

MINEE

MINISTRY OF WATER AND ENERGY



MINISTER'S STATEMENT

BEFORE THE COMMITTEE ON FINANCE AND THE
BUDGET OF THE NATIONAL ASSEMBLY



MINISTRY OF WATER AND ENERGY

Budget for the 2023 Financial Year

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Yaoundé - CAMEROON

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Madam Chairperson of the Committee on Finance and the Budget;

Honourable Committee Members;

Ladies and Gentlemen,

It is a great honour for me to address your august committee to fulfil this noble duty of presenting, for prior approval by the National Assembly, the action plan of the Ministry of Water and Energy for the 2023 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 sub-sector. As such, you can count on my open collaboration and, above all, my complete readiness to address any concerns that may arise, with due respect for our institutions.

Following this brief introduction, if you permit, my presentation will focus on (I) the strategic objectives of the Ministry of Water and Energy; (II) the state of implementation of programmes for the 2022 financial year; (III) the presentation of the draft budget for the 2023 financial year.

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

Madam Chairperson;

Honourable Members of the Committee;

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 organise 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.

In line with the 2020-2030 National Development Strategy (NDS30) and to play a decisive role in achieving emergence by 2035, the Water and Energy sub-sector has as strategic goal 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 the **HEAD OF STATE's** high instructions contained in Circular No. 001 of 30 August 2021 relating to the preparation of the State budget for the 2022 financial year, and the 2022 Mission Letter of the **Prime Minister, Head of Government**, MINEE's action specifically focused on the following:

a) In the electricity sector:

- the commissioning of the energy evacuation line between Memve'ele and Nkolnkoumou



(Yaounde);

- the stabilisation of the Yaounde electricity network through the construction of a 90kV loop;
- the commissioning of the first 7.5MW turbine of the Lom Pangar plant at toe of dam;
- the loading of the 225kV lines between Ahala-Abong-Mbang and Nkongsamba-Bafoussam as well as related works;
- the accelerated pace of implementation of activities related to the construction of the Bini à Warak hydroelectric dam;
- the maturation of other structuring hydroelectric projects.

b) In the petroleum products and gas sector:

- the pursuit of work for the rehabilitation of SONARA;
- the securing of petroleum product supplies;
- the construction of new storage tanks for petroleum products in order to increase capacity

c) In the renewable energy sector:

- the commissioning of the mini hydroelectric dam at the Quarry in Mbakaou;
- the development of the two mini hydroelectric power plants in Bafang and Manjo;
- the completion of the solar power plants connected to the Northern Interconnected Grid (NIG).

d) Dans le domaine de l'eau et de l'assainissement liquide :

- the full implementation of the water component under the PLANUT;
- the completion of the project to supply drinking water to the city of Yaounde and its surroundings from River Sanaga (PAEPYS);
- the implementation of the Rural Water Supply and Sanitation Project (PAEA-MRU);
- the implementation of the programme to rehabilitate 350 Scanwater stations throughout the country;
- the completion of the Research Project for the Mobilisation and Use of Rainwater through hillside dam reservoirs in the Northern region.

II- STATE OF IMPLEMENTATION OF PROGRAMMES FOR THE 2022 FINANCIAL YEAR: ASSESSMENT AND PROSPECTS

Madam Chairperson,

A year ago, for the implementation of the four (4) programmes of the Ministry under my responsibility, your Committee adopted a budget amount of **244 billion 563 million CFA F** of which **239 billion 150 million CFA F** allocated for investment and **5 billion 413 million CFA F**



for operation, with the aim of improving not only supply but also the population's access to energy, water and sanitation.

Generally speaking, Cameroon budget for the 2022 financial year was implemented in a challenging socio-economic and budgetary context caused by the deterioration of the world economy due to the Russian-Ukrainian crisis.

However, the following key developments had a positive impact on the sub-sector:

- The effective interconnection of the Southern Interconnected Grid (SIG) to the Eastern Interconnected Grid (EIG) on 19 November 2022, which will allow the East region to be opened up to electricity given that it was the only area in our country supplied by a low-capacity thermal power plant.
- The final commissioning, on 16 November 2022, of the power transmission line from Nkolinkoumou to Ahala, which enables the injection of the total 211MW capacity of the Memve'ele power plant.
- The commissioning, on 5 July 2022, of the 225kV Nkongsamba-Bafoussam line as well as the 225/90kV substation in Bafoussam which has helped to greatly improve the quality of public electricity service in the West and North West regions and part of the South West, Littoral and Centre regions.
- The commissioning in June 2022 of the Mekin hydroelectric dam which generates **12MW** out of the **15MW** installed.
- The commissioning, from February 2022, of the modular photovoltaic plant of **15MW** in Guider.
- The inauguration and commissioning in April 2022 of the mini hydroelectric plant at Mbakaou Carrière (**1.4MW**).
- The takeover by the State of the electricity transmission assets following the payment to ENEO of the indemnity for the takeover of these assets, which are now operated by SONATREL.
- The signing of an agreement between AER and ENEO, amounting to **13 billion CFA F**, to pre-finance the cost of subscribing to ENEO for low-income households.
- The signing of the Transmission Network Access Contract (CART) between SONATREL and users of the public electricity transmission service.
- The full construction of several drinking water supply systems in the cities of Yaounde, Edéa, Mbalmayo, Bertoua, Ngaoundere, Bafoussam and Bamenda;
- The laying of the foundation stone for the Bamenda gas cylinder filling centre on 5 November 2022.

A- REPORT ON THE EXECUTION OF THE 2022 BUDGET

The major programmes which guided the execution of the 2022 budget were the following:



(1) energy supply, (2) access to energy, (3) access to drinking water and liquid sanitation, (4) governance and institutional support to the sub-sector.

1- IMPLEMENTATION OF THE ENERGY SUPPLY PROGRAMME

As part of the Energy **Supply programme**, actions carried out under the 2022 budget had the following objectives:

- to guarantee in the short, medium and long term, a safe supply of electricity and petroleum products to the country at lower cost;
- to improve access to modern energy services for populations in urban, suburban and rural areas;
- to improve the institutional and regulatory framework and ensure the capacity-building of institutional actors of the electricity sector;
- to promote the interconnection of the Southern, Northern and Eastern grids with a view of creating an interconnected national grid;
- to promote the interconnection of electricity networks with neighbouring countries so as to foster energy sharing.

In the electricity sector in 2022,

At the operational level, actions mainly focused on electricity production and transmission infrastructure projects which are presently under construction or at various stages of preparation. They include:

❖ The Project to construct the plant at toe of dam, substation and evacuation line for the Lom Pangar facility (30 MW)

The construction of the **30MW** Lom Pangar plant at toe of dam is **80%** complete as of October 2022, compared with **40%** by the same time in 2021. Besides, work on the 90kV power evacuation line between Lom Pangar and Bertoua has been completed.

The commissioning of the first generator of the power plant is scheduled for March 2023, which will allow 7.5MW to be injected into the **Southern Interconnected Network**. The other units will be commissioned gradually throughout 2023.

❖ The Memve'ele hydropower plant (211MW)

The construction of the dam, the transmission line and the Nkolnkoumou and Ahala stations are completed and their commissioning was successfully carried out.

❖ The Mekin hydropower plant (15MW)

After experiencing some technical difficulties, the performance tests of the plant were successfully completed from 13 June to 20 July 2022, with a transited capacity of approximately **12MW** on 17 July 2022. The energy produced is injected into the Southern Interconnected Grid.

❖ The Nachtigal Amont hydropower plant (420MW).

This project involves the construction of a 420MW hydroelectric power plant upstream of



Nachtigal on River Sanaga, combined with a 225kV double-circuit electricity transmission line between Nachtigal and Yaounde.

As of November 2022, the construction of the evacuation line and the plant substation has been completed while the production plant has a **78 %** execution rate against **50%** at the same period last year.

The commissioning of the first turbine is planned for **December 2023**.

❖ The Chollet hydropower plant (600MW)

The Chollet hydropower station on the Dja River is an Inter-State project which emerged from the willingness of Presidents **Paul BIYA** of Cameroon and Denis **SASSOU-NGUESSO** of Congo, to equip their respective countries with an electricity generation and transmission infrastructure that would benefit their populations. With a capacity of 600MW, this plant will be built in Cameroon, near the border with Congo.

As of November 2022, a Restricted International Invitation to Tender was launched for the selection of a consulting engineer to assist the contracting authority in controlling and monitoring the design, construction and commissioning of the project.

❖ The Construction of a 350 MW gas-fired thermal power plant in Limbe

This is a public-private partnership (PPP) electricity generation project. Following the Call for Expression of Interest launched in 2020, a list of five (5) pre-qualified companies was published in 2021.

At the end of the restricted invitation to tender, the partner selected to assist Government has just began the pre-qualification dialogue of this public-private partnership process, in accordance with the law laying down the general rules and regulations governing partnership contracts in Cameroon.

The next steps include: the signing of the various project contracts; the completion of the project's technical and environmental studies; the financial structuring and closing of the project; the construction of the power plant and the gas plant as well as connection pipelines. The commissioning of this plant is scheduled for **2026**.

❖ The Kikot hydropower plant on River Sanaga (500MW)

This project concerns the construction of a hydropower plant on River Sanaga with an installed capacity of 500MW. A contract for the Project's development was signed on 25 June 2021 between the company Electricité de France (EDF) and the Cameroon Government.

The preliminary design studies which started at the end of 2021 are in progress.

As of November 2022, the working groups established for this purpose are conducting a review of the studies. The project company is expected to be created by the end of 2022.

The financial closing of the project is scheduled for October 2024 with commercial operation projected for late 2029.

❖ The Grand Eweng hydropower plant on River Sanaga (1,080MW)



The planned project involves the construction of a 1,080MW hydropower plant at the Eweng site on River Sanaga and an electricity transmission line.

The year 2022 saw the pursuit of technical and financial studies for this important project. Also, the Letter of Intent for the purchase of electrical energy was signed with ENEO.

Pursuant to existing regulations, public consultations with local residents were completed in 2020 as part of the Environmental and Social Impact Assessment. The company Hydromine, in charge of the project development, is continuing with the technical and financial structuring prior to the start of construction.

❖ The Katsina Ala hydropower plant (285MW)

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

As of November 2022, the Term sheet of the power purchase agreement is currently being negotiated with ENEO. However, discussions with a view to signing a Letter of Intent to purchase energy started during 2021.

With regard to electricity transmission

The year 2022 was mainly characterised by the continuation and completion of works to construct the following transmission lines:

❖ The Electricity Transmission Network Upgrade and Sector Reform Project (PRRTERS)

This project financed by the World Bank has as development objective to improve the capacity, efficiency and reliability of the electricity transmission network in Cameroon. The operational component of this project is “the reinforcement of the public electricity transmission network”.

Construction work on the 225kV Nyom substation, which began this year, is **40%** complete. This substation will allow the energy produced at Nachtigal to be injected into the Southern Inter-connected Grid (SIG).

The Work Contracts for the 400kV Edéa-Nkolnkoumou-Nyom II; the 225kV Nkolnkoumou-Oyomabang; the 90kV Nyom II-Ngousso; the 225kV Oyomabang-Nkolbissong lines as well as the Misolè substation have been signed.

Compensation decrees for the Edéa-Nkolnkoumou-Nyom 400kV line have been signed and the people affected have received compensation. The same was done for the Nyom II-Ngousso 90kV double-circuit line.

❖ 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, the 225/90kV substation in Abong-Mbang as well as the expansion of the Ahala, and Bekoko transformer substations

The aim of this project is to secure the supply of electrical energy to the East, West and North



West regions and their surroundings. Specifically, it aims, on the one hand, to reduce or even stop the East region's reliance on thermal energy, and on the other hand, to improve the voltage plane of the West and North West regions and interconnect the Southern and Eastern grids.

It comprises two main components, namely:

- the Interconnection of the Southern grid to the Eastern grid through the Ahala-Abong-Mbang 225kV line and the Abong-Mbang interconnection substation.
- the improvement of the voltage plane of the West and North West regions through the construction of the 225kV line between Nkongsamba and Bafoussam and the 225/90/30kV interconnection substation in Bafoussam.

This project was completed in 2022 and these installations were made operational.

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

This project will allow the Mekin hydroelectric plant to inject all its production into the Southern Interconnected Grid, to evacuate part of the energy produced by the Memve'ele hydroelectric plant, as well as the Kribi gas power plant in the Kribi industrial port area.

Detailed studies were approved in November 2022 and the contracting procedure launched.

A project manager has been recruited to assist the Government in implementing the project.

The construction of the transformer substations is scheduled to start in January 2023 for a period of 24 months.

❖ **Construction project of the Edéa-Yaoundé line and the looping of the city of Yaoundé**

The objective of this project, which is currently underway, is to strengthen and secure the electricity network that supplies the city of Yaoundé, by building a 90 kV loop between Ahala - Nkolanga - Kondengui - Ngouso - Oyomabang - Ahala.

To complete the construction of the lines and the Nkolanga substation, the relevant compensation decree was signed on 1 September 2021 and measures have been taken for the payment of compensation, thus enabling the work on the substation to begin.

The earthworks for the new Nkolanga substation started in November 2022.

As regards the new 225 kV substation in Edéa, the work has been completed, including the payment of compensation.

Regarding the extension of the Ahala, Ngouso and Oyomabang substations, their completion rate is approximately **97%** (electromechanical equipment installed; control room completed; power transformer installed).

The execution rate of the Ahala - Nkolanga - Kondengui line construction is **55%**.



❖ Construction of the 400KV Nachtigal-Bafoussam Power Transmission Line Project

This project aims to secure the evacuation of electrical energy produced by the Nachtigal hydroelectric dam, while looping the power supply of the cities of Yaoundé, Bafoussam and Douala.

As for the financing of the project, a financing agreement was signed on 11 May 2022 for **97.8 billion CFAF** with Eximbank India.

To date, seven (07) of the eight (08) compensation decrees are already available, the studies have already been carried out and the partner's contracting process is underway.

Construction is scheduled to start in **January 2023**, with commissioning planned for **November 2024**.

❖ SIG-NIN interconnection project

This project aims at carrying out the electricity interconnection of the Southern and Northern Interconnected Networks through the construction of the 225 KV Nachtigal-Ngaoundéré line and its associated works (construction of the 225/30 KV substations of Tibati, Ntui, Yoko, Wouro Soua) financed by the World Bank to the tune of **295 million Dollars** and under negotiation with the Islamic Development Bank for an amount of **120 million Dollars**.

During 2022, key experts were recruited, the Project Management Unit was set up and the Inter-State Committee created. Tender documents for the construction of the lines and substations are being finalised and are expected to be launched in December 2022. The start of the work of the Property identification and Evaluation Committees, for a period of two months, is scheduled in December 2022. The procedure for contracting the Consulting Engineer has begun. Commissioning is planned for 2025.

❖ Cameroon-Chad interconnection project

This project aims to export electricity at **225 kV** to Chad in order to enable Cameroon to fulfil its commitment to supply Chad with approximately **150 MW** of energy through the construction of a line from Ngaoundere (wouro soua) to Chad. The project will also allow for the electrification of cross-border villages (478 localities), thereby helping to improve the quality of electricity supply and the rate of access to electricity in areas with little or no service in the northern region.

In relation to the project's financing, two loan agreements were signed on 3 April 2020, amounting to **142 billion 933 million 30 thousand CFAF** with the African Development Bank (AfDB) and **4 billion 923 million 810 thousand CFAF** with the African Development Fund (ADF).

During 2022, key experts were recruited, the Project Management Unit was set up, the Inter-State Committee created and the engineer who will be the full project manager is being recruited.



On the supply of petroleum products to the country.

A volume of **1,650,000 MT** has been delivered as of 1st November 2022 for the current year. With regard to the **CFAF 47.88/litre** line to “support the refinery”, an amount of about **CFAF 194.7 billion** has been collected as of 1st November 2022 since the new mechanism was put in place in March 2020.

❖ On the rehabilitation of SONARA

On 22 April 2022, THE HEAD OF STATE authorised the implementation, as part of a Public Private Partnership, of the option of rehabilitating/restructuring the said company in order to have a more complex, efficient, competitive and viable refinery, which will not only allow the refining of Cameroonian crude oil, but also the transformation of low-value distillate into noble oil products.

In compliance with these Very High Instructions, a Steering Committee in charge of implementing the preliminary accompanying measures was created by MINFI on 06 June 2022 and held the session to launch its activities on 15 September 2022 at SONARA's headquarters in Limbe.

❖ securing petroleum products supplies

MINEE has launched three (03) Notices of Open International Consultation to select traders of petroleum products in Cameroon for the months of March to December 2022.

These traders are responsible for delivering to local importers liquid petroleum products with a total volume of **1,781,000 MT** to supply the domestic market since the beginning of the year 2022. The delivery process is proceeding normally so far, despite some challenges linked to the unfavourable international situation, in particular the surge in prices linked to the Russian-Ukrainian conflict.

❖ As regards Liquefied Petroleum Gas (LPG)

In addition to a volume of **63,000 MT** counting for the remainder of the year 2021, a total volume of **120,000 MT** is planned as imports to cover the needs of the domestic market during the year 2022.

In terms of imports, approximately **115,000 MT** of commercial butane gas was delivered to the domestic market.

❖ Finally, with regard to the development of natural gas resources

floating natural gas liquefaction plant operated by the SNH/PERENCO/GOLAR consortium exported 12,000,000 m³ of liquefied natural gas on 29 September 2022. Its commercial butane gas production unit made available a volume of **19,778 MT** of the said product on the domestic market.

In addition, the supply of natural gas for the production of electricity (**216 MW**) by the Kribi Power Development Company (KPDC) is progressing normally.

In the field of petroleum products storage in 2022, two (02) new tanks are under construction at the Mboppi depot. That is to say, an execution rate of **20%**.

As regards the Bafoussam depot, the construction of the **10,000 m³** storage tank is still being delayed by the need to secure the depot. The identification of the populations impacted by the



project is ongoing with a view to the payment of compensation to enable them to free up the land around the depot.

2- IMPLEMENTATION OF THE ENERGY ACCESS PROGRAMME

As part of this programme, the forecast for 2022 has targeted:

- increasing and improving access to modern energy services for economic operators and populations in urban, semi-urban and rural areas ;
- improving the institutional and regulatory framework for access to energy and building institutional capacity in this area.

With regard to urban, semi-urban and rural electrification.

The government's objective is to significantly improve the rate of access to electricity, especially in rural areas.

For the 2022 financial year, the Government's action to improve access to energy has focused on the extension of interconnected networks in all ten (10) Regions and rural electrification by solar photovoltaic systems. In addition, a **1.4MW** mini hydropower station has been commissioned at Mbakaou Carrière.

Thus, the actions carried out in 2022 within this framework made it possible to :

- Connect households and socio-economic infrastructure to the MV/LV network in 33 localities for the Public Investment Budget (PIB) and 81 localities for other funding;
- Carry on electrification works with IDB phase II and BADEA funding;
- Carry on the activities of the Programme to Strengthen Transmission and Distribution Equipment (PRERETD) through the connection of households and socio-economic infrastructure. To date, **340 localities** out of a total of 473, financed by AfDB, JICA and BIP, have been connected in the North, West, Centre and Littoral Regions;
- Continue the connection work of the Sud Hévéa plant in the Dja and Lobo Division;
- install **2,586 connections** in 47 localities of the North Region as part of the phase 2 rural electrification project in 102 localities in five (05) regions financed by IDB

As regards electricity sector regulation, the process of transferring ENEO's transmission assets to SONATREL through the payment of compensation for the takeover of these assets by the State has been completed. The contracts for access to the transmission network between SONATREL and the users of the transmission network have been signed.

The structuring of a Results-Based Programme is ongoing with the World Bank. It will enable the Government to have direct budgetary support of **300 million dollars** over four (04) years depending on the sector's performance.



On the implementation of petroleum and gas distribution programmes and projects, It continued with the construction and operation of thirteen (13) new filling stations since the beginning of the year, bringing the total number of filling stations to **874** by 30 September 2022 throughout the country, **42%** (372 filling stations) of which are in rural areas.

During the first nine months of 2022, 04 new authorisations were granted, bringing to 50 the number of companies authorised to distribute petroleum products.

In addition, the fight against fraud involving petroleum products was stepped up throughout the country and more specifically along the roads. It led to the seizure of **1,252,897 litres** of all products in the first half of 2022. The Petroleum Products Chemical Labeling Programme has made it possible to reduce pollution rates from **1.28%** in 2021 to **0.94%** by 30 September 2022.

On renewable energies,

MINEE's action focused on:

❖ **The project to finalise the development of solar power plants connected to the Northern Interconnected Network (NIN)**

To reduce the deficit between supply and demand in the NIN, the Government has agreed with the concessionaire ENEO to urgently install two (02) modular solar power plants with storage batteries with a cumulative capacity of **30 MWc + 20 MWh** in Maroua and Guider.

The solar power plant of Guider with a capacity of **15 MW** has started production.

At the same time, the Government continued discussions to finalise licensing contracts with private partners for the solar power projects prescribed by the Head of State, notably, the Maroua, Guider, Garoua and Ngaoundéré solar power plants.

As concerns the project for the rural electrification of 1,000 localities by solar photovoltaic systems in particular, the Ministry's action in 2022 consisted of:

- the continuation of the first two phases of the project;
- the handover of the management of the second phase plants (184 localities) to the Rural Electrification Agency;
- the finalisation of negotiations for the third phase 200 localities.

Also, the process of handing over the management of the **350** power stations to the Rural Electrification Agency (AER) is effective. With regard to connections, the ongoing campaigns have already enabled more than **24,852** households to be connected, an increase of **1,048** households compared to the same period in 2021.

On the construction project of a small hydropower station with a capacity of 1.4 MW at Mbakaou Carrière in the Djerem Division, the plant and its facilities were commissioned on 22 December 2021 and since then, have been supplying the town of Tibati and the surrounding areas with electricity.



The Minister of Water and Energy officially inaugurated the plant on 14 April 2022. As of November, more than **2,821** new subscribers took out an ENEO subscription and more than **1,500 recorded** connect requests.

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

MINEE's actions for the implementation of our various development projects for access to drinking water can be summarised as follows:

❖ Drinking Water Supply Project for the City of Yaoundé and its surroundings from the Sanaga River (PAEPYS)

This project, which aims at an additional daily production of **300,000 m³/d**, extendable to **400,000 m³/d**, will eventually fill the drinking water supply deficit of the city of Yaoundé and its surroundings.

The actions carried out up to October 2022 have increased the overall physical implementation rate of the project to **91.8%** as compared to **81.5%** at the same time last year.

At present, the main difficulty is to clear the rights of way for the power line and the **DN 1 800 pipe**. The work is scheduled to be completed in **April 2023**.

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

This project, financed by DEXIA Bank of Belgium, consists of building, rehabilitating and extending drinking water supply systems in 52 localities spread over the ten regions of the national territory. The works have been completed and the completion reports have been made. This will enable the localities concerned to benefit from a total additional daily production capacity of **93,610 cubic metres (m³)** and **456,685** additional linear metres of pipeline network.

❖ Project to improve drinking water supply in Yaoundé and three secondary cities (Edéa, Bertoua and Ngaoundéré)

This project is financed by the French Development Agency (AFD) and the European Investment Bank (EIB) for a total amount of **103.6 billion CFA francs**. It will make it possible to reinforce the drinking water supply systems in the cities of Edéa, Ngaoundéré and Bertoua. The scope of works includes upgrading and reinforcing production and storage capacities and distribution networks.

As of November 2022, the overall physical execution rate of the work is approximately 95%: 100% for the city of Edéa, **100%** for the city of Yaoundé, **100%** for the city of Bertoua and **84%** for the city of Ngaoundéré.

❖ The nine-city project funded by Eximbank China

This project is aimed at extending and upgrading drinking water production stations in 9 cities. It will provide an 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**.



As for the first phase, work has been completed in the cities of Sangmélima, Kribi and Bafoussam. Work in the city of Bamenda is at a rate of **70%**.

The second phase, which targets the cities of Dschang, Garoua-Boulaï, Garoua, Maroua and Yabassi, is due to start soon. The notable achievements include: the obtention of the maturity visa, the signature of the financing agreement, the finalisation of the execution studies and the contracting of the project management.

❖ **Drinking Water Supply Project for 07 Secondary Centres financed by BADEA and OFID**

This project seeks to improve access to drinking water for the populations of Ketté, Messamena, Bot Makak, Akom II, Olamzé, Mvengué and Mvangan.

Works have been completed and the works monitored during the guarantee period, enable the populations concerned to have access to an additional daily volume of **672 m³** of water on average, through the construction of 19 boreholes, the laying of **102 km** of pipes and the creation of **1,875** individual connections and **119** public drinking taps

❖ **Programme to rehabilitate 350 SCANWATER stations throughout the country with the innovation of incorporating a solar energy source for their operation**

The project to rehabilitate 350 SCANWATER stations powered by solar energy in Cameroon aims at restoring the operation of these stations. This project, the first phase of which is taking place in six (06) Regions of Cameroon, consists of both a drinking water supply component and a solar energy supply component.

Two hundred and thirty-nine (239) SCANWATER Centres have been identified as of November 2022. Feasibility studies have been completed, the preparation of the maturation documents is ongoing; the Terms of Reference of the environmental and social impact assessment have been sent to MINEPDED for technical support from the partner SINOMACH.

❖ **Study project for the mobilisation and use of rainwater through hillside dam reservoirs in the Northern Region (PEMVEP)**

This project, which is the result of a grant from the African Water Facility for an amount of approximately **852 million 644 thousand 394 CFA** francs, aims to ensure the food security of the populations of the said region by focusing on agropastoral development and permanent water supply in a context of climate change.

As of November 2022, all studies have been completed and validated. In addition, five (05) sites have been selected in the Mayo-Louti, Benue and Faro Divisions for the implementation of this project in the Northern Region.

❖ **Project for Water Supply and Sanitation in Rural Areas (PAEA-MRU) financed by the IDB**

This project aims at improving access to drinking water and liquid sanitation in rural areas



through the increase of drinking water supply points in sixty (60) Cameroonian villages. In addition, the PAEA-MRU aims to install more than 2,220 latrines in public places (hospitals, schools and markets).

The following activities were carried out as of November 2022:

- Data collection missions have been completed and the feasibility studies (preliminary design, detailed design and Tender documents) for the construction of the drinking water supply systems have been completed by the Technical Consulting Firm;
- The contracting process of the successful companies in 2 of the 3 project areas is being finalised.
- ❖ **Study and preparation of a rural water supply and sanitation programme (MRU STUDY PROJECT) financed by the AfDB**

The overall objective of this project is to improve the efficiency of investments in the drinking water and sanitation sub-sector, through studies, capacity building, collection and storage of information for water management in Cameroon.

It aims ultimately at maturing a programme to build mini drinking water supply systems in 300 localities in rural areas.

Several activities, including a national inventory of water supply facilities and capacity building for the actors of the chain of construction and management of these facilities, are currently being carried out in the field.

As of November 2022, the study on the evaluation of Cameroon's water resources is completed. The overall progress rate of the project is estimated at **61%**.

❖ **As part of the Three-Year Emergency Plan for Accelerated Economic Growth**

- **With regard to PLANUT 1**, the objective was to construct nine hundred (900) boreholes equipped with human powered water pumps and nineteen (19) drinking water supply systems. To date, the physical execution rate is 99.17%. This first phase has already resulted in the completion of eight hundred and ninety-five (895) boreholes and nineteen (19) drinking water supply systems.
- **As for PLANUT 2**, it is being implemented in two phases whose evolution is as follows:
 - **The first phase of seven (7) lots** has already enabled the construction of five hundred and twenty-four (524) boreholes equipped with human powered water pumps. This first phase has an overall physical execution rate of **89.99% compared to the 84.07% during the same period last year;**
 - **For the second phase, to date, three hundred and seven (307) boreholes** equipped with human powered water pumps have been constructed for a physical completion rate of **66.72% compared to the 59.66 during the same period in 2021.**



On the development of liquid sanitation infrastructure, feasibility studies for the construction of 3,600 water and solar powered public toilets and commercial areas were completed during 2022. We are now seeking donors for the implementation of this important project.

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

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

- **As part of the coordination and monitoring of activities**, the analysis report on the consistency of the indicators and the logical framework objectives was validated during the program review process; the summary report on MINEE's short- and medium-term budgetary strategy and programming with the development of the Medium-Term Expenditure Framework (MTEF 2023-2025) was validated by the joint services of MINEPAT and MINFI during the Enlarged Associated Programming and Performance Conferences. In addition, the activities of the Programming-Planning-Budgeting-Monitoring and Evaluation (PPBS) chain were carried out as recommended by the provisions of several budget documents. The following outputs have been validated: the Annual Performance Report (APR), the Annual Performance Project (APP), the follow-up report on the evaluation of budgeted activities; monitoring missions in the water and electricity sectors are ongoing throughout the country.
- **As part of the State's contribution to the implementation of major projects**: the costs of taxes and customs duties following the import of related materials have been covered; consultation frameworks for monitoring the implementation of externally financed projects have been held with a view to improving the status of implementation of these projects;
- **Concerning the improvement of the working conditions of the personnel**, four (4) buildings (Kadey, Dja and Lobo, Faro and Mayo Sava) housing the devolved services of MINEE have been renovated;

Office furniture was purchased for ten (10) divisional delegations (Mayo Banyo, Mbéré, Nyong et Kellé, Boumba et Ngoko, Kadey, Benoué, Faro, Bamboutos, Dja et Lobo and Ocean);

- **in the area of personnel management**: MINEE's personnel file was updated following the physical census of the personnel of the central and decentralized services; the organization of training seminars (accountability and responsibility of actors of the public finance management chain, management of MINEE's website, etc.) with a view to strengthening the capacities of the personnel and promoting ethics and deontology at MINEE; the promotion of bilingualism through the organization of language training (French and English) for the benefit of the personnel;
- **Within the framework of the payment of committed and non scheduled expenses**, a



significant part of the arrears has been committed, namely: 18 files of the rural water component for an amount of 345 million FCFA; 09 files of the rural electrification component, for an amount of 349 million FCFA and 04 files of the solar energy component, for an amount of 127 million FCFA.

B-DIFFICULTIES ENCOUNTERED

Several difficulties have impacted the implementation of the projects in the framework of the above-mentioned 2022 budget execution, among others:

- The security crisis in the North West and South West regions;
- The overdue non-mobilisation of the Counterpart Funds of projects with financing agreements;
- The delay in the process of signing financing agreements for projects that have been proven to be mature;
- The late release of certain land rights-of-ways;
- Difficulties in paying companies' counts;
- Difficulties in accessing certain sites;
- The shortcomings of the public funding management application (PROBMIS).

C- PROSPECTS FOR THE 2023 FINANCIAL YEAR

In the electricity field, this will involve :

- Powering up the lines and related works of the 90 KV loop in Yaoundé;
- Commissioning the Lom Pangar plant and its discharge line;
- Continuing work on other hydroelectric dams such as the Nachtigal Amont dam, so the first unit can be commissioned in August 2023;
- Commissioning the Nyom II substation to accommodate Nachtigal's power generation;
- Commissioning the lines associated with the Nyom II substation, namely Nyom II-Ngousso and Nyom II-Oyomabang;
- Continuing the construction work on the 400 kV Nkolnkoumou-Nyom II lines;
- Starting the construction work on the 400 kV Nachtigal-Bafoussam line substation;
- Starting the construction work on the 225/30 kV substation in the port area of Kribi, the 90/30 kV substation at Zoétélé and extensions to the substations at Mbalmayo, Ndjom Yekombo and the Mekin power station;
- Starting the construction work to reinforce the electricity transmission network of the city of Douala;



- Continuing the maturing of the Limbé and Bekoko gas-fired thermal power station projects, as well as the evacuation lines;
- Continuing the maturing of the Kikot, Grand Eweng, Katsina, Chollet and Menchum hydroelectric projects;
- Starting construction work on the 225 kV line for the interconnection of the Southern Interconnected Grid to the Northern Interconnected Grid and the interconnection between Cameroon and Chad;
- Starting construction of the rural electrification project (PERACE) in the Far North, East and North West regions.

In the field of petroleum products, this will involve:

- Starting the rehabilitation of SONARA;
- Increasing storage capacity by building new tanks;
- Carrying on petroleum products supply to the country through the new system put in place.

In the field of renewable energies

The Ministry of Water and Energy intends to:

- Carry on the development of the legal and regulatory framework for renewable energy;
- Continue the implementation of a micro-hydro power development programme;
- Continue the project to promote the use of renewable energy and energy efficiency technologies in households of rural areas of Cameroon;
- Finalise the process of transferring the management of the works of the 2nd phase of the project of electrification of 1,000 localities by solar photovoltaic systems to AER;
- Launch the third phase of the project for the electrification of 1,000 localities by solar photovoltaic systems;
- Complete the development of the two mini power plants in Bafang and Manjo;
- Continue the installation of the second modular solar power plant with storage batteries with a combined capacity of **30MWac+ 30MWh** in Maroua and Guider;
- Finalise 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 (PSCOFÉ);



- Implement and complete energy efficiency measures.

In the field of water and liquid sanitation:

For the year 2023, this will involve:

- Completing the PAEPYS and PLANUT;
- Continuing the implementation of the Rural Water Supply and Sanitation Project (PAEA MRU);
- Launching the project of Mobilisation and Use of Rainwater through hillside dam reservoirs in the North Region (PEMVEP) with a view to including the related works in the 2024 PIB;
- Starting the execution works of the project to reconfigure the drinking water supply system of Yaoundé, as well as those of the project to rehabilitate 350 SCANWATER stations (subject to completing the maturation of the related studies).

As part of the promotion of governance and institutional support to the water and energy sub-sector, it will be necessary to:

- Paying the arrears of water supply and electrification projects that have been executed but not yet scheduled;
- improving the working conditions of staff through the acquisition of office equipment and furniture, computer and technical equipment, mail management software, and the renovation and construction of certain buildings housing the field services
- strengthening the logistical means of the decentralized services through the acquisition of rolling stock to better address the problems of access to drinking water and energy services;
- increasing the transfer of credits and skills to the regional and local authorities;
- continuing to modernize work tools by providing decentralized services with computer and technical equipment for inspection and control of works in the water and energy sub-sector
- focusing on the implementation of an information system at MINEE by drawing up a computer master plan and producing and distributing energy and water balances;
- covering the costs of taxes and customs duties following the import of materials used in the execution of jointly financed projects



III- PRESENTATION OF THE PROJECT BUDGET FOR THE 2023 FINANCIAL YEAR

Madam Chairperson;

Honourable Committee Members;

Ladies and Gentlemen,

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

Thus, the budget for the Water and Energy sub-sector, with a ceiling of Commitment Authorisations (CA) to be opened for the year 2023, is **285 billion 276 million CFA Francs** and in Payment Credits (PC) intended to cover the annual instalment of the said Commitment Authorisations of **284 billion 814 million CFA Francs**, is distributed as follows:

- Capital expenditures: 263 billion 600 million CFA francs;
- Current expenditures: 21 billion 214 million CFA francs.

Capital expenditures are broken down by type of major mass as follows:

External Resources	227 billion CFAF
Counterpart funds in actual expenditures	23 billion 455 million CFAF
Counterpart funds in taxes and customs duties	06 billion CFAF
PLANUT	600 million CFAF
Other capital resources	6 billion 545 million CFAF

Current expenditure is as follows by title:

Operating External Resources: 03 billion CFAF;

Personnel expenses: 3 billion 223 million CFAF, including

- Salaries: **2 billion 768 million CFAF**;
- Other Personnel Expenses: **455 million CFAF**

Expenditure on goods and services: 5 billion 121 million CFAF, including

- Studies/Project management: **2 billion 700 million CFAF**



- Other goods and services: **2 billion 421 million CFAF**

Expenditure on transfers, including capital transfers to Municipalities in the domains of water and electricity supply: **9 billion 870 million CFAF**

The breakdown of the 2023 Public Investment Budget by programme is presented in the table below:

Programme	Amount (in Thousand CFA Francs)		Pourcentage CP (%)
	Commitment Authorization (CA)	Payment (PC)	
Energy supply	168,036,914	168,036,914	60.85
Energy access	43,857,000	43,395,000	15.71
Access to drinking water and liquid sanitation	57,864,827	57,864,827	20.95
Governance and institutional support	6,873,259	6,873,259	2.49
Total	276,632,000	276,170,000	100.00

In more detail, the resources dedicated to public investment by programme are as follows:

Energy supply (16): The commitment authorisations and payment credits for the 2023 Financial year amount to 168 billion 036 million 914 thousand CFAF, broken down as follows

External Resources	148 billion 700 million CFAF
Counterpart Fund in actual expenditure	15 billion 946 million 914 thousand CFAF
Ordinary Internal Resources (Other Centrally Managed credits)	1 billion 190 million CFAF
Resources related to studies/project management	2 billion 200 million CFAF

The resources of Program 016 «Energy Supply» are distributed among the major projects that contribute to increasing the production of electrical energy, the financing of which must come from the State's portfolio, namely the project for the construction of a 400 kV Nachtigal-Bafoussam transmission line and its related works, the project for the construction of the Bini A Warak hydropower scheme, the projects for the reinforcement and stabilization of the electricity transmission networks of the cities of Douala and Yaoundé, projects driven by SONATREL and other externally funded projects.



In addition, emphasis was placed on the compensation of the populations affected by the projects and the payment of arrears from the road works leading to the Memve'ele project. Also, the focus was on the commissioning of the Lom Pangar plant at toe of dam and the completion of transmission projects including the construction of the Yaoundé - Abong-Mbang and Nkongsamba-Bafoussam 225 kV lines and the project management for the Menchum hydroelectric project.

2. Access to Energy (137) : Commitment authorizations for fiscal year 2023 amount to **43 billion 857 million CFAF** and payment credits are **43 billion 395 million CFAF**, broken down as follows:

External Resources	34 billion 300 million CFA francs
Counterpart Fund in actual expenditure	1 billion 350 million CFA Francs
Ordinary internal resources (other centrally managed credits)	3 billion 007 million CFA Francs in CAs and 02 billion 545 million CFA Francs in CPs
Transferred Resources	5 billion 200 million CFA Francs

It should be noted that most of the resources of this programme are dedicated to the electrification of unserved areas through PERACE, the continuation of other electrification works. Part of these funds will be used to finance the continuation of the jointly financed electrification programme in three (3), four (4) and five (5) regions. It should be noted that resources have been earmarked for the emergency phase works and the extension and rehabilitation of electricity networks connected to the Mekin project.

In order to accompany the decentralisation process and in accordance with the orientations of the Circular on the preparation of the budget for the 2023 financial year, the envelope dedicated to resources transferred to Local Authorities amounts to **5 billion 200 million CFA francs** for the 2023 Financial year, an increase of more than **315 million CFA francs**.

3. Access to drinking water and liquid sanitation : The budget for programme 138 in terms of Commitment Authorizations and Payment Credits for the 2023 financial year amounts to 57 billion 864 million 827 thousand CFAF each. This budget is broken down as follows:

External Resources	44 billion CFA Francs
Counterpart Funds in actual expenditure	6 billion 158 million 086 thousand CFA Francs
Other central management credits (O/IR)	1 billion 936 million 741 thousand CFA Francs
Activities dedicated to PLANUT	600 million CFA Francs
Transferred Resources	4 billion 670 million de CFA
Resources related to studies/project management	500 million CFA Francs



The resources dedicated to this programme are essentially devoted to the completion of the PAEPYS works by June 2023, to the payment of counterpart funds for the benefit of certain projects for which CAMWATER is the project manager. Part is planned for the reconfiguration of the supply network of the city of Yaoundé to integrate the PAEPYS project, another part for the implementation of emergency work throughout the national territory. In addition, an amount has been set aside to cover the remaining work under the three-year emergency water plan and other jointly financed projects, and the rest has been earmarked for the construction of drinking water supply systems and boreholes fitted with human-powered pumps throughout the country, as well as to cover the arrears of the PEMVEP project.

As regards resources transferred to local authorities as far as water and liquid sanitation is concern , the provision amounts to **4 billion 670 million CFA francs**.

4. Governance and Institutional Support to the Water and Energy sub-sector : The budget for Program 139 in Commitment Authorizations is equal to that of the Payment Credits for fiscal year 2023. It amounts to **6 billion 873 million 259 thousand CFAF**. This budget is broken down as follows:

Counterpart funds in taxes and customs duties	06 billion CFAF
Other centrally managed credits (IOR)	873 million 259 thousand CFAF

The main expenditure relates to the mobilization of the State's counterpart through the payment of taxes and customs duties relating to the import of materials and equipment dedicated to the execution of jointly financed projects under the responsibility of MINEE for the 2023 financial year. This amounts to **6 billion CFA francs**. The other credits of this program amounting to **873 million 259 thousand CFAF**, are intended for activities aiming improving the working environment (acquisition of office equipment and furniture, computer and technical equipment, acquisition of rolling stock, acquisition of mail management software, construction and repair of buildings of the field services, implementation of the computer master plan, etc.).

Madam Chairperson of the Committee on Finance and the 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 can see that the objectives are certainly ambitious but realistic. The aim is to consolidate the achievements on the one hand, and to continue the development of the sub-sector on the other.

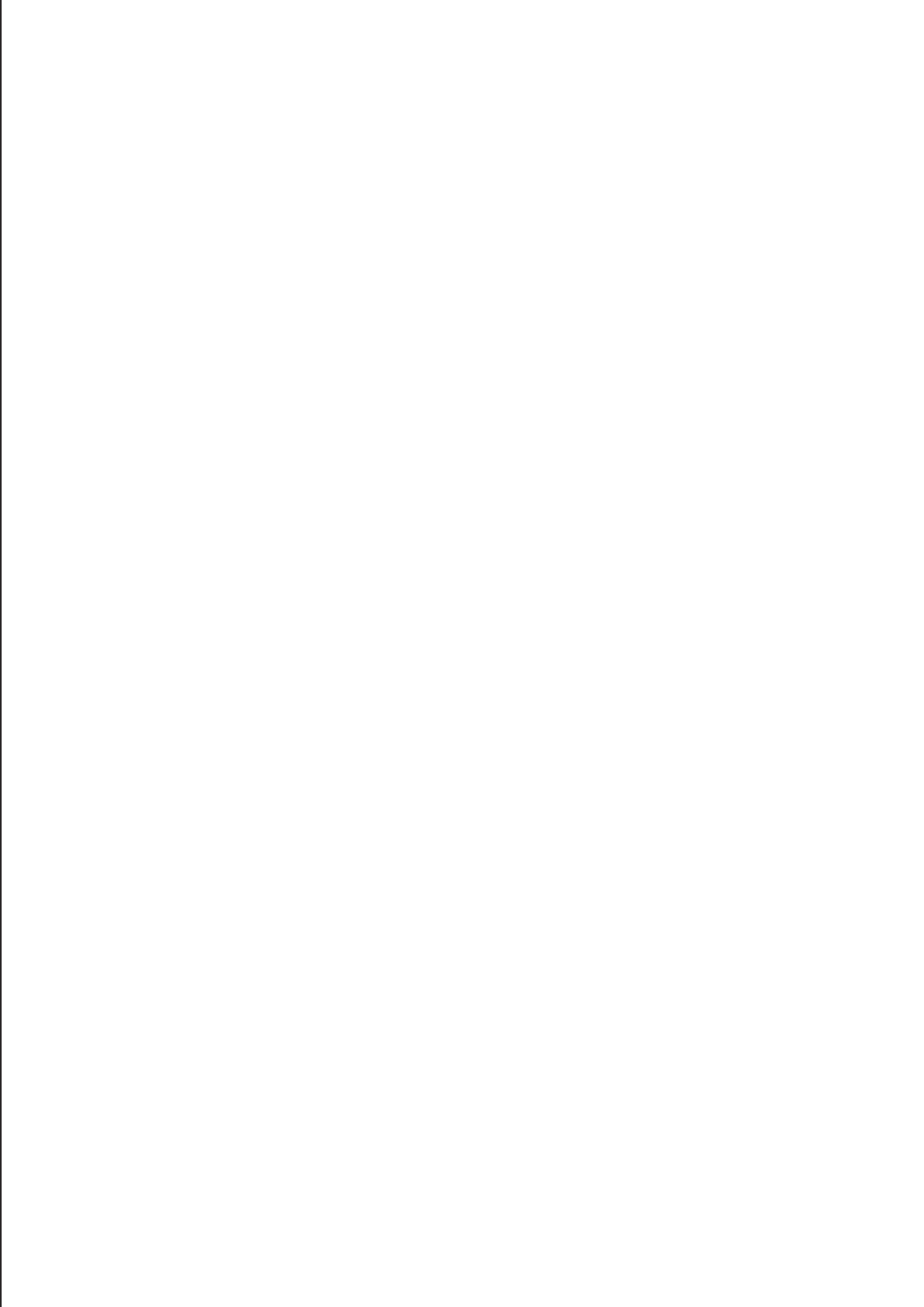


In conclusion, I would like to personally thank each of you for your unceasing efforts in favour of the Ministry under my responsibility.

Finally, allow me to reassure you once again of my availability to take into account your observations and suggestions and to provide my modest clarifications to the questions that the members of your august Chamber may have.

Thank-you for your kind attention /-







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