REPUBLIC OF CAMEROON
Peace-Work-Fatherland

REPUBLIQUE DU CAMEROUN
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Fifth Cameroon Household Survey (ECAM5)

SITUATION OF HOUSEHOLD LIVING CONDITIONS IN 2021-2022

POLICY GUIDANCE NOTE

JANUARY 2024

Survey conducted by the National Institute of Statistics with the Government and World Bank financial support

THE WORLD BANK

Summary: *Cameroon has made the improvement of the populations living conditions and poverty reduction one of the key axes of its Emergence Programme for 2035 currently reflected in the National Development Strategy 2020 - 2030 (NDS30). To monitor the implementation of this NDS30 and measure progress achieved, a statistical monitoring system has been established, including the Cameroon Household Survey (ECAM), which is in its 5th edition.*

This 5th edition was conducted following two methodological approaches to measuring poverty outlined respectively in the 2021 ECAM5 test survey in line with previous ECAMs, and the 2022 main ECAM5, aligned with the new approach recommended by the World Bank and already implemented in WAEMU countries[1] and some Central African countries including the Central African Republic, Chad and Congo.

Overall, results show that the objective of reversing the poverty trend has not been achieved since the poverty incidence, which stood at 38.6%[2] in 2021 as against 37.5% in 2014, moves away from the NDS30 target of 30.8% set for 2030.

Sectoral progress has been recorded, especially with regard to access to certain basic social goods and services, including access to financial services, telephone, an improved drinking water source, improved sanitation facilities and electricity. This progress was, however, limited by the delayed commissioning of certain major electricity, water, transport and public works infrastructure projects.

Results also show that the population remains highly vulnerable to poverty in the event of a significant shock. Faced with this risk to which is added the challenge of climate and energy change, fast-tracking the implementation of the NDS30, in a current context constrained by insufficient financial resources to meet the priority needs of the populations, turns out to be the key solution.

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1 – West African Economic and Monetary Union
2 – Incidence resulting from the ECAM5 test survey conducted in 2021 following the same methodology as the previous ECAM.

1. BACKGROUND AND JUSTIFICATION

Taking into account the various shocks that Cameroon has faced, the Government has committed to fighting poverty in all its dimensions. In this context, it has developed a system to monitor-evaluate and measure progress towards achieving the targets set in the policy documents and strategies implemented, namely the PRSP[3], the GESP[4] and currently the NDS30.

In addition to the current NDS30 monitoring-evaluation, this system is intended to make available indicators allowing for the evaluation of progress towards achieving the Sustainable Development Goals (SDGs) set out in the United Nations agenda 2030, as well as those of the African Union agenda 2063.

Realization of ECAM, which is part of this system and which is in its 5th edition (ECAM5), took place in a context marked by shocks of multiple natures and origins which have adversely impacted the population living conditions and environment. These are (i) lingering Boko-Haram attacks in certain localities in the Far-North region, (ii) the security crisis in the North-West and South-West regions, (iii) the effects of the Central African socio-political crisis in the East region, (iv) the conflict between Russia and Ukraine, (v) the COVID-19 pandemic with its repercussions both on the health and economic levels.

2. METHODOLOGY

Implementation of ECAM5 introduced an innovative approach to measuring poverty, based on the methodology of the Harmonized Household Living Conditions Survey, developed by the World Bank and adopted in CEMAC and WAEMU countries. Three major changes were made: first, focus is now on measuring actual consumption rather than consumer spending, unlike previous surveys; secondly, information on food consumption is now collected over a period of seven days, whereas previous surveys captured it over a period of ten to fifteen days depending on the residence stratum; and thirdly, data were collected in three rounds to take into account consumption seasonality, whereas in previous ECAM5 it was based on a single round.

As a result of these major methodological changes, it will not be possible to compare poverty rates obtained based on ECAM5 data with poverty rates recorded in the past.

However, in connection with the main component of ECAM5 conducted using the new methodology, a test survey was conducted in 2021 to provide a long-term trend on the evolution of indicators on the population living conditions at the national level and by area of residence, according to the old methodology.

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3 – Poverty Reduction Strategy Paper
4 – Growth and Employment Strategy Paper

3. KEY INCOME POVERTY RESULTS

Poverty indicators were produced using the two above-mentioned methodological approaches.

3.1. Poverty trends from 2001 to 2021 according to the old approach
Results presented in this section are calculated using the old approach to measuring the poverty rate.

After a decline from 2001 to 2014, poverty is on the rise again and reached 38.6% in 2021; thus moving away from the target of 30.8% retained in the NDS30.

Based on the ECAM5 test survey, poverty increased between 2014 and 2021 (figure 1). In relative terms, the poverty rate at the national level, after declining from 2001 (40.2%) to 2014 (37.5%), started increasing slightly to reach 38.6% in 2021.

This trend is the same in urban areas with a significant increase of 7.6 percentage points between 2014 and 2021. Indeed, the poverty rate increased from 8.9% in 2014 to 16.5% in 2021. In contrast, the rural area is marked by a small continuous increase in the poverty rate over the period. This was 56.8% in 2014 as against 58.3% in 2021.

In absolute terms, it should also be noted that the number of poor continues to grow, due, on the one hand, to demographic growth and, on the other hand, to the strong internal mobility of populations as a result of insecurity in certain localities, exodus of youths to the cities in search of employment, and climate change especially in the Far-North region.
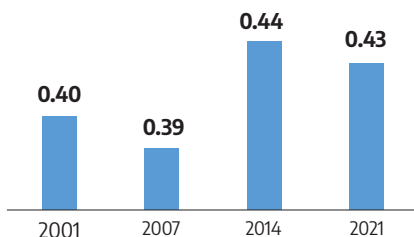
Figure 1 : Trends in income poverty rate (%)

	2001	2007	2014	2021
Rural	52.1	55.0	56.8	58.3
Total	40.2	39.9	37.5	38.6
Urban	17.9	12.2	8.9	16.5
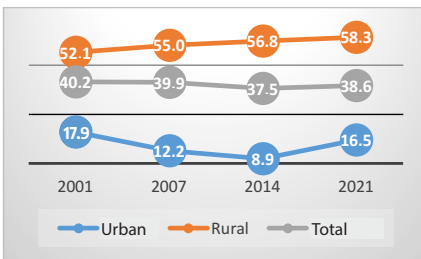
Sources : NIS, ECAM2, ECAM3, ECAM4 and ECAM5

Consumer inequalities between the rich and the poor still remain high since the richest 20% consume 10 times more than the poorest 20%.

The GINI index varies between zero (0), which reflects complete welfare equality based on consumption, and one (1), which indicates complete inequality.

The drop in the GINI index from 0.44 to 0.43 between 2014 and 2021 reflects a decline in consumer spending inequalities (figure 2).
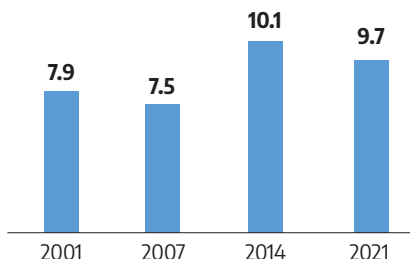
Figure 2 : GINI index trends

Examination of the quintile share ratio (figure 3) shows a drop of approximately one point in the ratio between the average consumer spending of the richest 20% of households and the average consumer spending of the poorest 20% of households, decreasing from 10.1 in 2014 to 9.7 in 2021.

Figure 3 : Trends in consumer spending quintile share ratio

These results suggest that between 2014 and 2021, there has been a slight improvement in consumption distribution equality.

3.2. Income poverty situation according to the new approach

ECAM5 results on the living conditions and poverty produced using the new approach are not comparable with those of the test survey, nor with those of previous editions of ECAM, especially ECAM1 of 1996, ECAM2 of 2001, ECAM3 of 2007, and ECAM4 of 2014.

These ECAM5 results will now serve as a baseline situation for monitoring poverty in Cameroon and for comparing with the countries which have opted for this new approach, especially the Central African Republic, Chad, Congo and those of WAEMU.

Measuring income poverty includes two main stages, namely the calculation of the welfare indicator and the determination of the poverty line.

i. **The welfare indicator** is an aggregate which is obtained by relating the household total consumption to its size. It stood at 1,363 CFA francs per person per day in 2022.

ii. **The poverty line** is the level of the welfare indicator below which a household is considered poor. This line includes the food part and the non-food part. This line stood at 296,691 CFA francs per person per year in 2022, i.e. 24,724 CFA francs per month and 813 CFA francs per day. This means that in 2022, a worker with the monthly minimum wage of 36,270 CFA francs who lived alone, and who had no additional income, would fall into poverty as soon as another person without income would be added to the household.

Box : Explanation of the difference in the poverty line level according to the two methodological approaches.

The poverty line in 2021, calculated from the test survey, stood at **1,053** CFA francs per day and per adult equivalent. According to the new approach, the line is **813** CFA francs per day and per person; meanwhile we would have expected a higher level in 2022; if only because of the inflation rate of 6.3% between 2021 and 2022. The difference in the line level is explained by the methodological adjustments introduced in 2022.

The **new methodology**, adopted in 2022 following work with the World Bank technical team, is based on actual household consumption. In addition, taking into account consumption seasonality, with data that were collected in three rounds, makes it possible to obtain a welfare indicator that best reflects household consumption habits during the year. It should also be noted that, in this approach, the poverty line is estimated per head (individual).

The **old methodology**, in force until the 2021 ECAM test survey, was based on consumer spending recorded from account books. Possibility of non-consumption of all of the products resulting from these spending during the observation period exists and should be taken into account in the form of food security stocks consumed outside the observation period. Likewise, part of the products could be transferred in the form of an in-kind donation.

The level of the 2021 line is also accounted for by the fact that data were collected in one round over the period from October to December, a period during which consumer spending on goods and services is generally very high in connection with the preparation of end-of-year celebrations; hence a seasonal bias which accounts for a high poverty line level.

In conclusion, the old approach overestimated the effective (or real) household consumption over the observation period; hence the difference in levels.

A person was poor in 2022 when they consumed less than 813 CFA francs per day; at the national level, approximately two persons out of five are poor; the phenomenon being significant in rural areas
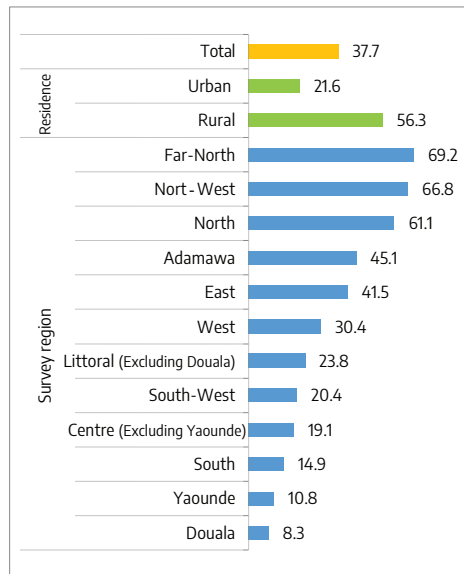
According to **the new methodology, the poverty rate in 2022 stood at 37.7%**. As observed previously, the phenomenon of poverty remains more significant in rural areas (56.3%) than in urban areas (21.6%), thus creating a significant gap of 34.7 percentage points (figure 4).

Regionally, the Far-North, North-West, North, Adamawa, and East regions have poverty levels higher than the national average.

The Far-North, North-West and North survey regions stand out with the highest poverty rates, with over three in five persons being poor. In contrast, the lowest levels are recorded in Douala (8.3%), Yaounde (10.8%) and in the South (14.9%).

Analysis by survey region highlights significant regional disparities in terms of precarious living conditions and reinforces the need for a differentiated approach in the design of policies and programmes to combat poverty.

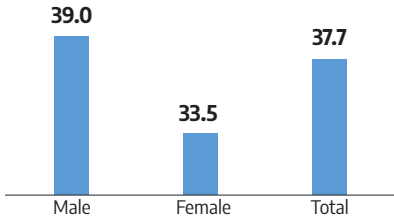*Figure 4 : Income poverty rate (%) by area of residence and survey region*

Residence		
Total	37.7
Urban	21.6
Rural	56.3

Survey region		
Far-North	69.2
Nort-West	66.8
North	61.1
Adamawa	45.1
East	41.5
West	30.4
Littoral (Excluding Douala)	23.8
South-West	20.4
Centre (Excluding Yaounde)	19.1
South	14.9
Yaounde	10.8
Douala	8.3

Source :NIS, ECAM5

Households headed by men are poorer that those headed by women.

The poverty rate in households headed by men is 39.0% as against 33.5% in households headed by women, i.e. a gap of 5.5 percentage points. Several factors can account for this result, including the fact that households headed by women are generally smaller.

In addition, female household heads most often benefit from transfers.

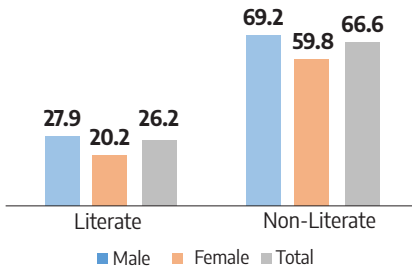*Figure 5 : Poverty rate by sex of the household head*

The poverty rate is higher in households headed by non-literate persons, regardless of sex.

The poverty rate in households headed by non-literate persons (66.6%) is 2.5 times higher than in those headed by literate persons (26.2%). This trend is reproduced regardless of the sex of the household head (figure 6).

*Figure 6 : Poverty rate by literacy of the household head*

Households headed by internally displaced persons (IDPs) are poorer than those headed by non-IDPs.

The poverty rate for households headed by IDPs is 42.7%, as against 37.5% for those headed by non-IDPs. This gap is more significant among women. Moreover, poverty is less significant in households headed by an internally displaced man (41.3%) than in those headed by an internally displaced woman (46.6%).

Figure 7 : Poverty rate by the internally displaced status of the household head, 2022
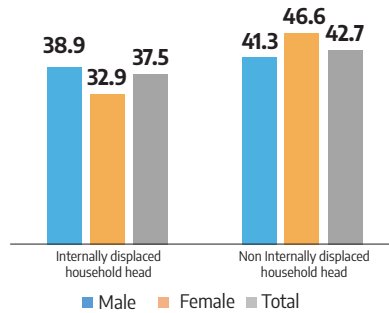
The population is increasingly exposed to vulnerability, as nearly three persons out of five are likely to fall into poverty in the event of a shock to their living conditions.

Analysis of indicators according to the new methodological approach made it possible to valorize the phenomenon of vulnerability.

Vulnerability is defined as the risk of falling into poverty in the future, even if the person is not necessarily poor now. It is often associated with the effects of "shocks" such as a drought, a fall in agricultural prices or a financial crisis. Although classified as non-poor, many people may have consumption levels very close to the poverty line, making them likely to falling into poverty.

Vulnerability analysis consists in classifying the population into four groups: **the poor** (consumption below the poverty line), **the non-poor vulnerable to poverty** (consumption above the poverty line, but less than 1.25 times the poverty line), **the insecure non-poor** (consumption between 1.25 and 1.5 times the poverty line) and **the non-vulnerable non-poor** (consumption greater than 1.5 times the poverty line).

It appears that 59.2% of the population of Cameroon is vulnerable to poverty. Among these individuals, 37.7% are identified as already in poverty, 11.9% are not poor but vulnerable to poverty, and 9.6% are not poor but insecure since they are likely to fall into poverty. Thus, only 40.8% of the population can be considered to be non-poor and non-vulnerable.

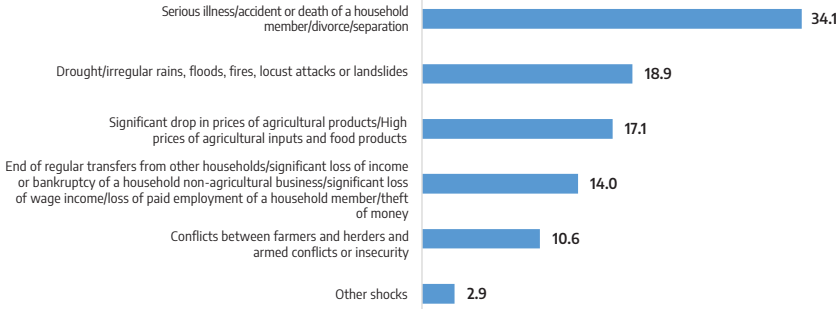*Figure 8 : Population distribution (%) by type of vulnerability*
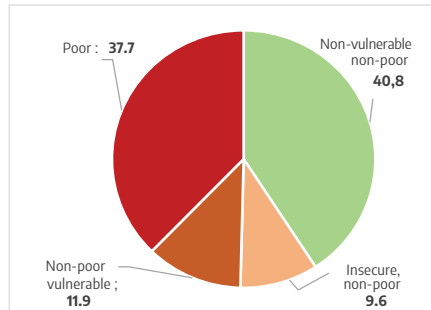
Source :NIS, ECAM5

During the year 2022, at least one in three households suffered a shock and is likely to fall into poverty

Households are mainly faced with shocks resulting from situations such as the occurrence of a serious illness, an accident affecting a household member, the death of a family member, or even a separation, divorce or job loss (figure 9). These events are followed by other shocks, especially those resulting from natural phenomena such as drought, irregular rains, floods, fires, locust attacks or landslides (impacting 18.9% of households). In addition, households are also affected by shocks resulting from a significant drop in prices of agricultural products, as well as high costs of agricultural inputs and food products (affecting 17.1% of households).

Figure 9 : *Percentage of households concerned by type of shock experienced*

Serious illness/accident or death of a household member/divorce/separation	34.1
Drought/irregular rains, floods, fires, locust attacks or landslides	18.9
Significant drop in prices of agricultural products/High prices of agricultural inputs and food products	17.1
End of regular transfers from other households/significant loss of income or bankruptcy of a household non-agricultural business/significant loss of wage income/loss of paid employment of a household member/theft of money	14.0
Conflicts between farmers and herders and armed conflicts or insecurity	10.6
Other shocks	2.9

Source : NIS, ECAM5

4. PROGRESS TOWARDS ACHIEVING CERTAIN SDG TARGETS

Some improvement in the area of access to improved and non-shared sanitation facilities (SDG 6.2.1).

In 2022, the proportion of the population with access to improved and non-shared sanitation facilities rose to 47.7%. This indicator is up 7 percentage points compared to 2014. Access to improved and non-shared sanitation facilities is significantly higher in urban areas (64.5%) than in rural areas (28.2%), highlighting the need for additional efforts to generalize access to improved and non-shared sanitation facilities in rural areas.

Some progress in access to an improved human drinking water source (SDG 6.1.1).

There has been some improvement in the population's access to an improved drinking water source. Whether during the dry season (81.9%) or the rainy season (80.6%), four persons out of five have access to it, compared to 76.7% in 2014. However, further efforts should be made to ensure drinking water supply to the entire population.

Some progress made regarding financial inclusion (SDG 8.10.2).

With regard to financial inclusion, 45.7% of persons aged 15 years or more had an account with a financial institution, used mobile money or had a prepaid card in 2022. Regarding the mobile money service, its progress is significant. Indeed, the proportion of persons aged 15 years or more using it increased from 29.9% in 2017 to 42.7% in 2022; the urban environment

recording a proportion which increased from 50.5% in 2017 to 57.5% in 2022. This change is more significant in rural areas, with a proportion increasing from 9.8% to 23.0% over the same period.

Underperformance in access to electricity (SDG 7.1.1), other energy sources (SDG 7.1.2), and healthy management of household waste (SDG 11.1.1).
The proportion of the population with access to electricity increased by 1.8 percentage point compared to 2014 and reached 60.2% in 2022. However, significant disparities persist between urban (87.6%) and rural (28.4%) areas.

The use of clean energy for cooking was up slightly over the period; the proportion of the population using clean energy for cooking increased from 22.5% in 2014 to 23.4% in 2022.

In the area of sanitation, only 39.4% of the population dispose of their household waste in a healthy manner, including 12.7% in rural areas and 62.5% in urban areas.

Table 1 : Levels of some SDG indicators in 2022

Baseline	Indicator wording	Urban	Rural	Total
SDG 5.b.1	Proportion (%) of the population aged 15 years or more with a phone	70.0	45.2	59.4
SDG 6.1.1	Proportion (%) of the population with access to an improved drinking water source (dry season)	92.5	69.6	81.9
SDG 6.1.1	Proportion (%) of the population with access to an improved drinking water source (rainy season)	91.6	68.0	80.6
SDG 6.2.1	Proportion (%) of the population with access to improved, non-shared sanitation facilities	64.5	28.2	47.7
SDG 7.1.1	Proportion (%) of the population with access to electricity (ENEO, generator)	87.6	28.4	60.2
SDG 7.1.2	Proportion (%) of the population using clean energy for cooking	39.3	5.0	23.4
SDG 8.7.1	Proportion (%) of employed children aged 5-17 years	3.6	8.9	6.2
SDG 8.10.2	Proportion (%) of adults (15 years or more) with an account (bank, MFE, post office, savings account), using mobile money or a prepaid card	61.0	25.2	45.7

Source : NIS, ECAM5

5. LESSONS LEARNED AND SUGGESTIONS

5.1. Lessons learned

Lesson No. 1: The difficult reversal of the trend towards improving the population living conditions, in the face of a demographic burden which is increasing year after year.

- The income poverty rate remains high compared to the GESP's ambition which was to reduce it to 28.7% by 2020 and set at 30.8% in the NDS30.
- A significant gap remains between the income poverty rate in 2021 and the target of 30.8% for 2030 set in the NDS30. Significant efforts should be made over the remaining eight years to ensure that this objective is achieved by 2030.

Lesson No. 2 : Economic growth levels and redistribution policies implemented have not been sufficient to reduce inequalities on the one hand, and increase economic integration, especially of young job seekers, on the other hand.

- Indeed, in terms of consumer spending, those of the richest 20% of households are 7.9 times higher than those of the poorest 20% of households.
- Employment constitutes an important lever for reducing poverty. It should be noted that the economy generated relatively fewer jobs between 2010 and 2021, with the employment rate falling from 68.3% to 51.2% over the period. Moreover, the informal sector, characterized by precariousness of the jobs generated, remains very predominant, and accounted for 88.4% of jobs in 2021 as against 90.5% in 2010.

Lesson No. 3: The security crises in the North-West, South-West and Far-North have an adverse impact on the population conditions.

- Indeed, the poverty rate in households headed by IDPs is 5.2 percentage points higher than that of households headed by non-IDPs.
- The upward trend in the poverty rate in urban areas could be attributed to the phenomenon of internally displaced persons from the North-West, South-West and the Far-North who flee crisis zones to settle in the generally more secure urban areas, thus abandoning their activities to find themselves in a precarious situation in cities generally saturated in terms of decent job opportunities.

Lesson No. 4 : Investment in human capital is proving to be an effective means to combat poverty.

- The poverty rate in households headed by non-literate persons is 2.5 times higher than in those headed by literate persons.

- Education improves employment prospects by broadening skills and opening doors to more varied professional opportunities. People with a higher educational level are generally more likely to find stable and decent employment, thus contributing to poverty reduction.

Lesson No. 5 : Population vulnerability to shocks is high, with a risk of nearly six persons out of ten falling into income poverty in the event of a significant shock to their living conditions.

- Most of the population is vulnerable to poverty and can therefore fall into it in the event of a significant shock.
- The multiple shocks that Cameroon has faced since 2014 (security shocks, COVID-19 shock, and shock of the conflict between Russia and Ukraine) have contributed to population vulnerability.
- The whopping inflation observed since 2021 resulting from these shocks has also eroded household purchasing power and, consequently, increased their vulnerability to poverty.

Lesson No. 6 : Progress in access to basic social goods and services has been hampered by delays in the commissioning of certain economic infrastructure projects.

- Some progress was recorded in access to an improved drinking water source and in electricity access.
- However, it should be noted that the delays recorded with regard to the commissioning of certain economic infrastructure projects (drinking water supply, electrical energy production, transportation and distribution, construction of roads and bridges, etc.) have weighed down on the performance indicators retained in the sectoral strategies of the NDS30.

Lesson No. 7 : The improvement observed in financial inclusion as a result of the increase in transfers of cash donations would have impacted the level of household poverty.

- An increase of 12.8 percentage points in the proportion of persons aged 15 years or more who use a mobile money account is very remarkable in the context of the fight against poverty.
- Financial inclusion, critical for poverty reduction, gives people the capacity to manage their finances, invest in economic opportunities and cope with financial shocks. It thus strengthens the economic autonomy of disadvantaged persons, fostering conditions conducive to sustainable economic development.

5.2. Suggestions

Overall, the recovery path remains that paved in the NDS30; path to follow, despite the headwinds that the country faces and is working towards finding lasting solutions.

Specifically, emphasis may be laid on implementing the following recommendations :

Lesson No. 1 : Pursue and strengthen policies to combat poverty.

Effectiveness and scale of existing programmes aimed at reducing poverty should be increased. This could include targeted initiatives on access to education, vocational training, health, employment and basic social services.
Introduction of targeting beneficiaries of subsidies on consumer products, replacing universal subsidies, appears to be a means of ensuring greater efficiency.

Lesson No. 2 : Implement more inclusive economic policies.

Economic policies will need to be designed to be inclusive, with greater emphasis on formal and decent job creation, self-creation of jobs, and equitable access to economic opportunities.

Lesson No. 3 : Strengthen safety and social protection nets.

From this perspective, emphasis should be laid on social insurance programmes, targeted cash transfers, social protection mechanisms, and the development of community resilience strategies.

In this perspective, the Adaptive Social Safety Nets and Economic Inclusion Project (PFS-AIE) should be expanded and provided with substantial resources.

Lesson No. 4 : Fast-track the implementation of the national financial inclusion strategy.

In view of the progress made since 2017, the national financial inclusion strategy should be consolidated *inter alia* by facilitating access to basic financial services, promoting financial education, fostering digital inclusion, facilitating the opening of bank accounts, developing suitable financial products, fighting financial discrimination and supporting microfinance institutions.

Lesson No. 5 : Fast-track the completion and commissioning of economic infrastructure projects.

Thus, supply of goods and services, as projected, will increase substantially to the great satisfaction of the populations. These include road infrastructure, drinking water and energy projects.

The commissioning of road infrastructure will contribute to fast-tracking the movement of people and goods; especially agropastoral products which are perishable by nature. Producers will see their agricultural income increase and will therefore be able to obtain fresh products at lower costs.

Lesson No. 6 : Continue efforts to restore peace and security in localities affected by abuses.

This involves fast-tracking the implementation of the recommendations of the Major National Dialogue with a view to bringing back peace and security to the North-West and South-West regions.

Likewise, the reconstruction programmes under implementation in economically devastated regions should continue and be strengthened.

They should be expanded to other disaster-stricken localities, like the Far-North region which has been suffering from Boko-Haram abuses and the consequences of climate change.

Regarding displaced populations, due to their great vulnerability to poverty, they should be included further in the targeted aid programmes of the Government and its development partners involved. Host localities will need to benefit from substantial support to meet the additional needs resulting from this poor population. influx.