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ECONOMIC AND STRATEGIC POLICY BRIEF
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THE INCREASINGLY UNCERTAIN FUTURE OF THE CFA FRANC (XAF) (...): DECONSTRUCTING THE CURRENT POLITICAL AND SELF-WILLED MODEL THROUGH DAILY REALITIES AND FACTS

A QUICK REVIEW IN A FEW SNAPSHOTS

Scenes that initially seem unusual, but which unfold everyday before our very eyes, residents of the BEAC zone (CEMAC member state), to the point of becoming "warranted" and even "legislated in the absence of an offset" without it stirring up the relevant authorities. It is the disunion that is increasingly incurred and experienced amid the resounding silence of the two monetary unions that make up the CFA Franc Zone, namely the WAEMU CFA (XOF) subregion and the BEAC CFA (XAF) subregion. And yet, it is the future of the subregion that is at stake amid an almost complicit and even guilty impassivity. NO way!

In line with its mission, CAMERCAP-PARC will once more attempt, in the following lines, to bring some facts to the attention of the public, leaving aside any ideological controversy: nothing but facts

The FRANC zone in short

It is a group of 15 countries, including 08 from the WAEMU zone and 06 from the BEAC zone, plus The Comoros (Islands). They are all former French colonies, gathered around France through agreements that allow them to use a common currency since 1945. See textbox 1.

In this policy brief, we are going to focus on the two CEMAC and WAEMU monetary unions.

(i) The West African Economic and Monetary Union (WAEMU) is made up of Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. The common currency is the CFA Franc (African Financial Community, XOF).

The headquarters of the Central Bank of West African States (BCEAO) is found in Dakar, Senegal.

(ii) The Central African Economic and Monetary Union (CEMAC) comprises Cameroon, the Central African Republic, Congo, Gabon, Equatorial Guinea and Chad.

The common currency is the CFA Franc (Financial Cooperation in Central Africa, XAF). The headquarters of the Bank of Central African States is found in Yaoundé, Cameroon.

The institutional framework of the Franc Zone draws on two core principles: (i) Fixed exchange rate with the euro; and (ii) Unlimited convertibility guarantee of currencies in euro by the French Treasury. Their common goal is to foster monetary and financial stability, an essential prerequisite for development.

The exchange rate of currencies

The exchange rates between the euro and African currencies of the France-Africa monetary cooperation have not changed since the euro was created:

• **1 euro**	**655,957 FCFA (for the two CFA francs: XOF and XAF)**
• **1 euro**	**491,968 KMF (Comorian francs).**

Again, this policy brief is not out to address matters of sovereignty in this study as clearly indicated in the introduction. Let us therefore review some statistics:

Table 1: Some key socioeconomic indicators

		BEAC Zone (XAF)	BCEAO Zone (XOF)	FRANC ZONE
1	**Number of countries**	06	08	15[1]
2	**Population (2024)**	42.5 million	76 million	
3	**GDP (2024) billion of USD**	108.1	243.7 billion USD	
4	**GDP growth rate (2024)**	2.7%	6.2%	5.3%
5	**Per capita GDP (2024) USD**	3 371	1468	
6	**Leading country**	Cameroon	Côte d'Ivoire	Côte d'Ivoire
7	**Leading country (Budget in 2025)**	CFA7 317.7 billion franc (approximately 13 billion USD)	CFA15 339.2 billion franc (approximately 27.22 billion USD)	
8	**Leading country's GDP in 2024**	51.33 billion USD (WB source)	86.54 billion USD (WB source)	
9	**Volume of money in circulation[2]**	20 958.7 (2024)	45 659.1 (2023)	//
10	**External coverage rate of the currency**	74.9%	-----------	
11	**Reserves in months of imported goods and services**	4.61 (2024)	----------	
12	**Corresponding REC according to the AU**	ECCAS 10-11 countries	ECOWAS 1 5 (-3) countries	AU
13	**Integration and common currency processes within the supra-state REC**	Very advanced	Dormant	Uncertain

Source: Compiled by CAMERCAP-PARC from various reports

[1]The Republic of Comoros is the 15th member state
[2]Report on monetary policy, BEAC, March 2025
Report on monetary policy, WAEMU, june 2023

The above table is an overview of the 02 monetary sub-zones in the Franc Zone.

It shows that some objective indicators can subjectively explain the behaviour by WAEMU (XOF) business communities and nationals towards the BEAC zone CFAF (XAF).

1) The growth rate in the WAEMU accounts for more than twice of CEMAC's (6.2% against 2.7%), reflecting a region that is experiencing a relative economic dynamism;

2) Equally, the nominal GDP, beyond the difference in the number of member states (08 against 06), also shows a step ahead and a proportion of 1 to 2+ between the 02 monetary zones;

3) The per capita GDP, reflecting the high per capita wealth of the leading country in the zone;

4) The volume of money in circulation, which is more than the double (21 trillion against 45 trillion) in CFAF (XAF/XOF)

These indicators are certainly behind the behaviour of XOF nationals. And since public authorities are saying nothing (doing nothing) to restore the official rhetoric, the situation gets stalled.

Facts seem to prove them right and sustain the sense of superiority and hence differentiation.

During a debate on the future of the common currency and the need to carry out a prospective reflection, a senior official of the monetary institution in the CEMAC zone challenged me on the theoretical fundamentals, underlining the strength of the XAF and the zero menace of a devaluation.

He was referring to a possible devaluation, whereas I wanted to talk about the medium-term future of the CFAF in the backdrop of unavoidable changes in global economies, particularly in the light of the global performances of the XAF zone.

We are going beyond ideological and political debates animated by pan-Africanists and sovereignists.

Facts as experienced by nationals in the months of July and August 2025.

1. The illegal business of informal currency exchange (in the streets) in spite of the warnings issued by monetary authorities

On the streets of Cameroon's major cities[1] , in the open-air and without any kind of embarrassment, in markets, parking lots, airport lobbies, they are seen everywhere and sometimes they would "corner' people.

These often slightly aggressive men roam around shouting, with mobile phones and bundles of banknotes in their hands, trying to catch an interested glimpse.

[1]The 20th May Boulevard in Yaoundé is a perfect illustration

Only the word "exchange!" would make anyone understand that an offer is being made. They are always present in these locations looking confident and unconcerned.

These informal money merchants are "mobile banks" who handle large sums of foreign currencies in blatant violation of applicable regulations.

According to CEMAC's foreign exchange regulations, "It is forbidden for any natural or legal person unauthorized for this purpose to perform such transactions under pain of penalty".

Yet, the scene bluntly described above has been going on for years and even decades.

Hawkers freely perform currency exchange transactions in the streets of Cameroon and the other CEMAC countries outside the banking system's control.

This street currency exchange is so widespread that it could be described as "street banking".

The appellation is particularly suitable taking into consideration both the volume of currency exchange transactions and the large number of agents operating on this black market.

1.1. Consequences of an informal currency exchange market

Without claiming to be exhaustive, we believe that it is essential to outline some adverse consequences of this phenomenon on the XAF/BEAC sub-zone economies.

- **Circulation of counterfeit banknotes**

Many "clients" admit having acquired counterfeit and/or faulty banknotes due to the absence of quality control during the transaction.

When the seller or the buyer acquires a fake banknote during an informal currency exchange transaction, they cannot obtain compensation for the loss suffered.

They either lose their money or find a way to put it back into circulation. This is a breach of economic principles, and such cases are countless! •

- **Reduction of tax revenues**

This black market is causing a shortfall with regards to taxation. The informal currency exchange that is taking place [in Cameroon] is unchecked by monetary and tax authorities, meanwhile it should generate revenues (taxes) like other sectors.

Furthermore, beyond such consideration, this practice is violating the (general and constitutional) principle of citizens' equality before the law.

As a matter of fact, illegal money changers are a source of injustice and differential treatment with respect to formal exchange offices operating as SMEs but which are victims of unfair competition and compelled to bear a disproportionate tax burden.

- **Money laundering and the corridor of illicit financial flows**

The informal currency exchange market, which is the venue of unchecked monetary transactions, is therefore illicit despite the huge amounts of cash involved.

The actors of this business sector are acting as funds transfer channels in favour of money laundering actions and funding of illicit activities, and the demarcation with terrorist activities is not clearly established (Boko Haram-NOSO-CAR).

2. BEAC's[2] new regulation on currency exchange and funds transfer, including the 02 zones

BEAC's new regulation on currency exchange and funds transfer aims to better check foreign currency flow and also to reinforce control over CEMAC's financial operations.

These measures come within the context of foreign reserves management and the fight against illicit financial flows. It comprises four (04) main points:

- **Control over foreign currency movements:**

  BEAC has enforced more rigorous procedures for the transfer of foreign currencies, particularly by demanding more accurate supporting documents and ensuring a closer monitoring of operations.

- **The role of banks:**

  Commercial banks are required to provide detailed information to BEAC about the currency exchange and funds transfer operations that they have processed

- **Sanctions in the case of non-compliance:**

  Financial institutions and enterprises that fail to observe the new provisions are subject to sanctions.

- **The goals of the regulation:**

  The main goal is to safeguard the stability of the CFA franc and fight against money laundering and terrorism funding.

  Based on the facts briefly described above, the practice of currency exchange in the street is undermining the 04 measures advocated by this regulation.

3. Differentiated exchange rate now approved and enacted between XOF and XAF

The first victim of this situation is the mindset of the populations. The zone's economy is still suffering from disintegration as well as the Franc Zone known as the common house.

The FRANC zone is out of step with the principles and the texts that are supposed to regulate the franc zone.

Our discourse overlooks controversies over monetary sovereignty in a political sense, spearheaded by pros of decolonisation and breakup (Hilaire Kamga and other pan-Africanists).

The arguments advanced are robust enough and we have aired our stance on this matter (quote our references).

Recently, a senior official of the issuing institution argued that our currency is very strong and hence it is needless to worry about its immediate future.

Let's admit it! However, what is currently taking place in the currency exchange between the CEMAC zone (XAF) and the BCEAO zone (XOF) deserves our full attention.

1. The founding texts of the Franc zone (CFAF) state that the CFAF has a fixed parity with the euro (through the French Treasury, heritage of the FF);

In basic mathematics, this is called transitivity and is explained as follows:

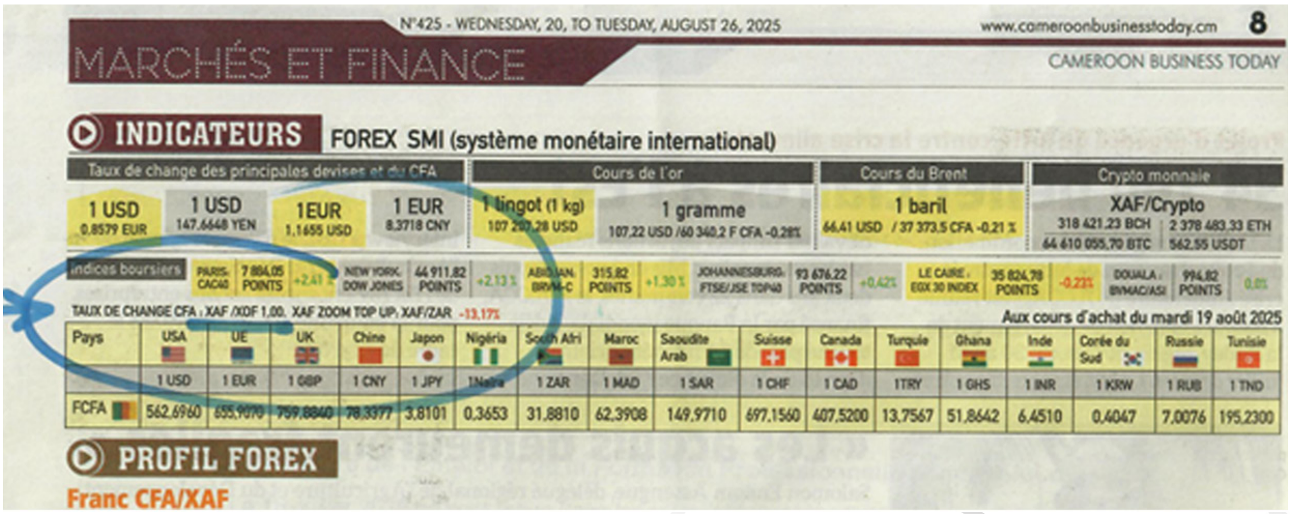
Si 1 euro =	**655, 659 XAF, and**
Si 1 euro =	**655, 659 XOF , therefore 1XAF = 1XOF**

[2] BEAC (2019). Instruction N°010/GR/2019 on the procurement of foreign currencies by the central bank to credit facilities for foreign transactions.

Textbox 1: Official discourse out of step with reality

Unfortunately, CBT-Cameroon Business Today - Economic weekly published by the Cameroon Tribune/SOPECAM state media group is still publishing every week the official version of 1XAF=1XOF exchange rate, instead of rendering the real facts. This is normal as the editorial line does not warrant a diversion from the official discourse.

Sadly enough, such alignment to conformity misleads financial transactions between the 02 monetary sub-zones.



N°425 - WEDNESDAY, 20, TO TUESDAY, AUGUST 26, 2025 www.cameroonbusinesstoday.cm 8

MARCHÉS ET FINANCE

CAMEROON BUSINESS TODAY

INDICATEURS FOREX SMI (système monétaire international)

Taux de change des principales devises et du CFA				Cours de l'or		Cours du Brent	Crypto monnaie
1 USD 0,8579 EUR	1 USD 147,6648 YEN	1EUR 1,1655 USD	1 EUR 8,3718 CNY	1 lingot (1 kg) 107 2[illegible],28 USD	1 gramme 107,22 USD /60 340,2 F CFA -0,28%	1 baril 66,41 USD / 37 373,5 CFA -0,21 %	XAF/Crypto 318 421,23 BCH 2 378 483,33 ETH 64 610 055,70 BTC 562,55 USDT

Indices boursiers

PARIS: CAC40	7 884,05 POINTS	+2,41 %
NEW YORK: DOW JONES	44 911,82 POINTS	+2,13 %
ABIDJAN: BRVM-C	315,82 POINTS	+1,30 %
JOHANNESBURG: FTSE/JSE TOP40	93 676,22 POINTS	+0,42%
LE CAIRE: EGX 30 INDEX	35 824,78 POINTS	-0,23%
DOUALA: BVMAC/ASI	994,82 POINTS	0,0%

TAUX DE CHANGE CFA : XAF /XOF 1,00. XAF ZOOM TOP UP: XAF/ZAR -13,17%

Aux cours d'achat du mardi 19 août 2025

Pays	USA	UE	UK	Chine	Japon	Nigéria	South Afri	Maroc	Saoudite Arab	Suisse	Canada	Turquie	Ghana	Inde	Corée du Sud	Russie	Tunisie
	1 USD	1 EUR	1 GBP	1 CNY	1 JPY	1Naira	1 ZAR	1 MAD	1 SAR	1 CHF	1 CAD	1TRY	1 GHS	1 INR	1 KRW	1 RUB	1 TND
FCFA	562,6960	655,9070	759,8840	78,3377	3,8101	0,3653	31,8810	62,3908	149,9710	697,1560	407,5200	13,7567	51,8642	6,4510	0,4047	7,0076	195,2300

PROFIL FOREX

Franc CFA/XAF

Over the past few years, what was being said or done informally, is increasingly becoming official: 1XAF is no longer equivalent to 1XOF. Parity does not exist anymore. Worst of all, each actor sets their own corresponding value.

So, how is that called in monetary or financial economy: a fluctuating rate or a drop in value? In this case, can we still talk about a unique monetary zone or common currency? The CFA/XOF and the CFA/XAF are no longer the same currency!

Let us bow to the evidence and take appropriate measures. We must act accordingly by being proactive and not passive as it is currently the case.

It seems to us timely and critical to formalize the new parity, either as a fixed rate or free-floating rate such as between the US dollar and the CAD (Canadian) dollar.

This is what obtains between Ghana and the CFA XOF, however Ghanaian economy is not doing badly. Nigeria as well.

This situation is worsening as this "practice" is now moving from the informal currency exchange setting into formal public or private establishments.

a) Currency exchange offices inside the airports of the WAEMU zone

In Cotonou, Lomé, Abidjan or Dakar and in all member states, currency exchange offices apply 10% to 20% drop in value.

The sum of CFA10,000 XAF earns CFA8,000 XOF, which is minus 20%!

Within the airport, some shops do not accept the XAF, even with the drop in value.

Outside, informal currency exchange agents fluctuate between the same drop in value range (7% to 20%) depending on the amount involved.

b) In hotels, depending on the standard, the exchange rate can be up to 25%[3]

c) Official documents circulating outside the Franc Zone: the case of the ASKY company magazine.

Across the entire operation network of ASKY airline company (+25 countries in Africa), the news and advertisement magazine (duty-free) is available on each passenger seat.

[3]This is a personal experience in Dakar in July 2025 in a hotel of international standard whose name we will not reveal, but it can be verified

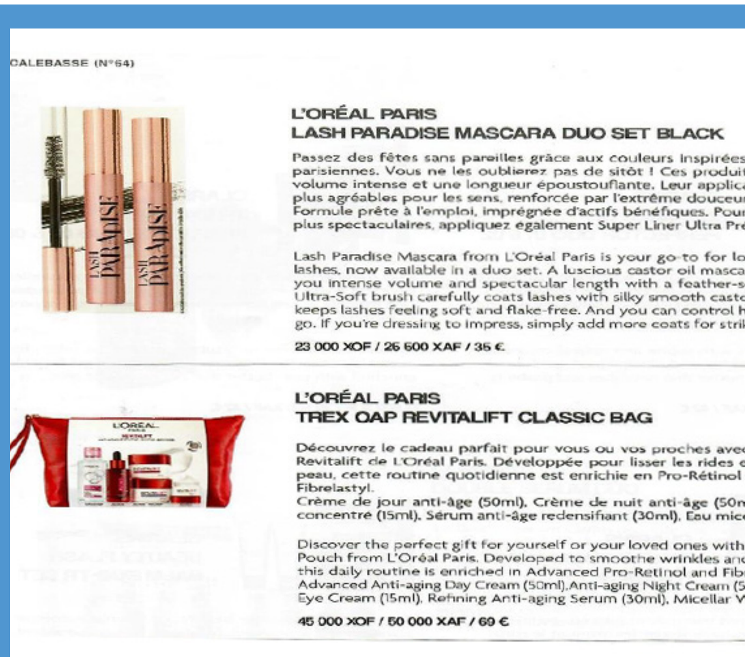
In issue no. 64, which covers the period from May–June–July and previous issues, this differentiation or drop in value is clearly marked.

And God alone knows that this company connects CEMAC countries (intra) on the one hand and CEMAC countries with the outside world on the other hand.

Textbox 2: The ASKY case.

This phenomenon is gradually gaining ground amid the complicit silence and indifference of the various central banks in charge of regulating and ensuring compliance with the applicable law.

In this respect, it is becoming formal.


CALEBASSE (N°64)

L'ORÉAL PARIS
LASH PARADISE MASCARA DUO SET BLACK

Passez des fêtes sans pareilles grâce aux couleurs inspirées parisiennes. Vous ne les oublierez pas de sitôt ! Ces produit: volume intense et une longueur époustouflante. Leur applica plus agréables pour les sens, renforcée par l'extrême douceur Formule prête à l'emploi, imprégnée d'actifs bénéfiques. Pour plus spectaculaires, appliquez également Super Liner Ultra Pré

Lash Paradise Mascara from L'Oréal Paris is your go-to for lor lashes, now available in a duo set. A luscious castor oil mascar you intense volume and spectacular length with a feather-sc Ultra-Soft brush carefully coats lashes with silky smooth casto keeps lashes feeling soft and flake-free. And you can control h go. If you're dressing to impress, simply add more coats for strik

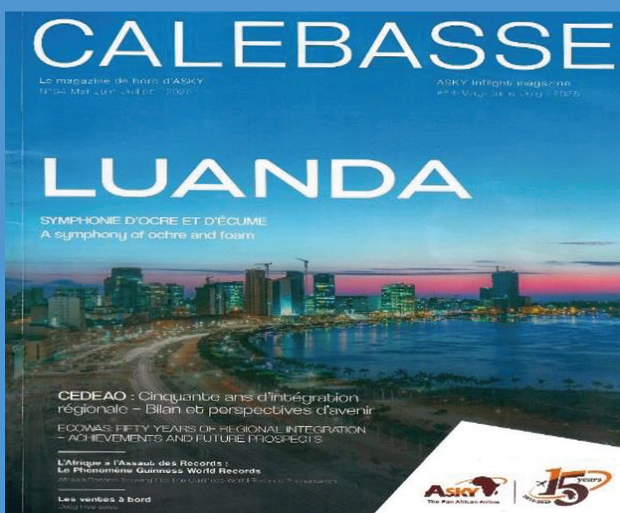
23 000 XOF / 26 600 XAF / 35 €

L'ORÉAL PARIS
TREX OAP REVITALIFT CLASSIC BAG

Découvrez le cadeau parfait pour vous ou vos proches avec Revitalift de L'Oréal Paris. Développée pour lisser les rides e peau, cette routine quotidienne est enrichie en Pro-Rétinol Fibrelastyl.
Crème de jour anti-âge (50ml), Crème de nuit anti-âge (50m concentré (15ml), Sérum anti-âge redensifiant (30ml), Eau mice

Discover the perfect gift for yourself or your loved ones with Pouch from L'Oréal Paris. Developed to smoothe wrinkles anc this daily routine is enriched in Advanced Pro-Retinol and Fib Advanced Anti-aging Day Cream (50ml),Anti-aging Night Cream (5 Eye Cream (15ml), Refining Anti-aging Serum (30ml), Micellar W

45 000 XOF / 50 000 XAF / 69 €



Advertising Magazine on board on ASKY N° 64 May-June-Jully 2025


TRUSSARDI UOMO
Eau de toilette 50 ML

Trussardi Uomo 1911 est la quintessence d'une masculinit de tête, avec un accord de citron frais et de bergamote, c vers un cœur de violette, de géranium et de sauge scla sensation sophistiquée et rassurante. La note finale caractère et de passion, avec des notes de cuir et de noir intense donne de la profondeur à un parfum aux t passionnées et affirmées.

Trussardi Uomo 1911 is the quintessence of refined mascu with an accord of fresh lemon and bergamot, lead the violet, geranium, and clary sage that exudes a sophisti sensation. The finish is a mix of character and passion, and patchouli. The intense black bottle gives depth decidedly passionate and assertive tones.

49 500 XOF / 55 200 XAF / 76 €

JUICY COUTURE VIVA LA JUICY
Eau de parfum 50ML

Trouvez la couture dans votre quotidien avec le par est une fragrance florale enjouée et sucrée avec ur caramel crémeux, de vanille et d'ambre sensuel. Le g baies vibrantes, le chèvrefeuille sucré et une pincée d sont un luxe liquide pour la vie de tous les jours.

Find couture in your everyday with Viva la Juicy perf sweet floral fragrance with a delectable dry-down of c and sensual amber, fluffy gardenia, vibrant berries, swe pucker of bright mandarin are liquid luxury for the life

36 000 XOF / 40 000 XAF / 55 €

This widespread reality has caused a psychological shock. Nationals of WAEMU countries believe that their currency is stronger than the Central Africa CFA. Therefore, their economy is more performing than CEMAC's.

Consequently, a defacto superiority complex is created and established, leading to contemptuous or even disrespectful postures of the rich and poor dialectic, etc.

Some people, rightly or wrongly, even find it difficult to use the CEMAC zone ATM cards in the WAEMU zone, due to an erroneous and misleading convertibility.

It rather seems advantageous to use cash (with a drop in value) than using electronic banking (which is still applying the official rate of 1XAF = 1XOF).

4. Should (can) the CFA XAF carry on without its XOF companion? Is the Franc Zone still (technically) relevant?

4.1. The heads of state's recommendation to BEAC (Commission), during the 2021 summit, to engage a reflection on the XAF's future is still underway...


Le Gabon confie son emprunt de 50 milliards FCFA à deux arrangeurs camerounais

RÉFORME DU FCFA

La CEMAC relance le dossier après six années d'attente

CAMEROUN

La CNPS s'associe à Arise IIP pour trois mégaprojets portuaire et industriels

N°00820 of monday 15 september 2025

At the CEMAC extraordinary summit held in Yaoundé from November 22 to November 23 2019, the heads of state decided to "engage a thorough reflection on the conditions and the form of a new monetary cooperation", alongside France, concerning the CFA franc (XAF).

In this regard, BEAC, under the supervision of the CEMAC Commission, was tasked with proposing, "within a reasonable timeframe", a plan for the evolution of the common currency.

From 2019 to 2025, that is 05 years later, has the reasonable timeframe not expired? Should we still expect to read a note from this reflection?

What is the CEMAC Commission, in charge of supervising the reflection, saying? What about national monetary authorities? Only the public opinion (CSO within states) has taken up the issue, but to what extend?

Should we assume that this issue is beyond the analytical or decision-making capacities of the bodies in charge ?[4]

The CFA franc, which is regarded by some people as a colonial relic, has revived debates in French speaking Africa since the late 2010.

The heated debates sparked by this currency has driven firm decisions on it.

This turning point can be attributed to several factors: the growing internal pressure: political elites and civil societies are calling for greater monetary autonomy:

The comparison with WAEMU: The West African zone had already initiated a reform on its currency:

The evolution of France-Africa relations: within the context of redefining post-colonial relationship, the CFA reform was becoming a diplomatic challenge.

Economic constraints: The reform of the monetary framework is encouraged by the need to revamp growth, reinforce budgetary resilience, and modernize economic instruments.

At the end of the latter, **BEAC was instructed to conduct a technical reflection, under the supervision of the CEMAC Commission**, on the advancement of the monetary cooperation with France **over the future of the CFA franc in the CEMAC zone.**

As a result of the summit, BEAC initiated technical consultations with finance ministries, partner central banks, and other bodies. Several reform proposals were made informally or within intermediary reports (unpublished):

- **Withdrawing French representatives** from the governing bodies of BEAC;
- **Closing the transactions account** opened at the French Treasury;
- **Changing the name of the currency** (dropping the appellation "CFA franc");
- **Partially or totally repatriating foreign exchange reserves** toward BEAC. This point raised by the subregional monetary issuing institution was flatly rebuffed during meetings held in Paris and in Washington in March-April 2025 with mining and oil companies most of whom are western multinationals[5] . The rest of the discussions remained confidential and non-binding, without a formal timetable. However, the result is negative over the CFA6,000 million francs discounted in foreign currency.

4.2. The future of the CFAF after the summit

Following the extraordinary summit in Yaoundé, the move to initiate a reflection on the future of the CFA francs was hailed at the regional and international level.

This decision was viewed as a step towards modernizing CEMAC's monetary framework, similar to the reforms engaged by WAEMU with the ECO project.

However, unlike the West African space, where the reform resulted (at least symbolically) in the closure of the transaction account and the withdrawal of French representatives from BCEAO organs, the CEMAC zone has adopted a more tactful and less diligent approach. Indeed, since 2019, there is no public roadmap pertaining to the monetary reform.

Contrary to BCEAO (WAEMU), which has consistent-

[4]The last CEMAC summit held in Bangui on September 10, 2025 brought back the issue and returned the mandate again to the Congolese President, D SASSOU NGUESSO

[5]On March 25, 2025 the US Administration led by Mr. Trump uttered threats to CEMAC member states in this regard, warning about retaliations.

ly communicated on the ECO project, BEAC has been very silent.

Six years after this instruction, CEMAC member states have held 2 summits in 2021 and in 2023.

The CEMAC ordinary summit held in Yaoundé on March 17 2023 was highly anticipated and many observers expected concrete measures.

Once again the issue was discussed but no formal decision made. The heads of state instead recommended the need to:

- Reaffirm the importance of **monetary stability;**
- Pursue **technical consultations;**
- **Widen the discussions** to the ministries concerned;
- Postpone any substantial reform to a subsequent date to be determined.

Despite the symbolic nature of the 2019 decision, many constraints have hindered a concrete implementation:

- Lack of consensus among member states on the pace and scope of the reform.
- Structural dependence toward France, particularly on convertibility guarantees.
- Main concern of states after the Covid: in 2020, the pandemic shifted priorities to economic recovery, debt and budgetary stability.
- Lack of transparency: limited public information on projects initiated, which depreciates the legitimacy of the process.

Extraordinary Summit of CEMAC,2019.

4.3. Capacity of BEAC and the CEMAC Commission to carry out effective reform

Table 2: Brief analysis of CEMAC's capacity to carry out reforms

Body	Strenghts	Weaknesses
	Institutional Capacities	
Bank of Central African States (BEAC)	53 years of existence with a vast experience in monetary management	**Lack of complete independence** (BEAC is still under the strong political influence of heads of state) according to the rotation principle at the head of community institutions
	Clear and defined legal framework	**Continuous strong presence of French representatives**
	Member of international financial institutions	Weak culture of **public communication** or open economic debates
	Functioning monetary and financial infrastructure (Banking supervision via the Central Africa Banking Commission – COBAC)	Limited projection capability on international markets
CEMAC Commission	Regional political body in charge of driving economic integration	The Commission strongly depends on the political will of member states. The President has no real power. He is a high-ranking community official
	Can play the **coordination role between member** states on community reforms	Poor financial autonomy: it depends on states contributions, often overdue
	Specialized departments on monetary and economic issues	Lack of specialized technocracy on complex monetary issues
	Economic and financial Capacities	
Bank of Central African States (BEAC)	Well established capacity to manage foreign exchange reserves and policy rates	**Very poor banking penetration rate** (around 15% in the CEMAC zone)
	Increasingly injecting funds into the BDEAC to sustain economies	**PREF CEMAC remains consistent with national development plans: full of ambitious projects but few concrete achievements (results)**
	Increasingly integrated banking network	**Less diversified economies**, dependent on raw materials
CEMAC Commission		Weak budgetary maneuver margin
	PREF CEMAC is an ambitious conceptual framework	Depends on foreign funding for most of its programmes (EU, AFD, AfDB, WB/few results)

Source : © CAMERCAP-PARC

Beyond the above mentioned capacities, BEAC and the CEMAC Commission have robust technical, political and diplomatic capacities.

In fact, BEAC can conduct macro-economic impact studies, simulations scenarios, etc. The Commission has always been used as a platform for political consultation, particularly on customs, budgetary or regional integration issues.

The above table reveals that BEAC has solid technical capacities, but remains dependent on political decisions that can only be driven by the CEMAC Commission (particularly the Conference of Heads of State).

Although it is playing a coordination role, the CEMAC Commission is crippled by **lack of means, technical legitimacy and executive authority** to singlehandedly drive such a far-reaching reform.

Thus, an effective reform of the CFA franc can only be possible if the two institutions work closely together, with a strong political support by heads of state and a coordinated regional mobilization.

The transition of the CFA franc towards the ECO within the WAEMU (West African Economic and Monetary Union) was announced with great fanfare in December 2019.

However, it has not yet been implemented to this day (August 2025). The process has been largely political, partially technical, but above all symbolic, and its execution is still incomplete.

5. The Central Africa Republic and economic sovereignty/The CAR leading with the crypto-currency (just like Cameroon is standing alone with the EPA)

In April 2022, the CAR became the first African country, and the second in the world after Salvador, to adopt the Bitcoin as a legal currency alongside the CFA franc. The law was adopted against the background of extreme economic vulnerability, financial isolation, and difficulties to access the conventional banking system

Textbox 3: Impossible integration through the merger by adoption of CEMAC/ECCAS

In order to comply with the African Union's plan to streamline African Regional Economic Communities (REC), as part of Agenda 2063, the Central Africa needed to establish a single REC, which triggered the process of merging/absorbing CEMAC into ECCAS.

The project is underway and is steered by Cameroon.

As per the last observation made during the aborted summits in June and July 2025, the merger process has not yet been finalized, since CEMAC is still adopting the medium-term plans and budget for the community.

Yet, as things stand for CEMAC or the ECCAS, the United Nations Economic Commission for Africa ranks Africa as the last zone in the continent with the weakest integration level according to set out criteria.

Under these conditions, no trade is possible with other subregions if countries with the same currency (CEMAC) and a common external tariff are unable to trade with each other.

The problem lies primarily in the weakness of national economies, which makes integration vulnerable and fragile by fuelling mistrust and suspicion.

In simple terms, an association of poor people exacerbates poverty because righteousness is not compatible with misery.

Other people are seen as predators who come to take away the little that we have, hence the sovereignty claims frequently exhibited in some states in defiance of community requirements.

In March 2022, the community adopted its 2030 statistical program, while the PREF/CEMAC continues to look for funding for its inclusive projects.

The CEMAC Commission also had its budget adopted in March 2022 after some turmoil with the Council of Ministers.

- **The introduction of the Bitcoin (crypto-currency): opportunity or risk of rupture to weaken the XAF?**

The CAR adopted the cryptocurrency to join the global digital economy trend.

According to a law passed in 2022, the **Bitcoin** became **a legal tender**, in the same way as the CFA franc (Traders and businessmen can accept it for payments, the tax system can be denominated in crypto-assets) and a digital platform called **"Sango"** was created to promote investments in cryptocurrencies and tokenize natural resources.

This initiative was opposed by the following stakeholders of CEMAC's financial system:

- BEAC described the measure as illegal, underlining that monetary policy is a community competence and that only the CFA franc is the authorized legal tender;
- CEMAC and COBAC also reasserted the ban to use crypto-assets in the financial system;
- The IMF and the World Bank expressed concerns over the economic sustainability and the governance of the project;
- And investors appeared reluctant.

Through this unilateral breakaway initiative, the CAR, which belongs to a monetary community, expressed the deep economic and institutional malaise experienced by some CEMAC countries, illustrating the growing aspiration for monetary independence.

However, to be implemented sustainably, such an initiative requires prior technical and institutional capacities.

Since then, the project has not led to a significant adoption of the Bitcoin in the CAR and the Sango platform has consequently been suspended.

As a result, the ambition to tokenize resources are put on hold. Furthermore, the CAR Government has adopted a more discreet posture since 2023, but has not officially withdrawn the law.

The CAR and the crypto-assets illustrate a national strategy to circumvent regional frameworks, suggesting a political integration crisis in the CEMAC.

These choices demonstrate the will to take control over economic sovereignty but also the structural vulnerability of the community project, which still largely depends on the political orientation of heads of state, without a real binding mechanism and effective harmonization.

Textbox 4: Background of Africa-France monetary cooperation agreements

- **1945** Creation of the CFA franc in the West Africa and Central Africa French colonies.
- **1954-1962** Institutional transformation of the franc zone following the independence of member states.
- **1960** Guinea exits the franc zone and creates the Guinean franc.
- **1962** Mali exits the franc zone and creates the Malian franc.
- **1972-1973** New monetary cooperation agreements for Central Africa (1972) and West Africa (1973).
- **1973** Madagascar and Mauritania exit the franc zone and respectively create the Malagasy franc and the Ouguiya.
- **1975** Independence of The Comoros. Creation of the Comorian franc in 1976.
- **1977-1978** Transfer of central banks headquarters in Africa.
- **1984** Mali returns to the franc zone.
- **1985** Equatorial Guinea joins the franc zone.
- **1994** Devaluation of the CFA franc by 50% and the Comorian franc by 33%. Launch of the convergence and economic integration framework
- **1997** Guinea-Bissau joins the franc zone.
- **1999** The European Union Council acknowledges the monetary cooperation agreements within the franc zone. The CFA franc and the Comorian franc are pegged to the euro without changing parity.
- **2019** Signature of an agreement to reform cooperation between France and WAEMU, formalizing the end of the obligation by BCEAO to deposit part of its foreign currency reserves at the French treasury (transaction accounts) and the withdrawal of France from the governing bodies of BCEAO.

Source: Banque de France

As Conclusion ,

A management theory that has become rhetorical states that an organization that stops innovating and does not adapt to changes in its environment eventually disappears.

This edition of the policy brief is a cry from the heart. It is a warning to monetary authorities and all those in charge, in order to change our behaviours and practices.

According to its statutes, BEAC has a full independence as a monetary authority. Yet, governing (BEAC indeed has a government) means to foresee and anticipate, being proactive and thus acting in real time by adapting to the environment.

The worst thing that is discouraged by all schools and modern management courses is inaction and inertia in a fast-moving world and constantly changing environment.

The 5 points outlined in this policy brief are not new. Everyone has seen and experienced them on a daily basis for years.

The economies of the subregions are suffering and continue to lag behind the rest of Africa and the world. Being satisfied with positive "internal"[1] results while the populations of the subregion are languishing must not be the tree that conceals the forest.

Something must be done urgently to emerge from this ridicule, even just in regards to the attitude displayed by our brothers of the WAEMU zone. Development and well-being are also and **foremost a matter of self-perception!**

Either economy or economic power are battle grounds where power balance dictates the rule of the game.

It is the dominant side that spells the law. The case of the current US President Donald TRUMP and his MAGA (Make America Great Again) is a perfect illustration. He imposes "his" peace on everyone, to the extent of summoning African heads of state to enthrone him as "Nobel Peace prize winner"[2] .

Countries of the CEMAC zone must realize this and take note of it.

Now is the time to move up a gear in the CEMAC-ECCAS merger process in order to reach, at least, the critical mass in terms of populations (220 million inhabitants).

It is time to reorganize public policies based on economic analysis and political governance towards equity and honour. Economic action does not yet seem to be established as the main driver of development process.

Politicking and bad governance continue to undermine the strong proactive efforts that have been made.

The world is advancing, Africa is progressing, the ECOWAS is making giant strides. CEMAC and Cameroon must hurry so as not to be jettisoned, leaving poverty and misery as a legacy for future generations beyond 2030.

Since the deadline has fatally been missed.

[8]BEAC made a net profit of 345 billion XAF in 2024

[9]05 African heads of state were at the White House on July 9, 2025 (Gabon, Liberia, Senegal, Mauritania and Guinea Bissau).