

REPUBLIQUE DU CAMEROUN

Paix – Travail – Patrie



REPUBLIC OF CAMEROON

Peace – Work – Fatherland

BUDGETARY ORIENTATION DEBATE

**2023-2025 MEDIUM-TERM ECONOMIC AND BUDGETARY
PROGRAMMING DOCUMENT**

PREPARATION OF THE 2023 STATE BUDGET



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III. List of acronyms and abbreviations

CA	Commitment Authorisation
AFD	French Development Agency
AMBACAM	Embassy of Cameroon
APE	Economic Partnership Agreements
APME	Agency for the Promotion of Small and Medium Enterprises
APU	Public Administration
ARV	Antiretrovirals
BAD	African Development Bank
PIB	Public Investment Budget
WB	World Bank
BUCREP	Central Bureau of Census and Population Studies
C2D	Debt Reduction and Development Contract
CAA	Autonomous Sinking Fund
CAMCIS	Cameroon Customs Information System
CAMPHIA	Cameroon Population based HIV Impact Assessment
AFCON	African Cup of Nations
MTBF	Medium Term Budgetary Framework
CEEAC	Economic Community of Central African States
CEMAC	Economic and Monetary Community of Central African States
CHAN	African Football Championship
NPDC	National Public Debt Committee
COMIFAC	Central African Forestry Commission
COPPE	Physical counting of State Personnel
PA	Payment Appropriations
UHC	Universal Health Coverage
RLAs	Regional and Local Authorities
DGB	Directorate General of Budget
DGC	Directorate General of Customs
DGT	Directorate General of Taxation
DOB	Budgetary Orientation Debate
DF	Division of Forecasting
EBPD	Medium Term Economic and Budgetary Programming Document
GESP	Growth and Employment Strategy Paper
ECAM	Cameroon Household Survey
CFAF	African Financial Cooperation Franc
ECF	Extended Credit Facility
FEICOM	Special Council Fund for Mutual Assistance
IMF	International Monetary Fund
HALCOMI	Operation Halt Illicit Trade
HIMO	High Labour Intensity
TC	Corporate Tax
FL	Finance Law
MICS	Multiple Indicators Cluster Survey
MINEDUB	Ministry of Basic Education
MINESEC	Ministry of Secondary Education
MINFI	Ministry of Finance
MW	Megawatts
OCDE	Organisation for Economic Co-operation and Development
OPEP	Organisation of Petroleum Exporting Countries
OTA	Fungible Treasury Bond
PAJER-U	Rural and Urban Youth Support Programme
PAK	PortS Authority of KRIBI
PANEJ	National Action Plan for Youth Employment
PAREC	Cameroon Education Reform Support Programme
PBF	Performance Based Financing
EFP	Economic and Financial Programme

PIAASI	Integrated Support Project for Informal Sector Actors
GDP	Gross Domestic Product
PIFMAS	Project for the Socio-Economic Integration of Young People through the Creation of Micro-enterprises for the Manufacture of Sports Equipment
PLANUT	Three-year Emergency Plan for Growth Acceleration
PME	Small and Medium-sized Enterprises
APP	Annual Performance Project
PPP	Public Private Partnership
PSV	Socially Vulnerable Person
PTSJ	Three-Year Special Youth Plan
PVVIH	Person Living with HIV
APR	Annual Performance Report
FRS-OPE	Fiscal Regime of the State and Other Public Entities
GCAL	General Census of Agriculture and Livestock
OIR	Ordinary Internal Resources
TR	Transferred Resources
SEND	Undisbursed committed balances
SIGIPES	Computerised Integrated Management System of State Personnel and Payroll
NDS30	National Development Strategy 2020-2030
NHC	National Hydrocarbons Corporation
SONARA	National Refining Company
TEC	Common External Tariff
TOFE	Table of State Financial Operations
STPP	Special Tax on Petroleum Products
EU	European Union
US	United States
XDR	Special Drawing Rights (IMF)
VAT	Value Added Tax

INTRODUCTION

With the adoption of the laws of 11 July 2018 respectively on the fiscal regime of the State and other public entities and the Code of Transparency and Good Governance in the Management of Public Finances in Cameroon, the process of drafting the finance law has been enriched by a crucial step which is the Budgetary Orientation Debate (BOD). Indeed, Article 11 of the fiscal regime stipulates that: (1) "Each year before 1 July, the Government shall transmit to Parliament the medium-term framework documents ..., accompanied by a report on the macroeconomic situation and a report on the execution of the budget of the current year"; (2) "On the basis of these documents and reports, Parliament shall organize a Budgetary Orientation Debate in public session, but without a vote".

The Budgetary Orientation Debate allows the Parliament to intervene before the budgetary procedure, to better contribute to the definition of the macroeconomic and budgetary framework. It is the place for parliamentarians to appropriate the macroeconomic assumptions underlying the draft budgets being prepared and to give their opinion on the government's budgetary policy choices.

The institutionalization of the BOD has the added value of offering the executive and the legislature the opportunity to debate each year the conditions, tools and means that allow the medium-term sustainability of public finances through better monitoring of public deficits. Indeed, the ultimate purpose of the BOD is to create conditions for the adoption of finance laws that permanently guarantee macroeconomic stability and, consequently, overall economic balance.

The medium-term budgetary framework, the medium-term expenditure frameworks, the report on the macroeconomic situation and the report on the execution of the budget for the current financial year, required by the law on the financial regime of the State and other public entities for the BOD, are likely to enable the Government and Parliament to meet this fundamental requirement. However, for practical reasons of readability and coherence, the Government has taken the option of merging the content of these tools and reports into a single document called the "Medium Term Economic and Budgetary Programming Document", abbreviated as EBPD. It is forward-looking and covers the next three years.

The 2023-2025 Medium-Term Economic and Budgetary Programming Document (EBPD) refers to the preparation of the 2023 finance law, which defines the determinants of budgetary policy, the overall level of expected revenues and projected expenditures. The EBPD is the document drawn up by the Government and used as a basis for the Budgetary Orientation Debate (BOD) organized within Parliament. To this end, the latter has all the necessary information for a better appreciation of the strategic options and budgetary orientations retained for the conduct of the economic and social development policy of the nation over the period 2023-2025 in line with the National Development Strategy 2030.

This document, which is part of the fourth session of the Budget Review, was prepared in a context marked by the effective implementation of the National Development Strategy 2030 (NDS30), the Russo-Ukrainian crisis and its repercussions on the prices of certain consumer goods, the continued implementation of post-COVID recovery policies, the strengthening of social cohesion and the decentralization process, the operationalization of reconstruction plans for the regions affected by the security crises, in particular those of the North-West, South-West and Far-North, and the continued implementation of a new Economic and Financial Programme (EFP) with the International Monetary Fund (IMF).

The DPEB submitted for parliamentary discussion was adopted by the Government in Cabinet, in accordance with articles 26 and 28 of the decree of 31 May 2019 setting the State's budget calendar.

This 2023-2025 EBPB is structured around four (4) chapters:

- The first two chapters are situation chapters. They first describe the macroeconomic context, both nationally and internationally, and then present the public finance situation for the past year and for the first four months of the current fiscal year;
- The third and fourth chapters are orientation chapters devoted, on the one hand, to the formulation of the overall strategic orientations of public policies in the various sectors for the three-year period and, on the other hand, the budgetary prospects with the main determinants of public expenditure for the 2023-2025 period.

CHAPTER I: MACROECONOMIC SITUATION AND OUTLOOK

This chapter presents the current economic situation and the short and medium-term prospects, firstly at international level and then more specifically at national level.

I. International economic environment

After the recession recorded in 2020 due to the COVID-19 pandemic, the world economy began a relative recovery in 2021, with growth estimated by the IMF at 6.1% compared to -3.1% in 2020. This recovery was mainly supported by: (i) the fiscal stimulus measures taken in many countries; (ii) the containment of the pandemic, in connection with vaccination campaigns, particularly in advanced countries; and (iii) the continued adaptation of economic activity to reduced mobility.

While the effects of the pandemic have not yet dissipated, the Russo-Ukrainian crisis that began in February 2022 has clouded the macroeconomic outlook. The economic damage caused by the conflict is expected to contribute to slower growth in the global economy, through the disruption of activity, investment and trade. In addition, the war is causing a surge in commodity prices and widespread upward pressure on prices, particularly for food. In addition to the war, frequent and large-scale lockdowns in China, including in key industrial hubs, have slowed activity there, and could create new bottlenecks for global supply chains.

Taking these factors into account, the IMF estimates that global growth will fall from 6.1% in 2021 to 3.6% in 2022 and 2023, 0.8 and 0.2 percentage points lower respectively than envisaged before the conflict broke out. This slowdown would be felt in both advanced and emerging and developing economies.

In the advanced economies, activity is affected by higher energy prices, unfavourable financial conditions and supply chain disruptions, all of which have been exacerbated by the Russia-Ukraine crisis. Growth in this group of countries is expected to slow from 5.2% in 2021 to 3.3% in 2022 and 2.4% in 2023.

In the emerging and developing economies, growth is also expected to fall from 6.8% in 2021 to 3.8% in 2022, well below the annual average of 4.8% over the period 2011-2019. Growth forecasts for 2022 have been revised downwards in most commodity-importing countries and in low-income countries. In 2023, it would consolidate at 4.4%.

Particularly in sub-Saharan Africa, the decline in demand from major trading partners due to the global downturn is an additional obstacle. In addition, the slow pace of the vaccination campaign and security threats leave several countries in the region vulnerable. After accelerating to 4.5% in 2021, economic growth in the region is expected to slow to 3.8% in 2022 and 4.0% in 2023.

In the CEMAC zone, the economies also returned to growth in 2021, with a rate estimated by the BEAC at 1.9%, compared with -1.7% in 2020 and forecast at 3.3% in 2022.

II. Recent national socio-economic situation

II.1. Evolution of the National Economy

With economic growth estimated at 3.6% by the INS, the year 2021 marks a recovery in economic activity, which was considerably slowed down in 2020 (0.5% growth) by the effects of the

COVID-19 health crisis. This dynamic consolidates the resilience that the national economy has shown for a number of years in a sufficiently morose global economic environment.

Economic activity in the primary sector is supported by the "industrial and export agriculture" (+6.0%) and "forestry and logging" (+8.3%) branches, which are benefiting from the recovery of global external demand, following the easing of barrier measures relating to the health crisis. The improvement in the secondary sector is essentially due to the dynamism of the food-processing industry (+5.0%) and construction and public works (+5.0%). In addition to the infrastructure work undertaken by the State in relation to land communication routes, the construction and public works sector has benefited from the acceleration of large-scale work in the context of the CAN. The agri-food industries are supported by the local processing of agricultural products, notably cocoa and coffee. On the other hand, activity has declined in the extractive industries, particularly in the extraction of hydrocarbons, which has contracted (-2.1%). The tertiary sector, hard hit by the COVID-19 pandemic in 2020, shows a revival of activity (+3.5%), driven by the "accommodation and catering" (+9.6%), "trade and repair" (+4.0%), "transport" (+3.5%) and "financial services" (+6.6%) branches.

In terms of GDP employment, final household consumption and investment drove economic growth in 2021. Final household consumption grew by 4.5% while investment increased by 6.5%, with a remarkable dynamism of public investment (+16.3%). Foreign trade gains in intensity both in terms of imports of goods and services (+6.6%) and exports of goods and services (+7.1%).

With regard to prices, inflation is at 2.3%. This evolution is largely due to the increase in the items "food and non-alcoholic beverages" (+4.3%), "alcoholic beverages, tobacco and narcotics" (+2.0%), "housing, water, gas, electricity and other fuels" (+1.8%), "clothing and footwear" (+2.2%) and "restaurants and hotels" (+1.5%). The increase in food prices was driven by the prices of oils and fats (+8.9%), bread and cereals (+6.1%), meat (+5.3%), vegetables (+2.6%) and fish and seafood (+2.4%). Geographically, the rise in prices was most noticeable in the towns of Bertoua (+4.4%), Bamenda (+3.8%), Maroua (+3.7%) and Ebolowa (+3.2%).

In 2022, economic activity is expected to grow by 4%, compared with the initial forecast of 4.2%, in line with the worsening outlook for the world economy. On the supply side, growth in the oil sector is projected at -2.3% in 2022, due to the gradual depletion of oil fields partially offset by gas production. In the non-oil sector, growth is projected at 4.2% in 2022, a slight drop of 0.2 percentage points compared to the initial forecasts. By sector, growth is forecast at 3.8% in the primary sector, 3.2% in the secondary sector and 4.6% in the tertiary sector.

On the employment side of GDP, the growth of the Cameroonian economy will continue to be supported by the components of domestic demand, mainly household consumption and investment. Final household consumption, which accounts for 70% of GDP, is expected to grow by an average of 5.2%, contributing 3.8 percentage points to economic growth. Investment growth will be more vigorous, at 6.7%.

Inflation is expected to remain at around 3%, due to the rise in the price of imported raw materials and disruptions in supply chains.

With regard to **public finances**, the budget deficit, based on authorization and excluding grants, represents, according to initial estimates, 2.7% of GDP against 3.3% in 2020. This evolution is essentially due to an increase in internal revenue (+10.2%) which is greater than that of expenditure (+9.4%). According to the main revenue headings, there is an increase in oil revenue (+12.6%), tax revenue (+6.7%) and customs revenue (+20.4%). On the other hand, non-tax revenues fell by 6%. On the expenditure side, increases were 5.6% for current expenditure, 5.2%

for investment expenditure and 16.3% for public debt service. This deficit was mainly financed by public securities issues, project loans and IMF loans.

As for the **balance of payments**, estimates show a current account deficit of 1 002.6 billion in 2021 (or 4.0% of GDP), worsening from a deficit of 872.0 billion (3.7% of GDP) in 2020. This development reflects a worsening of the deficit in services and primary income. The goods deficit is expected to improve slightly (+12.6 billion) and the secondary income surplus is expected to improve. External financing is projected to increase by \$582.3 billion to \$1,014 billion, due to increased net inflows in the public and non-bank private sectors, and reduced net outflows in the banking sector. Public sector net drawings would increase by 207.7 billion to 520.1 billion, reflecting lower disbursements under the programmes and the gain on the raising of a new Euro bond to buy back the previous Euro bond. The non-bank private sector would record net inflows of 536.7 billion, up from 393.9 billion in 2020. This would be due to an increase in FDI and a substantial improvement in the repatriation of export earnings. The financial operations of the banking sector would result in a net outflow of 42.8 billion, down from the net outflow of 274.6 billion recorded in 2020. In the end, the overall balance would be in deficit by 154.5 billion, down from the 432.6 billion deficit recorded in 2020.

The forecasts for 2022 and 2023 show reductions in the current account deficit to \$830.8 billion (3.1% of GDP) and \$999.2 billion (or 3.5% of GDP), respectively. This is largely due to a reduction in the deficits in the goods, services and primary income balances, compared to 2021. Net external financing could increase to EUR 1129.3 billion in 2022 and EUR 1031.9 billion in 2023, due to the continuation of the IMF programme, improved FDI flows and the level of export earnings repatriation. The overall balance is expected to be in surplus, due to an increase in financing that is greater than the increase in the current account deficit.

With regard to the monetary situation, the main aggregates were between end-2020 and end-2021. Net foreign assets increased by 11.6% to 2632.2 billion, mainly due to the recovery of export earnings following the rise in commodity prices in general and crude oil in particular. Domestic credit increased by 15.9%, under the effect of the simultaneous rise in credits to the economy and net claims on the State. The net debit position of the State vis-à-vis the banking system rose from 1475.9 billion in December 2020 to 1835.9 billion in December 2021 (+24.4%). The M2 money supply stood at 7151.3 billion in December 2021, up 17% year-on-year. By component of M2, bank deposits and currency in circulation increased by 17.5% and 15.5% respectively. Bank liquidity declined, with the ratio of bank reserves to deposits falling from 20.7% to 18.7% during the period under review.

II.2. Social sectors

In recent years, the public policies implemented by the government in the social sphere have contributed to improving the living conditions of the population, as shown by the sharp reduction in poverty and the significant increase in the population's access to basic social services. Thus, in 2021, the government's priorities include: (i) continuing to universalize education and strengthening professionalization; (ii) improving people's health; (iii) promoting youth and employment; (iv) developing social housing; (v) providing social protection for vulnerable people; and (vi) promoting gender and empowering women.

In the education sector, the government has pursued actions aimed at: (i) increasing the supply of education through the construction and rehabilitation of school and university infrastructure,

the equipping of classrooms and workshops, and teacher training; (ii) professionalizing and improving the quality of teaching; and (iii) promoting research and development.

In pre-school, the pupil/classroom ratio is reduced from 28 in 2018/2019 to 26 in 2019/2020. The pupil/teacher ratio stabilizes at 20 pupils/teacher. At the primary level, the pupil/classroom ratio improves from 48 to 44, and the pupil/teacher ratio remains stable at 46. At the end of the 2020/2021 school year, the pass rate for the First School Leaving Certificate (FSLC) improved by 2.8 points to 79.4%. In contrast, the pass rate for the First School Leaving Certificate deteriorates by 2.1 points, from 92.5% to 90.4%.

In secondary education, the gross enrolment rate rose from 45.6% in 2018/2019 to 47.5% in 2020/2021. The success rates are on the rise for the 2021 exams under the authority of the Baccalaureate Office, except for the success rates for the Industrial Technician's Certificate and the Industrial Vocational Certificate, which are down by 4 points and 7 points to 53.4% and 76.4% respectively. Thus, the success rates are 73.6% for the baccalaureate of general secondary education; 49.9% for the probationary of general secondary education; 73.7% for the probationary of STT Technician Patent, 59.2% for the probationary STT commercial and 75.9% for the STT Technician Patent.

Concerning the 2021 exams, the success rates for exams under the authority of the Directorate of Examinations, Competitions and Certification (DECC), have improved compared to the previous session. The success rates rose from 61.2% to 74.4% for the ordinary BEPC and from 46.7% to 59.6% for the commercial CAP.

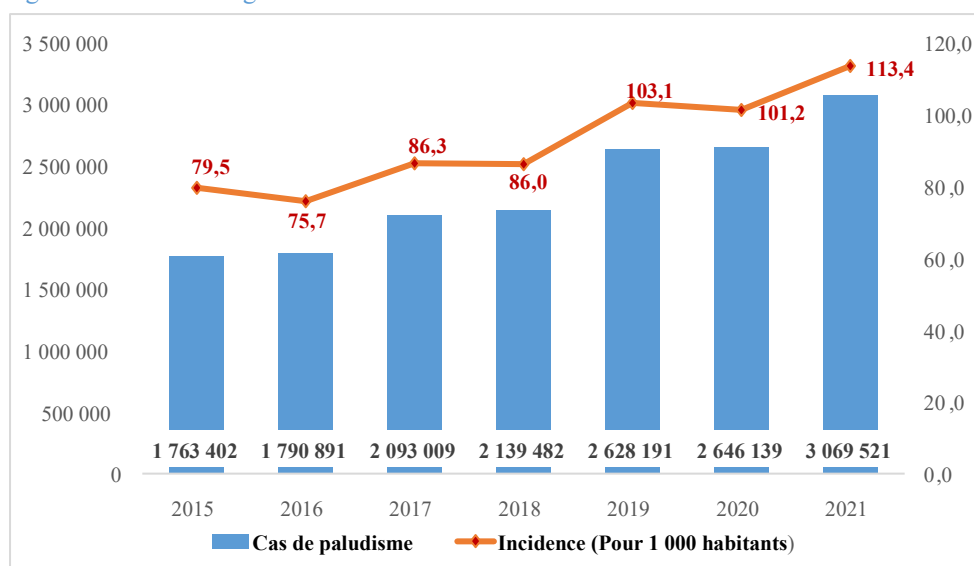
For the GCE-Board examinations, the pass rates for the GCE-General Ordinary Level and the GCE-General Advanced Level deteriorate by 10.5 points and 2.1 points respectively to 59.1% and 61.9% in 2021. On the other hand, the pass rate for the Technical and Vocational Education, Intermediate Level increases from 54.5% to 58.8%; and the pass rate for the Technical and Vocational Education Advanced Level increases from 69.1% to 71.6%.

In the health sector, major efforts to improve maternal, child and adolescent health have resulted in an overall improvement in key indicators of health care supply and demand. However, this progress has not been sufficient to address health inequalities, either by residence or by region.

Medical care has improved significantly. The number of live births registered in health facilities was 943 797 in 2020, compared with 939 057 in 2019, an increase of 0.5%.

Concerning the fight against the disease and health promotion, according to the estimates of the National Malaria Control Programme (PNLP), in 2021, nearly 3,069,521 cases were reported, representing 29.6% of the reasons for consultation and a hospital incidence of 113 cases per 1,000 inhabitants, compared to 29% and 101 cases per 1,000 inhabitants in 2020. In addition, 3,782 malaria deaths were reported, representing 14.3% of deaths in health facilities compared to 17.2% in 2020. Children under 5 years of age continue to pay the heaviest price and constitute 70% of these deaths.

Figure 1: Annual change in the number of confirmed cases and incidence from 2015 to 2020



Source: MINEPAT

With regard to HIV, the number of people living with HIV/AIDS in Cameroon fell from 506,432 to 496,506, a drop of 2%. There are 34,554 children under the age of 15 (7.0% HIV positive) and 329,334 women (66.3% HIV positive).

In the context of epidemiological surveillance, the emphasis has been placed on Covid-19, which has received an allocation of 200 billion. As at 31 December 2021, the total number of confirmed cases of Covid-19 treated in health facilities was 84,210, of which 81,526 were cured and 1,357 died, giving a case-fatality rate of 1.6%. The Government has introduced vaccination campaigns, using Sinopharm, Astra Zeneca and Johnson and Johnson vaccines. As of 13 June 2022, the number of fully vaccinated people is 1 836 998.

In the area of employment and social security, the Government's actions have focused on the continued promotion of employment, the development of vocational training, the promotion of protection at work and social security. In 2020, according to ONEFOP, the number of jobs created is estimated at 330,903, compared with 511,857 in 2019, i.e. a drop of 40.6%, attributable to the completion of certain major projects, and to job losses in private companies due to Covid-19.

As part of the fight against extreme poverty, the government is committed to making its social safety net system effective, with the support of Technical and Financial Partners (TFPs) including the World Bank and the French Development Agency.

The household approach used by the project makes it possible to cover all vulnerable groups (disabled people, the elderly, widows/widowers, orphaned children, people without a national identity card, people in chronic poverty, etc.) and to target communities without discrimination on the basis of gender, religion, tribe, etc.

This project is implemented through four programmes, namely:

- A Direct Ordinary Cash Transfer (DOCT) programme with accompanying measures, which aims to support and increase the productivity of households living in chronic poverty. Each

selected household receives a cumulative amount of 360,000 after 24 months, i.e. 20,000 every two months, and 80,000 in months 12 and 24;

- An emergency cash transfer (ECT) programme implemented in areas affected by shocks such as insecurity, floods, drought, and the massive influx of displaced persons and refugees. Each beneficiary household receives a total cash transfer of 180,000 for 12 months, with 30,000 being transferred every two months;
- A labour-intensive cash transfer programme (THIMO), which supports low-income groups in the face of economic crises and climate shocks, through the creation of low-wage, short-term jobs for unskilled workers. Each beneficiary receives 1300 per day of work for a total of 60 days of work;
- An emergency cash transfer programme TMU-COVID-19. This programme, implemented in 2020, consists of providing financial support to households affected by the adverse effects of the COVID-19 pandemic over a period of three months, to enable them to meet their vital needs and restart their economic activities. Each beneficiary will receive a total of 180,000 in three payments: 45,000 in the first month, 45,000 in the second month and 90,000 in the third month.

To achieve this, the government first experimented with its own budgetary resources from 2013 to 2016, a pilot programme of ordinary cash transfers covering a sample of 2,000 households in two communes: Soulédé-Roua in the Far North region and Ndog in the North West region.

After this experimental phase, the Social Safety Net Project continued from 2015 to 2019 for the benefit of 82,000 beneficiary households in 36 communes in the Far North, North, Adamawa, East, North-West regions and in the cities of Yaoundé and Douala, with financial support from the World Bank.

In view of the convincing results, which enable the government to achieve its poverty reduction objectives on the one hand, and households to improve their living conditions on the other, the social safety net programmes are now being extended to the entire national territory, with 291,500 households targeted over the period 2019-2022.

Table 1 : Number of beneficiaries of the Social Nets Project from 2013 to 2022 by region

Regions/Towns	Number of beneficiary households				Population covered	Amount to be transferred
	2013-2016	2015-2019	2019-2022	Total		
Adamaoua		7 000	26 500	33 500	204 350	7 275 000 000
Central		-	3 500	3 500	21 350	273 000 000
East		9 000	32 000	41 000	250 100	9 063 000 000
Far North	1 500	40 000	44 000	84 000	512 400	19 719 000 000
Littoral		-	5 500	5 500	33 550	633 000 000
North		13 000	28 500	41 500	253 150	9 771 000 000
North West	500	7 000	34 000	41 000	250 100	8 805 000 000
West		-	20 000	20 000	122 000	3 243 000 000
South		-	19 500	19 500	118 950	4 287 000 000
South West		-	30 000	30 000	183 000	5 640 000 000
Douala		3 000	24 500	27 500	167 750	5 955 000 000
Yaounde		3 000	23 500	26 500	161 650	5 775 000 000
All	2 000	82 000	291 500	373 500	2 278 350	80 39 000 000

Source: MINEPAT

II.3. Macroeconomic Outlook 2023-2025

The macroeconomic outlook remains more uncertain and depends on the uncertainties inherent in the duration of the Russo-Ukrainian crisis and the expected impact of the government's economic stimulus measures. The macroeconomic forecasts are made under the assumption that the economy will gradually return to its pre-Covid-19 crisis growth path. As a reminder, the Russo-Ukrainian crisis caused a global economic shock that affected all commodity-importing countries in general and Cameroon in particular, at a time when the country had little room for manoeuvre to deal with it. Soaring oil and food prices have put a particular strain on external and fiscal balances and have heightened concerns about food security. High food prices disproportionately affect the most vulnerable segments of the population, especially in urban areas.

As regards economic policy: (i) in the short term, the government should make more complex economic policy choices aimed at three priorities: controlling inflation, consolidating the economic recovery, and restoring fiscal space; (ii) in the medium term, the government will continue to implement the NDS30.

The outlook is thus revised slightly downwards. Growth in economic activity is expected to average 5% over the 2023-2025 period, in line with the worsening outlook for the world economy.

On the supply side, growth in the oil sector is projected to average 0.3% over the period under review, due to a gradual depletion of oil fields partially offset by gas production. In the non-oil sector, growth is projected to average 5.2% during the period under review, in line with the effective implementation of the actions included in the NDS30. Thus, growth in the oil sector over the period 2023-2025 would average -0.6%.

As regards the non-oil sector, the branches affected by the health crisis would be particularly dynamic, notably because of the recovery, even partial, of the losses suffered. Growth is thus projected to rise in all sectors of activity.

In the primary sector, an average growth of 4.4% is projected over the period. This trend is supported by the gradual implementation of the import-substitution policy, notably through an increase in the local supply of goods that are at the origin of the trade deficit. Emphasis should be placed on increasing the production of food crops (rice, maize, sorghum, starches), livestock products and fisheries. Other factors will contribute to the improvement of production and productivity in industrial agriculture, notably the increase in downstream demand from agro-industries, the positive effects of the recovery programmes and development plans for the cocoa, coffee, banana, cotton and rubber sectors, and the recovery of prices for the main export products.

As for the secondary sector, growth is projected at an average of 4%, despite the drop in oil and gas production. Outside of hydrocarbons, the sector should benefit first of all from the development of several industries, notably from increases in factory capacity as part of the implementation of the NDS30, and from the good performance of the agri-food and other manufacturing industries. These industries should benefit from a better supply of electricity, notably through the finalization of the commissioning of hydroelectric dams and the construction of electricity transmission infrastructure. Construction and public works should also support growth in the sector, thanks to the implementation of several major second-generation hydroelectric and road infrastructure projects (construction of the Nachtigal dam, Batchenga-Ntui road), the reconstruction of the North-West, South-

West and Far North regions, as well as the rehabilitation and development of transport infrastructure with the aim of facilitating trade and opening up production basins.

In the tertiary sector, average growth is projected at 4.9% over the period, thanks in particular to the development of the two upstream sectors (primary and secondary), the revival of activities in the branches affected by the health crisis, notably maritime and air transport, catering and hotels. Telecommunications and financial services should also support the dynamics of this sector.

On the employment side of the GDP, the growth of the Cameroonian economy will continue to be supported by the components of domestic demand, mainly household consumption and investment. This domestic demand should benefit from the effects of the government's measures to stimulate economic activity, the recovery of investment (public and private), and the revival of the labour market. Between 2023 and 2025, final household consumption, which accounts for 70% of GDP, is expected to grow by an average of 5.2%, with a contribution to economic growth of 3.8 points. Investment growth would be more vigorous, with an average of 6.7%.

With regard to prices, inflation is expected to decline gradually to remain below the CEMAC threshold. This forecast is based on the assumption that the conflict and its effects, as well as those of the pandemic, will be mitigated during this period.

In terms of the external accounts, the projections are based on a reduction in the current account deficit to an average of 1.5% of GDP over the period 2023-2025, thanks in particular to the promotion of exports of processed products (cocoa, wood, coffee, cotton, etc.) and to the implementation of the import substitution policy.

Table 2: Table of key indicators

	CN	estimates			Forecasts		
	2020	2021	2022		2023	2024	2025
Real sector			Older	New			
GDP at current prices (CFAF billion)	23 486	25 043	26 543	27 063	28 776	30 712	33 026
Oil GDP	544	727	723	1 071	933	797	800
Non-oil GDP	22 943	24 317	25 819	25 992	27 843	29 915	32 226
GDP at constant prices (growing)	0,5	3,5	4,2	4,0	4,6	5,0	5,5
Oil GDP	3,1	-3,0	-2,3	-2,3	0,5	0,1	0,3
Non-oil GDP	0,4	3,6	4,4	4,2	4,8	5,2	5,6
Prices							
GDP deflator	0,5	3,1	1,7	3,9	1,6	1,6	2,0
Oil GDP deflator	-39,5	53,2	-1,8	50,8	-13,3	-14,7	0,0
Non-oil GDP deflator	2,2	2,3	1,7	2,6	2,2	2,2	2,0
Consumer prices	2,5	2,3	2,0	3,0	3,0	3,0	2,5
Export prices	-9,8	55,9	2,4	43,9	-7,7	-2,1	-15,2
of which Cameroonian oil prices	-39,5	59,1	-1,8	56,4	-13,3	-14,7	0,0
Import prices	-5,5	6,1	2,9	7,8	2,0	-1,2	-2,2
Terms of trade	-4,3	49,8	-0,5	36,1	-9,6	-0,9	-13,0
Sector by sector breakdown							
Primary sector	17,4	17,5	17,1	17,5	17,2	17,2	16,3
Secondary sector	23,3	24,1	23,9	25,3	24,5	23,7	23,3
of which oil	2,3	2,9	2,7	4,0	3,2	2,6	2,4
Tertiary sector	52,0	51,4	52,1	50,4	51,6	52,4	53,8

	CN	estimates			Forecasts		
	2020	2021	2022		2023	2024	2025
Taxes less subsidies	7,3	7,1	6,9	6,8	6,8	6,7	6,7
Demand components							
Consumption	85,4	83,1	83,7	81,3	82,2	82,2	83,6
Private	73,1	70,6	72,4	71,4	71,6	71,0	71,3
Public	12,3	12,5	11,3	9,9	10,6	11,2	12,4
GFCF	17,8	17,8	18,8	18,1	18,7	18,8	18,4
Private	13,9	13,9	14,0	13,5	13,6	13,6	13,5
Public	4,0	3,9	4,8	4,5	5,1	5,2	4,9
B&S exports	15,0	18,0	16,6	21,3	19,1	17,2	14,6
B&S imports	18,2	18,9	19,1	20,7	20,0	18,3	16,6
Public sector							
Total revenues and grants	13,7	14,2	14,9	15,6	15,0	15,2	14,0
oil	2,1	2,3	1,61	1,58	1,7	2,6	2,0
Non-oil (Tax burden)	11,3	11,7	12,1	11,8	12,1	12,4	12,1
Non-oil (% non-oil GDP)	11,6%	12,1%	12,4%	12,3%	12,5%	12,7%	12,4%
Expenditure	16,8	16,9	16,7	17,3	16,6	16,6	17,9
current	12,1	12,1	10,6	11,7	10,3	10,3	10,8
Capital expenditure	4,8	5,7	6,4	6,3	6,4	6,1	7,1
Overall fiscal balance (ordinance basis)							
Including grants	-3,1	-2,5	-2,0	-2,0	-1,8	-1,6	-2,0
Excluding grants	-3,3	-2,7	-2,5	-2,6	-2,2	-1,9	-2,0
Overall balance, cash basis	-3,6	-2,3	-2,0	-2,0	-1,8	-1,6	-2,1
Reference budget balance (CEMAC)	-3,3	-2,6	-2,4	-3,3	-2,3	-2,0	-2,0
Non-oil primary budget balance	-4,2	-4,0	-3,4	-4,3	-3,3	-3,1	0,0
External sector (as % of GDP)							
Current account balance	-3,7	-4,0	-2,5	-3,3	-2,5	-2,4	-2,2
Current account balance excluding public transfers	-3,9	-4,4	-3,1	-3,7	-2,8	-2,8	-2,5
Overall balance	-1,8	-0,6	0,1	0,0	0,7	-0,2	0,2
Monetary situation (in %)							
Money supply (M2)	12,8	17,0	7,0	7,8	8,5	9,0	9,1
Net foreign assets	-0,5	11,6	14,3	30,2	11,2	1,7	2,4
Credit to the economy	4,8	12,3	6,8	6,3	7,3	8,0	8,2

Source : Framing Committee

CHAPTER II: MANAGEMENT OF PUBLIC FINANCES

This part summarizes the implementation of the budget for the year 2021, in terms of resources and expenditure. It also presents the main changes in the initial budget law following the ordinances of 26 May and 7 June 2021.

It should be noted that the resources of the State include internal revenue, loans and grants. Internal revenue is made up of oil and non-oil revenue. Non-oil revenues are made up of tax revenues, customs revenues and non-tax revenues. Borrowing is broken down into project loans, programme loans, government securities issues and bank loans. Grants include project and programme grants. Government expenditure consists of current expenditure, capital expenditure and public debt service.

I. Budget execution situation in 2021

This section presents the execution of the budget in terms of revenue and expenditure at the end of the 2021 fiscal year, as well as the resulting budget balance and financing.

The 2021 budget was executed in an environment marked by the recovery of the world economy and particularly the rise in world crude oil prices, which had a positive influence on the economic and financial situation of Cameroon. This context justified on 26 May and 7 June 2021, the signing of ordinances N°2021/002 and N°2021/003 amending and supplementing certain provisions of law N°2020/018 of 17 December 2020 to lay down the finance law of the Republic of Cameroon for the financial year 2021.

The general budget of the State thus increased to 5,235.2 billion against 4,670 billion in the 2021 LFI; that of the CAS, to 245.2 billion against 195.2 billion initially, notably to reinforce the endowment of the Special National Solidarity Fund for the Fight against the Coronavirus and its economic and social repercussions and to face new health expenses related to vaccination.

I.1 Mobilisation of budgetary resources

State budget resources mobilized at the end of December 2021 amounted to 4 975,7 billion for a revised forecast of 5 395.2 billion (including 5 235.2 billion for the general budget and 160 billion for payments to CAS-COVID19), i.e. an implementation rate of 92.2%. Compared to 2020, these resources increased by 322.7 billion due to the good mobilization of internal revenue, particularly non-oil revenue, in connection with the recovery of economic activity.

State resources comprise 3 563.5 billion in budgetary revenue (oil revenue, non-oil revenue and grants) and 1 412.0 billion in financing resources (borrowing on the capital markets, programme loans and project loans).

Table 3: State budget resources for the 2021 financial year

HEADING	L.F.I. 2021	L.F.R. 2021	Jan-Dec 20 Achievements	Jan-Dec 21 Achievements	Real gap. 2021-2020	Implementa- tion rate (%)	Variation 2021/2020 (%)
I-BUDGETARY REVENUE (A+B)	3 456,60	3 530,80	3 212,40	3 563,50	351,10	100,9%	10,93%
A- INTERNAL REVENUE	3 349,70	3 466,10	3 177,50	3 497,30	319,80	100,9%	10,06%
a-Petroleum revenues	393	536	428,2	482,2	54	90,0%	12,61%
1-SNH royalty	336,5	479,3	321,4	409	87,60	85,3%	27,26%
2- Oil IS	56,5	56,7	106,8	73,2	-33,60	129,1%	-31,46%
b- Non-oil revenues	2 956,70	2 930,10	2 749,30	3 015,10	265,80	102,9%	9,67%
1- Tax revenues	2 744,50	2 743,10	2 560,60	2 843,20	282,60	103,6%	11,04%
a- Tax revenues	1 939,80	1 938,40	1 852,80	1 990,90	138,10	102,7%	7,45%
b- Customs revenue	804,7	804,7	707,8	852,3	144,50	105,9%	20,42%
2- Non-fiscal revenues	212,2	187	188,7	171,9	-16,80	91,9%	-8,90%
B- Grants	106,9	64,7	34,9	66,2	31,30	102,3%	89,68%
II- FINANCING RESOURCES	1 363,40	1 864,40	1 440,60	1 453,23	12,63	77,9%	0,88%
III-TOTAL STATE BUDGET RESOURCES (I+II)	4 820,00	5 395,20	4 653,00	5 016,73	363,73	92,98%	7,82%
IV-PAYMENT TO CAS-COVID19	150	160	153,3	35,1	-118,2	21,94%	-77,10%
TOTAL STATE BUDGET RESOURCES	4 670,0	5 235,2	4 499,7	4 981,6	481,9	95,16%	10,71%
GENERAL STATE BUDGET RESOURCES (III-IV)							

Source: MINFI

*** Budgetary revenues**

They are made up of internal revenue and donations. The rate of mobilization of budgetary revenue is 100.9% in relation to the rectifying finance law for the 2021 financial year. Compared with fiscal year 2020, these revenues increase by 351.1 billion (+10.9%).).

Internal revenue

The level of internal revenue collection is 3 497.3 billion for a revised forecast of 3 466.1 billion, i.e. an achievement rate of 100.9%. Compared to the 2020 budget year, they increased by 319.8 billion (+10.1%). Internal revenue includes oil revenue and non-oil revenue.

Oil revenues

For a revised target of 536.0 billion, oil revenues were collected to the tune of 482.2 billion (including 409.0 billion in SNH royalties and 73.6 billion in taxes on oil companies), i.e. an achievement rate of 90.0%. This under-performance is attributable to average effective crude oil prices which, after falling by 32.8% in 2020, have increased by almost 60% in 2021 to an average of 65.7 dollars per barrel. Compared to 2020, oil revenues increase by 54.0 billion (+12.6%). As in 2020, the weight of oil revenues in domestic revenues is 13.5%.

Non-oil revenues

Collected to the tune of 3 015.1 billion, the rate of realization of non-oil revenue is 102.9% in 2021. These revenues are up by 265.8 billion (+9.7%) compared to the 2020 fiscal year.

Tax revenues were mobilized to the tune of 2 843.2 billion at the end of December 2021, exceeding the revised target of 2 743.1 billion by 100.1 billion. Compared to the 2020 achievement, tax revenue increased by 282.6 (+11.0%) billion. This performance is mainly attributable to the economic recovery and reforms in the tax administrations:

At the level of the General Tax Directorate (DGI), taxes and duties were collected to the tune of 1 990.9 billion, against a forecast in the LFR of 1 938.4 billion, i.e. an achievement rate of 102.7%. Compared to 2020 when they stood at 1 852.8 billion, these achievements are up by 138.1 billion (+7.5%).

In general, the reforms of dematerialization of procedures and reorganization of tax services have led to better monitoring of taxpayers, significantly improving the performance of the DGI. These include:

- online registration of taxpayers and the obligation to present the Unique Identification Number (NIU) for all operations of an economic nature
- the payment of taxes by electronic payment to the Directorate of Large Enterprises (DGE);
- the extension of the remote declaration already applicable to large and medium-sized enterprises to all small and micro enterprises under the jurisdiction of the Divisional Tax Centres (CDI) of the national territory;
- the implementation of the payment of taxes by mobile phone for small taxpayers and the generalization of the payment of taxes in cash at bank counters;
- the creation of two (02) new Regional Tax Centres (CRI), in Yaounde and Douala;
- the capitalization of the results of previous years' tax audits to improve spontaneous payments by taxpayers;
- the development of dialogue leading to the correction of taxpayers' declarations.

By type of revenue, the following taxes and duties performed well

- excise duties: out of a target of 225.0 billion, an amount of 270.4 billion was mobilized, i.e. a realization rate of 120.2% and an increase of 24.9 billion (+10.2%) compared to the amount for the year 2020, which was 245.5 billion. This increase is explained by the dynamism of the brewery sector and the additional revenue from control operations in this sector;
- Non-oil corporate income tax (IS): compared with the target of 340.0 billion, the tax administration collected 394.3 billion, i.e. an achievement rate of 116.0%. Compared to the 2020 target of 352.3 billion, the yield rose significantly by 42.0 billion (+11.9%). The good performance of this tax stems from its payment on time by companies as well as additional payments resulting from tax audit operations;
- Registration duties and taxes: 71.1 billion mobilized with a realization rate of 112.3%, due to the good performance of registration duties on public orders;
- TSPP: out of a target of 132.0 billion, 146.8 billion was mobilized, i.e. an increase of 14.8 billion (111.2%). This result is due in particular to the strengthening of measures for the collection of this tax through the 2021 Financial Law.

At the level of the Directorate General of Customs (DGC), revenue mobilized amounted to 852.3 billion for a revised forecast of 804.7 billion, i.e. an achievement rate of 105.9%. This performance was possible because of the following factors, among others:

- (i) the recovery of foreign trade compared to 2020 marked by an increase in imports of 17.2% (21.2% excluding hydrocarbons) and exports of 38.5% (30.8% excluding hydrocarbons);
- (ii) the good performance in certain units. There was a clear improvement in revenue mobilization in the main customs sectors, namely South 2 (+78.7 billion; +116%), Littoral 1 (+51.8 billion; +9%) and Littoral 2 (+6.1 billion; +11%);
- (iii) the return on the new measures of the 2021 Finance Law relating to excise duties, estimated at 6.8 billion;
- (iv) the efforts to recover the debt of marketers, which made it possible to mobilize 86.7 billion against 50.4 billion in 2020, i.e. an increase of 72%;
- (v) the return on litigation materialized by the increase in compromised/eluded rights which rose to 13.1 billion against 9.9 billion in 2020, as well as fines which rose to 14.5 billion against 12.6 billion in 2020;

Compared to the sum of 707.8 billion mobilized in 2020, customs revenue increased by 165.4 billion (+23.4%). This increase is attributable to, among other things:

- VAT on imports collected in 2021 amounts to 396.0 billion against 319.9 billion in 2020, i.e. an increase of 19.6%. Moreover, out of forecasts established at 357.9 billion, the realization rate is 110.6%.
- Customs import duties amount to 348.8 billion. They were 301.0 billion in 2020, an increase of 22.5%. Their implementation rate is 101.2%.
- The new provisions of the 2021 Finance Act helped improve the yield of excise duties, which amounted to 58.1 billion in 2021 against 37.1 billion in 2020, i.e. an increase of 34.5% and a realization rate of 115.4% for a forecast of 50.4 billion.
- exit duties, which amount to 38.54 billion in 2021 against 32.7 billion in 2020, i.e. an increase of 56.3% and a realization rate of 86.0% for a forecast of 44.8 billion.

Non-fiscal revenues are made up of income from the State domain (royalties and rents for the use of the State domain, transfers of State property), service revenues (proceeds from the sale of goods and services), pension contributions, oil transit duty and other non-tax revenues (dividends paid by companies in which the State is a shareholder, etc.). The performance of these revenues is presented in the table below:

Table 4: Non-tax revenue achievements

Headings	2020	2021	2021	Variation (%)	Gap	Implementation
	Achievement	RFL	Achievement	2021/2020	2021/2020	rate (%)
Income from the estate	5,1	4,2	6,9	35,3	1,8	164,3
Income from services	31,2	55,3	38,7	24,0	7,5	70,0
Pension contributions	55,3	60	55,4	0,2	0,1	92,3
Oil transit fee	36,8	25	31,4	-14,7	-5,4	125,6
Other non-tax revenues	60,3	42,5	39,5	-34,5	-20,8	92,9
Total non-tax revenues	188,7	187	171,9	-8,9	-16,8	91,9

Source: MINFI

In 2021, drawings in 2021, non-tax revenues were mobilized to the tune of 171.9 billion, i.e. a realization rate of 91.9% compared to the rectifying finance law. They are down by 16.8 billion (-8.9%) compared to 2020. This drop is due to the fall in other non-tax revenues (-20.8 billion) and the oil transit duty (-5.4 billion), although mitigated by the 7.5 billion increases in service revenues.

Grants

On grants are estimated at 66.2 billion for an annual forecast of 64.7 billion, i.e. an implementation rate of 102.8%. They are divided into 24.2 billion in programme grants and 42 billion in project grants.

*** Financing resources**

Financing resources were mobilized to the tune of 1 412.3 billion out of a revised forecast of 1 844.4 billion, i.e. an implementation rate of 76.6%. These resources are down by 28.3 billion (-2.0%) compared to the 2020 financial year.

Drawings on project loans amounted to 405.6 billion, corresponding to an implementation rate of 57.7%. Compared to FY 2020, they fell by 43.9 billion (-9.8%).

IMF loans in the form of budgetary support amounted to 148.6 billion out of a forecast of 161.0 billion, i.e. an implementation rate of 92.3%. Compared to the 2020 fiscal year, they fell by 119.7 billion (-44.6%).

Other budgetary support was mobilized to the tune of 55.2 billion, mainly by the ADB. Their execution rate is 80% compared to the revised forecast of 69 billion.

The amount of public securities mobilized at the end of 2021 on the domestic financial market is 336 billion against a ceiling of 350 billion provided for in the Finance Law, i.e. an implementation rate of 96%. These issues are down by 50.1 billion (-13%) compared to 2020.

Concerning the mobilization of 450 billion Eurobonds authorized under Ordinance No. 2021/002 of 26 May 2021, the result of the issue is 449.3 billion at the end of 2021. This represents a mobilization rate of 102.4%.

Out of a revised forecast of 131 billion, including the reimbursement to the State of advances granted to public enterprises amounting to 20 billion, bank loans were finally mobilized to the tune of 10.3 billion, i.e. an execution rate of 7.9%. Compared to fiscal year 2020, they fell by 170.7 billion (-94.3%).

Other external loans, which consist of guaranteed external loans, were mobilized to the tune of 7.3 billion, down by 38.1 billion compared to 2020 (-83.9%).

Table 5: Cash resources (In billion)

Headings	2020 achievement	2021			Variation 2021/2020 (In billions FCFA)	Variation 2021/2020 (%)	Implementation rate (%)
		LFI	R.F.L.	achievement			
Project loans	449,5	703,4	703,4	405,6	-43,9	-9,8%	57,7%
Programme loans	378,6	260,0	230,0	203,8	-174,8	-46,2%	88,6%
IMF loans	268,3	0,0	161,0	148,6	-119,7	-44,6%	92,3%
Other budget support	110,3	260,0	69,0	55,2	-55,1	-50,0%	80,0%
Government securities issuance	386,1	350,0	350,0	336,0	-50,1	-13,0%	96,0%
Bank financing	181	30	111	10,3	-170,7	-94,3%	9,3%
Eurobonds			450	449,3	449,3	-	99,8%
Other external borrowing	45,4	0	450	7,3	-38,1	-83,9%	1,6%
TOTAL FINANCING (Gross)	1 440,6	1 343,4	1 844,4	1 412,3	-28,3	-2,0%	76,6%

Source: MINFI

1.2. Execution of budgetary expenditure

The overall expenditure allocation for the 2021 fiscal year was increased from 4 670.0 billion to 5 235.2 billion as part of the changes made to this law by ordinance. At the end of 2021, the expenditure approved amounted to 5 047.3 billion, i.e. an implementation rate of 96.4%. Compared to the 2020 fiscal year, it is up by 683.7 billion (+15.7%).

Table 6: Overall implementation of expenditure for the year 2021 (in billion)

Headings	LFI 2021 (b)	LFR 2021 (initial allocation)	LFR 2021 (Revised allocation)	Programming 2020	Programming 2021	Implementation rate (%)	Variation (Value) (c/b)	Variation (%) (c/b)
A-CURRENT EXPENDITURE (I+II+III)	2 334,10	2 489,10	2 851,70	2 536,10	2 806,40	112,7%	270,3	10,7%
I - Staff expenditure	1 069,50	1 069,50	1 078,60	1 052,00	1 075,00	100,5%	23,0	2,2%
II - Goods and services	739	794	1 030,00	876	989,8	124,7%	113,8	13,0%
III - Transfers and subsidies	525,6	625,6	743,1	608,1	741,6	118,5%	133,5	22,0%
B-CAPITAL EXPENDITURE (I+II+III+IV)	1 352,00	1 352,00	1 189,20	1 061,90	1 061,44	78,5%	-0,5	0,0%
I - Capital expenditure from internal resources	583,2	583,2	635,5	566,3	582,8	99,9%	16,5	2,9%
II - Participation	20	20	20	16,8	19,9	99,5%	3,1	18,5%
III - Rehabilitation / Restructuring	15	15	13	8,8	11,1	74,0%	2,3	26,1%
IV - External financing	733,8	733,8	520,7	470	447,6	61,0%	-22,4	-4,8%
C - PUBLIC DEBT (I+II)	983,90	1 394,10	1 194,30	765,60	1 179,50	84,6%	413,9	54,1%
I - Domestic public debt	492,9	674,1	447,3	412,2	443,5	65,8%	31,3	7,6%
II - External public debt	491	720	747	353,4	736,0	102,2%	382,6	108,3%
TOTAL (A+B+C)	4 670,0	5 235,2	5 235,2	4 363,6	5 047,3	96,4%	683,7	15,7%

Source: MINFI (*Programming)

1.2.1. Current expenditure

Current expenditure (excluding interest on the debt) stands at 2 806.4 billion against a forecast of 2 489.1 billion, i.e. an implementation rate of 112.7%. Compared to 2020, it increases by 270.3 billion (+10.7%) in connection with the increase in expenditure on goods and services. This expenditure is made up of personnel expenditure, which amounts to 1 075.0 billion against a forecast of 1 069.5 billion, i.e. an execution rate of 100.5%; expenditure on goods and services, which amounts to 989.8 billion against an initial allocation of 794 billion, i.e. an execution rate of 124.7%; and transfers and subsidies, which amount to 741.6 billion against a forecast of 625.6 billion, i.e. an execution rate of 118.5%.

1.2.2. Capital expenditure

As for capital expenditure, it was executed to the tune of 1 061.4 billion for an initial allocation of 1 352.0 billion, i.e. an execution rate of 78.5%. Compared to 2020, capital expenditure implemented in 2021 is practically unchanged with a downward variation of about 500 million.

Capital expenditure from own resources in 2021 amounted to 582.8 billion out of an initial allocation of 583.2 billion, i.e. an implementation rate of 99.9%. Compared to the 2020 fiscal year, they increased by 16.5 billion (+2.9%). Capital expenditure on external financing amounted to 447.6 billion for a forecast of 733.8 billion, i.e. an implementation rate of 61.0%. Compared to 2020, it is down by 22.4 billion (-4.8%)

I.2.3. Public debt

Debt servicing was paid to the tune of 1 179.5 billion, out of an initial forecast of 1 394.1 billion, i.e. an execution rate of 84.6%. This is made up of 736.0 billion in external debt and 443.5 billion in domestic debt. Compared to 2020, this service is up by 413.9 billion, mainly due to the service of the external debt through the repurchase in July 2021 of the Eurobond issued in 2015 for 449.3 billion.

Table 7: Public debt execution for the years 2020 and 2021

Headings	LFI 2021	LFR 2021	LFR revised 2021	Program-ming 2020	Program-ming 2021	Implementa-tion rate (%)	Variation (%)
I - Domestic public debt	492,9	674,1	447,3	412,2	443,5	65,8%	7,5
Principal	355,7	536,9	294,6	259,5	294,7	54,9%	13,4
Interest	65,2	65,2	85,7	73,7	76,8	117,8%	4,2
Reimbursement VAT credits	72	72	67	79	72	100,0%	-8,9
II - External public debt	491	720	747	353,4	736	102,2%	108,3
Principal	327,5	595	578,4	217,9	571,2	96,0%	162,1
Interest	163,5	125	168,6	135,5	164,8	131,8%	21,6
C - PUBLIC DEBT	983,9	1 394,10	1 194,30	765,6	1 179,50	84,6%	54,00

Source: MINFI/DGB (* Programming)

I.3. Execution of the COVID-19 SAA

I.3.1. Implementation of the budget of the COVID-19 SAA

At the end of the 2021 fiscal year, out of an amount of 200 billion expected under the COVID SAA budget, 93.7 billion have been authorized, i.e. an implementation rate of 46.9%. Of the 153 billion provided for in the finance law, resources from the general budget were mobilized to the tune of 35.1 billion, i.e. an implementation rate of 21.9%. Funds of 40 billion, including 25 billion expected from the World Bank and 15 billion from the BDEAC, could not be mobilized in 2021. However, an external disbursement of 41 billion from AFRIXIMBANK was made in the form of a project loan for the purchase of vaccines against Covid-19.

Table 8: Breakdown of COVID CASE 2021 resources and expenses

Headings	R.F.L. 2020	Jan-Dec 21 Achievement	Gap	Implementation rate (in %)
I- TOTAL RESOURCES:	200,00	93,70	-106,30	46,85
1- Expected levy from the General Budget	160,00	52,70	-107,30	32,93
2- Assistance funds	40,00	41,00	1,00	102,50
* Loans	40,00	41,00	1,00	102,50
World Bank	25,00	0,00	-25,00	0,00
BDEAC	15,00	0,00	-15,00	0,00
AFRIXIMBANK (COVAX AND AVAT)	0,00	41,00	41,00	
* Grants	0,00	0,00	0,00	
European Union	0,00	0,00	0,00	
AFD	0,00	0,00	0,00	
Global Partnership for Education (SME)	0,00	0,00	0,00	
Others (natural and legal persons)	0,00	0,00	0,00	
II- TOTAL EXPENDITURE	200,00	93,70	-106,30	46,85
1- Current expenditure	150,00	93,70	-57,50	62,46
* Goods & services	125,00	93,70	-31,30	74,96
* Transfers and subsidies	25,00	0,00	-25,00	0,00
2- Capital expenditure	50,00	0,00	-50,00	0,00
3- Domestic debt	0,00	0,00	0,00	
* Repayment of principal	0,00	0,00	0,00	
* Repayment of VAT credits	0,00	0,00	0,00	

Source: MINFI

I.4. Balancing the budget and financing

The recovery of the world economy and especially the good performance of world prices for products exported by Cameroon have contributed to the improvement of the budget deficit.

I.4.1. Budgetary balances

The table below summarizes the budgetary resources and expenditure in the strict sense and shows the various balances.

Table 9 : Summary of budgetary execution to the end of December 2021 (in billion)

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
I. GENERAL BUDGET			
INTERNAL REVENUE	3 563,5	CURRENT EXPENDITURE	3 048,1
Gross tax revenue	2 843,2	Gross interest and commissions	241,6
of which VAT credit refunds	72,0	Interest relief on external debt	0,0
Net tax revenue	2 771,2	Personnel expenses	1 075,0
Oil revenue	482,2	Goods and services	989,8
Non-tax revenues	171,9	Current transfers	741,6
Total net internal revenue	3 425,3	Of which grants to SACs	0,0
GRANTS	66,2	CAPITAL EXPENDITURE	1 061,4
Programme grants	24,1	External financing	447,6
Project grants	42,0	Own resources	582,8
EXCEPTIONAL REVENUES	0,0	Participation/Restructuring	31,0
Privatisation revenues		OTHER EXPENDITURE	7,3

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
Deductions from revenue for the National Solidarity Fund for the fight against the Coronavirus	35,1	Net loans	7,3
NET REVENUE GENERAL BUDGET	3 456,4	GENERAL BUDGET EXPENDITURE	4 116,8
II – SPECIAL TREASURY ACCOUNTS			
Special trust accounts	35,1	Special trust accounts	93,7
Of which Special solidarity fund for the fight against the coronavirus and its economic and social repercussions	35,1	Of which Special solidarity fund for the fight against the coronavirus and its economic and social repercussions	93,7
Covid-19 Support Fund (Donations)	0,0	Covid-19 Support Fund	41,0
TOTAL NET STATE BUDGETARY REVENUE	3 491,5	TOTAL STATE BUDGET EXPENDITURE	4 210,5
III - BALANCES			
	Amount	% of GDP	
FINANCING CAPACITY/REQUIREMENT	-711,8	-2,9	
OVERALL BALANCE	-719,1	-2,9	
NON-OIL PRIMARY BALANCE	-959,7	-3,8	
CEMAC REFERENCE BALANCE	-894,5	-3,0	

Source: MINFI

* Overall budget balance

At the end of 2021, the overall budget deficit (including grants) was finally established at 2.9% of GDP, out of an initial projection of 3.1% in the amending finance act, which means that the State budget's financing requirement at the end of this fiscal year was 719.1 billion. Compared to 2020, when it stood at 3.1% of GDP, this deficit improved by 0.2 points of GDP, thus demonstrating the consolidation of the State's public finance situation between these two fiscal years.

This situation is essentially explained by the good level of internal revenue mobilization, given the recovery in global economic activity, which made it possible to meet the additional expenditure linked to the fight against the pandemic and its consequences.

* Non-oil primary balance

The non-oil primary balance is obtained by excluding oil revenues and interest payments on the debt from the calculation. In 2021, this balance was established at 3.8% against 4.5% in 2020. It therefore records a reduction of 0.7 points between these two years, thus reflecting the effort made by the government in 2020 to limit the impact of these current budgetary choices on the public debt.

I.4.2. Financing

In addition to the financing requirement of 719.1 billion resulting from budgetary operations, the government faced other financing and cash expenses in 2021 in the amount of 1 008.7 billion, consisting of the amortization of structured debt (832.1 billion), payments to Treasury

correspondents (68.4 billion), refund of VAT credits (72 billion) and the reduction of outstanding BTA (36.2 billion).

To cover these needs, the state mobilized 1 727.8 billion in financing in 2021, including 446.6 billion in project loans, including external disbursements to Covid-19 SAA for the purchase of vaccines, 336 billion in public securities issues, 203.8 billion in budgetary support, 82.3 billion in bank financing (excluding public securities, including 72 billion in drawings on the VAT escrow account) and 456 billion in external borrowing, including 449.3 billion in Eurobonds.

Table 10: Presentation of financing uses and resources (in billions)

FINANCING AND CASH FLOW REQUIREMENTS	AMOUNT	FINANCING AND CASH RESOURCES	AMOUNT
Overall budget deficit	719,1	Project loans	405,6
Amortization Structured debt (excluding correspondents)	832,1	Issuance of public securities	336,0
External debt	571,2	Budgetary support	203,8
		Bank financing (including VAT reimbursement)	82,3
Domestic debt	261,0	VAT escrow account	72,0
Refund of VAT credits	72	COVID-19 BM assistance fund	41,0
Net cash outflow to correspondents	68,4	Other loans (including Eurobonds)	456,6
Reduction of BTA outstanding	36,2	Accumulation of new arrears	136,1
TOTAL	1 727,8	Other (financing gap)	66,5
		TOTAL	1 727,8

Source : MINFI

II. Budget execution at the end of April 2022

This section presents the execution of budgetary resources and expenditure, as well as the situation of budgetary balances. Budgetary resources include domestic revenues and borrowing and grants. Internal revenues consist of oil and non-oil revenues. Non-oil revenues consist of tax, customs and non-tax revenues. Borrowing and grants are broken down into project loans, programme loans, project grants, programme grants, COVID-19 public securities issues and other domestic borrowing. As regards budgetary expenditure, it is made up of current expenditure and investment expenditure.

II.1. State budget resources

At the end of April 2022, total budgetary resources mobilized amounted to 1 729.3 billion, an increase of 185.9 billion (+12.0%) compared to the same period in 2021. This represents an achievement rate of 84.8% compared to the target for the period, set at 2 038.9 billion. This under-performance is attributable to both internal revenue and borrowing and grants.

Table 11: Execution of budgetary resources at the end of April 2022 (In billions of CFA francs)

HEADINGS	R.F.L	Jan-April 22	Jan-April 22	Jan-April 21	Gap	Implementa tion	Variation	
	2022	Forecasts	Achieve- ments	Achieve- ments		Rate	(c/d)	(c/d)
	(a)	(b)	(c)	(d)		(c/b) (%)	(abs)	(%)
A- INTERNAL REVENUES	4080,9	1401,7	1297,6	1138,0	-104,1	92,6	159,6	14,0
I-Petroleum revenues	806,0	268,7	229,3	142,5	-39,4	85,4	86,8	60,9
1 NHC royalty	706,0	235,3	162,2	121,7	-73,1	68,9	40,5	33,3
2- Oil CT	100,0	33,3	67,1	20,9	33,8	201,3	46,2	221,7
II- Non-oil revenues	3274,9	1133,0	1068,3	995,4	-64,7	94,3	72,9	7,3
1- Fiscal revenues	3048,7	1057,6	1037,0	951,7	-20,6	98,1	85,4	9,0
a- Tax revenues	2184,8	779,0	773,9	694,4	-5,1	99,3	79,5	11,5
of which - IRPP	317,1	112,6	100,8	105,0	-11,8	89,5	-4,3	-4,1
- VAT	735,0	229,3	229,5	193,0	0,2	100,1	36,4	18,9
- Non-oil IS	410,0	207,6	241,9	191,8	34,3	116,5	50,1	26,1
- Excise duties	325,0	109,7	96,8	97,8	-12,9	88,2	-1,0	-1,0
- Registration and stamp duties	130,3	40,8	31,3	37,2	-9,4	76,8	-5,9	-15,8
- STPP	150,0	51,0	51,5	48,1	0,5	101,0	3,5	7,2
b- Customs revenue	863,9	278,6	263,2	257,3	-15,4	94,5	5,9	2,3
of which - Import customs duty	343,9	112,6	102,3	109,5	-10,3	90,8	-7,2	-6,6
- Import VAT	395,0	127,0	126,0	116,6	-1,0	99,2	9,3	8,0
- Import excise duties	57,9	18,9	15,5	15,9	-3,4	82,3	-0,4	-2,4
- Exit duties	54,8	17,7	13,4	13,2	-4,3	75,9	0,3	1,9
2- Non-tax revenues	226,2	75,4	31,2	43,8	-44,2	41,4	-12,5	-28,6
B- LOANS AND GRANTS	1911,8	637,3	431,7	405,5	-205,5	67,7	26,3	6,5
- Project loans	746,5	248,8	77,1	100,3	-171,7	31,0	-23,2	-23,1
- Grants	142,3	47,4	4,0	13,7	-43,4	8,5	-9,7	-70,6
- Budgetary support	313,0	104,3	24,2	0,0	-80,1	23,2	24,2	-
- Issuance of government securities	350,0	116,7	259,9	291,5	143,3	222,8	-31,6	-10,8
- Other domestic borrowing	360,0	108,3	66,5	0,0	-41,8	61,4	66,5	-
TOTAL BUDGETARY INCOME	5992,7	2038,9	1729,3	1543,4	-309,6	84,8	185,9	12,0

Source: MINFI

Internal revenue

Over the period from January to April 2022, internal budgetary revenue collected is 1 297.6 billion, an increase of 159.6 billion (+14%) compared with the same period in 2021, when it stood at 1 138 billion. This increase can be observed in the two main categories of revenue, namely oil and non-oil revenue. However, they show an achievement rate of 92.6% compared to the 1 401.7 billion target for the period.

Oil revenue collection stood at 229.3 billion at the end of April 2022, up by 86.8 billion (+60.9%) compared to the end of April 2021, mainly due to the year-on-year increase in world oil prices following the Russo-Ukrainian war. Compared with the 268.7 billion forecast for the period January-April 2022, they recorded an 85.4% realization rate, due to the rise in oil prices.

Non-oil revenue rose from 995.4 billion at the end of April 2021 to 1 068.3 billion at the end of April 2022, an increase of 72.9 billion (+7.3%) between the two periods. Compared to the forecast of 1 133 billion over the period, they present a realization rate of 94.3%. This under-performance

is mainly explained by the under-achievement of tax revenues (98.1% realization rate) and non-tax revenues (41.4%), which are themselves the result of the negative effects of the Russo-Ukrainian crisis on the national economy, particularly the surge in prices of basic commodities.

Loans and grants

Disbursed loans and grants amounted to 431.7 billion at the end of April 2022, against 405.5 billion a year earlier, an increase of 26.3 billion (+6.5%) year-on-year. This increase is mainly due to the special SDR drawings of 66.5 billion made in February. All other components are down.

Issuance of public securities

During the period January-April 2022, the Treasury issued 259.9 billion in public securities, down 31.6 billion compared to the same period in 2021. The securities issued include 112.5 billion in Fungible Treasury Bonds (BTA) and 147.4 billion in Fungible Treasury Bills (OTA). The realization rate of the issues is 222.8% compared to the 116.7 billion target of the period.

II.2. State expenditure

Total budgetary expenditure based on ordinances stood at 1 543.8 billion at the end of April 2022 against 1 553.2 billion at the end of April 2021, i.e. a decrease of 9.4 billion (-0.6%) between the two periods. This decrease is mainly observed at the level of current expenditure and investment expenditure, which recorded drops of 78.7 billion and 7.0 billion respectively. On the other hand, public debt servicing increased by 51.9 billion.

Table 12: Expenditure execution at the end of March 2019 (In billions of FCFA, unless otherwise specified)

Headings	R.F.L	Jan-April 22	Jan-April 21	Gap	Implement ation	Variation	
	2022	Achievement s	Achievement s		rate	(c/b)	(c/b)
	(a)	(b)	(c)		(b/a) (%)	(abs)	(%)
EXPENDITURE							
I-Current expenditure excluding interest	2998,4	669,4	748,1	-2349,0	22,3	-78,7	-10,5
Personnel expenditure	1174,3	387,4	340,6	-786,9	33,0	46,8	13,7
Expenditure on goods and services	810,9	94,0	231,0	-736,9	11,6	-137,0	-59,3
Transfers and pensions	1013,2	187,9	176,5	-825,3	18,5	11,4	6,5
II- Capital expenditure	1419,1	220,8	227,9	-1198,3	15,6	-7,0	-3,1
From external financing	779,8	110,6	105,4	-669,2	14,2	5,2	4,9
From own resources	620,3	110,2	119,5	-505,1	17,8	-9,3	-7,7
Restructuring expenditure	19,0	0,0	3,0	-24,0	0,0	-3,0	-100,0
III- Miscellaneous expenditure to be regularised	0,0	94,9	70,5	94,9	-	24,4	34,7
IV- Public debt service	1560,3	558,7	506,8	-996,5	35,8	51,9	10,2
External debt	677,0	255,2	134,9	-504,4	37,7	120,3	89,2
Domestic debt	883,3	303,5	371,9	-492,1	34,4	-68,3	-18,4
- Repayment of VAT credits	84,0	28,0	28,0	-56,0	33,3	0,0	0,0
TOTAL BUDGETARY EXPENDITURE	5977,7	1543,8	1553,2	-4448,8	25,8	-9,4	-0,6

Source: MINFI

Current expenditure excluding interest

Current expenditure excluding interest decreased by 78.7 billion (-10.5%) on an annual basis to 669.4 billion at the end of April 2022. Compared to the budget law, the implementation rate of this expenditure is 22.3%. The main components show implementation rates of 33.0% for personnel expenditure; 11.1% for expenditure on goods and services; and 18.5% for expenditure on transfers and pensions.

Capital expenditure

Investment expenditure amounts to 220.8 billion at the end of April 2022 against 227.9 billion at the end of April 2021, i.e. a decrease of 7 billion (-3.1%) between the two periods. Compared to the annual forecast, the execution rate of this expenditure is 15.6%. This relative under-performance is due to the drop in expenditure on own resources, following difficulties in adapting to the new budget nomenclature. The main headings of this expenditure present execution rates: 17.8% for investment expenditure on own resources, 14.2% for investment expenditure on external financing.

Public debt service

Public debt service stood at 558.7 billion at the end of April 2022, compared with 506.8 billion at the end of April 2021, an increase of 51.9 billion (+10.2%) between the two periods. Compared to the annual forecast, its execution rate is 35.8%. In terms of the main headings, the implementation rates are 37.7% for external debt servicing and 34.4% for internal debt servicing.

II.3. Budget balances

At the end of April 2022, the budget balances (net of VAT credit refunds) are as follows: the overall balance is 168.2 billion, while the primary balance and the non-oil primary balance are respectively 274.2 billion and 44.9 billion. These balances were negatively impacted by the difficulties of adapting to the new budget nomenclature.

Table 13: Budget balances (In billions of CFA francs)

HEADINGS	Finance laws (1)	Results to end of April 22 (2)
I- Total revenues	4080,906	1297,6
1-Oil revenues	806,0	229,3
2-Non-oil revenues	3274,9	1068,3
II- Grants	142,3	4,0
III- Primary Expenditure, FINEX & Net Loans	4467,46	999,4
1- Current expenditure excluding interest	2998,4	669,4
2- Capital expenditure	1419,1	220,8
3- Miscellaneous expenditure to be regularised	0	94,9
4- Net loans (Loans-Repayments)	-20	14,3
IV- Reimbursement of VAT credits	84,0	28,0
V- PRIMARY BALANCE (V=I+II-III-IV)	-308,2	274,2
VI- PRIMARY BALANCE NON-OIL (VI = V-Oil Revenues)	-1114,2	44,9
PM: OVERALL BALANCE (NET)	-547,8	168,2

Source: MINFI

III. Amending Finance Law

On 02 June 2022, the PRESIDENT OF THE REPUBLIC signed Ordinance N°2022/001 to amend and supplement certain provisions of Law No. 2021/026 of 16 December 2021 to lay down the Finance Law of the Republic of Cameroon for the financial year 2021, in order to take into account, the latest developments in the economic, financial and socio-political environment during the first months of the financial year 2022.

Indeed, the latest updates of the macroeconomic framework show that in 2022, economic activity in Cameroon will experience a slight slowdown as well as an increase in inflationary pressures compared to the initial projections of the budget law, due to the war in Ukraine. Thus, economic growth in 2022 would be 4.0% against an initial projection of 4.2% in the budget law and inflation would be 1 point higher in 2022 than the 2% initially projected in the budget law, reaching 3%. In addition, the world price of oil has risen rapidly to reach US\$102 per barrel, compared with the US\$64.5 projected in the initial 2022 finance law.

Also, the context of the signing of the ordinance of 2 June is marked at the social level by the strikes of secondary school teachers, whose appeasement measures taken by the government lead to additional salary costs. Cameroon was also confronted, at the financial level, with a reduction in the budgetary support expected from certain partners, including the World Bank, in relation to the evaluations integrated into the initial finance law of 2022.

In this environment, and in order to guarantee greater sincerity in revenue, expenditure and financing forecasts, the aforementioned ordinance revises the level of the State budget to 6 080.4 billion, of which 5 977.7 billion for the general budget and 102.7 billion for the special allocation accounts, against 5 752.4 billion in the initial 2022 finance law; that is to say, an increase of 328 billion in absolute value and 5.8% in relative value.

III.1. Resources

The breakdown of revenue is as follows by major category:

- **Oil revenue: 806 billion** compared to 562 billion in the initial budget, i.e. an increase of 244 billion (+43.4%) from the NHC oil royalty due to the surge in the world price of a barrel of oil. The level of the oil tax was maintained at 100 billion as in the finance law, its payment being a deferral of the duties due on the previous year;
- **Revenue from taxes and duties: 2 184.8 billion** as in the initial budget;
- **Customs revenue: 863.9 billion** compared with 903.9 billion in the initial budget, i.e. a drop of 40 billion (-4.4%) due to the impact of the crisis and the EPAs on foreign trade;
- **Non-tax revenue: 226.2 billion** against 216.2 billion in the initial budget, an increase of 10.0 billion (+4.6%) to take into account revenue from the sale of Covid-19 tests and the mobilization of consular revenue;
- **Grants: 142.3 billion** as in the initial budget;

In total, internal resources increase by **214.0 billion**, corresponding to a rate of change of **5.3%** compared to the initial 2022 budget law.

III.2. Expenditure

The breakdown of expenditure is as follows by major mass:

- **Personnel expenditure: 1 174.3 billion** against 1 124.8 billion in the initial finance law, i.e. an increase of 49.5 billion (4.4%) linked essentially to the financial effects of the government's commitments to respond to the problems of secondary school teachers and to anticipate the demands of health personnel;
- **Expenditure on goods and services (including the decentralization of regions and the provision for import-substitution): 810.9 billion** against 867.4 billion in the initial budget law, i.e. a reduction of 56.5 billion (-6.5%); in fact, a budgetary saving of 73.5 billion was made on this item of expenditure from, on the one hand, precautionary blocking (-63.5 billion) and, on the other hand, the adjustment of the provision for import-substitution from 50 to 40 billion (-10 billion). Part of the budgetary savings thus achieved made it possible to double the provision dedicated to supporting the prices of basic necessities from 15 to 30 billion and to reinforce the carry-over provision by 2 billion;
- **Transfers and subsidies: 1 013.2 billion** against 653.2 billion in the initial budget, an increase of 360 billion (+55.1%). This increase is due to the inclusion of the additional shortfall in marketers' earnings, estimated at 480 billion against an initial budgetary entry of 120 billion in the finance law, given the surge in oil prices and the government's desire to keep the price of hydrocarbons stable at the filling station;
- **Investment expenditure from own resources (including rehabilitation and restructuring expenditure): 639.2 billion** against 699.2 billion in the initial 2022 budget, i.e. a reduction of 60 billion (-8.6%) given the budgetary constraints.
- **Expenditure on investment from external financing: 779.8 billion** as in the initial 2022 budget.
- **Interest on debt: 239.6 billion** as in the initial 2022 budget.

The SAA budget was revised to **102.7 billion** compared to 152.7 billion in the initial finance law, i.e. a decrease in absolute value of **50 billion** due to the reduction by half of the Covid-19 STF expenditure. This reduction is explained by the restriction of the strategy to combat Covid-19 to vaccination and the taking into account of the measure of payment by users of screening tests, in a context of relative control of this pandemic.

The revised revenue of COVID-19 SAA is made up of two sources:

- on the one hand, the financial contributions of the World Bank in the form of funds of assistance up to **35 billion** as in the initial 2022 finance law;
- on the other hand, payments of revenue from the general budget, amounting to **15 billion** compared to 65 billion in the initial 2022 Finance Law.

III.3. Budget deficit financing

The budget deficit resulting from the revision of State revenue and expenditure in 2022 amounts to **547.8 billion** against **518.8 billion** in the initial finance law, i.e. an increase in the deficit of 29 billion.

The other financing and cash flow costs borne by the State, in addition to the financial needs linked to the budget deficit, are as follows:

- **Amortization of the (structured) debt: 1 060.7 billion** against **1 021.7 billion** in the initial finance act, i.e. an increase of 39 billion (+3.8%). This variation takes into account the domestic debt arrears at the end of 2021 (+47 billion), the reduction of the outstanding BTAs (+50 billion) and the postponement of the maturity of the BEAC's debt in terms of statutory advances (-58 billion);
- **Refund of VAT credits: 84 billion** as in the initial 2022 Budget Law;
- **Arrears including unstructured CAA debt: 146 billion** compared with **100 billion** in the initial 2022 Finance Law, i.e. an increase of 46 billion to strengthen the settlement of the State's domestic debt;
- **Net outflow of funds from correspondents: 30 billion** as in the initial budget law.

On this basis, the State budget shows a total financing requirement of **1 868.5 billion** against 1 754.5 billion in the initial budget law, i.e. an increase in this requirement of 144 billion. The levers mobilized by the State to ensure the financial balance of these operations are as follows:

- **Project loans: 746.5 billion** as in the initial 2021 finance law;
- **Budgetary support: 313 billion** compared with 369 billion in the initial 2021 budget law, with the reduction by half of World Bank support (-53 billion) and that of the African Development Bank (- 3 billion);
- **Exceptional financing: 105 billion** made up of SDRs of 70 billion and a World Bank contribution of 35 billion as part of the on-going fight against Covid-19, as in the initial Finance Law;
- **Issuance of public securities: 350 billion** as in the initial Finance Law;
- **Bank financing: 154 billion** compared with 184 billion in the initial 2022 Finance Law, i.e. a reduction of 30 billion. In fact, the cash balance of the State's current account at the BEAC at the end of December 2021 was practically zero. Hence the deduction of the 30 billion initially projected for the said balance in the 2022 IFL
- **Other loans: 200 billion;** this is new financing to be raised on the domestic financial market.

Table 14: Change in resources and expenses in the LFR 2022 compared to the LFI

HEADINGS	2022 FL	2022 RFL	Variation	
			Amount	%
Total resources	5 679,7	6 007,7	328,0	5,8%
Internal revenues and grants	4 009,2	4 223,2	214,0	5,3%
Oil revenues	562,0	806,0	244,0	43,4%
Non-oil revenues	3 304,9	3 274,9	-30,0	-0,9%
Tax revenues	3 088,7	3 048,7	-40,0	-1,3%
Taxes and duties	2 184,8	2 184,8	0,0	0,0%
Customs revenue	903,9	863,9	-40,0	-4,4%
Non-tax revenues	216,2	226,2	10,0	4,6%
Grants	142,3	142,3	0,0	0,0%
Projects	33,3	33,3	0,0	0,0%
Programme	109,0	109,0	0,0	0,0%
Gross funding	1 670,5	1 784,5	114,0	6,8%
Project loans	746,5	746,5	0,0	0,0%
Budget support (IMF, EU, AFD, WB, ADB)	369,0	313,0	-56,0	-15,2%
Of which IMF	150,0	150,0	0,0	0,0%
EU	0,0	0,0	0,0	-
AFD	45,0	45,0	0,0	0,0%
WB	106,0	53,0	-53,0	-50,0%
ADB	53,0	50,0	-3,0	-5,7%
Others	15,0	15,0	0,0	0,0%
Issuance of securities (MLT)	350,0	350,0	0,0	0,0%
Bank financing (excluding public securities)	100,0	70,0	-30,0	-30,0%
Other borrowing	0,0	200,0	200,0	-
IMF SDRS	70,0	70,0	0,0	0,0%
Exceptional financing	35,0	35,0	0,0	0,0%
WB (STF -Covid Assistance Fund)	35,0	35,0	0,0	0,0%
Total expenditure and net lending	5 679,7	6 007,7	328,0	5,8%
Current expenditure	2 564,4	2 927,4	363,0	14,2%
Personnel expenditure	1 124,8	1 174,3	49,5	4,4%
Purchases of goods and services	786,4	739,9	-46,5	-5,9%
Transfers and subsidies	653,2	1 013,2	360,0	55,1%
Capital expenditure	1 479,0	1 419,0	-60,0	-4,1%
Expenditure on external funding	779,8	779,8	0,0	0,0%
Expenditure on own resources	664,3	620,3	-44,0	-6,6%
Expenditure on participation/restructuring	35,0	19,0	-16,0	-45,8%
Net loans	-20,0	-20,0	0,0	0,0%
Covid-19 Financing Fund	100,0	50,0	-50,0	-50,0%
Local Production Revival Fund	50,0	40,0	-10,0	-20,0%
Decentralisation Addendum (DGC)	31,0	31,0	0,0	0,0%
Debt Service	1 475,3	1 560,3	85,0	5,8%
External debt service	677,0	677,0	0,0	0,0%
Principal	520,0	520,0	0,0	0,0%
Of which Eurobonds 2015 redemption	0,0	0,0	0,0	-
Interest	157,0	157,0	0,0	0,0%
Domestic debt service	798,3	883,3	85,0	10,6%
Principal	531,7	570,7	39,0	7,3%
Of which ECMR	50,0	50,0	0,0	0,0%
Correspondents	30,0	30,0	0,0	0,0%
Accumulation of BEAC deposit/Repayment of statutory advances	58,0	0,0	-58,0	-100,0%
Reduction of outstanding BTA	0,0	50,0	50,0	-
Interest	82,6	82,6	0,0	0,0%
VAT credits	84,0	84,0	0,0	0,0%
Outstanding Treasury/unstructured debt CAA	100,0	146,0	46,0	46,0%
Of which Remainder to be paid Treasury	85,0	120,0	35,0	41,2%
Unstructured debt CAA	15,0	26,0	11,0	73,3%
Compensated tax debt/Floating debt	0,0	0,0	0,0	-
Other arrears	0,0	0,0	0,0	-
0	0,0	0,0	0,0	-
Financing capacity (+)/Need (-)	0,0	0,0	0,0	

Source: MINFI

CHAPTER III: STRATEGIC ORIENTATIONS OF PUBLIC POLICIES

This chapter presents the fundamental orientations and objectives of the National Development Strategy (2020-2030). It then provides an update on the state of implementation of the policies of the said strategy, and presents, taking into account the economic constraints linked to the international and national economic context, the global and sector strategic orientations that will guide the actions to be implemented over the period 2023-2025.

I. Brief presentation of the NDS-30

The public policy guidelines to be implemented over the period 2023-2025 are inspired by the National Development Strategy (NDS30), which constitutes the new reference framework for action by the Government and development partners for the period 2020-2030. The NDS30 takes over from the DSCE and operationalizes the second phase of the country's long-term development vision.

This section aims at briefly presenting the fundamental orientations, objectives, structuring reforms and pillars of the NDS30.

1.1. Fundamental orientations of the NDS30

The NDS30 defines three fundamental orientations that should frame the elaboration and implementation of development policies over the period 2020-2030. They are as follows:

A mix between import/substitution and export promotion: During the DSCE period, it was observed that the strong extraversion of our economy, which made recovery policies difficult, did not favour the emergence of our SMEs/SMIs.

A strategic and pragmatic State that puts in place the facilities for the emergence of the private sector as the main engine of economic growth and opportunely carries out targeted interventions in highly strategic sectors, particularly through the lever of public contracts.

A combination of imperative and indicative planning: Through this fundamental orientation, it is a question of strengthening the prioritisation exercise of development initiatives and making the implementation of planned policies more binding.

On the other hand, the implementation of the strategy is intended to follow certain guiding principles that constitute preconditions for success. It consists of: (i) maintaining the stability of the macro-economic framework; (ii) a single plan which clearly and unambiguously articulates the hierarchy of the various sector, thematic and spatial planning tools; (iii) the articulation of planning in a logic of harmonious, balanced and equitable development of the territory; (iv) the planning of development action within the framework of decentralisation; (v) the integration into planning of the requirements of catching up for areas affected by social and security crises; (vi) integrating the requirements of unity in diversity and improving the relationship between the state and its citizens; (vii) strengthening the strategic management of the state, and creating optimal conditions for the private sector to take its rightful place and play a driving role in the economy; (viii) taking into account international development commitments in planning, while contextualising them.

1.2 Objectives of the NDS30

The overall objective of the NDS30 is to proceed with the structural transformation of the economy by making fundamental changes in the economic and social structures in order to promote an endogenous and inclusive development while preserving the opportunities of future generations. The aim is to turn the country into a Newly Industrialized Country.

To this end, it puts into perspective a framework of strategic objectives consistent with the Sustainable Development Goals (SDGs) as follows:

- i) **Setting the conditions for strong and sustainable economic growth and ensuring that the necessary structural changes for the country's industrialisation are achieved.** To achieve the ambition of being an upper-middle income country by 2035, the average annual GDP growth rate will have to increase from 4.5% (as observed over the period 2010-2020) to 8.1% over the period 2020-2030. In order to develop the industrial sector, growth in the secondary sector (excluding oil) is to be increased to more than 8% on average over this period.
- ii) **Improving the living conditions of the population and their access to basic social services by ensuring a significant reduction in poverty and underemployment.** This improvement requires reducing the rate from 37.5% in 2014 to less than 25% in 2030 and reducing underemployment from 77% in 2014 to less than 50% in 2030.
- iii) **Strengthening climate change adaptation and mitigation measures and environmental management** to ensure sustainable and inclusive economic growth and social development and promote sustainable development, preventing and minimising the adverse impacts of economic activities on the environment and climate.
- iv) **Improving governance to strengthen the performance of public action to achieve development goals.** In particular, this will involve pursuing the reforms needed to improve the functioning of institutions and accelerating the implementation of decentralisation.

1.3. Structural reforms of the NDS30

The overall objective of the NDS30 is to proceed with the structural transformation of the economy by making fundamental changes to economic and social structures to promote endogenous development, in order to achieve the status of upper middle-income country, the average annual growth rate of GDP will have to rise from 4.5% (as observed over the 2010-2020 period) to 8.1% over the 2020-2030 period.

To achieve this, the strategy defines seven priority cross-cutting structural reforms that will have to be carried out by the government to build the basis for its harmonious and effective deployment. These include:

- i) Increasing the share of resources transferred to the Regional and Local Authorities to at least 15% of State revenue, in particular by increasing the transfers of investment operations and accelerating the establishment of the local civil service.
- ii) Increasing to at least 60% the share of public orders for goods and services, addressed to local industries, including for the defence and security forces.

- iii) Completing all on-going projects and finalising all modalities for the full commissioning of infrastructure resulting from major first-generation projects through the implementation of their related projects, to enable them to produce the expected economic effects.
- iv) Prioritising in the implementation of major projects to the Project-Finance and Public-Private Partnership approaches, which will make it possible to adequately involve the private sector and efficiently mobilise investment resources.
- v) Finalising land reform to facilitate the effective availability of land resources to investors, farmers, property developers, transport infrastructure construction programmes, etc.
- vi) Promoting the emergence and support of national champions in the sectors driving the structural transformation of the economy, particularly through the establishment and operation of economic zones and greater fluidity in the implementation of incentives for business development.
- vii) Prioritising the maintenance of existing equipment and infrastructure to ensure their sustainability and functionality. This will make it possible to consolidate the achievements and strengthen the coherence of the programming.
- viii) The implementation of the NDS30 is based on four pillars which include: (i) structural transformation of the economy; (ii) development of human capital and well-being; (iii) promotion of employment and economic integration; and (iv) governance, decentralisation and strategic management of the State.

II. Actions undertaken in the context of the implementation of the NDS-30 and challenges to be met

II.1. Actions undertaken

The beginning of the current decade is marked by an unfavourable global economic context, due to the occurrence in 2019-2020 of the economic crisis caused by the Coronavirus pandemic, and more recently in early 2022, to the widespread inflation caused by the Russo-Ukrainian war. Although these crises affected the situation of public finances and in particular the capacity to mobilise resources, several actions were undertaken from 2020 onwards with a view to making the NDS30 operational. These include both the reforms carried out to operationalise the fundamental orientations of the strategy and the actions carried out to initiate structural reforms and address its pillars.

II.1.1. Within the framework of reforms linked to the fundamental orientations of the strategy

The actions carried out have focused in particular on:

- ✓ **The strengthening of the import substitution policy:** In this regard, the Government has developed, in 2020-2021, a plan to support the production of consumer goods that burden the balance of trade (rice, fish, corn and milk among others). This plan has been allocated 40 billion for the 2022 budget year to support actors involved in the production

of the identified commodities. The support is planned to be provided mainly in kind (fertilisers, seeds, production equipment, etc.);

- ✓ ***The start of the General Review of Public Policies (RGPP) process:*** As the NDS30 prescribes a shift towards a strategic state, the Government undertook work with a view to rationalising its intervention and making its actions more efficient in view of the development objectives pursued. Fiscal and customs measures have already been taken since 2021 to promote second-generation agriculture, encourage the construction of agri-food factories, and support livestock farming as well as the national health supply;
- ✓ ***The preparation of a draft law on modernising the economy, providing programmatic guidance for the NDS30:*** The aim of this text is to make certain elements of the strategy more imperative to guarantee greater discipline and better coordination in its implementation. Once promulgated, this law will give a legal and enforceable character to the main orientations and priority reforms of the NDS30.
- ✓ ***Continued implementation of plans for the reconstruction of the affected regions:*** In this regard, the Presidential Plan for the Reconstruction and Development of the North-West and South-West Regions (PPRD) was made operational in 2021 with an allocation of approximately 10.4 billion, followed by an allocation of 10 billion in 2022. It has three components: promoting social cohesion, rehabilitating their school and health infrastructure affected by the crisis, and revitalising the local economy. In terms of implementation, 65 projects were completed or are in the process of being completed, 42 in the South West and 23 in the North West. The Government is also continuing with the reconstruction of the Far North region, which received an initial allocation of 5 billion in 2021, and for which the decree establishing and operating the Special Reconstruction and Development Programme was signed on 24 May 2022 by the Prime Minister, Head of Government.
- ✓ ***The carrying out of studies relating to the implementation of the prerequisites for the deployment of Universal Health Coverage.*** An agreement in Public-Private Partnership mode was signed in 2021 between the State and a private operator responsible for setting up the enrolment and registration system for the beneficiaries of the UHC. In addition, actions aimed at increasing the capacity to provide health services have continued. These include: (i) the construction, rehabilitation and equipment of health facilities, including on-call accommodation for health staff; (ii) the acquisition of tricycles/motorcycles; (iii) the organisation of hospital reform activities as a prelude to the UHC. In addition, an agreement was signed with the private sector for the design of the individual registration system. In addition, preliminary studies and technical measures were taken to extend the health voucher and PBF (Performance Based Financing) mechanisms to the South and East regions in 2023, in addition to the North which already benefits from them;

II.1.2. As part of the reforms linked to the pillars of the strategy

Actions were also undertaken to address each of the pillars of the NDS30, namely structural transformation, human capital development, employment promotion and governance. With regard to the structural transformation pillar, the main action consisted in defining a portfolio of projects that would significantly boost the dynamics of the secondary sector and industry in particular.

Box: Initial Impulse Programme for the implementation of the NDS30 (P2I)

The effort to be made in terms of economic growth to achieve the objective of being an upper middle-income country is 8% on average per year. The start of the implementation of the NDS30 was unfortunately marked by the occurrence of the Covid19 pandemic two years ago and the adverse effects of the Russo-Ukrainian conflict which continue to undermine any economic recovery effort, the Government undertook to define a set of projects to achieve structural transformation. These projects constitute the "Initial Impulse Programme" for the implementation of the NDS30.

The P2I is mainly composed of industrial projects identified and prepared by private entrepreneurs and requiring, depending on the case, interventions of some public administrations. These projects are essentially the priority sectors selected by the SND30 for structural transformation that are: mining-metallurgy-siderurgy, textiles-textile-leather, digital development, energy industry, chemicals-pharmaceuticals, food and hydrocarbons-refining-petrochemical.

Almost all P2i projects have already undergone the necessary studies for implementation and will be implemented by private investors and by some operational structures of the State. The financial contribution of the State to the realisation of the programme is 8% and the financial packages are based on the financial profitability of the different projects. In accordance with the considerations of the SND30, the financing method chosen for the implementation is the Public-Private Partnership.

The simulations carried out reveal positive impacts of the P2I on public revenues for the entire implementation period from 2023 to 2026, but also after. In addition to the clear positive impact of this programme on GDP growth, significant impacts on the balance of payments and foreign exchange stock are also envisaged as most projects will be financed by FDI.

The actions carried out in the framework of the implementation of the NDS30 concerning the other pillars are as follows:

- ✓ ***The completion of feasibility and economic profitability studies of the NDS30 plans for structural transformation:*** Preliminary studies were carried out in 2021, notably concerning the following plans: agro-industry, local pharmaceutical industry; construction of all-season communal roads; local production of agricultural inputs; current management of transport infrastructure; modernisation of large towns; and Science-Technology-Engineering-Mathematics. A technical assistance team recruited by the Government has finalised the terms of reference for the implementation of these plans and defined a financial package for their financing in PPP mode;
- ✓ ***The definition of a portfolio of projects to be implemented in Project-Finance mode to boost the country's industrial development:*** Consultations were organised with the private sector and public establishments to identify mature industrial projects likely to be implemented in Project-Finance mode. They led to the elaboration of a programme essentially made up of industrial projects to be implemented between 2023 and 2026, to allow the economy to progressively increase its industrial and manufacturing production. This programme, called the Initial Impulse Programme (P2I) includes projects on textiles, aluminium, transport, chemistry-pharmacy and digital technology among others. It sets

out the financing mechanisms for each of the projects as well as the modalities of implementation.

- ✓ ***Continued identification of goods for the local capture of the public order:*** Work was carried out by the Government in 2021 to identify the products for which the State will have to prioritise and progressively direct its consumption towards the local productive sector. A provisional list of these products, highlighting wooden office furniture, beverages and textile industry products, has already been drawn up. The work relating to the analysis of the production potential of the sectors concerned by the identified goods is being finalised;
- ✓ ***Signing of the partnership contract for the construction of the railway linking Mbalam to Kribi:*** This contract concerns the construction of a railway to transport iron from Mbalam as well as the production of iron ore extracted from the Congolese subsoil to the port of Kribi. This project, associated with the construction of a mineral terminal at the Port of Kribi, costs 5,400 billion and will be entirely financed in PPP mode by the Consortium formed for this purpose. The infrastructure will include a double-track railway; a rail for unloading wagons; a refuelling and track maintenance yard in the terminal; a main marshalling yard with operating and maintenance facilities; 510 km of main line and 6 passing sidings, and a train control and signalling system;
- ✓ ***Alignment of ministerial programmes with the orientations of the NDS30:*** This exercise made it possible to improve the quality of programme formulation in line with international standards in this area, to examine and take on board all the sector specific problems expressed in the NDS30, and to establish inter-ministerial synergies. The activity also served as a framework for the review and revision of performance measurement indicators for better monitoring and evaluation of the implementation of public policies;
- ✓ ***The promulgation of a new statistical law (No. 2020/10 of 20 July 2020):*** It sets the basic principles for the production of official statistics, the ethical rules, the institutional framework relating to statistical production and the modalities of coordination of statistical activity. This law highlights a National Strategy for the Development of Statistics (NSDS), as a reference framework for the programming of statistical operations and the production of official statistics;

II.2. Challenges to be met

The challenges to be met concern the measures and reforms necessary to bring about a structural change in the behaviour of the population and the overall functioning of the administration and public institutions. These include:

- **Mitigating the adverse effects of the international economic situation on the prospects for economic and social development:** This will involve carrying out reforms that will enable the country to be more resilient in the face of crises such as Covid-19 and

the Russo-Ukrainian conflict, which have led to an increase in the price of certain raw materials and threaten food security;

- **Strengthening economic patriotism:** This will involve taking action to ensure that national preference and local consumption become deeply rooted in the economic, social and cultural habits of all actors in society;
- **The orientation of public expenditure towards actions that are most consistent with the development objectives pursued:** This involves prioritising public expenditure, and in particular the investment budget, in projects that will enable the economy to significantly increase its stock of physical capital and to be more autonomous in the production of certain strategic products.
- **Strengthening decentralisation through the effective transfer of competences and associated resources devolved to the LRAs:** All competences and resources devolved to the LRAs must be transferred and implemented in accordance with the aspirations of the population at the grassroots.

III. Global and sector specific strategic orientations

This part defines the strategic orientations at the global and sector levels, from which the public policies that the Government intends to implement between 2023 and 2025 will be derived. These guidelines are based on the National Development Strategy 2020-2030 (NDS30).

III.1. Overall strategic orientations

These are the major strategic orientations that will guide the Government's action with a view to putting the country in a position to achieve its objective of emergence. As the long-term objective is to have an economy with less extractive consumption, priority will be given to measures to mitigate the harmful effects of recent crises on the national economy. The main economic policy measures will focus on supporting the productive and agro-industrial sector. To this end, the government will ensure a significant increase in the share of local production and industrial transformation of the economy.

At the operational level, priority will be given to the implementation of the projects of the Initial Impulse Programme (P2I) and to the operationalization of the import-substitution policy, which will be reflected in the implementation of the plan to support the production of consumer goods. The optimal assumption by the Government of measures to accompany investments related to the implementation of various projects of P2i will be a priority from 2023. The steering and monitoring of private investment, as well as the direction of state support in terms of incentives will be the subject of special attention.

With regard to the import-substitution policy, the emphasis will be on increasing the local supply of mass consumption products and inputs for agro-industries (maize, milk, fish, sorghum, soya, potatoes, cassava, plantain, etc.). To this end, the technical and material support provided by the

State to producers will be stepped up, and actors already operating in the various sectors linked to the targeted industries will be particularly concerned.

III.2. Sector strategic orientations

These orientations define the guidelines on the basis of which the sector policies to be implemented during the next three-year period will be developed. They cover the four pillars of the NDS30, namely: structural transformation of the economy, development of human capital and well-being, promotion of employment and economic integration, and governance, decentralisation and strategic management of the State.

III.2.1. Structural transformation

Given the current situation in the field of production and the long-term development objectives in this area, the first challenge is to continue to put major projects into service so that they contribute effectively to the strengthening of the productive apparatus. The second is to modernise the factors of production in the rural and agricultural sector. The third is to promote research and innovation.

Consequently, the strategic orientations for the next three-year period in the field of production are as follows:

**** Infrastructure sector***

With regard to infrastructure, the main orientation of public policies for the period 2023-2025 concerns the finalisation and commissioning of major first-generation projects (Lom Pangar dam, Memve'ele hydroelectric dam, Natchigal hydroelectric dam, drinking water supply project for the city of Yaoundé and its surroundings from the Sanaga River, etc.). For second generation projects, priority will be given to: (i) taking into account the coherence and interdependence of projects from the design phase; (ii) improving the determination of infrastructure production costs; (iii) prioritising the construction of public infrastructure; (iv) defining a policy for the maintenance and renovation of public infrastructure; and (iv) enhancing the value of the Project-Finance approaches in the design of second-generation projects.

**** Rural sector***

For this sector, the Government's efforts will aim at improving the effectiveness and efficiency of the actions it undertakes to support farmers. Thus, a performance contract mechanism will be put in place between the State and the beneficiaries of input support (seeds and fertilisers). Specific support will be provided to medium and large-scale farmers. Particular emphasis will be placed on the production of goods that have the greatest impact on the balance of trade, such as rice, corn, wheat, fish and milk. The provision of agricultural equipment to producers in rural areas will also be a priority. Finally, the state intends to put in place by 2024 an effective mechanism to enable actors in the livestock sector to acquire the materials and equipment necessary for the production of inputs such as feed.

**** Industries and Services sector***

In this area, the Government's priority will be to promote the "made in Cameroon" label in priority sectors such as agro-industry, wood, textiles, mining and metallurgy, the pharmaceutical and

biomedical industries, etc. To achieve this, economic zones will be created and facilities will be granted to local producers, especially national champions. In particular, fiscal and customs incentives will be strengthened to encourage imports of production tools and equipment in these sectors on the one hand, and to facilitate exports of finished products to the outside world on the other. The Government will also take care to favour technological catching up, to encourage research and development and innovation, and to promote the definition and respect of standards. Studies for the implementation of agro-industry, energy and digital plans will be conducted.

III.2.2. Human capital development

The issue of human capital is essential for industrial development. It refers to the need to have healthy and well-trained men and women to carry out the structural transformation of the economy. Human capital needs to be supported by a system of social protection to make it capable of coping with the occurrence of socio-economic risks throughout the life cycle. To achieve this, the key elements include:

**** Health and nutrition sector***

Raising the technical level of hospital structures, which will continue to be a priority in the health sector between 2023 and 2025, in order to improve the supply and quality of care, and reduce infant and maternal mortality in these areas. The use of the health check and PBF mechanisms will be extended to the southern and eastern regions to progress towards wider coverage of populations vulnerable to access to certain care. The intensification of the establishment of hospital structures, as well as the deployment of medical personnel in rural areas and in the northern regions, will continue to improve health coverage ratios. Finally, the government will work to accelerate the implementation of Universal Health Coverage to enable the greatest number of people to benefit from quality health services at a lower cost. With regard to nutrition, a national plan will be put in place to combat malnutrition in pregnant or breastfeeding women and children under five, and to improve the price support system for access to nutrients and food for infants.

**** Education and vocational training sector***

In this sector, the improvement of the quality of education will be a priority, through the establishment of basic education following an 8-year cycle, the reform of teaching content, the creation of bridges between the different levels of education, the adaptation of training to the socio-economic environment, the development of the skills-based approach, and the definition of appropriate strategies to bring establishments closer to the population. Particular emphasis will be placed on restructuring the provision of technical education and vocational training at secondary and higher levels. To this end, the government will carry out a reform with a view to regulating the flow of students and gradually changing the structure of training provision in favour of technical and vocational training. The studies for the operationalization of the capacity building plan for actors in the informal sector, and the Science-Technology-Engineering-Mathematics plan will be completed. The school textbook policy will also be a strategic focus. In addition, scientific research will be stepped up in the fields of construction, agriculture and health, notably with the implementation of the chemistry-pharmacy plan based on the development of the national therapeutic potential.

**** Social development sector***

In the social development sector, incentives for actors to migrate from the informal to the formal sector will continue to be intensified, to facilitate the steering of the economy on the one hand,

and to improve compliance with regulations on working conditions on the other. Measures to empower socially vulnerable people (women in distress, disabled people, refugees and displaced people) will also be intensified in order to increase their contribution to national wealth creation. In addition, non-contributory social security mechanisms will continue to be strengthened, notably through the Social Safety Net Project, which will considerably broaden the base of beneficiaries and, above all, **diversify the type of direct support offered** (monetary/in-kind) **and indirect** support (targeted subsidies for the poor or vulnerable). The categories of beneficiaries will also be extended to include young people wanting to become entrepreneurs. In addition, from 2023 onwards, emphasis will be placed on gender mainstreaming in the definition and budgeting of public policies. In particular, interventions in the education, health, social protection, rural development and, to some extent, governance and infrastructure sectors will be further structured to integrate the specific needs of women and men and to minimise disparities. Social expenditure and especially that relating to the reduction of gender disparities will be increased.

III.2.3. Promoting employment and socio-economic integration

In this area, the overall objective is to promote access to decent employment for the active population by expanding and enhancing job creation opportunities in the economy. To this end, between 2023 and 2025, the Government will continue to adopt the labour-intensive approach in the implementation of public investment projects. In the same vein, and with regard to subcontracting, it will ensure the strict application of the regulatory provisions in force concerning the involvement of small and medium-sized enterprises in the implementation of all public projects.

The government will also support the LRAs in creating jobs and will continue actions to strengthen the regulation of the labour market. In addition, attractive incentives will be defined for employers' organisations and business groups to encourage the recruitment of young graduates.

III.2.4. Governance, decentralisation and strategic management of the State

In this pillar, the main challenges concern the greater involvement of the population in the implementation of public policies and the significant improvement of the business climate. The strategic orientations of the area for the next three-year period are set out below.

**** Political and administrative governance***

To strengthen national unity and consolidate the democratic process, the government intends to intensify its actions aimed at promoting bilingualism, multiculturalism, the re-appropriation of citizenship and patriotism, and the equitable participation of all social strata in national life. The government is also committed to strengthening and consolidating the decentralisation process through the finalisation of the implementing texts of the law on the General Code of the LRAs, as well as the establishment of the local public service.

The overall system for monitoring and evaluating the results of development policies will be improved with a view to providing the National Statistical Information System with adequate tools for monitoring and evaluating the performance and effectiveness of development policies, in accordance with the Statistics Act of 20 July 2020.

With regard to improving the State's public service, the government intends to continue modernising the management of the administration by strengthening the legitimacy of public action and discipline in the civil service, so that public agents are models of patriotism, integrity and probity. There will also be a General Review of Public Policies (RGPP) to identify areas of inefficiency in the various sectors of state intervention. Specific reforms will be progressively implemented with a view to making public action more effective and efficient in the light of development objectives.

Economic and financial governance

A draft law on the modernisation of the economy, providing programmatic guidance for the NDS30, will be submitted to parliament for adoption. This law will make it possible, among other things, to increase the coherence of project choices and improve their adequacy with the development objectives pursued.

With a view to increasing the share of operational physical capital stock in the State's assets, as recommended by the NDS30, greater emphasis will be placed on the maintenance and upkeep of public works to improve their functionality and utility. Actions related to this concern will be extended to the LRAs.

Measures will continue to be taken to implement measures to improve the business climate. They will focus on reducing costs and simplifying procedures for setting up businesses and obtaining building permits. Controlling public debt, debt sustainability and the sustainability of public finances will remain priorities.

CHAPTER IV: BUDGETARY PROSPECTS FOR THE 2023 – 2025 TRIENNIUM

I. Fiscal policy objectives

The government's public finance policy for the period 2023-2025 continues to be based on a budgetary consolidation effort aimed at ensuring that the State has healthy budgetary room for manoeuvre in the medium term, compatible with a sustainable level of debt and guaranteeing the financial viability of its expenditure programme based on the NDS30, in line with the guidelines of the new Economic and Financial Programme concluded with the International Monetary Fund (IMF).

Thus, the overall budget deficit should continue its downward trend to stand at 1.2% of GDP in 2023 and 2024 against an estimated 2% in 2022, before settling at 0.7% of GDP in 2025. This would enable the Cameroon government, taking into account the evolution and prospects of oil revenues, to respect the reference balance of the CEMAC from 2024.

To achieve this consolidation, the government must make a significant additional effort to mobilise non-oil internal revenue of 0.8 percentage points in 2023, in order to increase the tax burden from 11.8% of GDP in 2022 to 12.6% in 2023. This dynamic should also be continued in 2024 and 2025 through an average tax effort of 0.5 points per year.

At the same time, the government must continue to implement reforms aimed at rationalising and controlling the level of its expenditure, while guaranteeing its socio-economic efficiency, with a view to reducing this expenditure to 15.2% of GDP in 2023 and to 15.1% on average between 2024 and 2025, after an increase in the said expenditure to 16.1% of GDP in 2022 from a level of 15.4% in 2021.

Table 15: Public finance trajectory 2021-2025

<i>Budgetary aggregates</i>	2021	2022	2023	2024	2025
<i>Overall balance (% GDP, ord. basis, incl. grants)</i>	-2.9	2.0	-1.2	-1.2	-0.7
<i>CEMAC reference budget balance (% GDP)</i>	-3.0	-3.3	-1.8	-1.0	-0.2
<i>Tax burden (%GDP)</i>	11.8	11.8	12.6	13.1	13.6
<i>Public expenditure (excluding debt service, %GDP)</i>	15.4	16.1	15.2	15.2	15.0
<i>Wage bill sustainability ratio (% of tax revenue net of VAT credits)</i>	38.8	40.1	37.2	36.2	33.7
<i>Public debt (%GDP)</i>	45.3	45.1	50.0	50.0	50.0

Source: MINFI (NB: The level of the debt stock in 2022 is at the end of May 2022)

The following sections explain the concrete measures underway or planned in terms of revenue, expenditure and debt, to achieve these fiscal policy objectives.

I.1. Non-oil domestic revenue

I.1.1. Internal taxation

* Baseline situation

The mobilisation of internal tax revenues is the primary objective assigned to taxation by the authorities and expressed through the State Budget. The achievement of this objective remains strongly correlated to the economic, financial, social and cultural programme of the State, and to the use of taxation as an instrument of public interventionism. In this respect, achieving fiscal

potential requires effectively addressing all the challenges related to the mobilisation of non-oil domestic tax revenues.

Taking these challenges into account makes it possible to determine fiscal policy guidelines and to identify the prospects for mobilising domestic non-oil tax revenues for the 2023 fiscal year and the 2023-2025 three-year period.

a) Status of domestic non-oil tax revenue mobilisation

Internal tax revenues contributed 39.0% of the total state budget in 2021. They thus represent 58.7% of the State's own resources. The table below shows the distribution of budgetary resources by major categories.

Table 16: Contribution of non-oil internal tax revenues to the State budget in 2021

	Resources	Values	Contributions
Own revenues	DGI	2,064.1	39.0%
	Other (DGD, SNH, etc.)	1,454.1	27.5%
	<i>Sub-total</i>	<i>3,518.2</i>	<i>66.4%</i>
Loans and grants	Loans	1,711.7	32.3%
	Grants	65.0	1.2%
	<i>Sub-total</i>	<i>1,776.7</i>	<i>33.6%</i>
	Total revenue	5,294.9	100.0%

Source: MINFI

Non-oil internal tax revenues increased from 1 053.0 billion in 2012 to 1 990.9 billion in 2021. These revenues increased by almost 1,000 billion (+90%) over the last ten (10) years.

A comparative analysis of tax pressure rates in countries at a comparable level of development with regard to the GDP criterion (Côte d'Ivoire, Senegal, Tunisia, Ghana, Uganda and DRC), based on data from the OECD, ATAF, AU and Development Centre publication Public Revenue Statistics in Africa 2020, reveals the following trends:

- Only Senegal (16.5%) and Tunisia (32.1%) have a higher tax burden. Côte d'Ivoire (13.1%), Ghana (14.1%), Uganda (11.8%) and DRC (7.5%) are below Cameroon (14.6%);
- Compared to the 30 African countries presented in the above-mentioned publication, Cameroon ranks 18th. This overall ranking is, however, of relative interest insofar as it does not take into account the disparities in the size of the different economies, nor even the structure of the tax systems;
- In terms of the evolution of the tax pressure rate over the period 2010-2018, Cameroon has one of the highest rates (+2.5%). Among countries at a comparable level of development, only Uganda (+2.7%), Ghana (+3.2%) and Tunisia (+4.9%) show higher rates of change. It should also be noted that Senegal, with a higher tax pressure rate than Cameroon (16.5%), only recorded a 0.7% increase over the period.
- Cameroon, with a VAT/GDP ratio of 5.4%, is ahead of most of its peers, notably Senegal (4%), Ghana (3.8%) and Côte d'Ivoire (2.8%). Only Tunisia (7.1%) has a higher VAT/GDP ratio than Cameroon.

From the point of view of tax structure, non-oil domestic revenues are mainly derived from consumption taxation (54%), income taxation (35%) and wealth taxation (11%). The table below shows the breakdown of these tax revenues by type of tax for the year 2021.

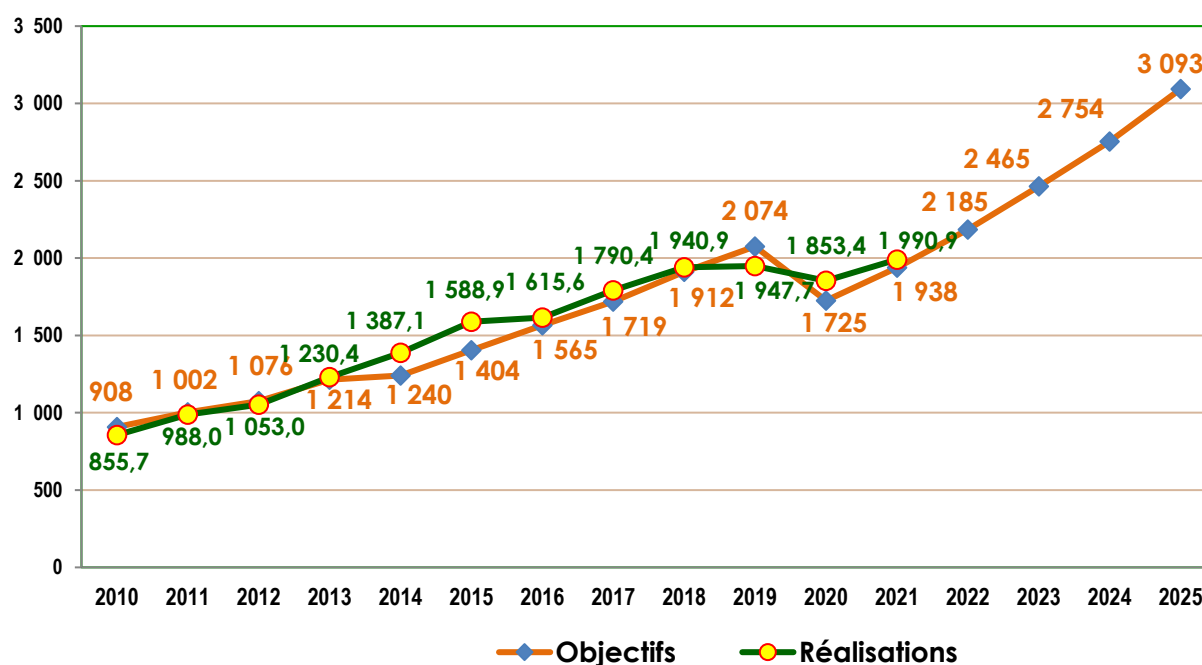
Table 17: Major tax yields of the DGI (in billions)

Taxes and duties	Revenue	Contribution
VAT	657.9	33,0%
Taxes on oil companies	394.3	19,8%
Excise duties	270.4	13,6%
Wages and Salaries	175.3	8,8%
Special Tax on Petroleum Products (TSPP)	146.8	7,4%
Special Levy (TSR)	82.5	4,1%
Other tax revenues	79.4	4,0%
Registration fees and taxes	71.1	3,6%
Stamp duty	49.2	2,5%
Income from Transferable Securities	45.5	2,3%
Forest revenues	18.5	0,9%
TOTAL	1,990.9	100,0%

Source: MINFI

For the 2021 fiscal year, out of a non-oil tax revenue target of **1,938.4** billion, the DGI mobilised **1,990.9** billion, i.e. an achievement rate of **102.7%**. The tax reforms carried out in recent years made it possible to maintain an upward trend in year-on-year terms. Thus, compared to the 2020 non-oil internal tax revenues of **1,853.4** billion, the 2021 achievements are up by **137.5** billion (+7.4%).

Figure 2: Evolution of non-oil tax revenue targets and achievements



b) Situation of the economic and social function of taxes

In pursuit of the fiscal policy guidelines for the 2022-2024 triennium, and in line with Cameroon's commitments within the framework of the Economic and Financial Programme (EFP) with the International Monetary Fund (IMF), as well as the objectives of the NDS-30, taxation remained a constant tool for social (1) and economic (2) promotion. In addition, and with a view to

promoting growth and employment, economic recovery has been a central concern of the public authorities through fiscal measures to support businesses faced with the effects of the global health and security crisis (3) and measures to revive businesses located in economically depressed areas (4).

1. In terms of social promotion

Social protection has become one of the government's top priorities in the face of the rise in the cost of living since the second quarter of the 2020 financial year, a consequence of the Covid-19 health crisis and its serious economic and social repercussions. Inflation thus accelerated from 1.1% in 2018 to around 3% in 2021, leading to a clear contraction in consumption by vulnerable social strata and disadvantaged populations. With a view to preserving the purchasing power of households, the Finance Act for the year 2022 resulted in the following social promotion measures:

- the exemption of allowances paid to young graduates in pre-employment training, thus encouraging the participation of a larger part of the population in economic activity;
- the reduction from 10% to 5% of the rate of registration fees on transfers by death, coupled with the increase from 500,000 to 2,000,000 of the deductible amount of funeral expenses, to facilitate the tax cost of asset transfers;
- the granting of a tax amnesty to those liable for the Land Property Tax and the Land Income Tax, exempting them from the payment of penalties, in the event of regularisation during the financial year 2022;
- the registration of donations made to religious and non-profit organisations and associations free of charge.

It is worth recalling that the above-mentioned set of measures complements the numerous VAT exemptions already granted to households for the acquisition of basic necessities (wheat, flour, bread, eggs, etc.), for a tax expenditure of 200 billion on average each year.

2. In terms of promoting the economy

Faced with the slowdown in the global economy due to the health crisis, Cameroon recorded a decline in growth to 0.5% in 2020, compared to 2019 when it stood at 3.9% against 4.1% in 2018. To reverse this trend, which is detrimental to the competitiveness of the national economy, a series of fiscal measures aimed at freeing up the energies of companies through reductions in their tax burden were introduced in the Finance Law for the year 2022. These measures aim at consolidating the growth recovered in 2021 (3.5%) with the end of the Covid-19 pandemic crisis. These include in particular:

- the reduction from 15% to 5% of the rate of registration fees on large-scale transfers of company rights, to lessen the cost of company restructuring;
- the spreading over a period of five (05) years of the payment of the taxation of the capital gain of free revaluation of fixed assets allowing the reinforcement of the equity capital of companies;

- the reduction from 30% to 15% of the taxation of any commercial profits made by non-profit organisations when they distribute the profits in question, it being understood that in the event of the absence of distribution of the said profits, these organisations remain exempt from the payment of any tax;
- the establishment of specific depreciation rates for certain sectors in order to accelerate the renewal of modern technological equipment in companies;
- the exemption of the prior delivery of the certificate of exemption to benefit from the VAT exemptions provided for in articles 122 and 128 of the General Tax Code (GTC);
- the introduction of a symbolic penalty of 15% for taxpayers who spontaneously pay the taxes imposed on them after a tax audit.

In addition to the measures listed above, it is worth noting that the Cameroon tax system is full of important incentives for investment in growth and job-creating sectors. This applies to:

- the law of 18 April 2013 establishing incentives for private investment in Cameroon;
- the law of 16 December 2013 governing economic zones in Cameroon;
- the law of 16 July 2008 laying down the tax regime for public-private partnership contracts;
- the laws establishing the oil, mining and gas codes;
- the derogatory tax regimes enshrined in the CGI, such as the:
 - o regime for promoting the agricultural sector;
 - o regime for promoting innovative start-ups in the ICT sector;
 - o tax regime for promoting research and innovation;
 - o tax regime for promoting the use of local raw materials;
 - o tax regime for promoting economically depressed areas;
 - o tax regime for promoting the stock market sector and public debt securities; etc.

3. In terms of support for businesses facing the effects of the global health and security crisis

Taking the measure of the inflationary pressures induced by the increase in maritime freight costs and the surge in raw material prices following the Russo-Ukrainian conflict and the health crisis, the authorities approved fiscal measures to protect the national industrial fabric, in this case the suspension of the payment of the income tax instalment for the milling industry for a period of six months, which may be renewed.

These measures are in addition to the accompanying measures already put in place before the crisis, notably:

- a 50% reduction in the advance payment of income tax, and the application of a favourable regime for the advance payment calculated on the margin of distributors;
- the promotion of the import-substitution policy through the application of excise duties on the import of certain products;
- the complete exemption of investment in the agricultural, livestock and fisheries sectors (VAT, registration fees, land tax, etc.);
- exemptions granted in the framework of incentives for private investment, the tax expenditure of which is estimated at more than 130 billion in 2020.

4. In terms of support for economic recovery in certain regions

Since the 2016 Finance Act, companies located in regions affected by the socio-political and security crisis, particularly the Far North, North West and South West, benefited from special tax support aimed at revitalising economic activity in these regions, while allowing for the harmonious development of the entire territory.

As of 31 December 2021, 14 companies are benefiting from the tax advantages of economically depressed areas, for cumulative investments of 71.1 billion and more than 12,000 projected jobs.

The new tax measures contained in the 2022 Finance Law will support the reconstruction of these economically devastated areas, through the deduction of donations and gifts made by companies in favour of the presidential plan for the reconstruction and development of these areas, for the purpose of calculating corporate tax for the fiscal year ending 31 December 2021.

In addition, this law provides for a series of exemptions from taxes, duties and fees dedicated to supporting the revival of the activities of companies in the banana sector, an important source of employment and foreign exchange.

** Challenges in mobilising non-oil internal tax revenues*

The achievement of fiscal potential during the 2023 fiscal year and the 2023-2025 triennium requires that all the structural (A) and cyclical (B) challenges related to the mobilisation of non-oil domestic tax revenues be effectively addressed.

a) Structural challenges

1. The weight of tax expenditure

As a result of the rationalisation measures that were gradually implemented in 2018, tax expenditure fell from **CFAF 584.7 billion** in 2019 to **452.3 billion** in 2020. Despite this slight decline, the level of tax expenditure remains significant in a context of tightening of the State's budgetary constraint. It thus represents 17.7% of non-oil tax revenue and 1.9% of the Gross Domestic Product (GDP) in 2020, and is distributed as follows:

Table 18: Evaluation of the tax expenditure for the year 2020

Type of tax	VAT	DDI	DA	IS	IRPP	DE
Amount (In billions of CFA francs)	260.1	143.8	21.3	16.2	6.1	4.8

The tax expenditure thus evaluated results from:

- common law tax regimes (VAT exemption for basic necessities, agricultural products and materials, pharmaceutical products, solar and wind energy equipment and materials, reductions in the excise duty base on certain products, regimes to promote the Authorized Management Centre (AMC) and the stock market sector);

- fiscal regimes for investment promotion (incentives for private investment, reconstruction of economically depressed areas, regimes for agreements and specifications);
- national customs provisions (import duty exemptions, ad hoc/express exemptions, import tax base rebates);
- specific sector codes (gas code, mining code and oil code).

With a view to increasing non-oil tax revenues, the continued rationalisation of tax expenditure is therefore a fundamental axis of fiscal policy to be strengthened in the coming years. However, this policy must be reconciled with the need to control inflationary pressures in the context of the COVID19 health crisis, coupled with the Russian-Ukrainian crisis.

2. The size of the informal sector

The narrowness of the tax base and, consequently, the weakness of the tax burden is largely explained by the considerable weight of the informal sector in the economy (around 45% of GDP for a tax contribution of less than 5%). The constraints on taxation of the informal sector are linked, among other things, to tax incivism and the use of cash transactions carried out on the fringes of banking circuits.

In addition to the measures implemented in recent years to meet this challenge (generalisation of withholding taxes and rationalisation of the deductibility of certain charges), emphasis has been placed on:

- Supervising small taxpayers through the Authorized Management Centres (AMCs), which provide them with assistance in fulfilling their tax, accounting and administrative obligations. This system has made it possible to tax more than 4,000 distributors of brewing products who were in the informal sector. To date, fifty-seven (57) AMCs have been approved by the Minister of Finance throughout the country;
- Cleaning up the taxpayers' file and making membership a condition for carrying out customs and public order operations;
- Exchanging information with other financial administrations (DGB, DGTCFM, DGC) and the authority in charge of regulating public contracts (PCRA);
- Setting up the "integrated tax partner" system, which makes it possible to develop a relationship of trust with small informal taxpayers, based on facilitating their tax obligations and promoting tax compliance among their members.

3. The low contribution of individuals to tax revenues

The revenue margins in this area are still significant. By way of comparison, while in developed countries, individuals constitute the most important fringe of the tax population, in developing countries such as Cameroon, their contribution remains marginal. This is particularly true of the property tax, the revenue of which represented less than 1% of overall tax revenue in 2020.

To reverse this trend, the arsenal of existing measures to encourage tax compliance (tax amnesty, the pre-filled declaration (DPR), payment by mobile phone) has been strengthened by the 2022 Finance Law through:

- the simplification of the methods of taxation of property income through the establishment of a tax at a flat rate of 10% on rents received from non-professional tenants;
- the exemption from tax reminders and penalties for the period that is not time-barred, for the benefit of taxpayers who spontaneously regularise their situation with regard to tax on property income and property tax during the 2022 financial year;
- the reduction of registration duties on transfers by death.

The effective implementation of the annual recapitulative return for non-professional taxpayers would optimise the contribution of this segment of the tax population.

4. Protecting the tax base

Controlling the tax base in the current context of economic globalisation remains one of the major challenges facing the Cameroon tax system. The tax base must be protected against two main threats, namely: (i) fraud and tax evasion, and (ii) the dematerialisation of economic transactions which make the taxable material less and less accessible.

i. Intensifying the fight against international tax fraud and evasion

At the level of Cameroon, the overall volume of illicit financial flows is estimated at 6% of GDP, resulting in tax revenue losses estimated at 100 billion annually.

In addition to the emphasis placed in recent years on international tax cooperation (densification of the network of tax treaties, the use of international expertise within the framework of the OECD's Tax Inspector Without Borders, the operationalization of the BEPS Unit and the exchange of information for tax purposes), Cameroon ratified in December 2021, the Multilateral Convention for the Implementation of Measures Relating to Tax Treaties to Prevent the Erosion of the Tax Base and the Transfer of Profits. Scheduled to enter into force in August 2022, this instrument would:

- prevent the abuse of international tax treaties by multinational companies;
- improve the resolution of tax disputes;
- prevent artificial avoidance of permanent establishment status by multinationals;
- neutralise the effects of hybrid arrangements to avoid double non-taxation.

ii. The increasing digitalisation of the economy

The increasing dematerialisation of economic transactions leads to tax losses that are difficult to quantify. Similarly, the non-taxation of e-traders constitutes a distortion of competition that is detrimental to traditional businesses.

To address these concerns, Cameroon amended its legislation to allow for the effective collection of VAT on e-commerce transactions. This measure was enshrined in the Finance Law for the year 2020 and was fully implemented in 2021.

To date, the main e-platforms are registered in Cameroon and fulfil their tax obligations. These include in particular:

- Facebook payments international limited (*online game sales*);
- Facebook Ireland limited (*advertising*);
- Facebook Technologies limited (*digital content sales*);
- Apple Inc (*e-commerce platform*);
- Google LLC (*software sales*);
- Google commerce (*advertising and information*);
- NETFLIX International (*webcasting services*);
- BOOKING.COM (*hotel reservations*);
- MATCH.COM (*online dating*).

Beyond VAT taxation, the levying of Income Tax (IR) is also envisaged by 2023, following the work carried out by the Inclusive Framework of the OECD (Organisation for Economic Co-operation and Development) in which Cameroon is actively involved.

Indeed, to meet the tax challenges posed by the digital economy, an international consensus emerged for a minimum global taxation of 15% of the profits of multinational companies that carry out economic activities throughout the world without necessarily having a physical presence on the territories of the various States.

To implement this reform, a multilateral convention is currently being negotiated and should first be transposed into the domestic law of the States.

According to OECD estimates, this reform is expected to yield a minimum annual return of **20 billion** for Cameroon.

b) Economic challenges

1. *The persistence of security threats in certain regions*

In terms of the economic situation, the mobilisation of internal tax revenue is still affected by the socio-political and security crisis in the North West and South West regions. However, there is a significant increase in the tax yield in these regions at the end of the 2021 fiscal year, with the revenue yield rising from 7.1 billion in 2020 to 8.0 billion for the North West region and from 7.2 billion to 10.3 billion for the South West region. This performance is essentially attributable to the digitalisation of tax procedures, which allows taxpayers in these areas to fulfil all their tax declaration and payment obligations online.

2. The acceleration of the digital transition phenomenon

Tax procedures have for the most part been fully automated. Despite the merits of the digitisation process, both in terms of revenue mobilisation (better security of revenue collected and broadening of the tax base) and improvement of the user experience, the digitisation of processes presents certain challenges that need to be mitigated. These include:

- quality of connectivity (low internet availability and irregular power supply);
- the security of the IT system against cyber-attacks;
- the adaptation of human resources to the new tax professions (staff dedicated to data analysis in a dematerialised context).

However, measures were taken to remedy some of these problems. On the technical side, the tax administration improved the security of its system, which enabled it to cope with the cyber-attacks recorded last year.

On the human resources side, staff are being trained in digital tools and in adapting to the new environment. The imminent opening of the new training centre should enable these needs to be better met.

* Prospects for mobilising non-oil domestic tax revenues

a) General tax policy guidelines for the 2023-2025 triennium

The tax policy objective for the 2023-2025 triennium remains the establishment of an efficient, inclusive, simple, fair and growth-friendly tax system. This policy aims to accelerate the process of achieving the objectives of the NDS-30 following the end of the health crisis. Overall, it will continue to be geared towards increasing the mobilisation of non-oil domestic tax revenues, in particular by strengthening the efficiency of the tax administration (1) and improving the fiscal climate for business (2).

1. Increasing non-oil tax revenues

The projections for non-oil tax revenues over the three-year period 2023-2025 are as follows:

Table 19: Projection of non-oil domestic revenues over the period 2023-2025

Heading / year	2022		2023	2024	2025
	Estimates	Forecast	Projection		
Amount	2,184.8	2,184.8	2,465.1	2,753.8	3,093.4
Evolution	+9.7% (2022/2021)		12.8%	11.7%	12.3%

Source: MINFI

To achieve these objectives, the mobilisation strategy will be based on:

- broadening the tax base, particularly through the rationalisation of tax expenditure;
- strengthening the taxation of individuals and optimising taxation of the informal sector;

- securing revenue through the widespread use of remote payment and electronic monitoring of economic operations;
- promoting fiscal civic-mindedness by continuing to digitalise tax procedures;
- the fight against tax fraud and evasion through the introduction of data mining and artificial intelligence technologies, the use of automated risk analysis systems and external expertise (international or local) in the context of tax audits;
- Digitalising the management tools of tax departments and refining the organisation of central and decentralised structures.

2. Improving the tax environment for business

To strengthen the confidence of taxpayers and investors, the improvement of the business climate will remain a strategic axis of the fiscal policy for the three-year period 2023-2025. It will be reflected in the following measures:

- pursuing the policy of decreasing tax rates;
- increasing the density of online tax services;
- strengthening taxpayer guarantees;
- improving tax education and communication.

b) Prospects for the mobilisation of non-oil internal tax revenues for the 2023 budget

For fiscal year 2023, the outlook for the mobilisation of non-oil domestic tax revenues will be based on the following measures:

1. In terms of broadening the tax base

- continued rationalisation of tax expenditure through the elimination of inefficient exemptions or their submission to reduced rates;
- Strengthening environmental taxation by continuing to tighten the tax regime on the illegal exploitation of natural resources, in line with Cameroon's international commitments;
- continuing to look for innovative sources of tax base expansion;
- consolidating the reform of the integrated tax partner, to broaden the tax base by facilitating the taxation of the informal sector;
- supervising of informal activities through measures aimed at limiting cash transactions.

2. In terms of promoting tax compliance and monitoring taxpayers

- the continuation of the simplification of taxation of individuals, in order to encourage greater adherence to taxation by this category of taxpayers;
- the promotion of tax compliance by taxpayers through the implementation of a voluntary regularisation programme;
- extending the scope of the no-fee certificate to transactions not yet covered by this requirement;
- the generalisation of the tax identifier requirement to all economic transactions, for better data collection;
- the continuation of the automation of the monitoring of tax procedures;
- the continued reorganisation of services for more effective management of tax risks.

3. *In the area of local taxation*

- the implementation of a reformed local tax system for optimal financing of decentralisation.

4. *In terms of securing revenue*

- the generalisation of remote payment to all companies;
- the introduction of an electronic system for monitoring economic transactions in order to improve the budgetary efficiency of consumption taxes.

5. *In terms of control and the fight against fraud*

- continue to bring the internal system into line with international standards to combat the erosion of tax bases and profit transfers;
- strengthening the system for collecting, processing and using data for tax purposes;
- the generalisation of the requirement of the tax identifier to all economic transactions, for better data collection;
- the use of external expertise (international and local) in tax auditing.

6. *With regard to improving the business climate and supporting economic recovery*

- pursuing the import-substitution policy through the reinforcement of tax incentives for investments aimed at the production and processing of local raw materials;
- reducing the tax arrangements for small businesses;
- supporting the financing of the economy by clarifying the tax regime for leasing operations;
- clarifying the tax regime applicable to company restructuring;
- strengthening the neutrality of VAT;
- forecasting non-oil internal revenue for the period 2023-2025.

I.1.2. Custom duties

*** *Baseline situation***

The adverse effects of the Covid-19 health crisis combined with those of the Russo-Ukrainian crisis highlighted the vulnerability of the economies of countries with a balance of trade deficit, in particular those that import basic necessities such as rice, fish, wheat, clinker, white oil products, etc.

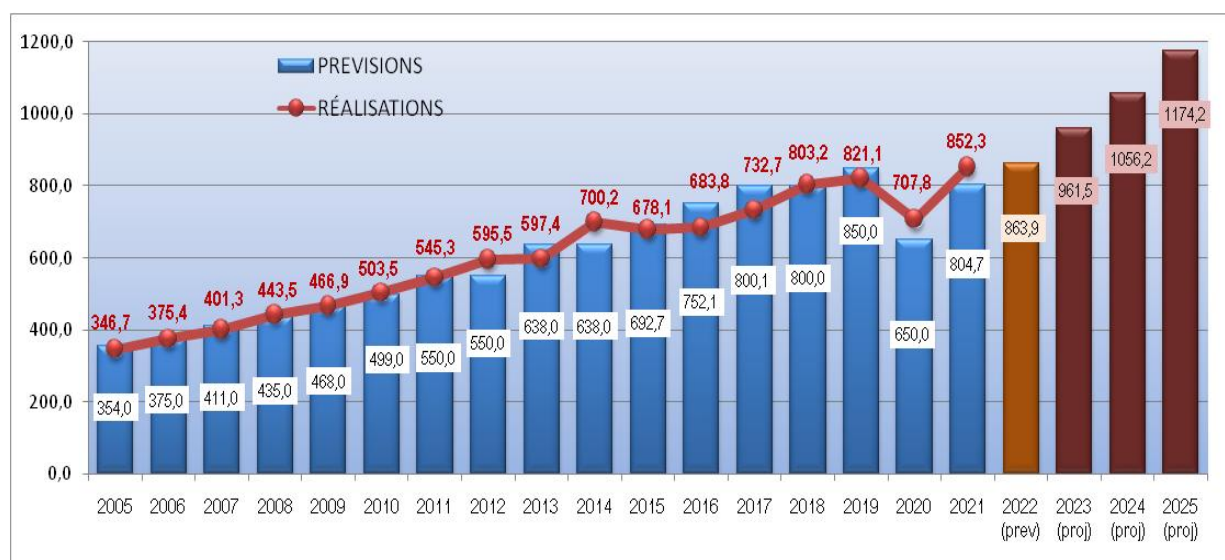
In this context, the choice made by the public authorities since 2013 to prioritise the economic mission of the Customs Administration, which is now an essential pillar of public policy, is beneficial in two ways.

Firstly, this option materialised by Law No. 2013/004 of 18 April 2013 to lay down incentives for private investment, which enshrines total exemption from customs duties and taxes for imports of materials and equipment goods intended for the installation of new companies in Cameroon, has laid the foundations for a genuine and progressive industrialisation of our country.

Secondly, this paradigm shift leading to the emphasis on the economic mission of the Customs enabled the Government to really boost the import-substitution policy, which is a guarantee of the country's food self-sufficiency and the gradual rebalancing of its trade balance in the short and medium term.

However, the fiscal mission of Customs was not sacrificed on the altar of this prioritisation of its economic mission. Indeed, the political will to industrialise the country, which is based on a considerable increase in tax expenditure at the door, contrasts with the increase in revenue objectives assigned to this Administration, due to the strong budgetary constraints weighing on the State. In this context, new actions are required during the 2023-2025 triennium to reconcile these two seemingly contradictory challenges that the Customs Administration must meet.

Figure 3 : Evolution of customs revenue from 2005 to 2022 (in billions of CFAF)



Source: MINFI (achievements 2005-2021), Framework data (2023-2025)

* Constraints and difficulties

In a context of social volatility, certain endogenous and exogenous factors likely to significantly influence the implementation of the new Customs vision, which reconciles revenue mobilisation constraints with support for economic activity, must be taken into account. These include, but are not limited to:

- the negative consequences of the Covid-19, which continue to destabilise the production units of goods in the world, to disrupt the logistics and transport chain and to increase the costs of raw materials, inputs and sea freight. In this regard, and in order to limit the impact of this increase in freight on the price of goods, the government took a decision in November 2021 prescribing an 80% rebate on the cost of sea freight to be included in the customs value. This measure, which made it possible to avoid a general surge in the price of goods on the market, nevertheless resulted in a shortfall of nearly 8.4 billion in December 2021 and 22.6 billion during the first four months of 2022, i.e. around 35 billion in five months;
- the negative effects of the Russo-Ukrainian crisis in terms of lower fertiliser and wheat imports. In addition, to stem the effects of the surge in prices of petroleum products imported in large quantities since the SONARA fire and to avoid their repercussions at the pump, the government decided in May 2022 to freeze the tax base for these products. This measure, which temporarily contained the cost of government support for petroleum products at the pump, is expected to result in an estimated loss of 120 billion in customs revenue in 2022;

- the gradual increase in tax expenditure due to exemptions granted under the private investment incentive scheme, the sequenced implementation of certain preferential trade agreements with certain partners such as the European Union (Economic Partnership Agreement), Great Britain, the African Union (Continental Free Trade Area (CFTA)), etc. In this respect and to date, the situation of tax expenditure is as follows:

Table 20: Evolution of tax expenditure

Origin of the tax expenditure (In billions of CFA francs)	2019	2020	2021	2022 (Jan-April)
EPAs with the European Union	7.6	9.6	15.7	4.2
EPAs with the UK	0.15	0.11	0.10	0.004
Continental Free Trade Area (CFTA)	NA	NA	NA	NR
Incentives regime for private investment of the law No. 2013/04 of 18 April 2013	30.9	34.5	61.1	10.7

Source: MINFI; NB: NA (Non applicable), NR (Not Rated)

- the increase in intra-community trade between member countries of the CEMAC and the Economic Community of Central African States (ECCAS) which do not bear customs duties. In this regard, the situation of trade between Cameroon and the countries of the said communities is as follows:

Table 21: Trade between CAMEROON and ECCAS countries (in billion FCFA)

Country	2017		2018		2019		2020		2021	
	EXP	IMP	EXP	IMP	EXP	IMP	EXP	IMP	EXP	IMP
AO : Angola	1.3	7.9	0.3	23.0	0.3	0.9	1.1		2.5	13.2
BI: Burundi		0.1	0.0		0.0	0.0	0.0	0.0	0.1	0.0
CF: Central African Republic	25.3	0.2	30.9	0.0	41.2	0.0	21.2	0.2	30.4	0.2
CG: Congo	20.5	13.5	17.6	17.1	17.7	15.1	15.0	10.0	18.8	22.7
GA: Gabon	31.6	2.9	25.7	5.3	23.5	13.4	22.5	15.0	27.1	22.9
GQ: Equatorial Guinea	14.2	13.7	7.5	15.7	9.9	22.5	8.3	12.3	8.5	51.6
RC: Democratic Republic of Congo	10.3	0.0	7.1	0.0	2.5	0.1	0.1	0.0		
RW: Rwanda		0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.0
ST: Sao Tomé and Principe	0.0	0.0	0.0	0.0		0.0	0.1	0.5	0.0	0.2
CH: Chad	39.6	2.7	55.5	3.5	66.0	2.1	69.1	1.9	90.6	2.0
Grand total	142.8	41.0	144.7	64.7	161.1	54.1	137.5	39.9	178.3	112.9

Source: MINFI

- the gradual industrialisation of the country, with the corollary of reducing or banning the import of certain goods that used to generate significant customs revenue, such as concrete iron, cement, cosmetics, soya cake, etc;
- the restriction of certain exports due to food insecurity or community development policies. In this respect, a ban on exports of timber in the form of logs is envisaged in all CEMAC countries from 1 January 2023. If implemented, this measure would result in a loss of customs revenue of around 30 billion per year;
- the lack of logistical means of control and surveillance adapted to the fight against commercial fraud and smuggling, such as drones and analysis laboratories;
- the gradual completion of certain structural projects that constituted important sources of customs revenue, notably those linked to the Three-Year Emergency Plan (dams, roads,

etc.) and the 2021 African Cup of Nations (construction of stadiums, hospitals and bypasses and peripheral roads);

- the persistence of insecurity in certain regions of Cameroon, particularly in the North West and South West, which continues to have a negative impact on cross-border trade with Nigeria, which constitutes an important commercial outlet.

**** Prospects for the period 2023-2025***

In view of the reference situation and the constraints listed above, the Customs Administration will have to effectively implement actions that contribute to the satisfaction of its fiscal, economic and assistance missions to institutional and private stakeholders.

With regard to the fiscal aspect, Customs will place particular emphasis on the quality of the handling of goods, the control of taxation bases (value, origin, tariff species), the liquidation, collection and securing of customs duties and taxes. In this regard, specific fiscal measures aimed at optimising revenue mobilisation and rationalising tax expenditure will be implemented:

- the continued imposition of excise duty on luxury goods, goods for which Cameroon has real factor endowments or those with negative externalities for the environment and health;
- the continuation of the policy of taxing goods for export, according to their degree of local transformation, their volume of national production and the evolution of their prices on the international market;
- the search for and exploitation of new tax niches with a view to increasing the taxable income;
- the continued development of complementary modules of the Cameroon Customs Information System (CAMCIS), in order to optimise the handling of goods, risk analysis, litigation management and the automated cross-referencing of data within the framework of a *data centre warehouse*;
- the systematic verification of the use of customs facilities granted to economic operators before any possible renewal;
- a review of all existing tax expenditures, with a view to eliminating exemptions that are ineffective or irrelevant to the development of public policies.

As regards the economic role, the Customs Administration will be guided by three main priorities: the pursuit of the import-substitution policy, the surveillance and protection of society and the improvement of the business climate.

With regard to the import-substitution policy, the actions of the Customs will be directed towards:

- the readjustment of customs duties and taxes on certain imported goods, to promote their gradual substitution by locally manufactured products;
- the reduction of taxation on certain imported equipment and production goods for which there is no local equivalent, with a view to developing certain priority sectors such as electricity, transport and public works;

- the implementation, in conjunction with the General Tax Directorate, of a fiscal incentive policy to promote the use of local raw materials to the detriment of imports;
- maintaining a relatively low level of taxation for finished products processed in Cameroon, in order to encourage exports of '*made in Cameroon*' products;
- the gradual elimination of exemptions for products manufactured locally or which have substitutes at the national level, depending on our production capacity and their availability.

With regard to the regulation of economic activity and border surveillance, the action of the Customs will be materialised by:

- the implementation of a surveillance plan for land, air and water borders, in response to the integration of Cameroon Customs into the National Defence and Security Community;
- the use of safeguard measures provided for in the provisions of the new CEMAC Customs Code to protect sectors of activity that suffer from unfair competition from imported products benefiting from subsidies abroad or any other form of support in their country of export;
- Continued advocacy with CEMAC for the revision of the various rates of the Common External Tariff (CET), which are no longer appropriate, for better protection of the Community's economic space against third-party products;
- the continuation of seizure/destruction operations of counterfeit, pirated or non-conforming goods to Cameroon standards and specifications.

With regard to the improvement of the business climate, Customs will deploy the following actions:

- the completion of the process of implementing a Customs Union within ECCAS to extend market opportunities to the other ten countries of the Community. In this regard, draft customs codes and tariffs have already been drawn up and will be adopted by the competent authorities;
- the continuation of efforts to simplify procedures and reduce border crossing times, in conjunction with other competent bodies and the National Committee for Trade Facilitation (CONAFE);
- support for authorised economic operators, particularly through the range of facilities provided for in the new CEMAC Customs Code;
- the granting of appropriate economic customs regimes provided for in the said Code to companies, depending on the nature of their activities, in order to improve their competitiveness;
- the rationalisation of customs controls in order to avoid overlapping controls;
- the development of a platform for listening and permanent exchanges with economic operators, in accordance with the provisions of the new CEMAC Customs Code.

With regard to the mission of assisting other institutional and private actors, Customs will endeavour to;

- effectively pursue its liquidation and recovery function through the customs declaration of fees, charges, taxes and duties due to administrations not present at the border (FEICOM, MINEPIA, MINADER, etc.), and to actors in the logistics and customs clearance chain, in order to reduce the time required to clear goods through customs;
- provide its contribution, when requested, to other administrations in the application of specific regulations.

I.1.3. Non tax revenue

Non-tax revenue are all revenues that are not related to a tax or a fee. In the State's budgetary nomenclature, they are divided into five (05) categories: (i) service revenues (administrative fees and charges, sales and accessories of goods, sales of services), (ii) rents of buildings and revenues from domains, (iii) oil transit fees (right of passage of the Chad-Cameroon pipeline), (iv) contributions to the retirement and social protection funds of civil servants and assimilated persons under the authority of the UPAs and, (v) other non-tax revenues (financial products to be received, notably dividends and similar revenues, fines, pecuniary sentences and other miscellaneous products and profits).

*** Baseline situation**

For the fiscal year 2021, non-tax revenues collected by the administrations amounted to 171.9 billion, against a target of 187 billion, i.e. an achievement rate of 91.9%. Compared to the achievements of the same period in 2020, this revenue is down by 16.8 billion (-8.9%), in annual variation. This decline is mainly due to the underperformance of revenue from oil transit fees and other non-tax revenue, particularly revenue from unpaid returned savings bonds, dividends from shares and holdings, and interest on bank deposits.

Table 22: Non-tax revenue situation in 2021 (in billions of CFAF)

Large mass of revenue	Targets as at 31/12/2021	Performance		Implementation rate targets	Evolution rate 2021/2020
		2021	2020		
Service revenue	55.2	38.7	31.2	70,1%	+24,0%
Rent from buildings and estate income	4.2	6.9	5.1	165,3%	+35,3%
Oil transit fees	25.0	31.3	36.8	125,3%	-14,9%
Pension contributions	60.0	55.4	55.3	92,3%	+0,2%
Other non-tax revenue	42.6	39.5	60.2	92,8%	-34,4%
TOTAL	187.0	171.9	188.7	91,9%	-8,9%

Source: MINFI

In the first quarter of 2022, non-tax revenues collected and paid to the Treasury amounted to 23.62 billion, i.e. a coverage rate of 10.44% compared to the annual target of 226.2 billion set by the 2022 Supplementary Budget Act. They are down compared to the same period in 2021, for which 32.39 billion, representing an annual recovery rate of 17.3%, were mobilised.

The drop observed in the first quarter of 2022 is attributable to the poor performance of contributions to the pension and social protection funds of civil servants and similar employees of the public administration (-8.4 billion), as well as that of revenue from the sale of services.

As a reminder, the collection target for non-tax revenue set by the Amending Budget Act for the 2022 fiscal year is 226.2 billion against 216.2 billion in the initial budget, an increase of 10.0 billion (+4.6%) to take into account revenue from the sale of COVID-19 tests and the mobilisation of consular revenue.

Details of the monthly realisations and estimates of non-tax revenues over the period 2019-2022 are as follows:

Table 23: Evolution of non-tax revenue between 2019 and 2021 and outlook in 2022 (in CFAF billion)

	Jan.	Feb.	March	April	May	June	Jul	August	Sept.	Oct.	Nov.	Dec.	TOTAL
2019	14	10	9.9	10.6	6	20	10.8	10.8	9.6	12.5	10.4	39.8	164.4
2020	8.1	5.3	19.4	15.6	16.5	14.2	24.3	42.5	13.3	15.1	1.4	13.7	188.7
2021	8.79	12.01	11.59	11.35	11.95	20.84	11.61	14.05	11.53	11.53	11.2	35.49	171.9
2022*	7.81	9.6	6.21	7.62	23.1	26.9	27	28.4	20.8	18.9	21.8	28.1	226.2

Source: MINFI (*estimates)

* Context and constraints on mobilisation

Non-tax revenue in Cameroon contributes little to the state budget despite their high potential. They face a low level of mobilisation compared to countries at the same level of development. They are also faced with an inadequate legal framework and insufficient security in the issuance and collection process. This situation is justified in particular by the poor control of the process of ordering the said revenues by the actors and the lack of knowledge of the concepts related to non-tax revenue.

Indeed, consultations (special conferences on the budgeting of non-tax revenues and missions to monitor and control these revenues in the sector administrations) revealed that the system for issuing and collecting the above-mentioned revenues is not secure and has many shortcomings and irregularities related to:

- (i) *the non-secure models, formats and supports with which the issuance of the said revenues are carried out* (issuance on loose A4 formats, without stubs for some administrations, for others, with non-secure issuance bulletins, software packages developed internally without MINFI's knowledge and more seriously, the actors in charge of issuance and collection in some administrations are not clearly identified);
- (ii) *violations of the principle of separation between the authorising officer and the public accountant* and a dilution of the responsibilities of the actors in the collection of revenue issued; and,
- (iii) *the reluctance of the issuing structures to provide or transmit to the Ministry of Finance exhaustive data on the issuance of the said revenue.*

This situation calls for the need to continue the process of optimising and mobilising non-tax revenues, and to revitalise their monitoring in order to considerably increase their visibility and their effective contribution to the coverage of public expenses, which are increasing year on year, and to meet the requirements set by the IMF in terms of mobilising this type of revenue.

* Objectives

To remedy the above-mentioned shortcomings, the government is committed to **optimising and formalising the process of authorising and securing non-tax revenue** through the

establishment of inter-ministerial platforms aimed at identifying non-tax revenue niches, the listing of all operational revenue agencies and the identification of administrations with outstanding debts

** The 2023-2025 outlook*

The 2023 Finance Act should include new measures for non-tax revenues, including:

- the institution of visa fees on the contracts of workers of foreign nationalities;
- the institution of fees for the issuance of the authorisation for the exploitation of cultural heritage within the framework of social sciences, the annual contribution of operators and managers working in the field of the production of cultural heritage goods for commercial purposes; the remuneration for private copying of printed works, phonograms and commercial video grams.

With regard to the new measures to be introduced in the 2023 Finance Law, the projections of non-tax revenues could be evaluated at 250.2 billion against 222.6 billion in 2022.

In order to improve the mobilisation of non-tax revenues, the following actions will be implemented during the period 2023-2025:

a) Action plan put in place to support the sector administrations in optimising the collection of their revenue:

- preparing and distributing of harmonised issue bulletins for NFRs to the sector administrations from the beginning of the second half of 2022;
- monitoring of surpluses from the budgets of certain public institutions that are reclassified as non-tax revenue and transferred to the general budget;
- monitoring of outstanding NFRs in the sector administrations;
- setting up a system for monitoring the collection of dividends and other financial income receivable;
- rationalising the map of revenue offices;
- building the capacities of actors in charge of monitoring NFRs in the various sector administrations, particularly in terms of collection, monitoring and security techniques;
- Supporting the sectoral administrations in the process of detecting, maturing potential non-tax revenue niches previously identified and their inclusion in the Finance Law;
- drawing up a circular to supervise the procedures for authorising, collecting and controlling NFRs.

b) Action plan adopted within the sectoral administrations to optimise the collection of their revenue:

- assessing RARs in the mining, water and energy sectors;
- Close monitoring of the collection of administrative fines in the downstream oil sector;
- Formalising procedures for collecting revenue from commercial activities;
- dematerialising procedures for issuing and collecting revenue from livestock and fisheries using terminals;
- relaunch of inspections in the mining, water and energy sectors;
- strengthening unannounced checks in areas of high exploitation in the sand sector;
- improving procedures for the electronic payment of contributions and competition fees;
- deploying computerised collection systems in all diplomatic missions;

- strengthening controls and monitoring of the application of procedures for the collection of state, cadastral and land debts;
- continuing the dematerialisation of state, cadastral and land procedures;
- recasting of the legislative and regulatory texts governing forestry sector revenue;
- dematerialization of the transfer of road revenues to the Treasury through the Bank to Wallet and automation of the monitoring of the transfer of these revenue.

1.2. Expenditure

Public expenditure will be carried out during the three-year period 2023-2025 in a particularly difficult context; a situation which should affect all categories of expenditure and require greater rationalisation of these, in order to contribute more significantly to the overall objective of budgetary consolidation.

In fact, apart from certain on-going operations which already represent significant pockets of expenditure, the State should face a budgetary environment dominated by the Russo-Ukrainian war, the effects of which on the economy will require the State to spend more to support and respond to the internal demand for certain imported products. Thus, the rise in the price of a barrel of oil at the international level will lead, as of the current financial year, to an additional and more important budgetary effort relating to the support of the price of fuel at the pump.

In addition, the effects of the restrictions due to the above-mentioned conflict and their already perceptible impact on the general level of prices of most imported products or imported inputs, such as cereals, will oblige the State to increase public expenditure devoted to supporting the local supply of these products, within the framework of the acceleration of its import substitution policy.

It should be pointed out that at the purely internal level, the context will continue to be marked by the claims of certain state bodies, relating to their salaries and other related benefits, the volume of arrears of which remains significant.

Finally, the rapid catching up of the growth path programmed in the NDS30 calls for more budgetary resources to be directed towards the implementation of the major plans and projects provided for in the said document and set out in the Initial Impetus Programme for the structural transformation of the economy (P2I-SND30); this is consistent with the objectives subscribed to by the Government within the framework of the 2021-2023 Economic and Financial Programme concluded with the IMF and in the process of being put in place, with the support of all the partners in development.

1.2.1. Permanent expenditure on personnel

Salary expenditure is one of the most important items in the State budget. This category of expenditure, which increases from year to year to take into account the updating of careers and the assumption of responsibility for new recruits, has accelerated further from 2022 following the demands of various professional bodies. It is therefore important to strengthen measures to clean up the pay file and improve the quality of human resources, given the significant budgetary constraints.

** Baseline situation*

In 2021, wage expenditure was implemented to the tune of 1,008.36 billion, or 99.9% of the forecast expenditure, corresponding to a wage bill sustainability ratio of 39.2% (in relation to the

volume of tax revenue), a clear improvement of 1.8 points compared to 2020. However, this ratio remains well above the 35% threshold set by the CEMAC standard in the context of multilateral surveillance.

The projected wage bill for 2022 and previous years was drawn up taking into account the economic difficulties affecting revenue performance. Indeed, with the level of tax revenue mobilisation recorded in recent years, the authorities, in order to improve the sustainability of the wage bill, were forced to reduce the appropriations allocated to the payment of salaries and, more specifically, the volume of reminders, which fell by 11% in three years, particularly due to Covid-19, from 121 billion in 2019 to 108 billion initially in 2022.

As shown in table 24, between January and April 2022, new entrants to the balance file amounted to 9 394 for all administrations, including 3 914 at MINESEC (**41.6%**) and 1 171 at MINEDUB. The distribution of these new entrants by sector of activity shows that the education sector (primary and secondary) accounts for 54.1%, while sectors such as production and trade or health only occupy 6.6% and 6.7% respectively.

Table 24: Distribution by sector of new entrants to the public administration between January and April 2022

<i>Sectors</i>	<i>Number of staff covered</i>	<i>Weight of workforce</i>
General and Financial Administration	919	9.78%
Social affairs	219	2.33%
Communication, culture, leisure and sport	508	5.41%
Defence and Security	416	4.43%
Basic education	1,171	12.47%
Secondary education	3,914	41.66%
Infrastructure	447	4.76%
Production and Trade	624	6.64%
Rest Education, training and research	371	3.95%
Health	634	6.75%
Sovereignty	171	1.82%
Total	9,394	100%

Source: MINFI

The number of retirements from the database is estimated at 1 344 between January and April 2022. Of this number, 567 and 282 are retirees from MINEDUB and MINESEC respectively. The incoming/outgoing ratio for the whole period is 7 new entrants for 1 departure.

Controlling the number of staff remains the main challenge for the budgetary sustainability of personnel expenditure. From 352,535 public employees in January 2022, the number of employees will be 360,789 in April 2022, an increase of 0.8% per month. Over the same period in 2021, the monthly growth rate was 0.1%.

As for salaries over the first four months, 352.3 billion were consumed, i.e. 31.6% of the forecast allocation (Finance Act). Over this period in 2021, the rate of execution of the wage bill was 32.5%. However, the increase in monthly salary expenditure between January and April 2022 is 1.6%, i.e. four times higher than over the period in 2021. The number of employees paid and the level of wages in April 2022 are as follows:

Table 25: Distribution of public administration staff by sector in April 2022

Sectors	Workforce	Payroll (Appropriations used)	Weight of workforce	Weight of wage bill
General and Financial Administration	34,365	5,126,032,546	9.52%	5.64%
Social affairs	3,190	694,420,632	0.88%	0.76%
Communication, culture, leisure and sport	7,142	2,107,329,760	1.98%	2.32%
Defence	66,504	16,235,546,305	18.43%	17.85%
Basic education	59,370	13,623,540,202	16.46%	14.98%
Secondary education	97,578	28,512,600,976	27.05%	31.35%
Infrastructure	10,519	2,243,708,752	2.92%	2.47%
Production and Trade	13,193	2,928,954,440	3.66%	3.22%
Rest Education, training and research	11,250	4,586,053,064	3.12%	5.04%
Health	18,786	4,369,433,950	5.21%	4.80%
Sovereignty	14,870	4,154,046,768	4.12%	4.57%
National security	23,895	6,361,387,167	6.62%	6.99%
Expenditure not allocated by function	127	17,098,269	0.04%	0.02%
Total	360,789	90,960,152,831	100%	100%

Source: MINFI

The State's salary debt is an extremely dynamic figure because each month, while part of the debt is paid off in the normal salary process, a new part is created as a result of the evolution of staff careers and also as a result of new recruitments. The volume of the debt presented here is based on a holistic assessment of promotions and takeovers, regardless of whether or not the relevant acts are signed.

The estimated salary debt on 31 December 2021 amounts to **317.33 billion**. That due to the staff of the Ministry of Secondary Education is **142.5 billion**, or nearly **45%** of the State's salary debt; that due to the Ministry of Basic Education is **51.8 billion (16.3%)**. These two administrations alone account for 61.3% of the total wage debt.

Furthermore, the implementation of measures prescribed by the government in response to the demands of educational staff will lead to a substantial increase in the wage bill in the short and medium term. Thus, the wage bill initially planned for the year 2022 has increased by 2.8% in the Amending Finance Law. In general, the impact of these measures on the MTEF is presented in the table below:

Table 26: MTEF 2022-2024 of the wage bill before and after taking into account the measures

	MTEF 2022-2024 Finance Law	Revised MTEF 2022-2024	Variation (%)
2022	1,067,557,723 184	1,114,052,566,862	4.4
2023	1,087,518,201 232	1,206,305,826,060	10.9
2024	1,067,730,908 084	1,285,508,220,270	20.4

Source: MINFI

** 2023-2025 outlook*

The priorities in terms of personnel expenditure over the next three years will mainly concern:

- Strengthening control mechanisms and continuing to clean up the State's pay file;
- reforming the recruitment and management process for the state's human resources, in order to guarantee control of staffing levels and ensure consistency between the quality of recruitment and the staffing needs that are essential for boosting the priority sectors in line with the NDS30;
- the gradual clearance of the wage debt and the establishment of mechanisms to reduce its accumulation;
- accelerating the conditions for the effective implementation of the new personnel and pay management system, notably SIGIPES II;
- setting up a local civil service, which requires prior control of the number and cost of personnel to be transferred to the local authorities in order to assess the sustainability and inherent budgetary risks.

1.2.2. Other current expenditure

** Baseline situation*

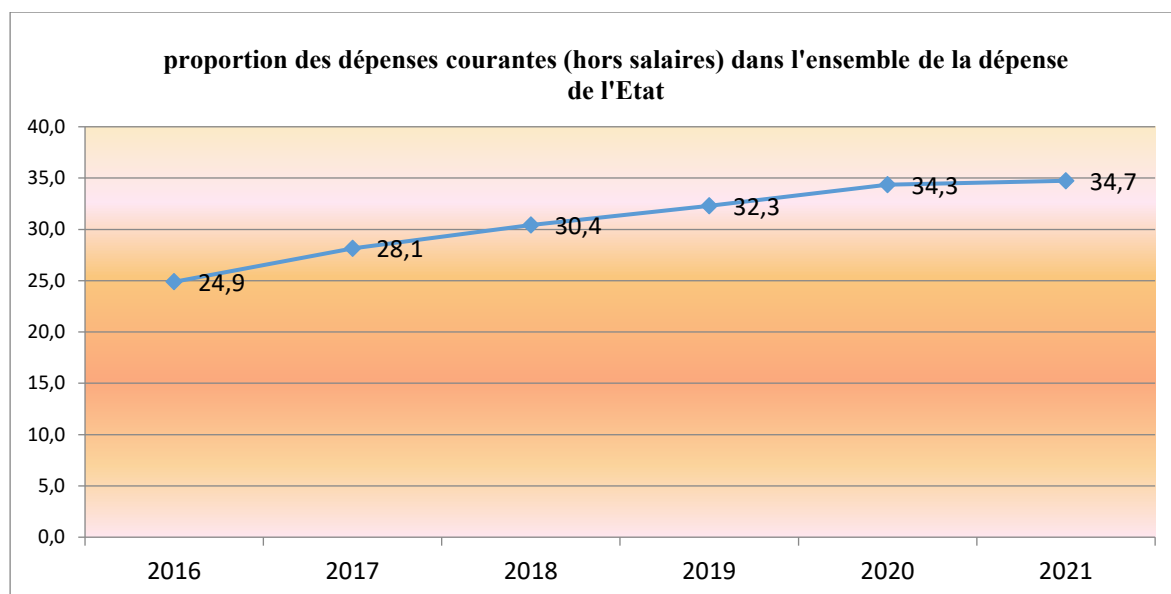
Other current expenditure is made up of non-permanent expenditure on personnel, expenditure on goods and services, transfers and subsidies. An analysis of these categories of expenditure over the last four years shows that they tend to increase from year to year, despite efforts to control them, thus making it difficult to achieve budgetary savings, which could provide sufficient resources for the implementation of projects.

Despite its increasing evolution over the years, a decrease in other current expenditure in the administrations can be noted due to the rate of growth of transfers and subsidies. This shows that taken as a whole, the weight of these categories of expenditure is gradually decreasing in the budget. It would therefore be appropriate to pursue optimisation efforts, by directing them towards quality expenditure which, if not reduced in volume for the needs of investment, makes it possible to provide administrations with absolutely necessary and relevant goods, services and human skills, for greater performance of public action. An analysis by type of expenditure shows that efforts are needed in all areas.

Table 27: Evolution of current expenditure categories

Type	2018	2019	2020	2021
Current expenditure	2,360	2,636.2	2,536.1	2,779
salaries	956	959.8	990.3	1,008.1
Non-permanent expenditure on personnel	52	57.1	68	66.1
Goods and services	866.1	894.5	876	1013.5
Transfers and subsidies	485.9	724.7	608.1	691.3
current expenditure excluding salaries	1,404	1,676.4	1,545.8	1,770.9
total budgetary expenditure	4,614.5	5,189.5	4,501.3	5,097.9
proportion (or weight) of current expenditure (excluding wages) in total government expenditure	30.4	32.3	34.2	34.7
Rate of increase in the weight of current expenditure (excluding wages) in the total budget	2.3	1.9	1.9	0.4

Figure 4: Proportion of current expenditure (excluding wages) in total government expenditure



The analysis of the above table shows **that goods and services constitute the main category which further increases the State's current expenditure bill (excluding salaries)**. In 2021, they alone will consume around 20% of total budgetary expenditure and more than 36% of the State's current expenditure. An effort should be made to control the main items that generate it, such as the assumption of responsibility for security needs, the acquisition of supplies and equipment for the State, travel and mission expenses, as well as a large part of the expenditure carried out on cash advances which are very often not provided for in the budget.

Transfers and subsidies are the second highest category in terms of volume and certainly the one with the highest budgetary risk, due to the current evolution of the expenditure related to the fuel price subsidy. Indeed, the amount of expenditure on transfers and subsidies, which stands at 691.3 billion in 2021, has increased by 83.2 billion compared to the level reached in 2020. This rapid increase is mainly attributable to the fuel subsidy. If nothing is done about this development, a profound imbalance in our public finances, which would then undermine on-going development efforts, cannot be excluded. While our country, which has been entirely dependent on imports of finished petroleum products since the fire at SONARA, already spent around CFAF 215 billion on subsidising the price of fuel at the pump in 2019, this subsidy will rise rapidly to more than CFAF 600 billion according to the revised budget forecasts for the 2022 fiscal year, due to the rise in both the price of a barrel of oil and the dollar exchange rate.

A decrease of 1.9 billion in non-permanent personnel costs is achieved in 2021, due to efforts to control their generators. However, with a total amount of 66.1 billion, i.e. 14 billion more than in 2018, without any special operation being able to justify such an increase in the structure of this category of expenditure, this debt remains too high.

A significant floating debt of the State has been identified and is estimated at nearly 705 billion (excluding the salary debt) as at 06 June 2022. The floating debt is due to unpaid debts arising from the contractual commitments of public administrations, current consumption, rents, compensated tax debts, salary debts (promotions, reclassifications and others), compensation in relation to the implementation of major projects, as well as SONARA's shortfalls in relation to the subsidy of fuel prices at the pump. In addition to the state's own unpaid bills, there are also arrears from decentralised territorial authorities and public establishments related to their

commitments beyond the budget forecasts. The number of files identified amounts to 3780. The attached table presents the volume of debts according to their nature. This debt, the total volume of which is currently being evaluated, poses a problem of accounting accuracy and impacts the efficiency of cash management. It poses a risk to the budget balance and to the credibility of the State's signature.

The audit work is continuing and the first results communicated by the auditors on the files actually admitted for processing after counting, show a gross amount of CFAF 431.5 billion. The auditors will investigate the pre-validated files at certain structures (processing, payment or clearing offices) to ensure that these claims have not been paid in full or in part. These structures are: the CNPS and the Directorate General of Taxes with regard to the possible compensation of social and tax debts; the CAA, the Road Fund, the DGB and the DGTCFM with regard to other debts.

As for the salary debt, which is subject to special treatment, it amounts to CFAF 317.3 billion as at 31 December 2021. It mainly concerns the reminders due to advances due but not yet paid and the assumption of responsibility for newly recruited public servants. Clearance plans were initiated for certain ministries to accelerate the process of reducing the stock of this debt.

Apart from this reality of current expenditure in its mass and structure, it should be noted that it is also characterised by imponderables in its execution process which further hamper its effectiveness and carry risks for the overall balance of public finances:

The derogatory procedures, although slightly reduced, due to the limitation of the number of imprest accounts, still represent a significant volume of expenditure and pose accounting and cash management difficulties. Expenditure carried out under derogatory procedures has in fact only decreased by 18.6 billion in one year, since it still amounts to 329.5 billion at the end of the 2021 financial year, i.e. a proportion of 9.7% of expenditure excluding external financing, which is well above the 5% ceiling set under the indicative targets of the Economic and Financial Programme mentioned above.

The importance of the Remaining To Be Paid from previous years contributes to significantly disrupt the execution of the current year's budget. These outstanding payments constitute a challenge for our public finance management system. At the end of 2021, their level is estimated at CFAF 509.7 billion, up by CFAF 43 billion, despite the significant drop of CFAF 130 billion between 2019 and 2020.

Furthermore, the unavailability of realistic expenditure commitment plans in most ministries does not allow for the development of a real cash flow plan, consistent with the predictability of resources of state administrations. This results in the postponement of programmed activities and consequently in underperformance in achieving the objectives of ministerial programmes.

**** Challenges to be met***

During the three-year period 2023-2025, the State will have to meet several challenges impacting the level of current expenditure excluding salaries. Among these, we can mention:

- the need to maintain a sustained focus on all areas of security crises throughout the country;
- the acceleration of the import-substitution policy,

- the continuation of fuel price support at the pump;
- the continued implementation of Universal Health Coverage;
- the strengthening of decentralisation through the continued operationalization of the Regions;
- the establishment and operation of the three new state universities;
- the increase in the level of social expenditure in favour of the disadvantaged.

**** Objectives of the current expenditure policy***

To ensure more effective management of the public policies necessary to achieve the objectives targeted at the end of the first phase of implementation of the NDS30, it is important to rationalise public spending, by ensuring the quality of current spending and its capacity to support the proper implementation of the major projects identified and programmed. It will be necessary to take measures to ensure that expenditure is fair and efficient. The objective should be to reduce the State's bill and to release a surplus of resources to be devoted to the desired structural transformation of the economy, the effects of which would guarantee a more stable balance of our public finances, through a sufficiently controlled budget deficit, ensuring the viability of the public debt and the balance of external accounts in the long term.

**** Fiscal policy measures for current expenditure (excluding wages) over the period 2023-2025***

A fair assessment and reduction of current expenditure wastage excluding wages will be carried out. To this end, budget entries will be made on the basis of objective standards and criteria currently being determined by MINFI and MINEPAT. Efforts will be made to limit these entries to absolutely necessary expenditure and to reduce the sometimes large margins still offered by the State's price list. The quest for greater efficiency in the management of current expenditure also strengthens the State in the on-going exercise of rationalising activities, which should lead to a benchmark that allows for better comparison and further reduction of the costs of public policies.

The government will promote the emergence of financial management within public enterprises and establishments that guarantees greater profitability for these entities, to avoid systematic recourse to state subsidies. The legal corpus in force for public companies and establishments will be disseminated in order to provide answers to bad management practices. In addition, the Government will endeavour to appoint only representatives of the financial supervisory authority who are better able to monitor the budgetary and financial balance of these structures within their social bodies. Finally, following a diagnostic analysis of a certain number of large companies and public establishments, measures will be taken so that the subsidy is henceforth allocated on the basis of the signing of a performance contract between the State and the beneficiary entity, specifying the results that the latter undertakes to achieve at the end of the use of the funds received, and the appropriate administrative, technical and financial measures will also be taken to improve the general governance of these entities.

The results obtained from the rationalisation of the management of these entities mentioned above should enable them to make or raise the level of profits and the State to benefit from additional budgetary resources, either in terms of dividends in its capacity as a shareholder of public and semi-public enterprises, or by transferring to its budget the surplus of its own revenue collected

by certain public establishments and including the process. In the same vein, the government will continue to cap the revenue from the collection of special taxes allocated to certain public establishments, the annual proceeds of which are far in excess of the real needs of these entities and whose funds remain idle in the bank accounts of these entities.

Finally, and in harmony with the objectives of the NDS30, the government will conduct a general review of public policies in order to adapt the portfolio of public establishments and enterprises to the real needs of the country.

The rationalisation of contributions paid by Cameroon to international organisations will be strengthened, through the re-evaluation by all stakeholders of the need to maintain the country's participation in certain organisations. The objective here is to continue cooperation only with those of a strategic nature and those whose contribution/benefit ratio is proven. Thus, the development of a reference framework for analysing the budgetary sustainability of the financial commitments required for any new membership is envisaged, as well as the framework of a normative act specifying certain rules of commitment and assumption of responsibility for Cameroon's participation in international organisations. This approach will allow the control of the State's portfolio and the honouring of commitments made at the international level.

The programming of actions that guide the execution of expenditure, as a priority, on the promotion of the import substitution policy will be the rule. It will be a question of better programming, by allocating more credits to actions aimed at the local production and processing of imported consumer products or those which can be substituted for them. In addition, regulations will be introduced to set a quota of local goods and products in public procurement, based on the inclusion of a number of these in the price list.

The promising results obtained in 2021, with regard to personnel expenditure excluding salaries, will be **consolidated** through the rigorous application of the regulations governing the creation and operation of ministerial and inter-ministerial committees and working groups.

On-going efforts to control public consumption (water, electricity, telephone, internet, etc.) will continue. In addition to the effective application of the procedure for handling this expenditure currently in force, based on the accountability of each authorising officer concerned in monitoring consumption, with the prospect of gains or losses of budgetary appropriations in the context of a budgetary performance bonus sanctioning management efficiency, the State will set telephone consumption rates per administration and per user. The use of energy-efficient equipment will also be tested for all new purchases by public services, for example low-pressure LED lamps to replace high-pressure sodium lamps. Finally, the census of delivery points belonging to the State, in order to remove those not serving public services from the database, which began in 2021 with electricity, will continue with regard to water, telephone and internet services.

The progress achieved in reducing expenditure carried out in advance will be extended to all other forms of derogatory procedures. Thus, greater rigour will be applied to requests for the release of funds by the administrations and clearer indications will be given in the circular on the execution of the State budget concerning cash advances.

I.2.3 Public investment expenditure

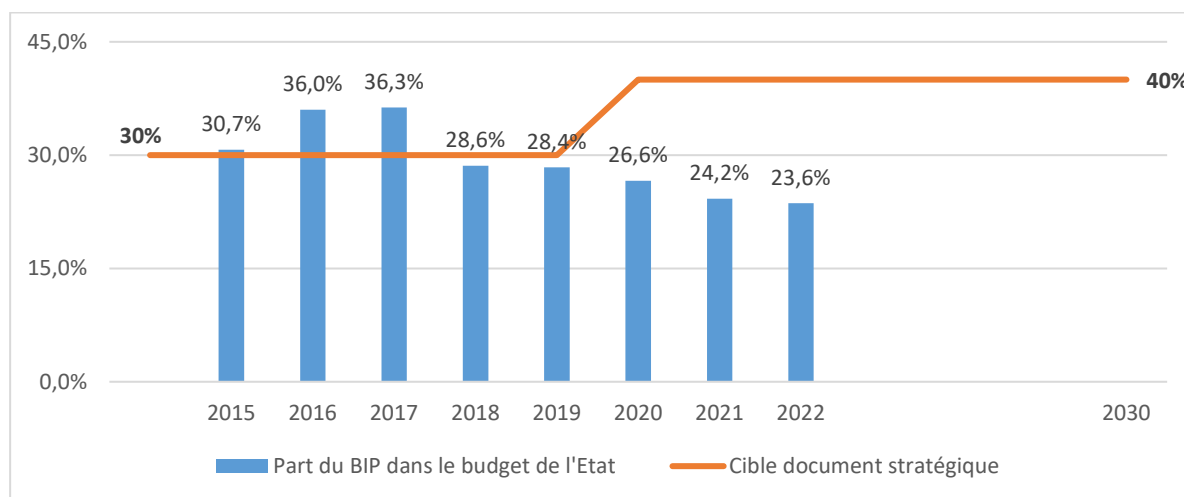
** Reference situation*

1. Investment expenditure as part of total State expenditure

The maintenance of public investment expenditure at a sustainable level, in order to maintain the growth rate expected within the framework of Cameroon's development process, remains a priority. Indeed, the growth prospects of 8% on average, within the time frame of the National Development Strategy 2020-2030, recommend that the level of investment in total expenditure be increased to 40% at the end of the said period. The current level reached, two years after the implementation of the NDS30, tends to take us away from this target, due to significant constraints on public finances. In order to achieve this target, it is essential to maintain the average share of investment in total state expenditure at not less than 30% over the period 2023-2025.

Over the period 2023-2025, the increase in capital expenditure will necessarily have to cope with the overall constraints on the State budget and the changes brought about by the new classification of expenditure brought about by the law on the Nomenclature of the State Budget (NBE) 2019. In fact, this new nomenclature requires the relocation of certain expenditures that were previously included in the public investment budget (in the NBE 2003), with a view to reclassifying them as current expenditure. This may seem to reflect a decline in investment spending at the aggregate level or within administrations. However, analytical presentations of the purpose of the expenditure would provide an appraisal of the financing of capital expenditure.

Figure 5: Weight of the BIP in the overall state budget



Source : MINEPAT data, 2014-2021 (excluding collective budget) to be updated

Also, in the context of promoting more inclusive growth, it is imperative to maintain a sufficient level of public investment expenditure both at the level of the central administration and the Regional and Local Authorities (RLAs), in order not to deviate from the development objectives set.

2. *Investment transfers to the local authorities*

As part of the strengthening of the decentralisation process, efforts are being made to increase the financing of the said process, in order to enable the RLAs to acquire the means to fully ensure the implementation of public policies at the local level.

To this end, since 2015, the investment resources transferred to the Councils have been steadily increasing and will represent 17.4% of the internal resources allocated to investment expenditure in 2022, although the resources allocated to the Regions are not taken into account in this assessment. These resources transferred to the Councils will increase by 10.1% compared to 2021.

With the enforcement of the texts relating to the exercise of the competences transferred to the Regions, these resources will experience a considerable growth during the period 2023-2025.

Table 28 : Execution rate of GDP internal resources between 2015 and 2022

	Ex. 2015	Ex. 2016	Ex. 2017	Ex. 2018	Ex. 2019	Ex. 2020	Ex. 2021	Ex. 2022
Ordinary Internal Resources (OIR) of the GDP (In billions)	697.2	578.0	613.6	635.0	636.3	554.9	576.2	645.5
Relative change in GDP on OIR (%)	1.3	17.1	6.2	3.5	0.2	-12.8	8.9	12
Transferred Resources (TR) of the GDP (In billion)	53.9	58.1	58.9	59.6	91.4	97.6	102	112.3
Relative change in TR of the GDP (in %)	29.1	7.9	1.4	1.2	53.4	6.1	4.5	10.1
Weight of TR in the GDP of the OIR (in %)	7.7	10.1	9.6	9.4	14.4	17.6	17.7	17.4

Source: MINEPAT data

The flexibility conferred on the RLAs in the choice of projects to be carried out and the dynamics of increasing the volume of resources transferred to them are essential ways to accelerate local development.

However, this objective cannot be achieved without increasing the capacities of the local authorities to ensure the consumption of the resources transferred to them and the implementation of the prerequisites necessary for the exercise of all the transferred competences. In addition, the equitable distribution of resources destined for decentralisation is a concern for the Government, in order to reduce the disparities observed at the level of administrations in the allocation of resources to the RLAs.

3. *The implementation of public investment projects*

Within the framework of the NDS30, particular emphasis has been placed on the completion of projects currently being implemented, as well as on the commissioning of first generation projects. The status of first generation major projects is shown in the table below.

Table 29: Status of major projects

PROJECT TITLE	IMPLEMENTATION RATE	REMARKS
Lom Pangar hydroelectric development project - <i>Dam with a water retention capacity of 6 billion m3.</i> - <i>30 Mw power plant.</i> - <i>Evacuation lines : 305 km in 90 kV and electrification of the East Region</i>	Reservoir Dam : Completed and operational. Foot plant : 55% Drainage lines : 50%	Completion date: 31/12/2023 Budgetary requirements for completion : 58,2 Billion
Kribi industrial port complex - <i>Phase 1 : 1 container terminal (350m of quay), 1 multi-purpose terminal (265m of quay) and 1 protective dike of 1355m)</i> Phase 2: <i>Phase 2: Extension of the embankment by 675m; Extension of the container terminal by 700m; and Construction of a 3ha storage area...</i>	Phase 1: Completed and operational Phase 2 : 40% Water supply to the Port and its components: 60%	Completion date: 31/11/2023 Budgetary requirements for completion : 284 Billion
Memve'e Hydroelectric Development Project - <i>211 Mw power plant.</i> - <i>Power transmission line (Nyabisan-Ebolowa-Yaounde)</i>	Completed and partially operational (90Mw) Transmission line : 97%	Completion date: 30/07/2022 Budgetary requirements for completion : 9,7 Billion
Nachtigal Hydroelectric Development Project - <i>420 Mw power plant.</i> - Transmission line (65km Nachtigal-Yaounde).	Power plant : 60% Transmission line : Completed.	Completion date: 31/8/2024
Mekin Hydroelectric Development Project - <i>15 Mw power plant.</i> - <i>Power transmission line (Mbalmayo-Mekin)</i>	Completed and partially operational (5Mw)	Flooding of the infrastructure in the dam area during optimal operation. Mekin (Djom Yekombo)-Mbalmayo uncompleted line.
Kribi gas-fired power plant Phase1 : 216 Mw ; Phase 2 : 114 Mw	Phase 1 completed and operational	Phase 2 in progress.
Dibamba heavy fuel oil fired power plant (86Mw)	Completed and operational	
Bini hydroelectric development project in Warak	10%	Completion date: 31/12/2024 Budgetary requirements for completion : 161,2 Billion
Construction of the Backbone network (Optical Fibre 20 000 km)	Completed and operational	
Deployment of the National Broadband Network (NBN) and South Atlantic 3 (SAT3)	Completed and operational.	
Deployment of the West Africa Cable System (WACS)	Completed and operational.	
Yaounde and its surroundings drinking water supply project from the Sanaga River (PAEPYS)	90%	Completion date: 31/12/2022 Budgetary requirements for completion : 40 Billion
Construction of the Yato drinking water treatment plant (150,000m3/day)	Completed and operational	
Rehabilitation of the Mefou Afamba drinking water treatment plant (50000m3/day)	Completed and operational	
Rehabilitation of the Akomnyada drinking water treatment plant (100000m3/day)	Completed and operational	
Construction of the eastern entrance to the city of Douala <i>(10 km in 2X3 lanes from the crossroads of carrefour des fleurs to the Dibamba bridge)</i>	Completed and partly operational.	Additional developments in progress to extend to the Dibamba bridge Completion date : 31/9/2023 Budgetary requirements for completion : 87 Billion
Development of the western entrance to the city of Douala	Completed and operational	

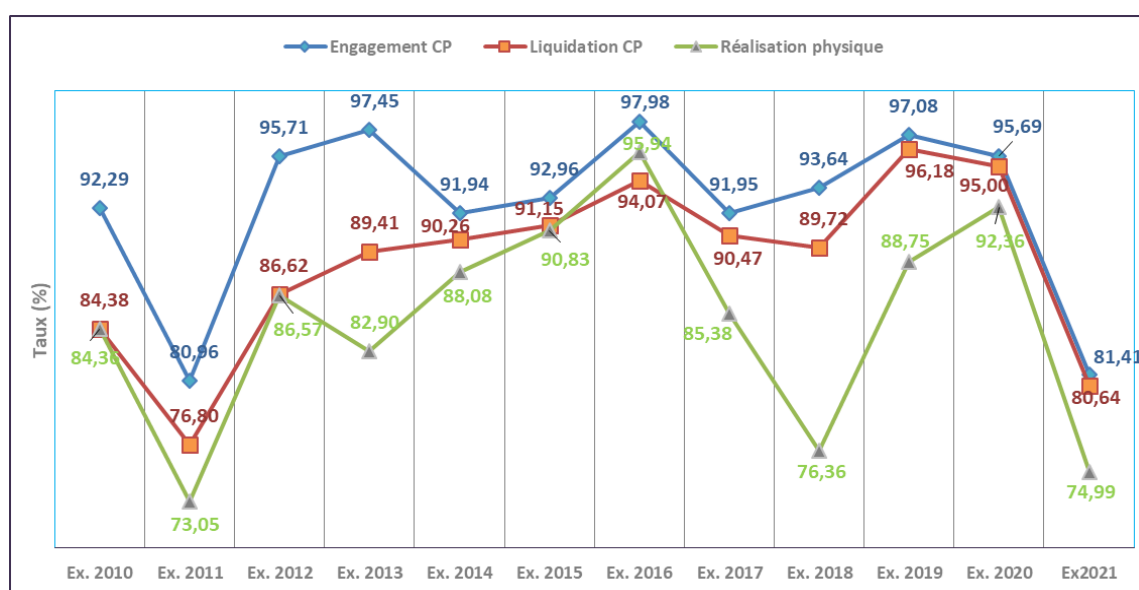
PROJECT TITLE	IMPLEMENTATION RATE	REMARKS
(13Km in 2X3 lanes from Bonassama to Bekoko)		
Second Bridge over the Wouri (Six-lane road bridge and two-lane railway bridge)	Completed and operational.	
Yaounde - Douala Highway (Phase 1 : 60 Km + 25Km of recovery lanes)	Current section of the Highway : 97 % Connection to the RN3 and the city of Yaounde : 45%	Completion date: 31/12/2022 Budgetary requirements for completion : 119 Billion
Kribi--Lolabé highway (40 km)	Completed.	Not yet opened to traffic.

Source: MINEPAT

The physical-financial implementation levels of the GDP have improved in recent years. However, in 2021, a decline is recorded. The GDP implementation rate at the end of December 2021 is as follows

- an overall volume of expenditure commitments of 1 125.2 billion, representing a commitment rate of 81.41% compared to 95.62% at the end of the 2020 Financial Year, which corresponds to a drop of 14.21 points;
- an overall volume of expenditure authorisations of 1 112.5 billion, representing an authorisation rate of 80.64% compared to 94.34% at the end of the 2020 financial year, which corresponds to a drop of 17.7 points;
- a physical implementation rate of 74.99 in 2021 against 92.36 in 2020, representing a drop of 13.37 points

Figure 6: GDP implementation profile for the period 2010-2021



Source: MINEPAT data

This drop in the execution of the overall GDP in 2021 is mainly due to the low level of execution of externally financed projects (69.8% compared to 95.69% in 2020), while investment expenditure from own resources is executed at 91.85%. The low level of execution of externally financed projects is due in particular to the insufficient mobilisation of counterpart funds and the freezing of financing by certain technical and financial partners.

Although expenditure on own resources was satisfactorily executed, this does not hide the relevant concerns that remain in terms of strengthening the preparation and execution of the GDP. These include:

- **maturity of projects:** The inadequacies noted on the maturation of projects led the Prime Minister, Head of Government, to sign Decree No. 2018/4992/PM of 21 June 2018 laying down the rules governing the maturation process of investment projects. The mechanism put in place by this Decree is now fully operational, which ensures that from now on, only those projects for which all the due diligences relating to their preparation have been completed will be implemented.
- **prioritisation of projects:** The multiplicity of projects, out of phase with the Medium-Term Budgetary Framework, has led to a proliferation of on-going projects, without sufficient budgetary coverage, thus leading to inefficient public investment;
- **the low quality of certain investments made, combined with insufficient consideration of the recurrent costs of maintaining and operating existing infrastructure,** leading to a rapid deterioration of the state's assets, together with the heavy costs of rehabilitation
- **the weak technical and financial capacities of the service providers selected to carry out public investment projects** have led to the abandonment of certain projects by the companies awarded contracts, due in particular to delays in the payment of invoices.

4. Taking into account the recurrent costs associated with investment projects

The upkeep and maintenance of public infrastructure and equipment is one of the key considerations of the NDS30, with a view to ensuring the efficiency, sustainability and socio-economic profitability of these investments.

As part of the implementation of this strategic option, an estimate of the stock of public infrastructure generating recurrent maintenance costs was made in the areas of health, education, security, defence, as well as in the road and energy sectors. In this respect, an initial estimate puts the number of public structures and infrastructures to be maintained throughout the country at 75310. This assessment constitutes an important basis for assessing the necessary needs in terms of recurrent costs.

5. Optimising public investment expenditure

In order to have a GDP that essentially produces Gross Fixed Capital Formation (GFCF), which is necessary to bring about the desired structural change, it is imperative to identify expenditure that does not produce GFCF. This has been done for expenditure financed from own resources and has led to the removal of such expenditure from the GDP. Given that the BIP is composed on average in recent years of 53% of expenditure on external resources, the extension of the reflection and identification of operating expenditure underlying public investment on external financing also becomes a concern. This approach, which is part of budgetary sincerity, would make it possible to have the commitments on external financing that lead to GFCF.

6. Reconstruction of the North-West, South-West and Far-North Regions

Since the start of the implementation of the reconstruction plan for the North-West and South-West Regions, actions have focused on the three pillars of the recovery phase. As far as

public investments are concerned, they have been carried out within the framework of the second pillar in charge of the rehabilitation of essential infrastructures. Within this framework, numerous projects have been carried out in several councils, particularly in the areas of health and education, thus contributing to the improvement of the living conditions of the population. In the Far North Region, implementation is proceeding well, in collaboration with the beneficiaries. The mobilisation of internal financing and that of technical and financial partners constitute an important challenge for the achievement of the expected objectives.

**** The main constraints in the management of public investment***

The programming of public investments for the period 2023-2025 takes into account the following main constraints

- the continuous increase in debt servicing, the settlement of which contributes to the reduction of the State's margin of manoeuvre for the financing of other expenditure items, particularly capital expenditure. This constraint is becoming more pressing in view of the decline in overall expenditure in the GDP in recent years;
- the need to maintain the budget deficit at a sustainable level will continue during the three-year period to contain the overall level of the GDP, in this case the mobilisation of counterpart funds for projects financed jointly with technical and financial partners;
- the fulfilment of the State's commitments in the framework of on going projects and the finalisation of special investment programmes (PLANUT, PTSJ) whose initial deadlines have expired, due to insufficient budgetary cover;
- the completion and commissioning of major first generation projects, notably through: (i) the identification and resolution of the obstacles encountered in the implementation of these projects, in particular the problems of freeing up rights of way, (ii) and the finalisation of all related infrastructure;
- the situation of delays in the payment of authorities to the public treasury, the consequence of which is the suspension of work, with the corollary of the increase in project costs through multiple amendments;
- the continued implementation of externally financed projects, which will continue to generate disbursement needs and counterpart funds beyond the budgetary possibilities during the period. The aim will be to cope with the reduction in the Undisbursed Committed Balances (UCB), the budget deficit which limits the level of disbursements of external financing, and the contraction of internal resources necessary for the mobilisation of the State's counterpart;
- the increase in the level of resources transferred to the Regional and Local Authorities, in accordance with the provisions of the Law on the General Code of the Regional and Local Authorities, will exert pressure on the allocation of resources to the GDP and thus contribute to the slowdown in the financing of the government's major projects;
- the continued implementation of reconstruction plans for the North-West, South-West and Far-North Regions, particularly with regard to Cameroon's contribution and the expected contributions of technical and financial partners.

** Public investment prospects for 2023-2025*

The objective assigned to investment management during this period is based mainly on two (2) aspects:

- The optimisation and improvement of the quality of public expenditure through the prioritisation and control of the costs of public investment projects, the taking into account of recurrent public investment costs and the financing of projects which strengthen the State's assets, with a view to improving the conditions for carrying out economic activities and the living conditions of the population;
- the development of innovative financing of public investments. The budgetary constraints mentioned above, coupled with the requirements linked to controlling the budgetary deficit within the framework of the economic and financial programme with the IMF, make it necessary to strengthen alternative models for financing public investments, in particular Public-Private Partnerships (PPP) or project finance, in order to achieve the development objectives, set by the NDS 30.

At the global level, it will be a question of preserving public investment, in order to maintain it at levels which would give room for manoeuvre in achieving the desired development objectives. To this end, over the period 2023-2025, it will be necessary to catch up with the level of 30% of investment expenditure as a proportion of total expenditure, which has been achieved since 2015 and which has been eroded over the last three years due to the constraints on public finances. This catching up is essential to ensure the implementation of the NDS30. The strengthening of investment resources should be accompanied by visibility in the State's budgetary choices. In this respect, investment resources will be allocated as a priority to production over the period, in line with the desired structural transformation.

With regard to the selection of projects:

- The margins of manoeuvre for the implementation of new projects are limited. This situation has been accentuated with the budgetary collective which has reduced investment expenditure on own resources by 60 billion for the year 2022. The budgetary coverage of the projects frozen in 2022 and whose execution continued will put pressure on the 2023 budgetary year to respect the State's commitments;
- In case opportunities arise, the identified budgetary space will be mainly allocated to major projects meeting all maturity conditions, in order to avoid a squandering of resources. Also, multi-annual projects will be implemented taking into account the medium-term budgetary space that would result from the State's budgetary forecasts.

With regard to the control of project costs and their implementation, the provisions for strengthening the quality of studies within the framework of the Technical Inter-ministerial Project Review Committee will be intensified, with a view to having efficient project costs. Similarly, operating resources will be mobilised for the benefit of the RLAs, to enable them to better prepare their projects and have the means to accompany the implementation of these projects.

With regard to externally financed projects, priority will be given to projects that demonstrate a proven capacity for absorption, and whose implementation is compatible with the Government's priorities and the commitments made with technical and financial partners. The contracting of new commitments on external financing will be limited and directed essentially towards projects with a great socio-economic impact, having the approval of maturity, appearing in the debt plan validated by the Government and whose implementation contributes to the Gross Fixed Capital Formation. Similarly, the projects that will finally be retained are those for which the Government has the necessary margins to honour the mobilisation of counterpart funds expected from the State, in order to allow their timely implementation.

With regard to decentralisation, the process of transferring competences and resources to the RLAs will continue, with the establishment of the Regions, in accordance with the regulations in force and the budgetary constraints that will be imposed. Similarly, concerns about equity in the distribution of transferred resources will be addressed, in collaboration with the administrations concerned.

In addition, the Government intends to complete the implementation of the prerequisites necessary for the exercise of all the competences transferred to the RLAs and to continue to support them through capacity building and the implementation of the tools necessary for the planning, programming and budgeting of expenditure, taking into account the objectives of the NDS30 and the interests of the population.

With regard to the reconstruction of the North-West, South-West and Far-North Regions, the gradual return of displaced populations, following the calming of the situation, will require an increase in the interventions of the Presidential Reconstruction and Development Plan for the North-West and South-West. The acceleration of the search for funding internally and from technical and financial partners, as well as the maturation of the reconstruction and development phases will be priorities for the reconstruction plans of these three Regions.

With regard to taking into account and financing recurrent maintenance and operating costs associated with public investments, operations to evaluate the stock of the State's real estate assets will be carried out in order to determine the real need for rehabilitation and maintenance in an exhaustive manner. Methodological tools will also be developed to enable all actors, including the RLAs, to estimate the recurrent costs and the methods of financing them. Moreover, information on the recurrent costs that a project may generate will also be an element in the decision to set up the project. Thus, the capacity to implement a project would not be sufficient for the final decision on its implementation, particular attention being also paid to the capacity to ensure the financing of the recurrent costs generated by its implementation.

As for alternative models of financing public investments, the Government will have to complete the process of reviewing the legal frameworks for PPPs. Similarly, the promotion of modes will continue, with a view to containing the State's burden on the financing of its development programme.

1.3. Financing policy

**** Reference situation: recent evolution of public debt***

The scope of the study of public debt was broadened at the end of 2021. Indeed, although only the debts of the central government and public enterprises (the debt of the Regional and Local Authorities is currently being recorded and evaluated) are taken into account for the evaluation of Cameroon's public debt, in accordance with good practice, the State's explicit contingent liabilities are now monitored, particularly the endorsed debt and public-private partnerships, which can have an impact on public debt under certain conditions.

Taking into account outstanding debts of more than three months as at 31 December 2021, discounted to 163 billion, Cameroon's outstanding public debt is estimated at 11 355 billion, against 10 329 billion in 2020, a nominal variation of 9.9%. In relative terms and in relation to GDP, this debt rose from 44.0% in 2020 to 45.3% in 2021. This debt is made up of 92.4% direct debt of the central government on the one hand, and 8.6% debt of public establishments and enterprises on the other.

As of 31 May 2022, this outstanding debt is estimated at 11 672 billion and represents 45.1% of GDP. Year after year, it has experienced a nominal growth of 12.6%; this growth is 2.8% compared to December 2021.

Table 30: Outstanding public sector debt

Rubriques	31 Mai 2021 *	31 Décembre 2021 **	31 Janvier 2022 ***	28 Février 2022 ***	31 Mars 2022 ***	30 Avril 2022 ***	31 Mai 2022 ***
Montant en Milliards de FCFA							
1. Dette extérieure	6 870	7 558	7 579	7 631	7 639	7 802	7 735
Multilatérale	2 855	3 267	3 289	3 362	3 371	3 434	3 414
<i>dont appuis budgétaires</i>	1 104	1 287	1 291	1 359	1 362	1 381	1 373
Bilatérale	3 097	3 297	3 273	3 253	3 261	3 349	3 319
<i>dont appuis budgétaires</i>	197	197	197	197	197	197	197
Commerciale	919	994	1 017	1 017	1 007	1 019	1 001
2. Dette intérieure	2 813	2 929	2 971	2 927	3 009	2 968	3 072
2.1. Dette intérieure (hors Restes à Payer)	2 611	2 765	2 808	2 764	2 845	2 805	2 909
Titres publics	1 162	1 276	1 329	1 311	1 410	1 380	1 499
Emprunt consolidé BEAC	577	577	577	577	577	577	577
Dette structurée	805	850	840	815	798	787	773
Dette non structurée	67	62	62	61	61	61	60
2.2. Restes à payer de plus de 3 mois	202	163	163	163	163	163	163
3. Dette Directe de l'administration centrale	9 683	10 487	10 550	10 558	10 647	10 770	10 807
<i>dont appui budgétaire total</i>	1 301	1 484	1 488	1 556	1 559	1 578	1 570
4. Dette des Entreprises publiques	865	868	867	863	862,6	872,5	864,8
Dette extérieure directe des entreprises publiques	448	459	460	459	461,4	474,6	469,3
Dette intérieure auprès du système bancaire	417	410	407	404	401,2	397,9	395,5
5. Dette des Collectivités Territoriales Décentralisées	N/D	N/D	N/D	N/D	N/D	N/D	N/D
Dette extérieure directe des CTD's	N/D	N/D	N/D	N/D	N/D	N/D	N/D
Dette intérieure directe des CTD's	N/D	N/D	N/D	N/D	N/D	N/D	N/D
6. Passifs conditionnels explicites de l'Etat	27	1 249	1 249	3 360	3 360	3 359	3 777
Dette avalisée	27	21	21	21	21	21	19
Partenariats Publics Privés		1 228	1 228	3 338	3 338	3 338	3 758
7. Total Dette Publique (non consolidée) (Secteur Public - hors passifs conditionnels) (3+4+5)	10 548	11 355	11 417	11 420	11 510	11 642	11 672

* données définitives ** données semi-définitives *** données provisoires

Source: CAA

As regards the direct debt of the Central Government, as of 31 December 2021, its outstanding amount is estimated at 10 487 billion (41.9% of GDP) and is made up of 72.1% external debt and 27.9% domestic debt.

At the end of May 2022, this stock is estimated at 10 807 billion (41.7% of GDP). In terms of variation, it grew by 11.6% year after year and by 3.1% in relation to the assessment made on 31 December 2021. This outstanding debt is made up of 71.6% external debt and 26.9% domestic debt, including outstanding debts of more than three months.

The external debt of the central government is estimated at 7 758 billion as at 31 December 2021, representing 30.2% of GDP: (i) 43.6% of bilateral debt; (ii) 43.2% of multilateral debt; (iii) and 13.1% of commercial debt.

As of 31 May 2022, the outstanding external debt of the central government was estimated at 7,735 billion, or 29.9% of GDP. This represents an increase of 12.6% on an annual basis and 2.3% compared to the end of December 2021. This outstanding debt is made up of: (i) 44.1% multilateral debt; (ii) 42.9% debt with bilateral partners, (iii) and 12.9% debt with commercial creditors.

Table 31: Outstanding external debt

Rubriques	31 Mai 2021 **	31 Décembre 2021 **	31 Janvier 2022 ***	28 février 2022 ***	31 Mars 2022 ***	30 Avril 2022 ***	31 Mai 2022 ***
Montant en Milliards de FCFA							
Multilatéral	2 855	3 267	3 289	3 362	3 371	3 434	3 414
BAD	474,1	508,4	510,5	509,7	512,0	519,2	523,1
dont appuis budgétaires PEF	269,2	326,9	326,9	326,9	326,9	326,9	326,9
appuis budgétaires COVID-19	57,7	57,7	57,7	57,7	57,7	57,7	57,7
BADEA	24,1	26,4	27,1	26,9	26,8	28,4	27,8
BDEAC	26,3	25,3	25,3	24,7	24,7	24,7	24,7
BID	249,2	319,7	327,9	332,6	335,4	342,8	341,9
BIRD	160,8	174,3	174,3	174,3	174,3	174,4	174,4
dont appuis budgétaires PEF	112,8	112,8	112,8	112,8	112,8	112,8	112,8
FAD	372,0	397,6	400,0	401,4	405,1	413,9	410,3
FIDA	50,6	54,2	55,2	55,6	55,5	56,7	56,1
FMI	546,8	671,4	674,6	743,7	745,7	761,7	754,8
dont appuis budgétaires PEF 2017-2020	332,3	346,9	348,6	349,3	350,2	357,8	354,5
appuis budgétaires COVID-19	214,4	223,8	224,9	225,4	226,0	230,8	228,7
appuis budgétaires FCE-PEF 2021-2023	-	33,6	33,7	56,3	56,5	57,7	57,2
appuis budgétaires MEDC-PEF 2021-2023	-	67,1	67,5	112,7	113,0	115,4	114,4
FS OPEP	11,8	13,1	13,2	12,9	13,0	13,1	12,6
IDA	905,6	1 038,6	1 043,4	1 042,2	1 041,3	1 062,3	1 052,0
dont appuis budgétaires PEF	117,7	175,7	176,6	176,0	176,6	180,0	178,7
UE	33,4	37,9	37,9	37,7	37,1	36,9	36,8
Bilatéral	3 097	3 297	3 273	3 253	3 261	3 349	3 319
ALLEMAGNE	17,5	17,9	17,9	17,9	17,9	17,9	17,9
Belgique	9,1	9,1	9,1	9,1	9,1	9,1	9,1
Espagne	3,2	3,2	2,7	2,7	2,7	2,7	2,7
FRANCE	904,3	931,2	925,0	925,0	917,2	898,7	899,0
dont appuis budgétaires PEF	196,8	196,8	196,8	196,8	196,8	196,8	196,8
dont C2D	117,5	143,2	136,6	136,6	130,1	121,1	71,5
JAPON	52,9	55,5	56,3	55,8	52,9	52,4	52,4
NORVEGE (EKSPORTKREDITT NORGE SA)	30,6	26,2	26,2	26,2	26,2	26,2	26,2
SUISSE	0,8	0,9	0,9	0,9	0,8	0,8	0,8
ARABIE SAOUDITE	7,6	9,0	9,1	9,0	8,7	9,2	9,0
CHINE	3,1	3,4	3,4	3,4	3,4	3,5	3,4
COREE DU SUD	34,9	44,8	45,0	44,8	45,1	46,4	45,5
EXIMBANK DE CHINE	1 886,0	2 043,1	2 022,5	2 005,0	2 021,6	2 117,5	2 092,9
EXIMBANK TURQUE	86,3	82,0	83,3	76,9	77,8	82,2	80,5
INDE	49,4	58,6	59,6	63,8	65,4	69,7	67,6
KOWEÏT	11,1	12,4	12,4	12,2	12,2	12,8	12,0
Commercial	919	994	1 017	1 017	1 007	1 019	1 001
AFRICAN EXPORT IMPORT BANK	-	44,0	44,7	44,2	44,8	47,3	46,3
Bank of China	123,9	123,5	125,4	116,9	115,4	121,9	119,4
Belfius	54,8	52,1	52,0	51,1	49,4	49,4	49,4
BMCE Bank	13,1	10,9	10,9	10,9	8,7	8,7	8,7
Comercial-eurobond	450,4	542,0	542,0	542,0	542,0	542,0	542,0
dont Eurobond 2015	450,4	92,7	92,7	92,7	92,7	92,7	92,7
Eurobond 2021	-	449,3	449,3	449,3	449,3	449,3	449,3
Commerz bank Allemagne	13,0	14,0	14,3	14,1	14,3	15,1	14,8
Deutsche banque Espagne	28,8	24,8	23,4	21,9	21,9	21,4	19,1
Inter Islamic trade Finance Corporation	37,0	9,2	9,6	21,4	22,2	23,5	17,9
INTESA SANPAOLO SPA	98,4	81,5	81,5	81,5	77,3	77,3	77,3
NR ECMR	6,2	-	-	-	-	-	-
Raiffeisen Bank Inter AG	5,9	5,7	5,7	5,7	5,7	5,7	5,7
SOCIETE GENERALE NEW YORK - EXIM BANK US	31,1	30,3	30,6	30,4	29,1	30,3	28,7
Standard Chartered Londres	56,2	55,7	76,5	76,5	76,0	76,0	72,0
Total Général	6 870	7 558	7 579	7 631	7 639	7 802	7 735

* données définitives ** données semi-définitives *** données provisoires

Source: CAA

As regards the domestic debt of the central government (excluding outstanding debts of more than three months), its stock is estimated at 2 765 billion as at 31 December 2021, or 11.0% of GDP. It is made up of 46.1% of public securities; 30.7% of structured debt; 20.9% of the BEAC consolidated loan; and 2.2% of unstructured debt.

The estimate of this domestic debt (excluding arrears on budgetary remainders to be paid) as at 31 May 2022 is 2 909 billion, representing 11.2% of GDP. During this month, apart from the repayments made to various creditors, Cameroon issued a new bond of 235 billion, redeemable at the fifth, after two years of deferment, meaning until 2029. In terms of composition, this debt is made up of 51.5% government securities; 26.6% structured debt; 19.8% BEAC consolidated loan; and 2.1% unstructured debt.

Table 32: Outstanding external debt

Rubriques	31 Mai 2021 **	31 Décembre 2021 **	31 Janvier 2022 ***	28 Février 2022 ***	31 Mars 2022 ***	30 Avril 2022 ***	31 Mai 2022 ***
Montant en Milliards de FCFA							
Titres Publics	1 162,2	1 276,0	1 329,4	1 311,0	1 410,1	1 380,1	1 498,7
Bons de Trésor Assimilable	219,7	241,0	294,4	280,9	242,4	212,4	212,4
OTA	757,5	935,0	935,0	930,1	1 067,7	1 067,7	951,3
OTA 2 ans	55,3	33,3	33,3	33,3	33,3	33,346	-
OTA 3 ans	132,8	132,8	132,8	118,0	118,0	118,0	35,0
OTA 5 ans	348,7	481,1	481,1	481,1	618,7	618,7	618,7
OTA 6 ans	93,0	160,0	160,0	160,0	160,0	160,0	160,0
OTA 7 ans	82,7	82,7	82,7	82,7	82,7	82,7	82,7
OTA 10 ans	45,0	45,0	45,0	54,9	54,9	54,9	54,9
OT	185,1	100,0	100,0	100,0	100,0	100,0	335,0
ECMR 5,5% 2016-2021	35,1	-	-	-	-	-	-
ECMR 5,5% 2018-2023	150,0	100,0	100,0	100,0	100,0	100,0	100,0
ECMR 6,25% 2022-2029							235,0
Emprunt consolidé BEAC	576,9	576,9	576,9	576,9	576,9	576,9	576,9
Dette Structurée	805,0	850,2	839,6	814,7	797,7	786,9	773,1
Dette Structurée Bancaire	394,2	396,2	390,0	369,5	361,6	359,5	346,4
Dette Bancaire Titrisée	1,7	1,7	1,7	1,7	1,7	1,7	1,7
ECOBANK	69,7	61,3	59,3	54,8	53,1	53,1	51,8
PLANUT 1	17,7	13,6	11,6	10,1	10,1	10,1	10,1
PLANUT 2	51,8	47,5	47,5	44,5	42,8	42,8	41,5
PLANUT 2 - substituée BGFI - tranche A	19,0	16,5	16,5	15,3	15,3	15,3	14,0
PLANUT 2 - substituée BGFI - tranche B	32,8	31,0	31,0	29,3	27,5	27,5	27,5
SIC-COFFOR	0,2	0,2	0,2	0,2	0,2	0,2	0,2
BGFI	36,6	31,9	30,5	27,5	27,5	26,5	26,5
PLANUT	19,9	17,7	16,8	16,8	16,8	15,8	15,8
STADE JAPOMA	16,7	14,2	13,7	10,7	10,7	10,7	10,7
Banque Atlantique Cameroun (PLANUT)	165,3	141,5	141,5	129,6	129,6	129,6	117,8
PLANUT	165,3	141,5	141,5	129,6	129,6	129,6	117,8
UBA	14,0	12,0	12,0	12,0	10,0	10,0	10,0
STADE OLEMBE	14,0	12,0	12,0	12,0	10,0	10,0	10,0
CCA BANK	6,3	10,0	10,0	10,0	10,0	10,0	10,0
FCP coût résiduel achèvement Stade OLEMBE	6,3	10,0	10,0	10,0	10,0	10,0	10,0
CREDIT FONCIER	35,6	33,8	33,8	32,7	32,2	31,2	31,2
LOGEMENTS SOCIAUX	15,0	15,0	15,0	14,5	14,0	13,0	13,0
SIC ETAT SIEGE	20,6	18,8	18,8	18,2	18,2	18,2	18,2
SCB	-	10,1	10,1	10,1	10,1	10,1	10,1
Pénétrante Est Douala	-	10,1	10,1	10,1	10,1	10,1	10,1
SOCIETE GENERALE CAMEROUN	65,1	93,9	91,0	91,0	87,4	87,4	87,4
Cession de créances ENEO 2020	45,8	38,6	38,6	38,6	38,6	38,6	38,6
Cession de créances ENEO 2021 - Pool de 6 banques		38,9	38,9	38,9	35,2	35,2	35,2
Cession de créances TOTAL CAMEROUN	13,5	13,5	13,5	13,5	13,5	13,5	13,5
Cession de créances NEPTUNE OIL	5,8	2,9	-	-	-	-	-
Dette structurée non bancaire	410,8	453,9	449,6	445,2	436,1	427,4	426,7
Dette titrisée	79,3	69,2	66,8	66,4	63,8	61,2	60,5
Dette croisée et B.T.P titrisée	1,6	1,6	1,6	1,3	1,3	1,3	1,3
PAD	20,0	20,0	20,0	20,0	20,0	20,0	20,0
SONARA	57,7	47,6	45,2	45,2	42,5	39,9	39,3
Dette non titrisée	1,7	1,7	1,7	1,7	1,7	1,7	1,7
Dette B.T.P non titrisée	1,7	1,7	1,7	1,7	1,7	1,7	1,7
Dette vis-à-vis des Ent. Publ.et Parapubliques	257,0	309,8	308,8	305,7	302,8	296,6	296,6
CNPS	132,2	132,2	132,2	132,2	132,2	132,2	132,2
Anciennes conventions	69,6	69,6	69,6	69,6	69,6	69,6	69,6
Immeuble ministériel - CNPS	4,7	4,7	4,7	4,7	4,7	4,7	4,7
Avance de trésorerie N°1	15,0	15,0	15,0	15,0	15,0	15,0	15,0
Avance de trésorerie N°2	10,0	10,0	10,0	10,0	10,0	10,0	10,0
Avance de trésorerie N°3	2,9	2,9	2,9	2,9	2,9	2,9	2,9
Avance de trésorerie N°4	30,0	30,0	30,0	30,0	30,0	30,0	30,0
ALUCAM	2,9	2,9	2,9	2,9	2,9	2,9	2,9
PAD	9,1	8,1	8,1	6,6	5,8	4,8	4,8
Paiement guichet CAA	1,3	1,3	1,3	-	-	-	-
Paiement guichet DGTCFM	7,8	6,8	6,8	6,6	5,8	4,8	4,8
PAK	-	24,8	24,8	24,8	24,8	24,8	24,8
SRC/BICEC/SIMAR	0,0	0,0	0,0	0,0	0,0	-	-
CAMTEL	14,2	53,9	52,9	51,9	50,7	46,5	46,5
CAMWATER	5,5	5,5	5,5	5,5	5,5	5,5	5,5
SOPECAM	2,4	2,4	2,4	2,4	2,4	2,4	2,4
CDE/CAMWATER	18,7	18,7	18,7	18,7	18,7	18,7	18,7
CAMRAIL	1,1	1,1	1,1	1,1	1,1	1,1	1,1
SIC	34,6	33,9	33,9	33,4	32,9	31,9	31,9
SONATREL	36,3	26,3	26,3	26,3	25,8	25,8	25,8
Dette vis-à-vis des Ent. Privées	71,3	71,7	70,8	69,8	66,3	66,3	66,3
BENEFICIAL (priva.SOCAR)	0,3	0,3	0,3	0,3	0,3	0,3	0,3
ENEO	40,1	40,1	40,1	40,1	40,1	40,1	40,1
G.I.D.E.P.P.E	3,2	0,0	0,0	0,0	0,0	0,0	0,0
HYSACAM		7,7	7,7	7,7	7,7	7,7	7,7
LES MINOTERIES DU CAMEROUN	2,4	2,4	2,4	2,4	2,4	2,4	2,4
MARKETERS	25,1	21,3	20,4	19,4	15,9	15,9	15,9
CORLEY	8,4	6,4	6,4	5,4	5,4	5,4	5,4
OLA - Energy	6,4	4,6	3,7	3,7	2,8	2,8	2,8
GREEN OIL	10,3	10,3	10,3	10,3	7,7	7,7	7,7
Autres conventions	1,6	1,6	1,6	1,6	1,6	1,6	1,6
Dette Non Structurée	67,0	62,2	61,6	61,0	60,7	60,7	60,5
Dette Commerciale	17,7	13,7	13,7	13,1	12,8	12,8	12,6
Dette Locative	10,7	10,6	10,6	10,6	10,6	10,5	10,5
Indemnités	26,6	26,5	26,5	26,5	26,5	26,5	26,5
Autres Dettes Non Structurées	12,0	11,4	10,9	10,9	10,9	10,9	10,9
Total Général	2 611,1	2 765,3	2 807,5	2 763,6	2 845,3	2 804,5	2 909,1

* données définitives ** données semi-définitives *** données provisoires

Source: CAA

As for the debt of public enterprises, it is evaluated at the end of 2021 at 868 billion (3.5% of GDP) and is made up of 52.8% of the direct external debt of public enterprises (endorsed and unendorsed) and 47.2% of the domestic debt of these enterprises with the banking system.

On 31 May 2022, the debt of public enterprises and establishments amounted to 864.8 billion (3.3% of GDP). It is more or less identical to the debt in May 2021 and has decreased by 0.4% compared to December 2021.

Concerning explicit contingent liabilities, they amount to 3 777 billion in May 2022 (14.6% of GDP) against 1 249 billion in December 2021 (5.0% of GDP). They are made up of 98.3% of Public Private Partnerships (PPP) and 2.7% of debt endorsed in December 2021, against 99.5% of PPP and 0.5% of debt endorsed in May 2022

Concerning PPPs, they amounted to 1 228 billion in December 2021 against 3 758 billion in May 2022. As at 31 December 2021, 71.6% of these PPPs were concessionary PPPs (the private partner is paid by the final users of the project); 22.6% were mixed PPPs and 5.7% were public payment PPPs (the private partner is paid by the public partner). On the other hand, as at 31 May 2022, 90.7% of the PPPs were of the concessionary type, 7.4% of the mixed type and 1.9% of the PPPs with public payments.

Table 33: Amount of investments in the form of PPPs

Code projet	Objet du projet	Partenaire public	Date de signature	Type de PPP	Montant de l'investissement au 31 Décembre 2021 ***	Montant de l'investissement au 31 Janvier 2022 ***	Montant de l'investissement au 28 Février 2022 ***	Montant de l'investissement au 31 Mars 2022 ***	Montant de l'investissement au 30 Avril 2022 ***	Montant de l'investissement au 31 Mai 2022 ***
Montant en milliards de FCFA										
P12-001	Construction, gestion et maintenance du marché Congo à Douala	Communauté Urbaine de Douala	12 septembre 2012	Concessif	27,8	27,8	27,8	27,8	27,8	27,8
P13-001	Réhabilitation du laboratoire central de l'hôpital général de Yaoundé	Hôpital Général de Yaoundé	17 août 2015	Paiement public	1,1	1,1	1,1	1,1	1,1	1,1
P15-005	Modernisation du système informatique de la Douane au Cameroun	MINFI	signé le 04/09/2015, et entré en vigueur le 01/06/2017	Paiement public	34	34	34	34	34	34
P14-002	Approvisionnement supplémentaire de 50 000 m ³ d'eau /jour dans la ville de Yaoundé	ETAT/ Ministère de l'Eau et de l'Energie	01/12/2014	Concessif	26	26	26	26	26	26
P16-006	Transport urbain de masse dans la ville de Yaoundé	MINT/CUY	31/08/2016	Mixte	17	17	17	17	17	17
P16-004	Réhabilitation de la blanchisserie de l'Hôpital Général de Douala	HGD	12/10/2017	Paiement public	0,4	0,4	0,4	0,4	0,4	0,4
P15-009	Construction de 6 immeubles de rapport à Okolo	CNPS	13/04/2017	Mixte	11	11	11	11	11	11
P13-005	Gare routière de SODIKO	CUD	28/07/2017	Concessif	2,2	2,2	2,2	2,2	2,2	2,2
P17-001	Réhabilitation, exploitation et maintenance de l'immeuble CNPS Avenue de Gaulle à Douala	Caisse Nationale de Prévoyance Sociale (CNPS)	23 octobre 2017	Concessif	13	13	13	13	13	13
P17-013	Kiosques urbains dans la ville de Douala (1400 kiosques)	CUD		Concessif	6,8	6,8	6,8	6,8	6,8	6,8
P16-001	Construction de 14 postes de péage dans les principaux axes routiers du Cameroun	MINTP		Paiement public	35	35	35	35	35	35
P17-004	Financement, conception, construction, exploitation et maintenance Kiosques multifonctions pour la ville de Yaoundé	CUY		Concessif	5	5	5	5	5	5
P13-003	Autoroute Kribi-Lolabé	MINTP	30/12/2020	Mixte	250	250	250	250	250	250
P17-012	Contrôle des axes routiers en vue de la réduction des accidents	MINT	18/02/2022	Concessif	0	0	3	3	3	3
P17-013	Projet de mise en place de la couverture santé universelle	MINSANTE	27/08/2020	Concessif	52	52	52	52	52	52
P17-014	Projet de réalisation de Centres hospitaliers ambulatoires à Bertoua et à Douala	MINSANTE	03/12/2021	Concessif	7,6	7,6	7,6	7,6	7,6	7,6
Total (CARPA)					488,9	488,9	491,9	491,9	491,9	491,9
	Projet de construction du barrage hydroélectrique de NACHTIGAL	NHPC - Nachtigal Hydro Power Company	01/11/2018	concessif	723	723	723	723	723	723
	Projet de construction du Terminal à conteneur du Port de Kribi	MINT et PAK	27/07/2017	concessif	N/D	N/D	N/D	N/D	N/D	N/D
	construction de magasin de Cale	PAD	01/07/2021	concessif	16	16	16	16	16	16
	projet de construction du chemin de fer Cameroun-Congo (Pour Mémoire) constitué des phases :	MINT et PAK	25/02/2022	concessif	0	0	5400	5400	5400	5400
	1- Projet de construction du Terminal minéralier du Port de Kribi	MINT et PAK	25/02/2022	concessif	0	0	202,4	202,4	202,4	202,4
	2- projet de construction du chemin de fer reliant MBALAM au port de Kribi	MINT	25/02/2022	concessif	0	0	1905,1	1905,1	1905,1	1905,1
	Projet d'exploitation industrielle du gisement de fer Lobe-Kribi	MINMIDT	06/05/2022	concessif	0	0	0,0	0,0	0,0	420,0
Total Général					1 227,9	1 227,9	3 338,4	3 338,4	3 338,4	3 758,4

*** données provisoires

Source: CAA

An analysis of these PPPs in May 2022 shows that nine tenths of these partnerships are concessional, in other words, the remuneration of the private partner will be made directly by the users of the project and not by the public partner. This finding shows that there is little budgetary risk that PPPs could generate. However, considering PPPs with public payment, this implies a budgetary commitment allocation of about 72.5 billion, in margin of the allocations for PPPs of mixed type which could approach 150 billion during the payment period, in particular during the exploitation period.

The main indicators of costs and risks of the public debt, excluding outstanding payments of less than 3 months as of 31 May 2022, are as follows

- The debt-to-GDP ratio has increased compared to the end of December 2021, rising from 40.9% to 41.1%;
- The weighted average cost of debt has decreased by 0.1% compared to the previous month and to December 2021, and stands at 2.4%, representing 2.1% for external debt and 3.2% for domestic debt;
- To refinance the current debt portfolio, it will take an average of 8.3 years as in April 2022, that is 9.6 years for external debt and 4.9 years for domestic debt. This level of risk is 0.2 years lower than at 31 December 2021;
- Interest rate risk has increased slightly compared to the situation at the end of 2021. It is reflected in the exposure of approximately 19.1% of the total debt (variable interest rate debt) to interest rate fluctuations, compared to 19.3% in April 2021 and 19.5% at end of 2021;
- The level of exchange rate risk has deteriorated significantly compared to the situation at the end of 2021. The share of debt denominated in currencies other than the CFAF is estimated at 72.4% of the overall portfolio, which means an effective exposure of 45.4% of the portfolio to foreign exchange risk as at 31 May 2022, considering the fixed parity between the CFAF and the Euro, compared with an effective exposure of 34.9% of the portfolio in December 2021.

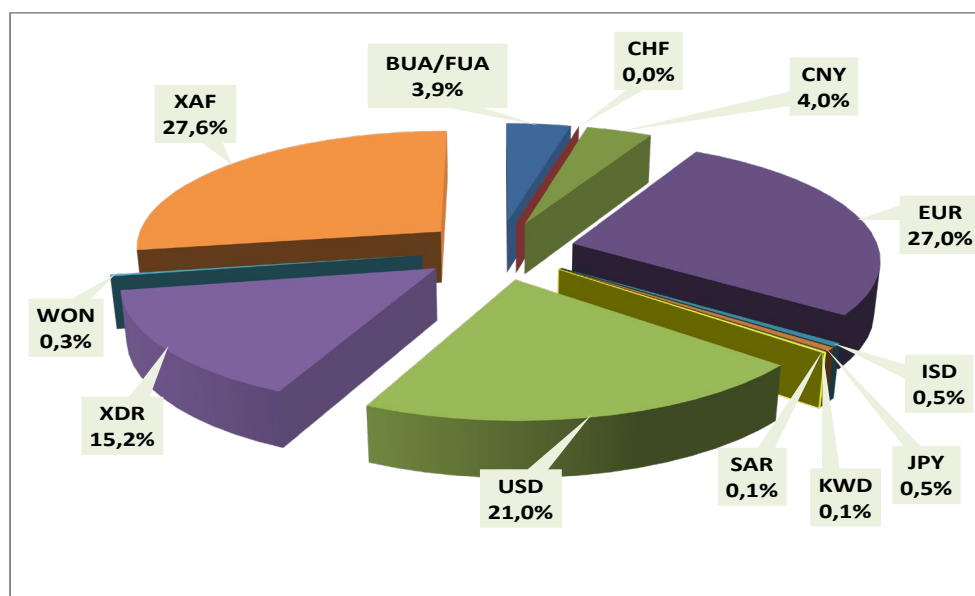
Table 34: Cost and risk indicators of the public debt portfolio as at 31 May 2022

Indicateurs de coûts et risques		Dette extérieure	Dette intérieure	Dette totale*
Dette nominale en milliards de FCFA		7 710	2 935	10 645
Dette nominale (% du PIB)		29,8	11,3	41,1
Coût de la dette	Paiement d'intérêt en % du PIB	0,6	0,3	1,0
	Taux d'intérêt moyen pondéré (%)	2,2	3,1	2,4
Risque de refinancement	Durée moyenne d'échéance (ans) (ATM)	9,6	4,9	8,3
	Dette à amortir durant l'année prochaine (% du total)	7,1	21,2	11,0
	Dette à amortir durant l'année prochaine (% du PIB)	2,1	2,4	4,5
Risque de taux d'intérêt	Durée moyenne à refixer (ans) (ATR)	7,5	4,9	6,8
	Dette refixée durant l'année prochaine (% du total)	30,7	21,2	28,1
	Dette à taux d'intérêt fixe (% du total)	76,5	92,7	80,9
Risque de change	Dette en devises (% du total)			72,4
	Amortissement en devise durant l'année prochaine (en % du stock brut de réserves de change brutes détenues par la BEAC)			14,1

Source: CAA

In terms of composition, the public debt portfolio is made up of the following main currencies: the Euro for 27.0%, the XAF for 27.6%, the US Dollar for 21.0% and the XDR (SDR) for 15.2%.

Figure 7: Distribution of public debt by currency

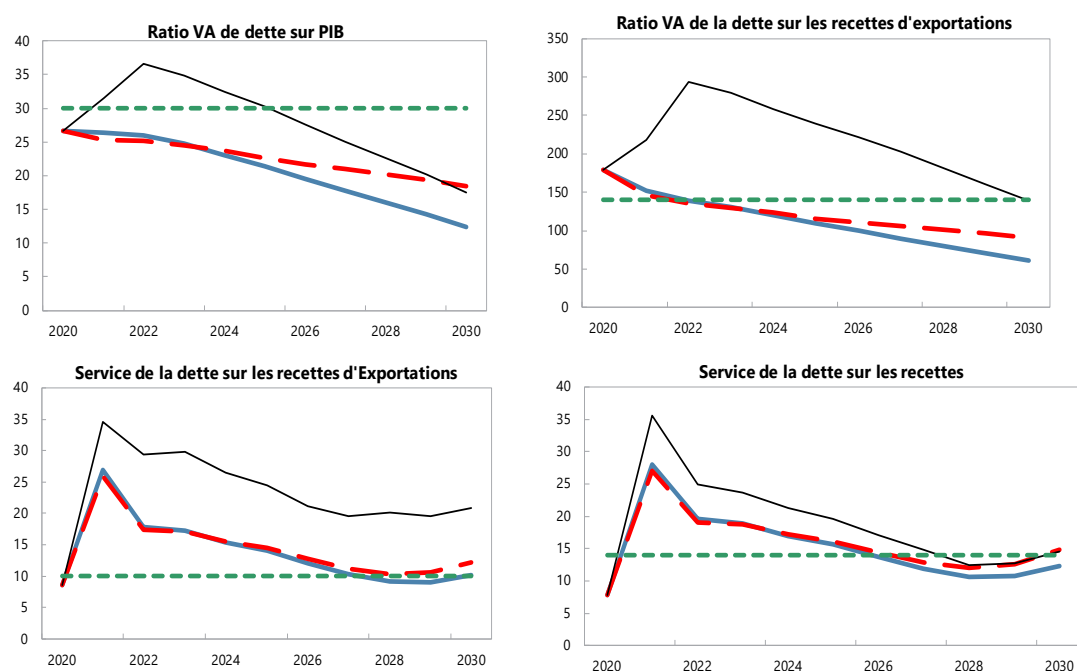


Source: CAA

* Debt sustainability and various debt constraints

The Debt Sustainability Analysis (DSA) conducted at the end of 2021 shows that Cameroon's debt at the end of December 2020 remains sustainable, with a high risk of debt distress. This result is explained by the deterioration, according to the Debt Sustainability Framework methodology, of Cameroon's debt capacity from "medium" to "low" (due to the fall in the composite index), and subsequently the downward revision of the applicable debt thresholds, which led to all four debt ratios in the baseline scenario being exceeded.

Figure 8: Evolution of public debt sustainability ratios



In order to reduce the risk of debt distress to a moderate or even low level in a few years' time, a number of economic policy measures need to be taken or should be continued, notably in terms of (i) the gradual broadening of the tax base, (ii) the strengthening of the capacity to mobilise export revenue, reinforced by the acceleration of the import-substitution policy, (iii) the pursuit of a prudent fiscal policy to minimise the primary deficit, (iv) the improvement of the country's composite index used to determine the thresholds for analysing the sustainability of public debt, namely economic growth, the level of international reserves, economic and financial governance and the business climate.

*** *Financing/debt policy objective***

The budget deficit financing policy, which is essentially debt-based, is intended to be effective and prudent. During the period 2023-2025, the government will pursue a debt policy aimed at keeping its public debt sustainable with a moderate risk of debt distress. This policy will be based on the adoption and implementation of a medium-term debt and public debt management strategy aimed at meeting the government's financing needs and payment obligations at the lowest possible cost and risk, and facilitating the development and smooth functioning of efficient primary and secondary markets for domestic public securities. In addition, recourse to financing through Public Private Partnerships (PPP's) for projects with proven profitability remains possible.

In line with previous strategies, this debt strategy will be implemented in coherence with (i) the multilateral convergence programme of the CEMAC sub-region, and (ii) other budgetary policies and the orientations of the various on-going programmes, notably the New Economic and Financial Programme with the IMF.

Given the current composition and vulnerabilities of the portfolio, the targets of the 2022-24 strategy will be carried over into the three-year period (2023-2025). These include:

- a public debt ratio not exceeding 50% of GDP;
- a debt portfolio structure of 75% external debt (denominated in foreign currencies, including 25% in US dollars) and 25% domestic debt (denominated in CFAF);
- a share of short-term domestic debt of less than 10%;
- a share of debt at variable interest rates of less than 20% of the total public debt portfolio (taking into account the disbursements of the SENDs);
- an average maturity of the public debt portfolio of at least 12 years, including 5 years for domestic debt with an average interest rate of less than 2.5%.

*** *Outlook for the period 2023-2025***

The outlook for the period 2023-2025 can be broken down into three major aspects:

At the institutional level: the government will continue to implement the CEMAC Regulation on the reference framework for public debt policy and management, notably by:

- consolidating the role of the CNDP (systematic and compulsory referral to the Committee) for all requests for external and internal financing (Central Administration and branches of the State, including Regional and Local Authorities and public companies)
- the effective application of the debt management procedures manual, which is part of the need to clarify the organisational framework for public debt management

- strengthening the capacities and skills of the actors involved in the public debt and state treasury management chain
- promoting sound governance and good management of operational risks

At the strategic level, the government will seek to optimise financing to cover the state's financing needs while optimising costs and risks, and promote the development of the domestic, financial and monetary market.

This should be done:

- for external debt, by: (i) priority mobilisation of concessional financing and recourse to non-concessional financing in the event of non-availability of concessional resources, for the realisation of projects with proven financial and socio-economic profitability, and (ii) optimal allocation of borrowing resources to beneficiary projects and programmes;
- for structured domestic debt, by (i) implementing a prudent public securities issuance policy; (ii) developing the secondary market in order to build the yield curve, with the support of the BEAC, which will serve as a benchmark for domestic borrowing; and (iii) continuing to make judicious use of the two financing mechanisms (auction and syndication) The Government reserves the right to buy back certain categories of debt, if it deems this necessary;
- for unstructured domestic debt, while ensuring a minimum budgeting of that which is known, an extended audit has been undertaken in order to determine the exact amount of this category of debt, which should then lead to the development of a settlement strategy with a schedule;
- For arrears on budgetary outstanding payments, specific measures focusing on the mobilisation of resources on the domestic markets are being undertaken to regularise them. To prevent the accumulation of new arrears, efforts are being made to strengthen cash management.

At the operational level: Emphasis will be placed, on the one hand, on the settlement of debt service on time and the clearance of all domestic arrears (outstanding debts, floating debts, unstructured debts, etc.) during the period, and, on the other hand, on the efficient mobilisation of resources through the optimal programming of external drawings and public securities issues. To achieve this, the following measures are necessary;

- the development of a reliable debt service forecast, to be updated regularly taking into account new information;
- Signing contracts for and effective monitoring of new loans and contingent liabilities (guaranteed loans and PPPs) within the limits predefined in the debt strategy, to ensure debt sustainability, and after systematic referral to the NPDC;
- compliance with the debt ceilings set per debt instrument defined in the debt strategy;
- programming and prioritisation of new commitments (FINEX) to be included exhaustively in an annual debt plan;
- the assessment of the various risks related to the debt portfolio and the identification of mitigating measures. If necessary and in the absence of alternative solutions, the use of instruments to hedge the risks inherent in the money and financial markets, as well as the implementation of active cash management, could be envisaged and, depending on the availability of capacity;

- the reduction of the level of so-called problematic Undisbursed Commitment Balances (UCDs), by implementing strong measures to accelerate disbursements, reallocation or cancellation of committed resources when necessary;
- continuous, regular and transparent information to the various actors in the debt chain and the general public on public debt management.

II. Budgetary framework 2023-2025

On the basis of the macroeconomic outlook, this section presents the budgetary projections for total government revenue and expenditure, the resulting budget deficit and the sources of its financing, as well as the coverage of other financing and cash flow costs over the period 2023-2025. The sector-by-sector breakdowns of expenditure based on these projections take into account the strategic priorities formulated above. These allocations are indicative at this stage and are therefore subject to change in the light of changes in the economic environment or the emergence of new strategic directions.

II.1. *Reminder of macroeconomic assumptions*

The budgetary projections for the period 2023-2025 are based on prudent, realistic and achievable macroeconomic assumptions. In fact, economic growth is projected at 4.6% in 2023 with an inflation rate of 3%, a world oil price of 89.1 US dollars per barrel and an exchange rate of 580.1 CFAF.

Between 2024 and 2025, economic activity should remain dynamic at an average rate of 5.3%. Inflation would be stable at 3% and there would be a drop in the world price of oil to an average of USD 66.5 per barrel, with an average USD exchange rate of CFAF 550.9.

Table 35: Key macroeconomic assumptions over the period 2022-2025

	2022	2023	2024	2025
Nominal GDP (in billions)	27,063	28,776	30,712	33,026
Growth rate (%)	4.0	4.6	5.0	5.5
GDP deflator (%)	3.9	1.6	1.6	2
Inflation rate (%)	3.0	3.0	3.0	2.5
Oil production (million barrels)	25.3	25.4	25.5	25.6
Gas production (billions of scf.)	69.9	69.9	69.9	69.9
World oil price per barrel (US\$)	102.0	89.1	66.5	66.5
Taux de change Exchange rate \$ US/FCFA	588.5	580.1	580.1	521.7

Source: Scoping Committee

II.2. *Budget revenue projections*

On the basis of macroeconomic assumptions and the efforts envisaged by the government to optimise the mobilisation of internal non-oil resources, as well as the potential financing (internal and external) that it could mobilise, the projections of total state resources in 2023 are 6 040.4 billion, an increase of 32.7 billion in absolute value and 0.5% in relative value compared to 2022. These resources would amount to 6455.6 billion on average between 2024 and 2025, an increase of 447.9 billion (+7.5%) compared to 2023.

Specifically, the state's resources are broken down as follows:

Oil revenues are projected at 696.2 billion in 2023, a decrease of 109.8 billion (-13.6%) compared to 2022. **Non-oil revenues** are forecast at 696.2 billion in 2023, an increase of 109.8 billion (-13.6%) compared to 2022. With the drop in the world price of a barrel of oil from US\$102 in 2022 to around US\$89 in 2023, the SNH royalty would fall by US\$211.4 billion from US\$706 billion to US\$494.6 billion between these two years, despite the slight recovery of activity in the oil sector in 2023 (0.5% growth in 2023 compared to a contraction of -2.3% in 2022). This decline would be offset by the increase in the oil tax, which is projected at USD 201.6 billion in 2023 compared with USD 100 billion in 2022, given the deferred payment of a large part of this tax with an oil price of over USD 100 in 2022.

Between 2024 and 2025, oil revenue is projected to average 492.0 billion, a decrease of 204.3 billion (-29.3%), in line with the drop in world prices observed during this period compared with 2023.

Non-oil revenue is forecast at 3 707.8 billion in 2023, an increase of 432.9 billion (+13.2%) compared to 2022, of which 408.6 billion is tax revenue and 24.3 billion is non-tax revenue. This increase is the result, on the one hand, of the dynamics of activity (201.1 billion) and, on the other hand, of the assumption of a fiscal effort of 0.8% of GDP to be made in 2023 to increase the tax burden to 12.6% compared to 11.8% in 2022, representing 231.8 billion in additional revenue. This effort is broken down as follows: 0.5% for the DGI (147.9 billion), 0.26% for the DGD (74.0 billion) and 0.04% for the DGB (10 billion). It is thus expected that these additional efforts expected from the various administrations are based on the effective implementation of the necessary new administrative and policy measures.

Between 2024 and 2025, non-oil revenue is projected at 4 348.2 billion on average, an increase of 640.4 billion (+17.3%) compared to 2023, mainly due to the dynamics of the activity and the continuation of efforts to optimise the mobilisation of non-oil internal revenue at a rate of 0.5% each year.

Grants are divided into project grants and programme grants. They are projected at 91.0 billion in 2023, a decrease of 51.3 billion compared to 2022 in relation to the disbursement of C2D funds. These grants are projected at 104.6 billion between 2024 and 2025, an increase of 13.6 billion (+14.9%) compared to 2023.

The state's financing resources, which are essentially made up of drawings on loans, will amount to 1 545.5 billion in 2023, including 273 billion in budgetary support expected within the framework of the implementation of the new economic and financial programme (PEF) monitored with the IMF, representing a decrease of 239.1 billion (-13.4%) compared to 2022. This decrease in financing resources is justified by the non-availability in 2023 of exceptional financing from SDRs, the decrease in domestic borrowing of about 150 billion, and the decline in budgetary resources of 40 billion.

Between 2024 and 2025, the financing resources that the State could expect are estimated at 1 510.8 billion, down by 34.7 billion (-2.2%) compared to 2023.

It should be noted, however, that despite this slight drop in the overall level of financing, budgetary support will drop by 127 billion in 2024, given the completion of the IMF's Economic and Financial Programme that year. This drop in budgetary support would be offset by an increase in project loans as well as an increase in the state's drawings on its reserve accounts at the BEAC, which are constituted by the automatic debit mechanism to meet the maturities of bond issues over this period.

Table 36: Projection of state resources over the period 2023-2025

(In billions of CFAF)	2022			2023	2024	2025
	LF 2022	LFR NBE 2003	LFR NBE 2019	Proj.	Proj.	Proj.
Total ressources	5,679.7	6,007.7	6,007.7	6,040.4	6,254.1	6,657.0
Internal revenue and grants	4,009.2	4,223.2	4,223.2	4,495.0	4,740.3	5,149.3
Oil revenues	562.0	806.0	806.0	696.2	533.0	450.9
Non-oil revenues	3,304.9	3,274.9	3,274.9	3,707.8	4,110.8	4,585.7
Tax revenues	3,088.7	3,048.7	3,048.7	3,457.4	3,843.6	4,298.3
Taxes and duties	2,184.8	II2 184,8	2,184.8	2,465.1	2,753.8	3,093.4
Customs revenue	903.9	863.9	863.9	992.3	1,089.8	1,204.9
Non-tax revenues	216.2	226.2	226.2	250.4	267.3	287.4
Grants	142.3	142.3	142.3	91.0	96.4	112.7
Projects	33.3	33.3	33.3	35.4	37.8	40.6
Programme	109.0	109.0	109.0	55.6	58.7	72.1
Gross Funding	1,670.5	1,784.5	1,784.5	1,545.5	1,513.9	1,507.7
Project loans	746.5	746.5	746.5	795.4	848.9	912.8
Budgetary support (IMF, EU, AFD, WB, ADB)	369.0	313.0	313.0	273.0	146.0	0.0
IMF Grant	150.0	150.0	150.0	86.0	43.0	0.0
UE		0.0	0.0			
AFD	45.0	45.0	45.0			0.0
WB	106.0	53.0	53.0			
ADB	53.0	50.0	50.0			
Others	15.0	15.0	15.0	187.0	103.0	
Issuance of securities (MLT)	350.0	350.0	350.0	400.0	450.0	450.0
Bank financing (excluding public securities)	100.0	70.0	70.0	77.1	69.0	144.9
Other loans		200.0	200.0			
IMF SDR	70.0	70.0	70.0			
Special funding	35.0	35.0	35.0			
WB (CAS-Covid funds)	35.0	35.0	35.0			

Source: MINFI

II.3. Budgetary expenditure projections 2023-2025

Within the limits of these possible resources, total State expenditure and expenses are projected at 6 040.4 billion in 2023, representing an increase of 32.7 billion in absolute terms and 0.5% in relative terms compared to 2022. Between 2024 and 2025, these expenditures and charges would amount to 5 946.6 billion, an increase of 415.1 billion (+6.9%) compared to 2023. In particular:

- **Personnel expenditure** increases by 67.2 billion (5.7%) in 2023, from 1188.0 billion to 1,255.2 billion. These expenditures are expected to reach 1 391.5 billion in the medium term between 2024 and 2025, an increase of 136.6 billion (10.9%) compared to 2023.
- **Expenditure on goods and services** increases from 912.8 billion in 2022 to 946.7 billion in 2023, including 107.2 billion in external financing. This envelope, which is an increase of 33.9 billion in absolute value and 3.7% in relative value, includes the general allocation for decentralisation of the regions amounting to 30 billion, the local production recovery fund of 50 billion, as well as studies and project management of public investment projects in accordance with the new 2019 State budget nomenclature, now in force. Between 2024 and

2025, these expenditures are projected at 923.6 billion on average, an increase of 57.9 billion (6.7%) compared to 2023.

- **Transfers and subsidies** drop from 1 217.4 billion to 1 101.3 billion between 2022 and 2023, a decrease of 116.1 billion (-9.5%). The decline in transfers and subsidies is due to the decrease in the allocation dedicated to supporting the price of fuel at the pump, which drops from 480 billion in 2022 to 300 billion in 2023, due to the fall in world oil prices between these two years. These expenditures would average 1 171.3 billion between 2024 and 2025, an increase of 70 billion (6.4%) to take into account the dynamics of pensions and the assumption of responsibility for the new public entities created, notably universities. It should be noted that these projections also include capital transfers to the Regional and Local Authorities as well as to public establishments and other bodies, in accordance with the new framework for the presentation of the State's budgetary operations established by the 2019 nomenclature mentioned above.
- **Interest on the public debt** is projected at 287.6 billion in 2023 compared to 239.6 billion in 2022, an increase of 48 billion (+20.03%), due to the increase in the stock of domestic debt as well as the start of interest payments in 2023 on statutory advances due to the BEAC (16.9 billion), the stock of which stands at CFAF 577.9 billion to date
- Capital expenditure increases by 64.8 billion (+5.9%) between 2022 and 2023, from 1 097.5 billion to 1 162.3 billion. In particular, capital expenditure on external resources increases by 57.8 billion to 723.5 billion in 2023 against 665.7 billion in 2021. Between 2023 and 2024, capital expenditure is projected at an average of 1 334.3 billion, an increase of 172.0 billion (+14.8%) compared to 2023 to support the implementation of the development policy based on the NDS30.

It should be noted that over the period 2023 and 2025, resources have not been allocated to the National Solidarity Fund for the fight against the coronavirus, given the relative control of the pandemic today.

Table 37: Projection of state resources over the period 2023-2025

(In billions of CFAF)	2022			2023	2024	2025
	LF 2022	LFR NBE 2003	LFR NBE 2019	Proj.	Proj.	Proj.
Total expenditure and net lending	5,679.7	6,007.7	6,007.7	6,040.4	6,254.1	6,657.0
Current expenditure	2,564.4	2,927.4	3,248.9	3,224.3	3,400.8	3,576.7
Title 2: Staff costs	1,124.8	1,174.3	1,188.0	1,255.2	1,359.4	1,423.7
Title 3: Purchases of goods and services	786.4	739.9	841.8	865.7	894.4	952.7
<i>FINEX Grant</i>			<i>114.1</i>	<i>107.2</i>	<i>114.5</i>	<i>123.1</i>
Title 4: Transfers and subsidies	653.2	1,013.2	1,217.4	1,101.3	1,144.7	1,197.9
Title 6: Exceptional costs			1.8	2.1	2.3	2.4
Title 5: Capital expenditure	1,479.0	1,419.0	1,097.5	1,162.3	1,275.9	1,392.7
Expenditure on external funding.	779.8	779.8	665.7	723.5	772.2	830.4
Expenditure from own resources	664.3	620.3	412.8	408.8	471.7	527.5
Participation/restructuring expenditure	35.0	19.0	19.0	30.0	32.0	34.8
Grant Net loans	-20.0	-20.0	-20.0			
COVID-19 Financing Fund	100.0	50.0	50.0			
Local production recovery fund	50.0	40.0	40.0	50.0	50.0	50.0
Decentralisation Addendum (DGD)	31.0	31.0	31.0	31.0	31.0	31.0

Source: MINFI

II.4. Evolution of the budgetary deficit and analysis of the funding

By comparing the state's own revenue with its expenditure as projected above, an overall budget deficit of 344.2 billion is expected in 2023, compared to 547.8 billion in 2022, a reduction of 203.7 billion. During the period 2024-2025, this deficit should continue its downward trend to average 309.8 billion, thus reflecting the objective of consolidating the situation of our public finances.

Table 38: Evolution of the public deficit over the period 2022-2024

	2022	2023	2024	2025
Non-oil primary balance (including grants)	-1,114.0	-753.0	-634.0	-436.0
Overall balance (ordo basis, including donations)	-547.8	-344.4	-377.3	-242.4
	-2.0	-1.2	-1.2	-0.7
CEMAC reference budget balance	-894.5	-519.8	-310.6	-651
	-3.3	-1.8	-1.0	-0.2

Source: MINFI

In addition to financing its budgetary deficit, the government must also meet other financing and cash flow requirements, notably the servicing of external and internal debt, including the payment of arrears, net cash outflows from correspondents and the reimbursement of VAT credits. In 2023, these needs will be estimated at 1 285.3 billion against 1 320.7 billion in 2022, representing a decrease of 35.4 billion (-2.7%). This need would be established at 1 194.3 billion on average between 2024 and 2025.

In total, the State's financing requirement, including the financing of the budgetary deficit, stands at 1 629.3 billion in 2023 and 1 594.7 billion on average between 2024 and 2025.

II.5. 2023-2025 Budgetary constraints and risks

The budgetary projections made for the 2023-2025 period remain subject to various sources of risk that could jeopardize the budgetary and financial balance established on the basis of these projections. These risks relate as much to the assumptions underlying the macroeconomic projections, as to the effectiveness and efficiency of the new measures intended to support the optimization of the mobilization of tax and customs revenues, to the efficiency of the rationalization and control of expenditure, the capacity to absorb State financing needs by the domestic financial market and the availability of budgetary support expected from our partners.

From the macroeconomic point of view, the growth dynamic projected at 4.6% in 2023 and at 5.3% on average between 2024 and 2025, is based on the strong hypothesis of the appeasement of the Russo-Ukrainian crisis this year. . This dynamic is also due to the positive short- and medium-term effects expected from the implementation of the import substitution policy, the finalization of the commissioning of hydroelectric dams, the construction of electricity transmission, hydroelectric, road and transport infrastructure as well as the reconstruction of the North-West, South-West and Far North regions.

Thus, in the event of a stalemate in the Russo-Ukrainian crisis, or the ineffectiveness of the economic policies supporting these growth projections, the recovery in activity expected in 2023 and for future years would be compromised. As a result, tax and customs revenues related to this activity dynamic would be below projected levels between 2023 and 2025.

Similarly, the evolution of the world price of a barrel of oil presents a risk for the oil revenues projected in the 2023 and subsequent budgets, if the actual world prices of a barrel of oil are lower than those used in the context of these projections, US\$89.1 in 2023 and US\$66.5 in 2024 and 2025; or again, if the recovery in activity projected in the oil sector, albeit slight, does not materialize; especially since activity in this sector is currently faced with the ageing of oil fields.

Furthermore, any lack of support or any limited impact of the new tax and customs measures proposed to support the tax effort by 0.8% of GDP set in 2023 (corresponding to additional revenue of 232 billion) and 0.5% per year between 2024 and 2025, constitutes a significant budgetary risk for the financial balance of the finance bill for the 2023 and following financial years.

Also, in the event that the financing announced by the partners in the form of budgetary support within the framework of the implementation of the new on-going economic and financial programme with the IMF does not materialize, namely 273 billion in 2023 and 146 billion in 2024, the projections for the 2023-2024 framing would be profoundly unbalanced. The same is true if Cameroon does not respect the various conditions surrounding the implementation of this programme.

Therefore, in the event of unfavourable financial conditions on the domestic financial market, the expected mobilization of medium- and long-term government securities amounting to 400 billion in 2023 and 450 billion in 2024 and 2025, as well as the refinancing of BTAs on these three financial years, would risk upsetting the financial equilibrium established over this period. Similarly, the hypothesis of limiting the payments of Treasury correspondents (PEs and RLAs solely to payments of their own revenues made during the year would compromise the financial equilibrium, if these payments exceed the level of revenues actually paid into the respective accounts of these entities lodged in the treasury.

The security risk remains and continues to weigh on the State budget, particularly through direct interventions, the level of which remains high. In addition, the cost of hydrocarbon price subsidies at the filling station, which are projected at 300 billion in 2023, also constitutes a major risk for the budgetary sustainability of the 2023-2025 period, if the Russo-Ukrainian crisis does not abate this year and continues to put pressure on world oil prices.

The increasing weight of the State's existing commitments, linked in particular to the entanglement of reforms and the implementation of the various Plans, to the traditional financial obligations relating to the payment of salaries and pensions as well as debt service and domestic arrears, also installs strong budgetary rigidity that is detrimental to the balance of public finances in the event of a shock to State resources.

Finally, the deterioration of the financial situation of certain enterprises in the public and semi-public sector, which continues to require significant financial support from the State budget, could lead to a removal of the ceiling on projected expenditure and thus compromise the financial balance built up in the medium term.

III. Determinants of expenditure for the 2023-2025 triennium

The determinants of expenditure present the main interventions that the State budget will finance over the 2023-2025 period, to support the implementation of NDS30. A summary of the State Priority Investment Programme for the 2023-2025 period is also presented for this purpose.

III.1. Structural transformation of the economy

The State budget over the three-year period amounts to 18,951.53 billion, including 6,040.42 billion in 2023. Nearly half of the State's resources over the three-year period are devoted to personnel expenditure and the debt, i.e. 8,711.5 billion.

Specifically, the structure of State expenditure is as follows:

- Current expenditure (on average 51% of the overall budget);
- Investment expenditure (on average 24% of the budget);
- Payment of debt service (on average 25% of the budget).

With regard to current expenditure, it continues to be driven by expenditure on personnel and transfers, which stand respectively at 21.3% (1346 billion) and 18.2% (1148 billion) of the overall budget on average per year.

With regard to public debt service, an annual average of 1,550 billion is programmed over the 2023-2025 triennium, including 1,572.85 billion in 2023. Domestic debt management amounts to nearly 738.85 billion in 2023.

Capital expenditures are programmed on average over the three-year period at 1491.98 billion, i.e. a total of 4475.93 billion. They remain driven by disbursements on external financing, with an average value of 775.16 billion over the 2023-2025 triennium. In accordance with the key considerations of NDS30, the said expenditure will mainly be allocated to the completion of on going projects, the finalization of the terms and conditions for the full commissioning of infrastructures resulting from major 1st generation projects, as well as the identification and the maturation of the main second-generation projects.

III.2 At sector level

The Production and Social Development sectors benefit respectively from an average allocation of 1,169.8 billion and 1,069.16 billion per year, in line with the inclusive growth objectives pursued by the Government. As such, most of the activities initiated during previous budgetary years, and specified in the framework of the 2023-2025 EBPD will continue.

III.2.1 Structural Transformation of the Economy

In the area of production, the three major challenges remain: (i) the commissioning of major projects, so that they contribute effectively to strengthening the productive system; (ii) modernization of factors of production in the rural and agricultural sector in line with the import-substitution objectives set out in NDS30; (iii) promoting research and innovation.

*** At the level of the Infrastructure Sector**

A budget allocation of 2911.16 billion is allocated to this sector for the 2023-2025 triennium, including 1010.5 billion in 2023, for expenditure essentially oriented towards:

1. Development of transport infrastructure

- Yaoundé - Douala Motorway (phase 1): Completion of additional works and Construction of connection roads to the Yaoundé urban network via Nkolbisson and to the National road No.3 via Boumnyebel;
- the completion of the construction and rehabilitation works of the national and regional roads already started (Babadjou-Bamenda, Olama-Kribi, Batchenga-Ntui-Yoko-Lena-Tibati-Febadi (N15), Sangmélina-Ouessou, Kumba-Mamfé, Bamenda-Enugu, Yaoundé-Douala-Idenau (N3), Mengong-Sangmelima, Nkolessong-Nding, Maroua-Bogo-Pouss, Ketta-Djoum, East Entrance to Douala, bridge over the Logone,
- the start and continuation of construction and rehabilitation works on certain priority roads (Ring-road, Ebolowa-Akom II-Kribi, Ngaoundéré-Garoua, OlounouOveng, Lolabé-Campo, etc.);
- Rehabilitation of the Belabo-Ngaoundéré railway line, and completion of studies for the construction of new lines (Cameroon-Chad, Limbé-Douala, Douala-Ngaoundéré, Kribi-Edéa);
- The renewal of the CAMRAIL fleet with the acquisition of 25 Passenger Cars;
- The complete operationalization of the Kribi port platform and the extension/start of construction works for new platforms (Limbe-Ngueme, Kribi 2);
- The preparation of the launch of the construction works of the Port of Limbé;
- Construction of the Yaoundé bypass.

2. Strengthening the supply of electrical energy and drinking water

- the commissioning and optimization of the operation of all the dam projects in progress (Bini in Warak, Lom Pangar base plant, Mekin);
- The finalization of the preparation and the launch of new dam projects by favouring the Public Private Partnership mode (Grand-Eweng 1800 MW, Menchum 72; MW, Mouila-Mogue 420 MW, Katsina-Ala 485 MW, Cholet 600 MW, etc.);
- The densification of transmission line networks and the interconnection of North-South networks (Memve'ele-Kribi 225KV, Mekin-Mbalmayo 30KV, Ngaoundéré-Tibati 225KV, Tibati-Gaoundal 30KV, Bertoua-Garoua Boulai-Meiganga-Ngaoundéré 225KV, Yaoundé-Abong-mbang 225KV, Nkongsamba-Bafoussam 225KV, Ngaoundéré-Djamena 225KV, Nachtigal-Bafoussam 400KV, the Chad-Cameroon interconnection and the RIS-RIN interconnection);
- The implementation of rural electrification projects (rural electrification project for access to electricity in underserved areas (PERACE));
- Densification of the drinking water supply network (PAEPYS project from Sanaga (phase 2), Emergency programme for the city of Yaoundé, the South-West, West, North-West, Centre regions, etc.).

3. The development of social housing, digital technology and the modernisation of the land register

- The continuation of the Government's social housing construction programme (in Yaoundé and Douala, Meyomessala, Nkondom, Kribi, Bertoua, etc.), and the acceleration of work to ensure the habitability of housing already built;

- The finalisation of the development programme of the Regional Capitals:

Bafoussam, Bertoua, Garoua;

- The finalisation of the project for the Development of Inclusive and Resilient Cities;
- The reinforcement of land tenure security through the computerisation of land registries (62 land registries to be computerised) and the acceleration of the geodesic network project;
- The commissioning of broadband telecommunications infrastructure within the framework of the National Fibre Optic Backbone Extension Project (Phase IV) and the establishment of the Central African Backbone.

*** At the level of the Rural Sector**

The budgetary envelope of 422.29 billion planned for this sector over the three-year period 2023-2025, including 133.36 billion in 2023, will enable:

- The operationalization of the import-substitution support fund;
- The effective implementation of the General Census of Agriculture and Livestock (RGAE);
- The optimisation of support mechanisms for producers in terms of agricultural and plant material;
- The continuation of the development of production basins, and the modernisation of infrastructure and equipment for the production, processing and marketing of agricultural products;
- Continuation of the programme for the development of hydro-agricultural areas in the far north and the concessioning of these areas;
- The continuation of support to large production units (CDC, PAMOL, SEMRY, SODECOTON);
- The construction, rehabilitation and equipment of units for the marketing and processing of cattle products (project for the development of cattle marketing and breeding infrastructures, PRODEL project, acquisition of equipment for the operation of milk centres, construction of slaughter areas in the communes with resources transferred to the RLAs);
- The continuation of the construction, rehabilitation and equipment of fishing infrastructures (project to improve the landing stage and the fish market at Youpwe in the city of Douala, etc.).

*** In the Industries and Services Sector**

A budgetary envelope of 175.4 billion is planned for the three-year period 2023-2025, including 56.88 billion in 2023. This allocation is mainly directed towards

- The operationalization of the Master Plan for Industrialisation (PDI);

- The promotion of the label "made in Cameroon" through the construction of a metrology laboratory, the support of the structures for the supervision of craftsmen, the promotion of local crafts and the establishment of business incubators (Edea);
- Strengthening the governance of craft production units and the verification and control of standards on imported and local products;
- The continuation of the development of priority tourist sites (launch of the Mingo valley in Yaoundé, etc.);
- The setting up of the Ouassa-Baboute agro-industrial technopole;
- Supporting actors in the artisanal mining sector in the production and marketing of mineral substances through the channelling of gold;
- The completion and operationalization of the first priority economic zones (Douala, Kribi, Limbé, and Maroua).

III.2.2 Development of human capital

The main challenge is to have healthy and well-trained men and women capable of driving strong and sustainable growth. Similarly, there is a need to modernise the social security and protection system. More concretely:

*** In the Health and Nutrition Sector**

The general allocation for the three-year period 2023-2025 amounts to 487.48 billion, including 157.46 billion in 2023. These expenditures will be mainly for :

- Supporting the activities of the response plan against COVID-19;
- Continuing to put in place the prerequisites for the deployment of Universal Health Coverage (UHC) through (i) the construction, rehabilitation and equipment of health facilities, including on-call accommodation for health staff; (ii) the acquisition of tricycles/motorcycles; (iii) the organisation of hospital reform activities as a prelude to UHC;
- The construction, rehabilitation and upgrading of the technical facilities of the 4th to 6th category health facilities (CSI, CMA, HD);
- Supporting 4th category health facilities with control, measurement and testing equipment for the maintenance of biomedical equipment;
- Equipping district hospitals with medical imaging equipment;
- The fight against maternal and infant mortality through the health voucher;
- The implementation of the CSU through the care of mother and child via the coverage of deliveries by the health cheque in at least 05 regions and The continuation of free care for PLWHA via the Users Fees;
- The retention of health personnel in areas of difficult access through the construction of on-site accommodation and the granting of retention bonuses.

*** In the education and vocational training sector**

In this sector, an allocation of 2443.4 billion is projected for the three-year period 2023-2025, including 759.5 billion in 2023. These resources are mainly intended for

- The extension of the coverage of the preschool in rural areas by the construction of classrooms in preschools and on-site housing for teachers in rural areas;
- The construction and equipment of vocational high schools (Ekounou/Yaoundé, Douala) and the generalisation of digital technology in secondary education;
- The granting of subsidies to private nursery schools and private secondary schools;
- The facilitation of the provision of textbooks to learners through the granting of minimum packages;
- The continuation of the implementation of the "school book policy" through the PAREC project;
- Strengthening vocational training (Transfer of skills in the field of vocational training with TIKa).

*** At the level of the Social Development Sector**

In this sector, the focus will be on

- the continuation of the rehabilitation work of the National Centre for the Handicapped Cardinal Paul Émile Leger of Yaounde (CNRPH-CPEL);
- the completion of the construction and equipment of the Centre for the Rehabilitation of Disabled Persons (CRPH) in Maroua
- the continued implementation of the government's policy to support the poorest and most vulnerable people through the "social safety nets" project
- the continuation of the computerisation of the National Disability Card
- the continuation of the restoration and development of the cultural heritage (construction of the NTUI, Baham and Mora Houses of Culture, construction of a two-storey building at the Ekounou National Archaeological Reserve);
- the extension of the social security system to workers (in the informal sector) who are not taken into account and the strengthening of women's economic capacities;
- The implementation of the psychosocial support plan for displaced persons and refugees due to the security crises (Grand Nord, South-West, North-West and East);
- the popularisation and monitoring of the implementation of the National Gender Policy;
- the integration of gender into planning and budgeting
- the continuation of the Social Nets Project, aimed at households severely affected by COVID-19.

III.2.3 Promotion of employment and socio-economic integration

In this area, the overall objective is to promote and facilitate access to decent employment for a large number of workers. This is achieved through the expansion and enhancement of job creation opportunities in the economy, through:

- Support for micro-projects pending at PIAASI, in particular
- The organisation and reintegration into self-employment of Cameroonian migrants returning from the Mediterranean coast;
- The granting of investment subsidies (to the Programme of Support for the Creation and Development of SMEs);
- Support for incubation initiatives in universities and colleges;
- The structuring and installation in independent employment of informal actors in the digital economy sector;
- The financing of youth projects within the framework of the "Special Three-Year Plan for Youth";
- The moral and civic rearmament of young beneficiaries of the PTS-Jeune (REAMORCE)
- The development of civic education support structures (PRONEC REAMORCE);
- Strengthening the technical, entrepreneurial and managerial capacities of young people;
- The granting of credit to young people set up in agropastoral VPCs and to young people set up in the Digital Economy Clusters (DYSC, Info Maintenance, Digital Marketing, AFRIK PAY, etc.);
- Support for the economic resilience of vulnerable youth (PARSE).

III.2.4 Governance, decentralisation and strategic management of the state

In the area of governance, the main challenges concern the greater involvement of the population in the implementation of public policies and the significant improvement of the business climate. The allocation in this area for the three-year period 2023-2025 is 3209.09 billion, including 991.75 billion in 2023.

In terms of political governance and decentralisation, the aim is to carry out actions relating to

- the continuation of the drafting of texts for the application of the General Code of Regional and Local Authorities (RLA), in particular for the full exercise of the powers transferred to the Regional Councils and Municipalities;
- the continuation of the rehabilitation of NASLA in Buea, with a view to the establishment of a local civil service.
- the operationalization of the Economic and Social Development Programme for Secondary Cities exposed to instability factors (PRODESV);
- the operationalization of the national plan and the finalisation of the recently drawn up regional land use plans;
- the effective conduct of the 4th general population census;

*** In terms of administrative and financial governance, this involves carrying out actions relating to:**

- the continuation of the implementation of the global plan of public finance reforms for the period 2023-2025;

- the continuation of construction work on the National Assembly headquarters building and the completion of the equipment of the new CES headquarters building;
- The finalisation of the programme for the construction of courthouses (Douala, Edea, Ngoma, etc.);
- The development of a master plan for budgetary reforms, public procurement and decentralisation in Cameroon's public administration;

*** In the area of security**

- the continuation of construction for the installation of the new military units created and the equipment of troops;
- the reinforcement of automatic security units by extending the intelligent urban video surveillance system to the national level;
- the densification of the presence of the forces of order in the national territory;

*** In terms of ethics**

- Continuing to support the national civic service agency for participation in development;
- Preventing attacks on public property through the organisation of training courses.

III.3 The priority investment programme

The Priority Investment Programme (PIP) is the tool for selecting and programming the Government's priority investment projects over a period of three (3) years.

The 2023-2025 PIP is being developed in an environment marked by: (i) the continued implementation of the NDS30, (ii) a budgetary space strongly constrained by the large volume of on-going commitments; (iii) significant debt constraints; (iv) the implementation of a new Economic and Financial Programme with the IMF; (v) lessons learned from project management.

Based on this context, the government's budgetary programming priorities for investment for the period 2023-2025 are as follows:

- Complete and put into service the major first-generation projects;
- Complete the Three-Year Emergency Plan for Growth Acceleration (PLANUT);
- Contribute to the reduction of dependence on foreign countries and/or the development of exports
- Rationalise the allocation of counterpart funds;
- Place the Triennial Special Youth Plan (PTSJ) in a perspective of completion;
- Accelerate the implementation of decentralisation;
- Provide allocations for the reconstruction plans for the North West & South West and the Far North;
- Limit the registration of new projects to those that do not generate debt and require very little internal resources through new modes of financing, notably: (i) the project finance approach; (ii) the public private partnership (PPP) approach coupled with project finance, (iii) the corporate finance approach and (iv) the public finance approach;

- Pursue the steps taken within the framework of the Economic and Financial Programme with the IMF to rationalise new commitments from external resources;
- Strengthen the monitoring of the performance of externally financed projects;

The PIP 2023-2025, a reference document for the commitment of new major investment projects, is part of the framework of expenditure determinants for the three-year period. It is designed to

- improve the impact of public investment
- strengthen the preparation and prioritisation of projects within administrations
- limit the practice of scattering projects, given the multiplicity of projects and programmes that are often juxtaposed, making the projects implemented ineffective;
- strengthen the coherence of the Government's portfolio of public investment projects, in relation to the National Development Strategy;
- organise the breakdown of the National Development Strategy into coherent and mutually integrated operational projects, by year of implementation.

In addition, this framework pays particular attention to monitoring the implementation of the projects selected, at the same time:

- in budgetary terms, through optimal and prioritised allocation of resources for their effective implementation;
- in terms of close monitoring of implementation to ensure the effectiveness of achievements, and to correct any obstacles hindering the proper implementation of the selected projects.

The main objective of the PIP 2023-2025 is to implement the key consideration of the NDS30 relating to "the completion of all on-going projects and the finalisation of all modalities for the full commissioning of infrastructure resulting from major first-generation projects, as well as the implementation of NDS30 impetus projects".

The selection and programming of projects according to these considerations are presented in the annex.

CONCLUSION

The DPEB (2023-2025) is the document produced for the organisation of the budgetary orientation debate in the context of the preparation of the Finance Bill (PLF) for the year 2023. This document enables Parliament to have a better understanding of the macroeconomic and budgetary assumptions as well as the economic policy guidelines underlying the 2023 Finance Bill currently being prepared. The DPEB also presents the state of execution of the budget for the 2021 financial year.

In summary, with economic growth estimated at 3.6%, the macroeconomic situation in 2021 is marked by a recovery in economic activity, which was considerably slowed in 2020 (0.5% growth) by the effects of the COVID-19 health crisis. This dynamic consolidates the resilience that the national economy has shown for a number of years in a sufficiently morose global economic environment. In 2022, economic activity is expected to grow by 4% compared to the 4.2% initially forecast, in line with the deteriorating outlook for the global economy.

With regard to public finance management, the resources of the state budget mobilised at the end of December 2021 amounted to 5 156.5 billion for a revised forecast of 5 395.2 billion (of which 5 235.2 billion for the general budget and 160 billion for payments to CAS-COVID19), representing an achievement rate of 95.6%. Compared to 2020, these resources increased by 503.5 billion due to the good mobilisation of internal revenue, particularly non-oil revenue, in connection with the recovery of economic activity.

As for the strategic orientations of public policies for the period 2023-2025, the various challenges relate to the commissioning of major projects, the modernisation of production factors in the rural and agricultural sector, the continuation of the global post-Covid-19 health response strategy, particularly through the strengthening of the health monitoring system and the continuation of the immunisation deployment strategy. In addition, during this three-year period, the government intends to carry out actions to strengthen and consolidate the decentralisation process.

The government's public finance policy for the next three years will continue to be based on a budgetary consolidation effort aimed at ensuring the sustainability of the budget deficit, with a view to avoiding an unsustainable public debt while guaranteeing the proper implementation of the NDS30 in line with the guidelines of the new Economic and Financial Programme recently negotiated with the International Monetary Fund (IMF).

Thus, on the basis of macroeconomic assumptions and the efforts envisaged in terms of fiscal policy, as well as the potential financing (domestic and external) that the State of Cameroon can expect, the projections of total resources of the State in 2023 are 6040.4 billion, an increase of 32.7 billion in absolute value and 0.54% in relative value compared to 2022. In the medium term, these resources would amount to 6254.1 billion between 2024 and 6657 billion in 2025, an increase of 402.9 billion (+6.4%) compared to 2024.

With regard to expenditures, the budgetary perspectives for the three-year period 2023-2025, foresee projections of 3224.3 billion, 3400.8 billion and 3575.7 billion for operations and 1162.3 billion, 1275.9 billion and 1392.7 billion for investment.

By comparing the State's own revenue and its expenditure as projected above, an overall budgetary deficit of 344.4 billion is expected in 2023, compared to 547.8 billion in 2022, representing a reduction of 203.4 billion in the need to finance the deficit. During the period

2024-2025, the budgetary deficit should continue its downward trend in accordance with the objective of consolidating fiscal policy, averaging 242.4 billion. Thus, the overall budgetary deficit is expected to be 1.2% of GDP in 2023 compared to 2% in 2022. Thus, the overall budget deficit is expected to be about 1.2% of GDP in 2023, against 2% in 2022. In the medium term, this deficit should decrease to 0.7% in 2025.

To cope with this deficit, the financing and debt policy should be ambitious, but prudent. It should aim at mobilising national savings and borrowing on national and regional markets. In terms of external debt, the principle of prudence calls for the search for much more concessional financing.

Annex 1: TOFE 2023-2025

	2021			2022			2023		2024	2025
(En milliards de F.CFA)	LFR	Est.	Réal.	LF 2022	LFR NBE 2003	LFR NBE 2019	FMI	Proj.	Proj.	Proj.
Total ressources	5 581,3	5 494,3	5 016,7	5 679,7	6 007,7	6 007,7	6 157,0	6 040,5	6 254,1	6 657,0
Recettes internes et dons	3 530,8	3 458,8	3 563,5	4 009,2	4 223,2	4 223,2	4 707,0	4 495,0	4 740,3	5 149,3
Recettes pétrolières	536,0	477,0	482,2	562,0	806,0	806,0	801,0	696,2	533,0	450,9
Recettes non pétrolières	2 930,1	2 917,1	3 015,1	3 304,9	3 274,9	3 274,9	3 815,0	3 707,8	4 110,8	4 585,7
Recettes fiscales	2 743,1	2 743,1	2 843,2	3 088,7	3 048,7	3 048,7	3 565,0	3 457,4	3 843,6	4 298,3
Impôts et taxes	1 938,4	1 938,4	1 990,9	2 184,8	2 184,8	2 184,8	2 554,8	2 465,1	2 753,8	3 093,4
Recettes douanières	804,7	804,7	852,3	903,9	863,9	863,9	1 010,2	992,3	1 089,8	1 204,9
Recettes non fiscales	187,0	174,0	171,9	216,2	226,2	226,2	250,0	250,4	267,3	287,4
Dons	64,7	64,7	66,2	142,3	142,3	142,3	91,0	91,0	96,4	112,7
Projets	30,4	30,4	42,0	33,3	33,3	33,3	35,0	35,4	37,8	40,6
Programme	34,3	34,3	24,1	109,0	109,0	109,0	56,0	55,6	58,7	72,1
Financement Brut	2 050,4	2 035,4	1 453,2	1 670,5	1 784,5	1 784,5	1 450,0	1 545,5	1 513,9	1 507,7
Prêts projet	703,4	703,4	405,6	746,5	746,5	746,5	813,0	795,4	848,9	912,8
Appui budgétaire (FMI, UE, AFD, BM, BAD)	230,0	165,0	203,8	369,0	313,0	313,0	287,0	273,0	146,0	0,0
Dont FMI	161,0	96,0	148,6	150,0	150,0	150,0	87,0	86,0	43,0	0,0
UE	16,0	16,0			0,0	0,0				
AFD	0,0	0,0		45,0	45,0	45,0				0,0
BM	53,0	53,0		106,0	53,0	53,0				
BAD			55,2	53,0	50,0	50,0				
Autres				15,0	15,0	15,0	200,0	187,0	103,0	
Emission des titres (MLT)	350,0	350,0	336,0	350,0	350,0	350,0	350,0	400,0	450,0	450,0
Financement bancaire (hors titres pub)	111,0	111,0	10,3	100,0	70,0	70,0		77,1	69,0	144,9
Autres emprunts	450,0	450,0	456,6		200,0	200,0				
DTS FMI		50,0		70,0	70,0	70,0				
Financement exceptionnel	206,0	206,0	41,0	35,0	35,0	35,0				
Dont FMI					0,0	0,0				
UE (Fonds de concours CAS-Covid)					0,0	0,0				
AFD (Fonds de concours CAS-Covid)					0,0	0,0				
BM (Fonds de concours CAS-Covid)				35,0	35,0	35,0				
BAD					0,0	0,0				
BDEAC					0,0	0,0				
PME (*) (Fonds de concours CAS-Covid)					0,0	0,0				
Allègement dette extérieure	166,0	166,0			0,0	0,0				
Autres financements (Fonds de concours CAS-Covid)	40,0	40,0	41,0		0,0	0,0				
Dépenses totales et prêts nets	5 581,2	5 494,3	5 083,2	5 679,7	6 007,7	6 007,7	6 157,0	6 040,4	6 254,1	6 657,0
Dépenses courantes	2 430,6	2 426,9	2 806,5	2 564,4	2 927,4	3 248,9	2 959,0	3 224,3	3 400,8	3 576,7
Titre 2: Dépenses de personnel	1 069,8	1 069,8	1 075,0	1 124,8	1 174,3	1 188,0	1 262,0	1 255,2	1 359,4	1 423,7
Titre 3: Achats de biens et services	731,9	728,2	989,8	786,4	739,9	841,8	810,0	865,7	894,4	952,7
Dont FINEX						114,1		107,2	114,5	123,1
Titre 4: Transferts et subventions	628,8	628,8	741,6	653,2	1 013,2	1 217,4	887,0	1 101,3	1 144,7	1 197,9
Titre 6: Charges exceptionnelles						1,8		2,1	2,3	2,4
Titre 5: Dépenses de capital	1 352,0	1 352,0	1 061,4	1 479,0	1 419,0	1 097,5	1 585,0	1 162,3	1 275,9	1 392,7
Dépenses s/financemts exter,	733,8	733,8	447,6	779,8	779,8	665,7	848,0	723,5	772,2	830,4
Dépenses s/ressources propres	583,2	583,2	582,8	664,3	620,3	412,8	711,0	408,8	471,7	527,5
Dépenses de Participation/restructuration	35,0	35,0	31,0	35,0	19,0	19,0	26,0	30,0	32,0	34,8
Dont Prêts nets	-20,0	-20,0	7,3	-20,0	-20,0	-20,0	-20,0			
Fonds de Financement Covid-19	200,0	120,0	93,7	100,0	50,0	50,0				
Fonds de relance production locale	30,0	30,0		50,0	40,0	40,0	60,0	50,0	50,0	50,0
Additif Décentralisation (DGD)	30,0	30,0		31,0	31,0	31,0	30,0	31,0	31,0	31,0
Service de la Dette	1 558,6	1 555,4	1 114,2	1 475,3	1 560,3	1 560,3	1 543,0	1 572,8	1 496,5	1 606,5
Service de la dette extérieure	886,0	1 001,0	736,0	677,0	677,0	677,0	677,0	834,0	825,0	809,0
Principal	704,0	764,0	571,2	520,0	520,0	520,0	520,0	651,0	643,0	629,0
Dont Rachat Eurobonds 2015	300,0	357,0			0,0	0,0				
Intérêts	182,0	237,0	164,8	157,0	157,0	157,0	157,0	183,0	182,0	180,0
Service de la dette intérieure	672,6	554,4	378,3	798,3	883,3	883,3	866,0	738,8	671,5	797,5
Principal	438,0	318,0	365,6	531,7	570,7	570,7	574,0	435,3	378,6	471,3
Dont ECMR			91,3	50,0	50,0	50,0		50,0		47,0
Correspondants			68,4	30,0	30,0	30,0		0,0	0,0	50,0
Accumulation dépôt /Remboursement avances statutaires	150,0	0,0		58,0	0,0	0,0	62,0	39,0	114,9	183,3
Réduction encours BTA			36,2	0,0	50,0	50,0		0,0	0,0	0,0
Intérêts	65,2	65,2	76,8	82,6	82,6	82,6	66,0	104,6	93,9	77,2
Crédits de TVA	72,0	72,0	72,0	84,0	84,0	84,0	84,0	84,0	84,0	84,0
Reste à payer Trésor/Dette non structurée CAA	97,5	99,3	-136,1	100,0	146,0	146,0	142,0	115,0	115,0	165,0
Dont Restes à Payer Trésor	81,0	82,8	-142,1	85,0	120,0	120,0	97,0	100,0	100,0	100,0
Dette non structurée CAA	16,5	16,5	6,0	15,0	26,0	26,0	45,0	15,0	15,0	15,0
Dette fiscale compensée/Dette flottante								0,0	0,0	50,0
					0,0	0,0				
Capacité (+)/Besoin de financement (-)	0,1	0,0	-66,5	0,0	0,0	0,0	0,0	0,0	0,0	0,1
Solde primaire non pétrolier (dons compris)	-1 100	-1 029	-960	-841	-1 114	-1 114	-792	-753	-634	-436
Solde global (base ordo, dons compris)	-753,9	-797,2	-719,1	-518,8	-547,8	-547,8	-214,0	-344,1	-377,3	-242,4
Solde global (% PIB, base ordo, dons compris)	-3,1	-3,2	-2,9	-2,0	-2,0	-2,0	-0,7	-1,2	-1,2	-0,7
Solde budgétaire de référence CEMAC	-3,5	-3,3	-3,0	-2,4	-3,3	-3,3	-1,6	-1,8	-1,0	-0,2
Recettes non pétrolières nettes des remboursements des crédits de TVA	2 858,1	2 845,1	2 943,1	3 220,9	3 190,9	3 190,9	3 731,0	3 624	4 027	4 502
Pression fiscale	11,8%	11,4%	11,8%	12,1%	11,8%	11,8%	12,6%	12,6%	13,1%	13,6%
Soutenabilité Dép. personnel	40,1%	40,1%	38,8%	37,4%	39,6%	40,1%	36,3%	37,2%	36,2%	33,8%
PIB nominal	24 231	25 059	25 043	26 543	27 070	27 070	29 551	28 776	30 712	33 026
Taux croissance (%)	3,4	3,5	3,5	4,2	4,0	4,0		4,6	5,0	5,5
Déflateur du PIB	3,0	3,1	3,1	1,7	3,9	3,9		1,6	1,6	2,0

Source: MINFI

Annex 2 : TOFE 2023-2025 (% of GDP)

	2019				2020		2021			2022			2023		2024	2025
(En % du PIB)	LFI	LFR 2019 Est.	Réal.		LFR 2020	Réal.	LFR	Est.	Réal.	LFI	LFR NBE 2003	LFR NBE 2019	FMI	Proj.	Proj.	Proj.
Total ressources	21,6	23,2	18,7	20,8	21,4	20,5	23,0	21,7	20,0	21,0	21,8	21,8	20,8	21,0	20,4	20,2
Recettes internes et dons	16,0	17,5	15,2	16,0	13,4	14,1	14,6	13,8	14,2	15,1	15,6	15,6	15,9	15,6	15,4	15,6
Recettes pétrolières	2,0	2,2	2,6	2,6	1,2	1,9	2,2	1,9	1,9	2,1	3,0	3,0	2,7	2,4	1,7	1,4
Recettes non pétrolières	13,7	14,8	12,7	12,8	11,7	12,1	12,1	11,6	12,0	12,5	12,1	12,1	12,9	12,9	13,4	13,9
Recettes fiscales	12,9	13,9	12,1	12,1	10,8	11,2	11,3	10,9	11,4	11,6	11,3	11,3	12,1	12,0	12,5	13,0
Impôts et taxes	9,1	9,7	8,5	8,5	7,8	8,1	8,0	7,7	8,0	8,2	8,1	8,1	8,6	8,6	9,0	9,4
Recettes douanières	3,7	4,2	3,6	3,6	2,9	3,11	3,3	3,2	3,4	3,4	3,2	3,19	3,42	3,4	3,5	3,6
Recettes non fiscales	0,8	0,9	0,6	0,7	0,9	0,8	0,8	0,7	0,7	0,8	0,8	0,8	0,8	0,9	0,9	0,9
Dons	0,4	0,4	0,0	0,6	0,5	0,2	0,3	0,3	0,3	0,5	0,5	0,5	0,3	0,3	0,3	0,3
Projets	0,1	0,1	0,0	0,2	0,1	0,1	0,1	0,1	0,2	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Autres	0,2	0,3	0,0	0,4	0,3	0,1	0,1	0,1	0,1	0,4	0,4	0,4	0,2	0,2	0,2	0,2
Financement Brut	5,5	5,7	3,4	4,9	8,0	6,4	8,5	7,9	5,8	5,9	6,2	6,2	4,9	5,4	4,9	4,6
Prêts projet	2,6	3,3	3,4	3,4	3,0	2,0	2,9	2,8	1,6	2,8	2,8	2,8	2,8	2,8	2,8	2,8
Appui budgétaire (FMI, UE, AFD, BM, BAD)	1,5	1,6	0,0	1,0	1,0	0,5	0,9	0,7	0,8	1,4	1,2	1,2	1,0	0,9	0,5	0,0
Emission des titres	1,2	0,4	0,0	0,2	1,9	1,7	1,4	1,4	1,3	1,3	1,3	1,3	1,2	1,4	1,5	1,4
Financement bancaire	0,3	0,1	0,0	0,0	0,4	0,8	0,5	0,4	0,0	0,4	0,3	0,3	0,0	0,3	0,2	0,4
Autres emprunts		0,3		0,3	0,0	0,2	1,9	1,8	1,8	0,0	0,7	0,7	0,0	0,0	0,0	0,0
Financements exceptionnels	0,2	0,0		0,0	1,8	1,3	0,9	0,8	0,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Dépenses totales	21,6	24,1	22,6	22,3	20,5	19,3	22,0	21,3	19,9	20,8	21,8	21,8	20,6	20,7	20,1	19,9
Dépenses courantes	11,0	11,3	11,6	11,4	10,2	10,9	10,0	9,7	11,2	9,7	10,8	12,0	10,0	11,2	11,1	10,8
Dépenses de personnel	4,7	4,6	4,5	4,4	4,7	4,6	4,4	4,3	4,3	4,2	4,3	4,4	4,3	4,4	4,4	4,3
Achats de biens et services	4,0	3,6	3,5	3,8	3,0	3,6	3,0	2,9	4,0	3,0	2,7	3,1	2,7	3,0	2,9	2,9
Dont FINEX	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,4	0,0	0,4	0,4	0,4
Transferts et subventions	2,3	3,2	3,6	3,2	2,4	2,7	2,6	2,5	3,0	2,5	3,7	4,5	3,0	3,8	3,7	3,6
Charges exceptionnelles	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Dépenses de capital	5,9	6,6	6,3	6,5	5,7	4,6	5,6	5,4	4,2	5,6	5,2	4,1	5,4	4,0	4,2	4,2
Dépenses s/financem extér.	2,7	3,4	3,4	3,6	3,1	2,1	3,0	2,9	1,8	2,9	2,9	2,5	2,9	2,5	2,5	2,5
Dépenses s/ressources propres	3,0	2,9	2,7	2,7	2,5	2,4	2,4	2,3	2,3	2,5	2,3	1,5	2,4	1,4	1,5	1,6
Dépenses de Participation/restructuration	0,2	0,2	0,2	0,2	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Prêt nets		-0,1		0,2	0,0	0,2	-0,1	-0,1	0,0	-0,1	-0,1	-0,1	-0,1	0,0	0,0	0,0
Financement Fonds Covid-19		0,0		0,0	0,8	0,7	0,8	0,5	0,4	0,4	0,2	0,2	0,0	0,0	0,0	0,0
Fonds de relance production locale							0,1	0,1	0,0	0,2	0,1	0,1	0,2	0,2	0,2	0,2
Additif Décentralisation (DGD)							0,1	0,1	0,0	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Service de la Dette	4,7	6,2	4,7	4,4	4,7	3,8	6,4	6,2	4,4	5,6	5,8	5,8	5,2	5,5	4,9	4,9
Service de la dette extérieure	2,0	2,4	2,2	2,2	2,2	1,6	3,7	4,0	2,9	2,6	2,5	2,5	2,3	2,9	2,7	2,4
Principal	1,4	1,7	1,5	1,4	1,5	1,0	2,9	3,0	2,3	2,0	1,9	1,9	1,8	2,3	2,1	1,9
Intérêts	0,7	0,7	0,7	0,8	0,7	0,6	0,8	0,9	0,7	0,6	0,6	0,6	0,5	0,6	0,6	0,5
Service de la dette intérieure	2,7	3,8	2,5	2,2	2,4	2,3	2,8	2,2	1,5	3,0	3,3	3,3	2,9	2,6	2,2	2,4
Principal	1,2	1,6	1,6	1,3	1,6	1,2	1,8	1,3	1,5	2,0	2,1	2,1	1,9	1,5	1,2	1,4
Intérêts	0,2	0,2	0,3	0,2	0,2	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,2	0,4	0,3	0,2
Crédits de TVA	0,4	0,4	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3
Restes à payer/Arriérés intérieurs (y compris Remboursement dette marketteurs)	0,8	1,6	0,2	0,4	0,3	0,4	0,4	0,4	-0,5	0,4	0,5	0,5	0,5	0,4	0,4	0,5

Source: MINFI

Annex 3 : The Government's Priority Investment Programme (PIP) for the period 2023-2025

No.	Projects	Total cost (In Billions)	Implementation period		Project owner
			Start	End	
Intervention areas	Development of agropastoral productivity and production				
Strategic objective	In terms of agro-pastoral production, the aim will be to stimulate the development of large and medium-sized farms with a view to increasing productivity, production and competitiveness of agro-sylvo-pastoral and fishery products, based on: (i) the promotion of a sector specific approach structured around agro-pastoral and halieutic value chains, while taking into account the specificities linked to the different agro-ecological zones; (ii) the support of access to inputs; (iii) the promotion of the most efficient technologies; and (iv) the popularisation of research results.				
1	Livestock and Fisheries Development Project, North West Region (Lifidep)	58	2014	2024	MINEPIA
2	Programme for the Promotion of Agropastoral Youth Entrepreneurship (Pea-Youth)	42	2014	2023	MINADER
3	Agricultural Value Chain Development Project : PD-CVA	75	2017	2024	MINADER
4	Livestock Development Project (Prodel)	65	2018	2024	MINEPIA
5	Livestock Marketing and Infrastructure Development Project (Pd-Cobie)	27	2019	2024	MINEPIA
6	Support Project for the Development of the Agricultural Sector (PADFA II)	27	2020	2025	MINADER
7	Livestock and Fish Farming Value Chain Development Project	54	2021	2026	MINEPIA
08	Prolac project (Lake Chad)	33	2021	2026	MINEPAT
9	Benue Valley Infrastructure Development Project	80	2021	2026	MINEPAT
10	Rice Value Chain Development-IDB	98	2023	2028	MINADER
11	Emergency food crisis response project	58	2023	2027	MINADER
12	Project to promote aquaculture entrepreneurship	26	2023	2027	MINEPIA
13	Logone Valley Infrastructure Development Project	95	2024	2028	MINEPAT
14	Development of 10,000 Hectares of Hydro-Agricultural Zones in the locality of Logone Bimi	130	2024	2028	MINADER
15	Development of 15280 ha of Hydro-Agricultural Perimeter in Adamaoua	19	2024	2028	MINEPIA
Intervention areas	Development of productive infrastructure/Energy infrastructure				
Strategic objective	Increase the installed capacity of electricity production to 5000Mw by 2030. To achieve this, the government will pursue its policy of developing an energy mix based on: (i) hydroelectric energy; (ii) photovoltaic energy; (iii) gas-based thermal energy; and (iv) energy from biomass. With regard specifically to hydroelectric energy, the government will continue to develop production facilities through the implementation of projects that favour the Public-Private Partnership approach and independent electricity production. On the other hand, in order to guarantee access to water and sanitation for all and ensure sustainable management of water resources, the government will continue to rehabilitate, extend and build production, transport and distribution infrastructures for drinking water.				
1	Construction of the Yaounde-Abong Mbang 225 kv line and the Nkongsamba-Bafoussam 225 kv line	65	2016	2020	MINEE
2	Nachtigal line component : Project for the Upgrading of Electricity Transmission Networks and Sector Reform (PRRTERS)	221	2017	2023	MINEE
3	Lom Pangar hydroelectric development project: footprint plant (30mw)	73	2018	2023	MINEE
4	Natchigal dam construction project	700	2018	2024	MINEE
5	Construction of the 225 kv Ebolowa-Kribi and 90 Kv Mbalmayo-Mekin transmission lines and their associated works (Phase 2 completion)	51	2018	2025	MINEE
6	Interconnection of the Cameroon and Chad electricity networks and interconnection of the RIS and RIN networks (ADB and WB)	319	2020	2026	MINEE
7	Rural Electrification and Energy Access in Under-served Areas Project (PERACE)	85	2020	2027	MINEE
8	Guider solar power plant, Garoua	14	2022	2023	ENEO
9	Construction of the Bini A Warak hydroelectric dam	213	2022	2026	MINEE
10	Nachtigal power line component: 400 Kv Nachtigal-Bafoussam transmission line and related works	97	2022	2023	MINEE

No.	Projects	Total cost (In Billions)	Implementation period		Project owner
			Start	End	
11	Project for the construction of a gas-fired power plant in Limbe and the associated transmission line	25	2023	2026	MINEE
12	Solar photovoltaic electrification project. Phase III completion : 200 Locations	96	2024	2028	MINEE
13	Colomines and Ndokayo mini hydroelectric power plants construction project in the Eastern region	70	2024	2028	MINEE
14	Menchum Hydroelectric development Project	165	2025	2030	MINEE
Intervention areas	Development of productive infrastructure/water infrastructure				
Objective strategic objective	The aim is to increase the rate of access to drinking water for the population to 75% To achieve this, the authorities intend to: (i) initiate the process of decentralising the public supply of drinking water; (ii) create a favourable framework for the installation of private drinking water production and distribution companies in localities not covered by the public network; and (iii) implement an investment programme to improve access to drinking water in rural areas.				
1	Drinking water supply (AEP) of the City of Yaounde from the Sanaga (PAEPYS)	410	2016	2022	MINEE
2	Integration of PAEPYS Yaounde network	100	2022	2025	MINEE
3	Construction of the Japoma drinking water supply station in Douala	49	2024	2028	MINEE
4	Rehabilitation and capacity extension of the water treatment and distribution system for the cities of Buea, Tiko and Mutengene	68	2025	2029	MINEE
Intervention areas	Development of productive infrastructure/telecommunication infrastructure.				
Strategic objective	The objective is to facilitate access to ICTs for as many people as possible by ensuring a high-performance and secure digital space with an average access index of over 0.4. More specifically, the aim is to develop a state-of-the-art digital ecosystem □ ecosystem through the completion of work in progress				
1	Project to accelerate digital transformation in Cameroon	58	2023	2027	MINPOST EL
Intervention areas	Health				
Strategic objective	The authorities intend to guarantee all sections of the population equitable and universal access to basic health services and care and to priority specialised quality care, with the full participation of the community. Three (3) fundamental principles will guide the Government's interventions, namely: improving the governance of the health system, strengthening the technical facilities of central and reference hospitals, and developing local therapeutic potential.				
1	Renovation project of the Cardinal Paul Emile Leger National Rehabilitation Centre (CNRPH) (phase I)	25	2020	2024	MINAS
2	Universal Health Coverage UHC (Basic Infrastructure)	69	2022	2026	MINSANTE
Intervention areas	Strengthening the rule of law and security of persons and property				
Strategic objective	In order to improve political and institutional governance, priority will be given over the next ten years to : (i) strengthening the rule of law and the protection of human rights; (ii) completing the reform of the justice system with a view to consolidating the judiciary; (iii) stepping up the fight against insecurity, crime and terrorism; (iv) strengthening crisis prevention and management; and (v) improving institutional communication.				
1	Project to extend the intelligent urban video surveillance system to the national level	108	2017	2025	GDNS
2	Construction project for the new National Assembly Headquarters building	60	2019	2025	NA
Intervention areas	Education and Training				
Strategic objective	The strategic objectives pursued are the following: (i) guarantee access to primary education for all school-age children; (ii) achieve a 100% completion rate at primary level; (iii) reduce regional disparities in terms of school infrastructure and teaching staff; and (iv) increase the supply of vocational and technical training from 10% to 25% at secondary level and from 18% to 35% at higher level.				
1	Three-year Special Youth Plan (PTS-Jeunes)	10	2017	2023	MINJEC
2	Skills Development for Growth Support Project	70	2023	2027	MINESEC
3	NASLA rehabilitation project for the provision of quality human resources to RLAs	10	2023	2024	MINDDEVEL
Intervention areas	Development of productive infrastructure				
Strategic objective	The aim will be to: (i) finalise as a priority the implementation of major first generation projects; (ii) ensure the optimal functionality of existing infrastructure; (iii) rehabilitate public facilities that have been destroyed or rendered obsolete due to their disuse; (iv) rationalise the initiation of new projects by respecting project preparation standards; (v) formulate projects in an integrated manner to optimise their impact on the economy; (vi) systematise counter-expertise for the evaluation of the costs of major infrastructure; (vii) establish a cost benchmark; and (viii) strengthen the project prioritisation and selection process.				

No.	Projects	Total cost (In Billions)	Implementation period		Project owner
			Start	End	
1	Presidential Plan for the Reconstruction of the North West and South West Regions	3,500	2020	2026	MINEPAT
2	Presidential plan for the reconstruction of the Far North Region	1,816	2020	2026	MINEPAT
3	Support Plan for the Production and Processing of Consumer Products	40	2022	2025	MINEPAT
4	Local Governance and Community Resilience Project	174	2024	2028	MINDDEVEL
Intervention areas	Infrastructure and transport /Rail and maritime transport				
Strategic objective	With the support of private partners, the railway network will be increased to 5,500 km by 2030, with the construction of 1,500 km of additional railways, the implementation of the port master plan will be pursued				
1	Implementation of the extension works of the Kribi Deep Water Seaport (phase 2)	448	2020	2024	MINT
2	CAMRAIL Fleet Renewal Project: Component 25 Passenger Cars	13	2022	2023	MINT
3	Project to renew the Belabo-Ngaoundéré railway line	43	2022	2026	MINT
4	Development of the Kribi industrial-port complex : construction component of the 225 kv power transmission line	36	2023	2024	MINT
5	Development of the Kribi industrial port complex: development component of the port's logistics zone	10	2024	2026	MINT
6	Regional project to improve the performance of the Douala-Ndjamena rail/road corridor	110	2024	2029	MINT
7	Douala International Airport Rehabilitation Project: Terminal Building Component	10	2024	2027	MINT
8	Mbalam Kribi Railway	1,912	2024	2029	MINT
Intervention areas	Infrastructure and transport/roads				
Strategic objective	The aim is to increase the density to 0.38 km and the percentage of the asphalted network to 50% respectively. This will be achieved through: the construction or tarring of at least 1,626 km of new roads (with priority given to national roads still in the form of earth), the completion of ongoing projects, but also the rehabilitation of 2,200 km of tarred roads and the construction of more than 1,600 ml of engineering structures.				
1	Rehabilitation of the Babadjou - Bamenda road (52.00 Km)	121	2017	2024	MINTP
2	Tarring of the Batchenga - Ntui - Yoko - Lena - Sengbe - Tibati (N15) road, including the construction of a bridge over the Sanaga River at Nachtigal (N15)	254	2017	2025	MINTP
3	Construction of Acrow Bridges	56	2019	2024	MINTP
4	Construction of a Ring Road	167	2021	2024	MINTP
5	Construction of the Olama-Bingambo - Granzambi -Kribi road section	192	2022	2024	MINTP
6	Development of the eastern entrance to Douala (Phase II)	88	2022	2023	MINTP
7	Edéa-Kribi Road Rehabilitation Project (110km): Edéa-Kribi-Campo section including the bridge over the Ntem River	102	2022	2026	MINTP
9	Rehabilitation of the Rn1 : Maroua-Moutouroua-Magada-Guidiguais	111	2022	2025	MINTP
10	Rehabilitation of the Mora - Dabanga - Kousseri Road	65	2024	2027	MINTP
11	Rehabilitation of the National Road No. 1 Ngaoundéré-Garoua	166	2024	2027	MINTP
Intervention areas	Development of the extractive industries				
Strategic objective	The government intends to implement the major first-generation extraction projects. This implementation will be done through the following orientations: (i) increasing the security of mining conventions after a general audit, which should propose a reorientation of the policy of awarding mining conventions to transnationals and the obligation to subscribe to coverage contracts; (ii) increasing the value of construction materials from the local mining sector; (iii) the continuation of the inventory of the national geological potential through the production and updating of large-scale maps (scales greater than or equal to 1:200,000) to facilitate the exploration of deposits and the diversification of ores and mining materials; (iv) a strengthening of institutional capacities through the complete upgrading of the equipment of the national research laboratories of the sector.				
1	Kribi iron ore mining	425	2023	/	MINMIDT
2	Iron mining in Mbalam	5,500	2024	/	MINMIDT
Intervention areas	Infrastructure development / Urban modernisation				

No.	Projects	Total cost (In Billions)	Implementatio n period		Project owner
			Start	End	
Strategic objective	The Government intends to set up an Urban Renewal Programme to develop connected, inclusive and resilient cities, facilitate access to land and property ownership, promote social housing programmes throughout the country, and ensure compliance with urban planning tools (urbanisation plan, land use plan, sector plan, etc.).				
			Start	End	
1	Urban mobility project in the city of Douala	137	2024	2028	MINH DU
2	Yaoundé-Nsimalen motorway construction project (urban section)	300	2024	2028	MINH DU
3	Yaounde ring road construction project	794.5	2024	2028	MINH DU

Source: MINEPAT

Annex 4 : Forecast breakdown of public expenditure by sector for the period 2023-2025 (data in CFAF billion)

	FL (Ord_2022)			2023			2024			2025		
	Recur	Invest	Total	Recur	Invest	Total	Recur	Invest	Total	Recur	Invest	Total
Social sectors	894.37	166.54	1060.91	897.96	108.35	1006.31	967.22	103.91	1071.13	1004.66	125.39	1130.04
<i>including:</i>												
<i>Education</i>	701.88	53.05	754.93	701.09	37.57	738.66	761.45	39.3	800.75	793.73	49.03	842.75
<i>Health</i>	111.16	89.32	200.48	112.04	45.42	157.46	115.74	43	158.74	118.44	52.85	171.28
<i>Social Development</i>	36.51	12.94	49.44	38.14	15.78	53.91	39.27	11.81	51.07	40.23	11.51	51.74
<i>Culture, sports and leisure</i>	44.82	11.24	56.06	46.69	9.59	56.28	50.77	9.8	60.57	52.27	12	64.27
Production and trade	68.67	109.09	177.76	99.59	90.66	190.24	89.77	106.72	196.49	92.8	118.16	210.96
<i>including:</i>												
<i>Rural sector</i>	46.09	100.41	146.49	50.76	82.6	133.36	52.36	88.56	140.92	54.13	93.88	148.01
<i>Industries and services</i>	22.58	8.68	31.26	48.83	8.06	56.88	37.41	18.16	55.57	38.67	24.28	62.95
Productive Infrastructures	102.2	879.66	981.86	105.41	905.16	1010.57	106.56	886.81	993.37	107.78	800.01	907.79
General and financial administration	125.9	97.56	223.46	130.24	94.1	224.33	137.8	106.78	244.58	141.43	191.21	332.64
Defence and Security	339.51	8.85	348.36	363.69	14	377.69	394.39	14.52	408.9	410.44	13.97	424.41
Sovereignty & Governance	204.07	42.57	246.64	205.6	40.45	246.05	210.94	36.98	247.93	213.86	44.88	258.74
<i>including:</i>												
<i>Sovereignty</i>	86.76	17.34	104.1	86.47	15.9	102.37	88.32	13.31	101.63	89.28	15.62	104.9
<i>Governance</i>	117.31	25.24	142.55	119.13	24.55	143.68	122.63	23.67	146.3	124.58	29.26	153.84
Total Ministries	1734.72	1304.28	3038.99	1802.49	1252.72	3055.21	1906.68	1255.71	3162.4	1970.97	1293.62	3264.59
COMMON CHAPTERS	1164.34	114.72	1307.85	1257	116.58	1373.58	1327.95	135	1462.95	1448.25	108.8	1557.05
BUDGETARY SPACE	0	0	0	0	10	10	0	103.5	103.5	0	200	200
TOTAL EXCLUDING DEBT	2927.84	1419	4346.84	3088.27	1379.3	4467.57	3263.42	1494.21	4757.63	3448.01	1602.42	5050.43

Source: MINFI

Annex 5 : Forecast structure of public expenditure by sector for the period 2023-2025 (percentage data)

	FL (Ord_2022)			2023			2024			2025		
	Recur	Invest	Total	Recur	Invest	Total	Recur	Invest	Total	Recur	Invest	Total
Social sectors	30.5	11.7	24.4	29.1	7.9	22.5	29.6	7.0	22.5	29.1	7.8	22.4
<i>including:</i>												
Education	24.0	3.7	17.4	22.7	2.7	16.5	23.3	2.6	16.8	23.0	3.1	16.7
Health	3.8	6.3	4.6	3.6	3.3	3.5	3.5	2.9	3.3	3.4	3.3	3.4
Social Development	1.2	0.9	1.1	1.2	1.1	1.2	1.2	0.8	1.1	1.2	0.7	1.0
Culture, sports and leisure	1.5	0.8	1.3	1.5	0.7	1.3	1.6	0.7	1.3	1.5	0.7	1.3
Production and trade	2.3	7.7	4.1	3.2	6.6	4.3	2.8	7.1	4.1	2.7	7.4	4.2
<i>including:</i>												
Rural sector	1.6	7.1	3.4	1.6	6.0	3.0	1.6	5.9	3.0	1.6	5.9	2.9
Industries and services	0.8	0.6	0.7	1.6	0.6	1.3	1.1	1.2	1.2	1.1	1.5	1.2
Productive Infrastructures	3.5	62.0	22.6	3.4	65.6	22.6	3.3	59.3	20.9	3.1	49.9	18.0
General and financial administration	4.3	6.9	5.1	4.2	6.8	5.0	4.2	7.1	5.1	4.1	11.9	6.6
Defence and Security	11.6	0.6	8.0	11.8	1.0	8.5	12.1	1.0	8.6	11.9	0.9	8.4
Sovereignty Governance	7.0	3.0	5.7	6.7	2.9	5.5	6.5	2.5	5.2	6.2	2.8	5.1
<i>including:</i>												
Sovereignty	3.0	1.2	2.4	2.8	1.2	2.3	2.7	0.9	2.1	2.6	1.0	2.1
Governance	4.0	1.8	3.3	3.9	1.8	3.2	3.8	1.6	3.1	3.6	1.8	3.0
Total Ministries	59.2	91.9	69.9	58.4	90.8	68.4	58.4	84.0	66.5	57.2	80.7	64.6
COMMON CHAPTERS	39.8	8.1	30.1	40.7	8.5	30.7	40.7	9.0	30.7	42.0	6.8	30.8
BUDGETARY SPACE	0.0	0.0	0.0	0.0	0.7	0.2	0.0	6.9	2.2	0.0	12.5	4.0
TOTAL EXCLUDING DEBT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MINFI