

The forecasts in commitment authorisations (CA) for the 2022-2024 three-year period and the payment credits for 2022 amount to 8 billion 330 million CFA Francs. Expenditure relating to the payment of taxes and customs duties related to the import of materials and equipment dedicated to the execution of jointly financed projects under the responsibility of MINEE for 2022 amounts to 6 billion 500 million CFA Francs. The rest of the budget amounts to about CFAF 1 billion 830 million, of which CFA Francs 1 billion 230 million is meant for the construction of the headquarters building to house MINEE’s central services and other activities aimed at improving the working environment of MINEE staff, 500 million CFA Francs to cover committed and non-scheduled expenditure on water and electrification for previous years, in accordance with the recommendations of the Budgetary Orientation Debate (DOB); CFAF 50 million for the preparation and dissemination of Cameroon’s energy balance sheet for the 2022 edition.

Madam Chairperson of the Committee on Finance and Budget;
Honourable Committee Members;
Ladies and Gentlemen,

This budget allocation, for which I am seeking your approval, will enable the water and energy sub-sector to better contribute to improving the living conditions of our populations. You may notice that the objectives are certainly ambitious but realistic. It is a question of consolidating the achievements on the one hand, and continuing the development of the sub-sector on the other.

Also, to finish, I would like to thank each and every one of you for the constant efforts made for the Ministry for which I am responsible.

Finally, allow me to express once again my readiness to take into account your remarks and suggestions and to provide my modest insights to the questions the members of your august Chamber may ask.

Thank you for your kind attention.