

REPUBLIC OF CAMEROON



Peace – Work-Fatherland

ANNUAL REPORT

OF THE ANNUAL OPERATIONAL PLAN 2022

GENERAL PLAN 2019-2021 FOR PUBLIC FINANCE
MANAGEMENT UPDATED FOR THE PERIOD 2022-2023

DECEMBER 2022



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I. CONTEXT AND JUSTIFICATION

The 2022 fiscal year has begun under new auspices within the scope of the conduct of public finance management reforms in Cameroon. In effect, following the various domestic and external evaluations of the implementation of the Comprehensive Public Finance Management Reform Plan (CPFMRP) for the period 2019-2021, which noted a great deal of progress in several areas, but also the strides that still need to be made in order to meet the initial ambitions of the said plan, the Steering Committee of the Public Finance Dialogue Platform (COPIL/PDFP) has agreed to extend it until 2023.

Thus, at its tenth session held on 15 December 2021, the COPIL/PDFP endorsed the proposals of the Technical Secretariat and on this basis, the updated PGRGFP was validated for the period 2022 - 2023. It is structured around 287 results to be achieved during this period, compared to 427 for the previous three-year cycle 2019 - 2021. It has the same format, objectives and principles as the original version, but is distinguished in particular by a renewed steering mechanism with the advent of two new implementation structures (MINDDEVEL and CTR), the integration of measures resulting from the structural reform plan relating to public finances included in the reform programmes adopted with Technical and Financial Partners (TFPs) such as the International Monetary Fund and the World Bank, as well as the identification of a list of priority reform projects to which special attention and monitoring are given.

In order to strengthen this new dynamic of steering and animation of the implementation of the PGRGFP, measures have been taken to guarantee the relevance, realism and effectiveness of the updated PGRGFP. In addition to monitoring the 32 projects identified as structural the PGRGFP, this involves better costing of the updated PGRGFP in order to optimize its financing, better feedback and permanent updating of the stakeholders.

With this in mind, the first half of 2022 not only made it possible to pursue and/or initiate reform projects, but also served as a framework for strengthening the technical and operational capacities of both the SMO and the structure charged with the implementation of the PGRGFP. In this regard, several works were carried out in order to validate, in a consensual manner, the various tools for monitoring and evaluating the implementation of the reform projects planned for 2022, in particular the activity sheets setting out the operational framework for each reform project. Similarly, consultations were held with the community of Technical and Financial Partners (TFPs) with the aim of identifying the needs for technical and financial assistance beyond those within the scope of the projects and programmes in force.

In this vein, the mid-term evaluation of the 2022 Annual Operational Plan, recorded at the eleventh COPIL/PDFP session held on 22 June 2022 at the Yaoundé Hilton Hotel, made it possible to ratify an average implementation rate of the reform projects planned for 2022 of around 34%. More precisely, 107 results, out of the 185 planned for 2022, justify a minimum level of implementation of 50%, including 10 projects selected as priorities out of the 19 planned.

While there are clearly grounds for satisfaction in these first six months of the 2022 fiscal year, efforts should be maintained on the development of certain reform activities whose impact would be significant for the public finance management system, such as the complete

operationalisation of the 2019 State Budget Nomenclature (NBE) or the signing of the text governing the function of the programme manager, as well as the completion of the study on the state's internal audit institutions. In addition, several constraints were highlighted in order to optimise the implementation of reform activities in 2022, including the issue of financing and the modernisation of public finance management information systems, which are key elements.

This report summarizes the first five months of implementation of POA 2022, indicates the difficulties encountered and specifies the prospects for improvement for efficient implementation of the PGRGFP in 2023.



II. IMPLEMENTATION LEVEL OF POA 2022

The general plan for public finance management reforms, in its 2022-2023 version, as mentioned above, identifies a set of so-called structural projects due to their impact on the system and which are subject to special monitoring. The implementation level will therefore be presented in two stages: the presentation of the situation of the structural projects and then the other projects.

A. Implementation level of structural projects

The validation of the updated PGRGFP concomitantly endorsed the option of focusing the attention of stakeholders on 32 (thirty-two) reform projects, the completion of which should really make it possible to influence both several results and the public finance management system as a whole. At the end of 2022, the implementation of 26 of the 32 (thirty-two) structural projects has a reassuring momentum (at least 50% of the operationalisation rate) as regards the expected goals. In this respect, the said projects have an **average implementation rate of 55%**.

a. As concerns area 1

Here, the main expected evolutions concern :

- holding of sessions of the Macroeconomic and Budgetary Framework Committee (MBFC) in accordance with the provisions of its founding instrument;
- digitization of information collection procedures within the scope of the preparation of the macroeconomic framework;
- validation of new MTBF and TOFE formats,
- establishment of a framework for monitoring the deadlines set by Decree No. 2019/281 establishing the budget calendar, and its operationalization;
- signature of the decree fixing the attributions of the Programme Manager;
- assisting administrations in the regular production of statistical yearbooks in accordance with the provisions of law n°2020/010 of 20 July 2020 governing statistical activity;
- adoption of the State's shareholding policy;
- establishment of performance contracts between the State and public enterprises
- adoption of the legal framework for public-private partnership contracts

With regard to the MBFC, several achievements are perceptible, particularly in the composition of the Committee's members as well as the operationalization of its Technical Units (Macroeconomic Framework Unit and Budgetary Framework Unit) for the purpose of preparing, examining and analyzing draft frameworks to be submitted to the Committee. As these units are already operational, progress has been made in the consensual production of data and the harmonious implementation of business surveys, which has led to a significant reduction in the disparities in information previously observed in the framework work.

Moreover, the problem of the regularity of the sessions of these various bodies has been resolved, even if these sessions do not yet respect the periodicity indicated by the text of their

creation. Beyond these developments, certain constraints remain, such as the cumbersome nature of the business cycle surveys, which prevents the regulatory deadlines for producing the macroeconomic framework from being met.

With regard to the digitization of information collection procedures in the context of the preparation of the macroeconomic framework, the activity is being implemented and the work is proceeding smoothly so far. It should be noted, however, that the method of carrying out the study by the chosen service provider was not chosen, and the teams of the MINFI Forecasting Division adapted an open source application themselves. The basic module is currently being tested and improvements will be integrated with contributions from other stakeholders.

With regard to the validation of the new MTBF, it should be noted that this format is an element of the MTBF development guide and will therefore be validated at the same time as the guide. This validation, which must be carried out within the framework of the MBFC, has been delayed considerably by the creation of this body, which has taken a long time was finally put in place at the end of 2021. It should be recalled that a draft guide had been prepared jointly by MINFI and MINEPAT since 2019. The said draft was the subject of a final consultation between the stakeholders during a technical validation workshop in April 2022. This meeting also made it possible to question the coherence of this reform with others of the same scope, such as the new State Budget Nomenclature (NBE). The prospects for extending the scope of the MTBF to Regional and Local Authorities (RLA) and Public Establishments were also discussed. To date, the guide has been officially transmitted to the MBFC and its inclusion on the agenda of one of its sessions is expected.

As for the draft decree governing the function of programme manager in the management of the programme budget, a preliminary draft has been submitted for approval to the hierarchy since 2021. The said draft aims mainly to overcome the shortcomings noted in the management of public policies since the advent of programme budgeting in 2013 and thus facilitate the continued progress that the State intends to achieve in terms of governance of public finances, for the economic and social development of the country. In order to achieve this, the project will be implemented by the Ministry of Finance. The said draft deals, among other things, with the functions and role of the programme officer, the rules for appointing programme officers as well as the modalities for their accreditation as delegated authorizing officers.

As for the regular production of statistical yearbooks, compliance with the legal deadline of 90 days after the end of the quarter remains an ambition that focuses the attention of all stakeholders in the statistical system. To this end, the work being finalised to digitize economic surveys should make it possible to shorten data processing times and the timely production of national accounts.

However, in 2022, the INS worked with five administrations (MINFOF, MINADER, MINEPIA, MINEE, MINTP) to produce their statistical yearbooks in the two official languages. In addition to these, some ministerial departments, such as MINESEC, MINEDUB, MINESUP and MINEFOP, are already producing statistical yearbooks satisfactorily and no longer need to be supported in the short term. Moreover, MINAT, MINJEC, MINSEP, MINAC, MINTOUL and MINDCAF will have to crystallise support efforts for the production of

statistical yearbooks, even though insufficient funding could make it difficult to reach the objective of supporting 25 administrations in 2023.

On the adoption of the State's shareholding policy, the related ToRs were validated and a working group was set up to conduct the work.

As for the establishment of performance contracts between the State and public enterprises, the Minister of Finance signed Circular n ° 00004918/MINFI governing performance contracts between the State and the PEs on 5 July 2022. Work is underway to negotiate and sign the first performance contracts between the State and certain targeted public enterprises (PEs), which are due to expire on 1 January 2023.

On the rationalization of Public-Private Partnership (PPP) contracts, a new legislative and regulatory framework in line with the laws on the Code of Transparency and Good Governance and on the new financial regime is indispensable. Thus, draft instruments have been prepared and transmitted to the Prime Minister's Office, Head of Government since 2019. Consultations with all stakeholders were held in 2020 under the leadership of the PMS. They were able to analyse two draft texts dealing respectively with the general framework of PPPs and the derogatory regime to national taxation. The latter constitutes the main obstacle during this work, as well as the uncertainties regarding the coherence of the said drafts with the related CEMAC directive currently being finalised. To date, it is envisaged that conciliation efforts will continue in order to complete this project.



POINTS OF EMPHASIS

- The **validation of the framework tools**, such as the new manual for the preparation of the MTBF or the revision of the modalities of the information collection procedures by the **Macroeconomic and Budgetary Framework Committee** should be on the agenda of its next sessions.
- **The signing of the text governing the function of programme manager.** By capitalising on the work of the 2022 session of the CIEP, it is necessary to optimise the modalities of steering the programme-budget through, in particular, management control and internal financial control.
- Rendre effectif **le visa statistique** à travers notamment la mise en place des modalités de suivi-évaluation de la mise en œuvre de la SND30 et l'accompagnement des administrations à la production régulière de leurs annuaires statistiques.
- In terms of **Public-Private Partnerships**, efforts should be pursued to complete the implementation of the new legislative and regulatory framework for Public-Private Partnership contracts.
- Continued pooling of efforts for better governance of the action of **public enterprises**.

b. At the level of area 2

At this level, the main expected activities in 2022 concern :

- signing of an instrument setting out the rules and obligations for tax and customs statistics
- la détermination des prévisions de recettes établies dans le cadre du CBMT à partir d'estimations fondées sur l'analyse du potentiel fiscal et des rendements estimés par impôt et de la mesure d'impact de mesures fiscales ou d'ordre organisationnel ;
- dematerialization of procedures for monitoring requests and notifying adjustments
- production of statistical data on customs revenue and risk analysis operations by the CAMCIS system;
- adoption of the law on local taxation;
- completion of the contracting process for the development of the integrated tax management system.

With regard to the signing of an instrument setting out the rules and obligations for tax and customs statistics, the terms of reference have been finalised and validated by the stakeholders. On this basis, and with technical assistance from PAGFI, the contracting of an expert is underway and should enable work to begin on defining the standards applicable to the production of tax and customs statistics in accordance with national and international standards, in particular the State's fiscal regime, the State's accounting plan, the State's budget nomenclature and the International Monetary Fund's public finance manual..

However, measures have been taken at the DGD and DGI to strengthen their statistical production capacity. It is in this context that the DGD has registered the arrival of about thirty statisticians who are already the subject of an upgrading programme, the objective being to have statisticians from the financial authorities available in the short term. In addition, a structure dedicated to monitoring statistical activity has been set up. In addition, the DGD is required to produce a quarterly and annual statistical report for the IMF. The latter covers tax expenditure, special regimes and revenue mobilisation. In addition, the DGD's website has been updated to meet transparency requirements.

Regarding the determination of revenue forecasts established within the framework of the MTBF from estimates based on the analysis of fiscal potential and estimated yields by tax, it should be said that the Statistics and Collection Monitoring Division of the DGD (through the Statistics Unit and its 18 staff) establishes revenue forecasts based on the analysis of fiscal potential and yields by type of tax. By way of illustration, the new measures to be included in the 2023 Finance Bill have been subject to a prior assessment of their potential by type of tax and measure, both positive (increase in revenue) and negative (loss of revenue). This evaluation is also tested by cyclical analyses (increase in freight, drop in activity, geopolitical unrest, impact of insecurity, etc.). In addition, the revenue forecasts based on the fiscal potential of the measures are now modelled in the CAMCIS information system.

In the context of the functionality of the CAMCIS system in risk analysis operations as well as the production of statistical data on customs revenue, it should be noted that this

functionality constitutes the main working tool of the Customs Risk Analysis and Statistics Unit. It is through this module of the CAMCIS system (export and import risk analysis module) that the DGD cross-checks export and import data, with a view to identifying and minimising the risks of fraud linked to fictitious exports.

As regards the dematerialisation of the procedures for monitoring requests and notifying adjustments, the development of the automated monitoring application for control procedures is being finalised by the DGI. Functionality tests, prior to its production, are being carried out

Regarding the adoption of the law on the local fiscal system, the inter-ministerial committee in charge of ensuring the implementation of local taxation reforms, created by order N°00404/MINFI/AC/MINFI/MINDDEVEL of 27 August 2020, submitted its report to the authorities along with the preliminary draft law revising law n°2009/019 of 15 December 2009 on local taxation. In addition, an explanatory memorandum was produced to explain the choices made in the said draft bill, together with a draft timetable for the implementation of the reforms brought about by this revision. The most salient of these concern new mechanisms for allocating revenue to the CTDs (notably through the substitution of a contribution from licences for the tax on games of chance and entertainment or the allocation of a 50% share of the TSPP), the revision of the modalities for distributing equalisation revenue with the addition of two new criteria (in addition to the demographic criterion currently in force), namely the local development index and surface area. Moreover, its transmission as well as its adoption in Parliament are expected for the parliamentary session of March 2023.

As regards the contracting of a service provider for the development of the integrated tax management system, the tender documents were published and several offers were received. To date, a contract has already been signed with a Dutch provider and the pilot phase should start this December 2022.



POINT OF EMPHASIS

- **The inter-ministerial committee in charge of ensuring the implementation of local tax reforms** should proceed to a broad sensitization of stakeholders on the impact of the reforms envisaged by the draft bill revising law n°2009/019 of 15 December 2009 on local taxation.

c. At the level of area 3

At this level, the realisation of the following activities in 2022 was expected :

- operationalization of the Single Treasury Account
- switch to patrimonial accounting and its effective implementation

- complete operationalization of Decree No. 2019/3187/PM of 9 September 2019 establishing the general framework for the presentation of the State Budget Nomenclature (NBE)
- validation of new MTBF and TOFE formats;
- standardization of budgetary accounting;
- signing of the decree on the general status of material accounting and its appropriation;
- development of budgetary and accounting internal control tools and their implementation;
- signature of the text recasting the financial control function;
- development of automatic tools for centralizing the budgetary and accounting data of public establishments and RLAs;

Concerning the operationalization of the new Single Treasury Account, it should be recalled that it is not the responsibility of the Cameroonian authorities and is rather the responsibility of the Bank of Central African States. The computer platform that will ensure the operations of the Single Account has already been developed. The planned implementation date has been postponed to the end of May 2022. At the national level, preliminary work has begun, notably the issuance of RIBs to all tax collectors as well as the installation of server rooms in the Finance Department's revenue offices in order to compensate for the lack of energy supply in certain areas of the country. In addition, work has begun in synergy with the banking sector to repatriate the credit balances of public entities to commercial banks. In this regard, a repatriation schedule has been drawn up with an implementation horizon of June 2022 to December 2023. As a precautionary measure, it is envisaged that access to the CUT in its start-up phase will be limited to the Paymaster General's Office, Regional Treasuries, City Councils, general hospitals, universities and FEICOM.

The date of entry into force of the new architecture of the CUT is expected to be January 2023 and a vast communication campaign will be undertaken to this effect as well as work on the interoperability of the PATRIMONY application with the Single Account platform. In addition, work has begun in synergy with the banking sector to gradually repatriate the credit balances of public entities in commercial banks in order to avoid a systemic eviction effect of public funds. In this regard, a repatriation timetable has been consensually validated with an implementation horizon covering the period from June 2022 to December 2023.

With regard to the switch to patrimonial accounting, the old accounts have been transposed to the new ones induced by the 2019 State Chart of Accounts. In addition, a new application called PATRIMONI was put into operation to replace CADRE in order to implement the different methods of patrimonial accounting in an optimal manner. Nevertheless, adaptations and developments continue to be made, in particular with a view to sharing all information with the budgetary software.

On the State's first opening balance sheet, work was started with a view to producing the said balance sheet in May 2023, given that the accounts for the 2022 financial year will be closed in 2023. Thus, from 27 June to 15 July 2022, 1,522 built properties were identified and

valued by the joint MINFI-MINDCAF teams for a value of FCFA 442,417,956,100. To this must be added the 888 built buildings not identified during the campaign in the MFOUNDI, although they are administrative buildings built for office and housing purposes. The work is set to continue, given that MINDEF and DGSN have agreed to identify and evaluate buildings belonging to the armed forces and the police that are not classified as defence secrets. Nevertheless, the progress of the work shows that it will be necessary to wait at least five years before having a sufficiently reliable and robust opening balance sheet. This balance sheet should show the financial fixed assets, the tangible fixed assets identified and valued, the accounts receivable, the cash accounts, the financial debts, the non-financial debts and the passive cash.

With regard to the operationalisation of the 2019 NBE, it should be recalled that, under the constraint of the entry into force of asset accounting in January 2022, it was decided to prioritise the implementation of the economic classification common to the NBE and the 2019 State chart of accounts (PCE). Thus, as a prelude to a complete and effective changeover, transition or correspondence tables were defined and validated in order to ensure the translation of information from the processing of budgetary transactions in the administrative phase and generated by PROBMIS, into a format compatible with the new State chart of accounts implemented in PATRIMONY. This work has thus made it possible to have a 2022 budget law presented according to the 2003 economic classification and accompanied by its transcription in the NBE 2019 format. Moreover, building on this experience in 2022, the 2023 budget bill was drafted by directly integrating the 2019 economic classification into the budget allocation. Moreover, the implementation of the remaining classifications (functional, administrative and programmatic) is still awaited and should take place in the context of the preparation of the 2024 budget bill.

With regard to the validation of new MTBF and TOFE formats, discussions have been initiated around the TOFE validation and data migration committee. Indeed, the Minister of Finance has authorised the holding of four training sessions in 2023 for the members of this Committee to serve as a launching pad for the actual production of the TOFE 1986 and 2014 as of the 2023 financial year.

Notwithstanding this work to optimise the TOFE, there is reason to be satisfied with the level of updating of the TOFE, which is done on a monthly basis. Moreover, on the basis of the detailed data made available by the tax authorities for scoping purposes, the update of the TOFE constitutes the essential basis of the cash flow plan validated during the sessions of the Treasury and Budgetary Regulation Committee.

As regards signing the budgetary accounting reference framework, a first draft accompanied by a draft circular has been produced. It should be recalled here that the budgetary accounting reference framework is a document intended to define and specify the main concepts that govern and structure budgetary accounting. As such, it incorporates the elements contained in the higher-level texts (FRE, finance laws, decrees and orders) to give as complete and integrated a view as possible. It also includes existing provisions that may be found in different implementing texts. The reference tool must establish consistency between these provisions.

On the draft decree on stores accounting, the draft decree prepared with the support of partners received, last year (2021), the opinion of conformity of the CEMAC Commission in



relation to the community directive on material accounting. This project was transmitted to the hierarchy which instructed to ensure the legal coherence of the legislative and regulatory texts dealing with material accounting. Until now, material accounting was governed by a 1977 law and the new text proposed was a decree. Consultations were held and to date two draft texts have been submitted to the hierarchy, namely a preliminary draft law setting out the general system of material accounting and a preliminary draft decree setting out the procedures for implementing material accounting.

With regard to budgetary internal control (BIC) and accounting internal control (ACI), a preliminary draft decree on financial internal control integrating budgetary internal control and accounting internal control has been preferred. It is accompanied by two draft decrees setting out the terms of the IBC and the CIC. These drafts are currently being finalised. They should help formalise the implementation of a risk assessment system and risk mapping. They should also make it possible to set the scope of the IBC and the CIC at all *"... organised, formalised and permanent measures implemented by managers at all levels to control budgetary and accounting risks..."*.

Furthermore, the training of all the executives and managers of priority services with a view to the operationalisation of the IBC has been initiated and is ongoing. The managers of the pilot ministries in the framework of the implementation of internal budgetary control (MINADER, MINFOPRA, MINTP, MINEDUB, MINSANTE, MINDDEVEL), as well as the staff of the General Directorate of the Treasury, periodically receive action training on the principles and tools of internal control. In addition, training has been provided to staff of the Ministry of Finance, who are responsible for disseminating it to the pilot ministries.

With regard to the centralisation of budgetary data of the local authorities, a diagnostic study of the SIM-BA budgetary computer system, commonly used by local authorities, was carried out. The main finding was that the application is fairly well accepted by users and meets most of their needs. However, the evaluation mission noted a number of "bugs" and technical requirements that were not met, as well as requests for changes that had not been taken into account until now. Moreover, as things stand at present, it would not be prudent to rely on SIM-BA for centralisation until its governance is optimised in view of its poor security and the risks associated with its maintenance. It was with this in mind that it was proposed to develop an



POINTS OF EMPHASIS

- **Intensifying communication** around the impending switch to the CUT.
- **Full implementation** of the 2019 State Budget Nomenclature as soon as the 2024 Finance Bill is prepared.
- **The finalisation of the legislative and regulatory framework** governing material accounting and the training of the actors concerned for the advent of this important reform.
- **The development of synergies** between MINFI and MINDDEVEL to ensure the effectiveness of the programme budget within the CTDs on the one hand, but also the perfect transmission of budgetary and accounting information on the other.

autonomous application for data centralisation. However, the possibility of optimising the SIM-BA centralisation module and updating it was not ruled out. It was suggested that the version of SIM-BA used by the Douala Urban Community be used as a basis. As at now, a call for tenders for the securing of SIM-BA was launched and published in the Cameroon Tribune in November 2022 and the results are still awaited.

d. As concerns area 4

Activities are as follows:

- conduct of the study on the State's internal audit and verification institutions;
- adoption of the law on the Code of Financial Jurisdictions;
- preparation of the report on the certification of the General State Account by the Audit Bench of the Supreme Court;
- publication of audit and evaluation reports of public policies on the website of the Audit Bench;
- revision of the internal rules of the Senate to take into account changes brought about by the Fiscal Regime of the State and other Public Entities (FRSOPE) in terms of examination, adoption and control of the State budget.

With regard to the study on the State's internal audit and verification institutions, it is envisaged that a new general organization of the internal audit and verification institutions will be defined and put in place. According to the guidelines of the overall plan, the prerequisite for achieving this objective is to carry out a study on the internal audit and verification institutions in order to assess and analyze the compliance of the existing organizations as well as the current practices. It should be recalled that this activity, which started in 2019, has been significantly delayed in the finalization of the ToR. And in 2021, the said ToR, prepared by the CONSUPE, were transmitted to the TFPs accompanying the operationalization of the said activity. Due to this late transmission, the assistance identified to accompany the activity was no longer available. Therefore, to date, the contracting of the expertise that will conduct this study is still awaited.

With regard to the adoption of the law on the Code of Financial Jurisdictions, a preliminary draft law on the Code of Financial Jurisdictions has already been drawn up and sent to the President of the Supreme Court and to the Minister of State, Minister of Justice, Keeper of the Seals for an opinion since 2020. The follow-up by the hierarchy to this proposal is still awaited.

As regards the preparation of the certification report on the General State Account by the Audit Bench of the Supreme Court, this will take place in 2023. To prepare for this important development, waves of training for the benefit of the staff on the terms of certification of accounts and on the examination of the mismanagement have been carried out for two years.

The publication of audit and public policy evaluation reports on the Audit Bench's website is still pending.

Concerning the revision of the Senate's internal rules, in conjunction with the Ministry of Finance, this activity has been put on hold for a while.



POINTS OF EMPHASIS

- **Carryout studies on verification institutions of internal state audits.**
- **The law on financial jurisdiction code.**

e. As concerns area 5

- preparation and communication by MINFOPRA of an annual report on the implementation of the organic frameworks in the ministries;
- operationalization of the data exchange platform for information systems involved in GFP;
- adoption of an Information Systems Security Policy (ISSP) and its implementation;
- revitalization of the Committee in charge of monitoring the implementation of the Integrated Strategy for Computerized Management of Public Finances (SIGIFiP);
- capacity building and monitoring of civil society;
- adoption of a new organizational scheme for MINFI in accordance with CEMAC directives.

With regard to the preparation and communication by MINFOPRA of an annual report on the implementation of the organic frameworks in the ministerial departments, preparatory activities have already been initiated. In effect, it is envisaged to proceed in the contractualisation of a consultant to ensure neutrality and impartiality of conclusions concerning the said studies. Furthermore, an Ad Hoc team was selected to carryout reflections inherent to grafted problems on this theme notably the putting in place of normative and regulatory framework to assess the evaluation of the implementation of the organic framework as well as the sensitization of officials responsible for the management of human resources in ministerial departments. Besides, on this last point, MINFOPRA addressed correspondences to his counterparts in July 2022 to remind them on the importance and usefulness of the organic framework in the management of human resources

On the operationalization of the platform for data exchange and information systems involved in GFP, this project has made significant progress, particularly the development and signing of the circular-letter n°00004108/LC/MINFI of 28th April 2021 as well as protocols for data exchange between MINFI structures, on one hand, with it and with other administrations

in charge of public finance, on the other hand. In addition to this, its perimeter of action extended with the integration of the Public Contracts Regulatory Agency. To date, the software that ensures data exchanges was developed and tested with satisfaction on the pilot site in the presence of main stakeholders as well as the servers were acquired and deployed.

Besides, the platform could be operational during the first quarter of 2023. As a reminder, this project has a vocation to simplify data exchange between administrations based on identification of input/output data at the level of each administration while avoiding multiple entries, sources of error as well as redundancy that currently exist.

As regards the adoption of an Information Systems Security Policy (PSSI), this was done last year (2021). In particular, the said security policy was accompanied by an implementation action plan as well as a declaration of applicability imposed on the various directorates general and other structures by the Minister of Finance. Thus, the plan of action has been validated while the update of security posts in the organic framework of the Ministry of Finance has been taken into account. The operationalization of the said action plan is still awaited.

With regard to the integrated strategy for computerized management of public finances (SIGIFiP) and after a long period of hibernation of the committee in charge of follow-up and implementation, the first session of the latter was able to take place in October 2022. If it seems evident to note the compartmentalization, and even the split, of different information systems involved in the management of public finances in Cameroon,

With regard to strengthening the monitoring capacities of civil society, the flagship activity was the organization, of a forum between the Ministry of Finance and civil society organizations. The first consultations with stakeholders on this activity are scheduled for 23 June 2022. Following extensive dialogue between stakeholders, the first edition of the forum of exchange between the Ministry of Finance (MINFI) and civil society organizations took place on the 27th and 28th of October 2022 at Mont Fébé Hotel on the theme « Public Finance Management Reforms and welfare of citizens in a context of multidimensional crises ». Placed under the coordination of the Director General of Budget, representing the Minister of Finance, discussions centred on four key themes of management of public finances. Faced with an open administration to proposals and observations, stakeholders of civil society organizations expressed, freely and with a republican spirit, their point of view on the mechanisms of the budget situation in Cameroon. A constructive brainstorming which resulted in concrete recommendations with a view on one hand, for a greater involvement of civil society organizations in different instances of the budgetary process and on the other hand, the optimization of the management of public finances.

And finally, concerning the adoption of a new organizational scheme for MINFI in accordance with CEMAC directives, work is underway.



POINT OF EMPHASIS

- **Implementation of the organic framework in ministerial departments** and elaboration of a report on the implementation of the organic framework by December 2023.
- **Effective operationalization of the circular-letter n°00004108/LC/MINFI of 28th April 2021** as well as the protocol of data exchange induced by the latter. In addition, beyond the pressing need to concretize the interfacing of information systems, it seems therefore crucial to update SIGIFiP.

B. Other achievements of the year 2022

Area 1 : Strengthening budget preparation capacity and improving programme budgeting

Main objectives

- O.1.1:** Define the institutional framework for macroeconomic and budgetary forecasts and frameworks
- O.1.2:** Strengthen instruments and organizations for the preparation of the ministries' medium-term expenditure frameworks
- O.1.3:** Ensure the effectiveness of project choices
- O.1.4:** Organize the preparation and adoption of the State budget
- O.1.5:** Ensure the supervision of public administrations and public sector enterprises, as well as the management of the risks they pose to the State budget.

The projection methods have been reviewed and the operational version of the model is being validated. In the same vein, the SIPAE forecast tool integrating the rebasing parameters was

used as a framework for the work inherent in the Cameroon party's recent discussions with partners. Consequently, the setting is carried out in accordance with this approach.

On the organization of **the Budget Orientation Debate**, while it is appropriate to welcome the holding of sessions since 2019, the fact remains that the holding of the DOB entails calendar constraints within the Government, which has the duty to prepare and transmit to Parliament the documents that will be examined during this meeting no later than 20 June of each year. From this stems the need for the Government to organize the preparation of the DOB within the Government. To date, a text organizing the preparation of the DOB by the Government has been drawn up and sent to the hierarchy.

As for **the linkage to the national strategy for the operationalization of the 2nd phase of Vision 2035**, work has been initiated on the validation and dissemination of the strategic planning guide. In this regard, a draft of the said guide is already available and only needs to be enriched by the other stakeholder administrations before its dissemination.

With regard to the validation **of the education sector strategy**, and despite its review on the 18th of August 2022 by a meeting co-chaired by the various stakeholder ministers, the draft available has still not yet been validated. In fact, the outcome of this project faces several pitfalls, the most salient of which is the lack of a consensus on the concept of basic education. For this purpose, the Prime Minister, Head of Government, has been solicited to make a decision on this issue.

The establishment of an integrated system for monitoring and evaluating development policies at regional, national and local levels has made a satisfactory start. More specifically, the diagnostic study of the monitoring-evaluation system of development policies and strategies within the public administrations (central and devolved levels) and CTDs has been carried out and validated. To date, a set of specifications have been drawn up, a service provider has been selected and the development phase has already begun.

With regard to **the need to consolidate results-based management in the budgetary management of the State and other public entities**, a programme budget manual has been drawn up by the main actors in the preparation of the budget, it was technically validated in March 2022 and its dissemination is planned for the first quarter of 2023.

With regard to the strengthening of ministerial statistical services in the monitoring of programme performance, the strengthening of the functional capacities of administrations is underway. In the first instance, INS accompanied ministries in the documentation of their performance indicators for the 2023 year in accordance with the resolutions of the 2022 session of CIEP. At the same time, INS worked in 2022 with MINFOF, MINADER, MINEPIA, MINEE and MINTP in the elaboration of their statistical yearbooks in the two official languages. At the end of the day, there is need to appreciate the elaboration and transmission of two draft texts organizing the National Statistics Council and that relative to the modalities of attribution of statistical visa to the hierarchy for signature in order to continue with reforms undertaken under the statistical law. Notwithstanding these advancements, efforts have to be made to ensure that all ministerial departments dispose of a statistical yearbook released online.

On the updating of the manual on programming, budgeting and execution of projects under the resources transferred to the RLA, a manual was updated last year with the support of the World Bank's PEPS project. To this end, campaigns to disseminate this document are planned for the next two-year period.

With regard to **the validation of the manual of procedures for the programming of contracts**, the said manual is being finalized as a prelude to the signing of two (02) draft joint regulatory instruments by MINMAP, MINFI and MINEPAT.

With regard to **the determination of normative criteria to be used for the evaluation of operating expenditure excluding salaries of central administrations**, a diagnostic report was drawn up with the assistance of a consultant contracted by the World Bank's PEPS. This report is accompanied by a manual that allows the identification of operating expenses that systematically contribute to the realization of investment expenses, elaborates a mapping of expenses by administrations and highlights the determinants of activity costs. On this basis, a campaign to disseminate this approach is planned for January 2023, subject to the World Bank's non-objection opinion.

Concerning the definition of major projects and their criteria for their eligibility in the state budget, an explicit and formal definition of major projects is available and referenced. In addition, a list of major projects, that respect the requirements specified by PEFA and that is in accordance to Governments orientation on Structural projects, is available and updated in MINEPAT. However, in order to objectify this device, it is envisaged a revision of the decree on project maturation such that the definition criteria of major projects will be taken into account. Furthermore and in order to optimize the selection of investment projects, there is reason to rejoice that that all commissions and committees of maturation of investment projects are operational. Nevertheless, efforts still have to be made in order to ensure that all investment projects registered in the finance law possess, beforehand maturity visas in accordance with provisions of the decree related thereto.

Concerning **the notion of commitment plan**, a Guide for the elaboration of the ministries' commitment plans has been elaborated and technically validated by the stakeholders all along the 2021 year. On this basis, the circular n°00002578/MINFI of 14th April 2022 instituting the methodological guide to the elaboration and updating of the commitment plan has been signed and its dissemination should be done following the adoption of the draft finance bill of 2023. In addition, a circular specifying the content of the ministries' commitment plans, the terms of submission of these plans, their examination and the terms of adoption of the final plans was signed by the Minister of Finance in April 2022.

On the strengthening of the accountability of ministries in the programming and budgeting of their personnel expenditure, the Guide to the Budgeting of the State's Wage Bill has been developed and validated accompanied by a draft instrument setting the framework for budgeting at the programme. Thus, this Guide will aim to provide the appropriate elements necessary for the budget preparation process, and more specifically for the forecasting of the wage bill in order to better support government departments in the direction of the devolution

of the management of State personnel and salaries. A working session with the various stakeholders is expected to enrich the completion of these documents with a view to their transmission to the PM's Office for validation

In the same vein, **the optimization of the public administration pension system** has taken significant steps with the imminent launch of the actuarial study. Indeed, a diagnosis of the pension system in the Cameroonian public administration has been carried out and the related report is available. Furthermore, IMF technical assistance has been requested to complete this work as a prelude to the institutional validation of the said report as well as the measures to be taken for the implementation of the innovations that it entails. In addition, the ANGIFODE application was developed and installed in 119 companies to ensure the payment of pension contributions to the public treasury by public agents on secondment. In parallel with this software deployment, training was given to users and a team of MINFI focal points was set up, as well as a working group in charge of recovery, which assessed a social debt of 12 billion by 30 September 2022.

Concerning **the gender budget analysis referential (BSG)**, it must be said that its preparation started in 2020, and to date a draft exists but it still needs to be refined, especially to make the document more operational. On the other hand, in order to boost gender budgeting within the government, a the circular N°00000023/C/MINFI of 2nd August 2022 related to the integration and evaluation of gender sensitive budgeting in the State budget has been signed. To this, are attached the outline of the medium term expenditure framework and the annual performance report under the prism of gender, objectives and indicators sensitive to gender for support programs as well as specifications assigned to BSG focal points.

Regarding **the preparation of the draft monthly cash flow plan in conjunction with the finance bill in application of the provisions of the State Fiscal Regime**, it should be noted that the cash flow plans are produced and available on a monthly basis. However, the correlation with the commitment plans remains a major issue based on the 2022 circular thereto. In effect, the provisional cash flow plan and the commitment plan have been attached to the draft finance bill that has been forwarded to the Parliament. On the other hand, the operationalization of the guide of the elaboration and updating of the commitment plan showing the process and the approach of coherence with the cash flow plan should ensure articulation of the said plans.

As regards **the revision of the legal status of all autonomous administrative entities in accordance with the provisions of the 2017 law**, it has produced convincing results and discussions are continuing at the level of the PM's Office. In effect, to date, 48 public establishments out of the 82 identified by the Directorate General of Budget have put their organic instruments in conformity with the law regulating it, it should be noted that in the same way, 14 public enterprises subscribed in the same approach. However, it is worth noting that discussions were committed between public enterprises lagging behind and technical supervisory bodies in the preparation of these draft texts prior to their transmission to the PM's office and then to the Presidency of the Republic.

On the implementation and reinforcement of the organization of the preparation and monitoring of the execution of APE budgets, and the evaluation of the financial risks, they pose to the State, several awareness-raising and training actions were initiated by the competent



technical services. In this regard, an appeal was made to public accountants to commit to the systematic production of their management accounts. The latter signed letters of commitment with a view to producing these accounts by 31 July 2022. To date, only 54% of management accounts expected from the 2021 financial year have been produced and transmitted to the audit bench.

As for **the annual production of a report on the consolidated revenue and expenditure of all APE per sector**, as well as analyses of their budgetary performance and the risks incurred, several advances were recorded, notably in the work of drawing up the consolidated national trial balance of APE via the operationalization of the application known as GIDOCEP, approved by MINFI. Currently, twelve (12) public establishments out of eighty two (82) identified by the Directorate General of Budget do not own this application. However, it is necessary to extend GIDOCEP to these administrations in order to facilitate and harmonize operations of consolidation public accounts of these entities. Furthermore, in order counteract the disparity of formats of produced management accounts, all this leading to risks of error, it seems determining to engage the revision of the normative framework of the preparation and execution of budgets of public establishments in coherence with that of the State notably what concerns the budget nomenclature and the accounting plan.

With regard to **the diagnostic study of budget and accounting data centralization systems**, an expert mission mobilized with the support of the AFD on the evaluation of the SIM-BA application took place in May and June 2022. On the basis of a sample of 20 councils, the budgetary and accounting information system used there was evaluated. On this basis, the related report was produced and shared with stakeholders. The main conclusion was that it would not be prudent to rely on the SIM-BA application until its governance has been stabilized, given its poor security and the risks associated with its maintenance. It is on the strength of this observation that it is proposed to develop an autonomous application for the centralization of data. On the other hand, the possibility of optimizing the SIM-BA centralization module and updating it for the accounting reform is not ruled out in the report. If this possibility were to succeed, the report suggests using the version of the SIM-BA application used by the Douala Urban Community. It is on this basis that a call for tenders for the securitization of SIM-BA was launched and published in the Cameroon Tribune during the month of November 2022, and the results should be perceptible from the first quarter of 2023.

Within the framework of the improvement of good governance practices within public enterprises, several advances are to be noted in this year 2022. Firstly, with regard to **the production of a specific report on the situation of reciprocal debts and receivables between the State and public enterprises**, it should be noted that the final report of the ministerial working group responsible for drawing up an inventory of reciprocal debts between the State and public enterprises and between public enterprises was sent to MINFI, together with several scenarios for the settlement of the said debts. For the sake of completeness, MINFI recommended updating this inventory and the proposed settlement plan by taking into account the data for the 2021 financial year, as well as the signing of the debt conciliation minutes between the parties involved. It is in this regard that we can underline the fact that the said debt settlement plan, which concerns 38 companies and public establishments, has been transmitted to MINFI.



Then, speaking of **the production of the annual report on the state of the State's portfolio including financial assistance**, the DGB and the CTR produce, separately, a detailed report on public enterprises and establishments (the GREEN PAPER annexed to the finance bill for the former and the REPORT ON THE SITUATION OF THE EEP for the latter). However, conciliation and consolidation work is essential to minimize the risks of discrepancies in the production of data and thus guarantee the relevance of the decisions to be taken.

Finally, with regard to **the compliance of the organic acts of all public enterprises with the provisions of Article 124 of Law n°2017/011 of 12 July 2017**, CTR statistics show that, out of a total of 47 public enterprises, only 31 have subscribed to this modality. At this level too, reconciliation and consolidation work seems necessary, given that the DGB, for its part, establishes its statistics for 14 compliant public enterprises out of 48.

Finally, efforts to manage **the state's contributions within international organizations (IOs)** continue to make good progress. Indeed, with the establishment of the permanent MINFI /MINREX platform since 2020, 304 IOs that are beneficiaries of state contributions have been identified and the stock of arrears of the said contributions is regularly updated. This clearly improves the predictability, execution and monitoring of this type of expenditure. In addition, a draft reference framework was proposed following the inventory carried out with the technical assistance of PAGFI 2. The stakeholders of the MINFI - MINREX platform plan to review and improve the available draft by the end of the year.



POINTS OF EMPHASIS

- **The National Institute of Statistics** should intensify efforts to accompany 25 administrations to ensure the regular production of their statistical yearbooks by December 2023 in prelude to the production of an annual evaluation report on the quality of performance indicators of ministries.
- **The Forecast Division of MINFI** should carry out work to expand the Government Financial Operations Table (GFOT) as well as those related to the optimization of forecast tools SIPAE especially those that concern modules of tax forecast.
- **The Directorate General of Budget** should engage in the revision of the budget nomenclature and the accounting plan of public establishments in coherence with that of the state.
- **The Directorate General of Treasury, Financial and Monetary Cooperation** is awaited in the production of a report on income and expenditure, consolidated per sector, of all public establishments.
- **The Directorate General of Planning and Regional Development** should sensitize stakeholders for the validation of sectoral strategies of Education.
- **The Directorate General of Economy and Programming of Public Investments** is awaited to begin studies related to the determination of norms and evaluation criteria of investment expenditure as well as the process of determination of major projects and modalities of registration in the state budget. Also, it is awaited that a list of recognized companies such as « *champions nationaux* » should be published.
- **The Ministry of Public Contracts** should engage in studies related to the finalization and validation of the procedure manual of programming of public contracts in order to engage in accompanying contracting authorities to this effect.

Area 2: Strengthening tax compliance and budget resource mobilization capacities

Main objectives

- O.2.1** : Develop the capacity to study and determine fair and efficient tax policies that promote revenue growth and the development of productive activities
- O.2.2** : Strengthen tax compliance
- O.2.3** : Develop the capacity to control the scope and basis of taxation and ensure the collection of all taxes
- O.2.4** : **Control the assessment and collection of non-tax revenues**
- O.2.5** : Develop the capacity to mobilize financial resources and implement the national debt policy and public debt management.

With regard **to the development of study capacities and the determination of equitable and efficient tax policies**, the DGD has made a qualitative leap in the framework of capacity building of its staff in terms of rules and obligations on the production of tax and customs statistical data. Indeed, a new batch of statisticians and computer scientists was recruited and sent to the United States for further training in view of the multiple functionalities offered by the new information system CAMCIS, and the desire to automate almost all customs procedures.

As regards **database management**, it can be noted that the DGI integrates in its revenue statistics the taxes and duties levied for the benefit of APE and RLA. However, the duties and taxes levied by other administrations do not fall within its competence. As for the analysis of fiscal potential and estimated yields by tax, the DGD makes projections on the basis of available data and potential studies. It also includes in its forecasts the risks of geopolitical shocks.

With regard to **strengthening tax compliance**, the DGI and the DGD are constantly improving the quality of information posted on their websites. Specifically, as far as the DGD is concerned, an interministerial working group has been set up to reconfigure the architecture and content of the website. In the same vein, external expertise has been requested to focus on aspects relating to the security and ergonomics of the infrastructure.

With regard to **the strengthening of tax control**, the DGI uses the "tax inspector without borders" mechanism, which involves calling on national and international expertise for the control of very large accounts. In addition to this, within the framework of the allocation of a tax ID and control efficiency as well as sanctions related to its use, sanctions related to the fraudulent use of NIU were inscribed in the finance law for the 2020 year. In this perspective, the said sanctions provide for sanctions coupled with a fine of one million (1 000 000) franc CFA. With the view of evaluating the scope of this measure, a circumstantial point will be made in the activity report currently being elaborated at the level of DGI for the 2022 year.

Concerning **the development of the capacity to control the scope and basis of taxation and the control of the collection of all duties**, there has been a significant reduction in the volume of outstanding debts arising from unpaid customs duties and duties relating to imports of refined hydrocarbons as well as those intended for the public order. From now on, the DGD will ensure that payments are made by cash or by compensation with the support of the CTR. On the point relating to the establishment of specific procedures for monitoring and recording in administrative accounts of levies and duties, the DGD and the DGI are issuing receipts. In this regard, it should be noted that the issuance of the receipt remains the justification for the performance of tax operations. This issue follows the establishment of the revenue operative event. Consequently, the recording of revenue issued can be tracked, in particular in the management information chart (TABORD) or by means of budgetary accounting returns.

As part of the control **of the accumulation of new arrears of recoveries due by companies and public administrations**, a monitoring system has been set up at the DGD with a view to clearing these arrears. Thus, the list of these companies and public bodies has been drawn up. It should be noted that the substantial weight of outstanding collections requires the implementation of other negotiation methods. Specifically, certain tax administration measures are envisaged for public enterprises. Incidentally, the stock of outstanding debts is decreasing in comparison with years n-1 and n-2.

On the other hand, **the DGI is maturing the development of the application for the automated monitoring of control procedures**, which is in the finalization phase. Production tests are currently being carried out by the DGI teams and the developers. With regard to the compliance of local tax modalities with the provisions of the Fiscal Regime of the State and Other Public Entities and the General Code of Decentralization, an inter-ministerial committee was set up with a view to revising the 2009 law on local taxation. To date, the said committee has submitted its report and the related draft law has been transmitted to the Prime Minister's Office for further proceedings

On the deployment of the CAMCIS system, the six (06) support modules for the system are now operational. Training and capacity building sessions for users are planned. In this regard, a training schedule has yet to be established. As regards risk analysis operations and the production of statistical data on customs revenue by the CAMCIS system, a risk analysis unit within the DGD is working to ensure that these activities are carried out. In support of this, one of the CAMCIS modules, namely the export and import risk analysis module, carries out matching in order to neutralize hazards and malfunctions such as fraud linked to fictitious exports.

With regard to **the integration of the value file in the CAMCIS system**, transactional values have been given priority over administrative values in accordance with IMF requirements. This file has been configured in CAMCIS, in particular in the data warehouse..

Concerning the extension of the identification control system for vehicles imported into Cameroon (CIVIC) to all customs sectors in order to standardize the handling of goods, it is important to emphasize that for the time being, the CIVIC remains limited to the cities of Douala and Kribi, given that maritime transport covers 70 to 80% of customs operations. In the long run, the objective is to extend the said system to the entire national territory in order to curb the shortcomings observed in some regions of the country.

Furthermore, on the point relating to the signing and implementation of information sharing protocols with the MINT, GPAC, ANEMCAM, RTC, PAK and CNCC, it is to the credit of the DGD that the said protocols have been completed with the exception of that relating to the MINT. Moreover, it should be noted that some specificities of the said protocols have been acted upon in the finance law for the year 2022.

On the **implementation of interconnection work to the Central African Customs information systems**, risk analysis work is carried out in consultation with the customs services of neighbouring countries, namely Chad and the Central African Republic, through the transfer of borders in order to optimize the routing of goods. In the same vein, the setting up of juxtaposed customs offices favours a single handling with the customs services of certain neighbouring countries such as Nigeria.

As regards **the extension of the FUSION tool to all the operational structures of the DGI**, the work has started and the extension of this tool is about to be finalized. As regards the aspect relating to the operationalization of the integration of the tax information system, the DGI is currently preparing the draft contract to be used as a basis for the contracting process. With regard to the implementation of electronic invoicing to ensure traceability and exhaustive fiscal monitoring of operations, the DGI is currently preparing the specifications that will serve as the basis for the drafting of the contract.

As part of the **implementation of the reform of the integrated agent**, which aims to broaden the base and reduce the size of the informal sector, it should be noted that the model of the memorandum of understanding serving as a basis for the contractualization of integrated tax partners is available. In addition, memoranda of understanding have been signed in five identified priority sectors.

Regarding **the operationalization of the provisions of the decree fixing the modalities of implementation of the status of Authorized Economic Operator**, the draft decree has been elaborated and transmitted to the PM's Office for signature with a framework document of deadlines. As for the optimization of customs revenues, the operationalization of the COSMOS system, initially dedicated to the control of vehicles, has been extended to the control of containers by scanning information in order to digitize controls and dematerialize this procedure. This is now an essential step in the regularization of vehicle purchases.

With regard to **the optimization of customs revenue on high-yield products**, an organizational mechanism has been put in place in collaboration with MINFOF and SGS. To further refine this project, a benchmarking mission was initiated with previous countries (Morocco/Tunisia).

With regard to **the objective of controlling the evaluation and collection of non-tax revenue**, it is important to note that in order to bring revenue and its collection into line with the new legal and regulatory framework of GFP, the Minister of Finance has authorized the setting up of a test site for electronic payment in a medical health centre in Mvog-Ada since 28 March. An evaluation of this implementation is expected on a bi-monthly basis. If the results of this evaluation are conclusive, the experiment will be extended to the Ministry of Forestry and Wildlife. Moreover, it should be noted that this operation depends on the effective implementation of the Single Treasury Account (CUT).

With regard to **inventory operations to gain a better understanding of the State's assets**, the first phase dedicated to the inventory of fixed assets in the MFOUNDI division was completed. To this end, 777 office buildings were identified as well as 180 buildings for housing purposes, for an estimated financial value of 1070 billion. In the same vein, proposals were made to the Minister of Finance for the evaluation of the rolling stock as well as the launching of the census operation in the Wouri Division, given that the two divisions account for nearly 75% of the State's fixed assets.

Within the **framework of the development of the capacities of mobilization of the resources of financing and implementation of the national policy of indebtedness**, several tasks were already carried out by the services of the Autonomous Sinking Fund (CAA) as regards the realization of the study for the evaluation and the analysis of the evolution of the debts being able to result from the contracts of public private partnership. This includes the validation of the terms of reference of the study, the contracting of the service provider and the setting up of a technical team. To date, the tentative report of the study is available and has been transmitted to the stakeholders. Its validation as well as its transmission to the technical and financial partners is pending.



POINTS OF EMPHASIS

- **The Forecast Division of MINFI** is called to strengthen documents on macroeconomic framework and budgetary framework, with, in appendix, notes on method and bases of estimate of tax and custom revenue.
- **The Directorate General for Taxation** has to finalize
 - Work leading to the publication of the annual report on sanctions relative to the fraudulent use of the unique identifier;
 - Carrying out a study aiming at establishing an exhaustive list of compulsory levies carried out by administrations other than tax and customs administrations;
 - The process of contractualization for the implementation of electronic billing;
- **The Directorate General of Budget** should engage work aimed at establishing an exhaustive list of all royalty fees levied by non-tax and custom central administrations.
- **The National sinking fund** is called to expand the scope of public debt in order to include elements like floating debt.
- **The Directorate General of Treasury, Financial and Monetary Cooperation** should engage follow-up work on all funding appeals signed by the CAA to trace accrual accounting.

Area 3 : Strengthening capacities to control and manage the execution of budgets

Main objectives to achieve

- O.3.1** : Improve monitoring of financial operations and ensure access to available cash
- O.3.2** : Optimize cash management and budget regulation
- O.3.3** : Adapt expenditure execution control to program budgeting and improve its effectiveness
- O.3.4** : Control staff costs
- O.3.5** : Reorganize and bring closer to international standards the public procurement control system
- O.3.6** : Ensure the keeping and integrity of administrative accounts and management accounts of public administrations
- O.3.7**: Organize and strengthen internal control
- O.3.8**: Operationalize a public policy evaluation framework
- O.3.9**: Strengthen the mechanism for monitoring and reporting information on public investment

For this axis, the most significant advances concerned the improvement of the monitoring of financial operations, the implementation of the State budget nomenclature (NBE), the adaptation of the control of the execution of expenditure to budgeting program, the reorganization of the public procurement control system, the keeping and integrity of administrative accounts and public administration management accounts, and the operationalization of a public policy evaluation framework.

As a prelude to the switch to accrual accounting from January 2022, it was decided to prioritize, in 2021, the work to implement the economic classification, common to the NBE and the State accounting plan. Thus, the PROBMIS information system has been updated to integrate the classification by economic nature. This work has thus made it possible to have a 2022 finance law presented according to the economic classification of 2003 and an execution according to the same classification.

The modernization of loans and endorsements has made progress through the integration of procedures relating to the granting by the State of loans, endorsements and guarantees in the procedures manual for borrowing and public debt management operations. Validated by the National Public Debt Council (CNDP). Furthermore, it is important to emphasize that the examination of requests for guarantees and on-lending of loans, as well as the follow-up of cross-debt transactions are permanent activities at the CAA.

With regard to the joint production by the DGTCFM and the CAA of an annual report on the loans, endorsements and guarantees granted, and on the risks incurred, it should be specified that the debt strategy is systematically annexed to the PLF and fixed the debt ceilings as well as their methods of implementation. In addition, this appendix reports on the measures previously taken and their state of operationalization.

Referring to **the establishment of an effective organization of the active management of the Treasury**, the establishment of the state treasury situation is done weekly during the sessions of the Internal Treasury Committee of the MINFI. However, the situation of cash resources is not accessible there.

In the same vein, the Central Accounting Agency of the Treasury (ACCT) carries out once a month the reconciliation of all the bank accounts held by the accountants of the Treasury network, including those opened in commercial banks and this within the framework of those referred to as the “summary statement of treasury transactions”. The organization of the predictability of mobilizable cash resources has also seen some improvements due to the production each year, as soon as the budget is voted by Parliament, of the provisional monthly cash plan and on the basis of which the plan for recourse to cash loans.

On the **implementation of a device allowing real-time editing from the existing information systems (PROBMIS and CADRE)**, the situation of the payment authorities by nature of expenditure and by ministry, and according to their seniority, this situation is produced by the CADRE application. However, this situation should improve in 2022 on the basis of the electronic data exchange protocol within the MINFI.

Improving the predictability of debt service payments in order to reduce the tying up of funds in accounts dedicated to debt repayments is led by the CAA. It should be specified that the debt service forecast is carried out during the work to draw up the forecast debt service sent to the DGB and which sets the minimum credits necessary for the payment of the debt service in due course. Date Efforts must be made for the effective provision of the planned resources.

Speaking of the renovated financial control, two draft texts are being finalized, the first organizing the function of financial controller and the second organizing the Budgetary Internal Control (CIB) and the Accounting Internal Control (CIC) within the departments of the State and other public entities.

With regard to the first, **a draft regulatory text relating to the financial control of the State**, CTDs and public establishments is being finalized in order in particular to focus the activity of financial controllers on the analysis of the sustainability of the files high stakes or high risk. This project is based on four pillars, which are the control of the sustainability of the commitment plans, the control of the sustainability of jobs and the payroll, the control of the

sustainability of the main acts of commitment as well as the selectivity of the controls of sustainability and legal regularity.

As for the second, which should contribute to formalizing the implementation of a risk assessment system and risk mapping, it plans to set the scope of the CIB and the CIC for all “...organised, formalized and permanent systems, implemented by managers at all levels, in order to control budgetary and accounting risks...”. To do this, the provisions of the said project revolve around the interministerial management of the internal control system, the application of this internal control system within each ministry as well as the methods for its evaluation.

The work to set up internal control and the renovated financial control, pending the finalization of the two draft decrees, is ongoing, with on the one hand the implementation of an action plan for the implementation of the CIB in four pilot administrations, and on the other hand the implementation of a capacity building plan for financial controllers.

As part of strengthening the institutional framework for public procurement, progress is visible in the implementation of the texts provided for in the 2018

Public Procurement Code. Indeed, two texts were signed in 2022, namely the circular No. 0001/PR/MINMAP/CAB of April 25, 2022 relating to the application of the public procurement code and the text relating to framework agreements. Out of a total of 23 application texts identified following the signing of the 2018 public procurement code, 12 texts have been signed, three have received the approval of the Very High Hierarchy and 08 are awaiting the prior approval of the Presidency of the Republic.

Regarding **the improvement of public procurement governance**, more specifically on the development and popularization of a collection of all texts in the public procurement sector in both paper and electronic versions, it should be noted that the realization of this activity is highly dependent on the signature of all the application texts. However, a Committee responsible for preparing the compendium of texts has already been set up. The various texts available have been compiled and workshops to popularize these texts are being prepared as part of the PEPS project.

With regard to the establishment of a mechanism for the publication of all data and information on public contracts and transparency in the award of public contracts, it appears that the annual award plans are jointly published on the websites MINMAP website and the COLEPS platform. In addition, the updating of dematerialized procedures in accordance with the innovations of the new Public Procurement Code has been initiated, as demonstrated by the availability of manuals and guides for the various actors in the dematerialization process and the online programming of contracts. To this end, MINMAP supports contracting authorities so that at least 50% of public contracts awarded by pilot ministries are published on COLEPS and it has been carrying out this activity with 65 MO/MOD since February 2022.

With regard to building the capacities of MINMAP, a draft guide to monitoring the execution of public contracts has been prepared and validated. Similarly, a draft control guide for public procurement procedures will be validated during a workshop that is in preparation.

With regard to building the ARMP’s capacities, an exhaustive and up-to-date database on public contracts is available via the IT solution for collecting and processing information on

public contracts in real time called “Pridesoft”. . In addition, the annual reports drawn up by the ARMP provide information on appeals and the follow-up given to them. These reports also analyze procurement process timelines and the costs of these processes.

Regarding **the capacity building of actors**, the training strategy on public procurement has been developed and is awaiting pre-validation by the stakeholders. The importance of this activity lies in the fact that it will equip the members of the procurement commissions and reduce procurement appeals before the ARMP appeals review committee. In addition, some public entities request training for their managers, but mass training is desired in order to solve certain problems related to the lack of mastery of public procurement procedures which are often addressed by the Committee appeal review.

In the same vein and in concert with the MINMAP, the ARMP has undertaken to organize seminars on the appropriation of the new normative framework for public procurement (MP) for members of public procurement commissions of the central services. , regions and decentralized services.

For the keeping and integrity of administrative accounts and management accounts of public administrations, formalization via the complementary circular of the MINFI on the execution of the State budget now specifies the deadlines and conditions of the said procedure.

In addition, the development of a budget accounting reference system has been initiated, with the drafting of a first version which is being finalized, as well as the draft circular to formalize the said reference system.

With regard to **the organization and proper keeping of the administrative and management accounts of all autonomous central administrations**, work has been undertaken to optimize the GIDOCEP application. This budget and accounting management application is used in many public establishments and the objective is for all public establishments to have a gender tool and for a centralization module to be developed at the Ministry of Finance for better monitoring. The supervision of autonomous public establishments (EP) has so far made it possible to achieve a rate of deposits in management accounts below 50%, the objective is to do much better thanks to the establishment of a coaching of the accountants of these entities which should raise the said rate to 70%.

With regard to **the organization and proper keeping of the administrative accounts and the management accounts of the CTDs**, in particular on the aspect relating to the consolidation of the presentation of the accounts, the second phase of Operation 150, which was to bring to 300 the number of management accounts produced and submitted to the Audit Bench, has begun to be implemented with coaching workshops thanks to the technical assistance of the PNDP. Furthermore, with regard to the work carried out for the production of the report on local finances, in connection with the requirement for the production of the accounts at the end of the financial year by at least 75% of the CTDs in the regulatory forms and deadlines, the collection process has been initiated and should be finalized in the coming weeks.

To date, the management accounts have been produced outside the regulatory deadlines, although they have actually been filed with the Audit Bench.

On the development of tools for evaluating public policies, in particular in strengthening the skills of the CIEP in the evaluation of public policies, the decree signed on June 30, 2021, the PM/CG recorded the reorganization of the CIEP by reaffirming its role in examining the compliance of programs with the principles laid down by public finance legislation and their consistency with public policy objectives and the State's strategic planning tools. The first session in this renovated format was held during the period from May 30 to June 10, 2022.





POINTS OF EMPHASISE

- The Directorate General of the Treasury and Financial and Monetary Cooperation is called upon to initiate consultations with the various TFPs in order to agree on the implementation of a transfer plan on the TSA of project accounts financed with external resources.
- The Forecasting Division of MINFI should initiate work to operationalize the Decree setting the presentation framework for the Table of State Financial Operations (TOFE) for 2019
- **The Directorate General of the Budget** must supervise and validate the work
 - Implementation of circular no. 00002578/MINFI of 14 April 2022 establishing the methodological guide for developing and updating commitment plans;
 - Support for public accountants of all CTDs in their financial control functions;
 - Optimization of the system for monitoring public establishments and CTDs on budget recovery for the purpose of transmitting administrative accounts to the Audit Bench.
- **The Ministry of Public Service and Administrative Reform** is called upon to
 - The realization of the study aiming to inventory the dysfunctions of the organizations in force and to evaluate the risks incurred in terms of inefficiency in the management of personnel and pay;
 - The implementation of the new personnel and payroll management system (SIGIPES 2). Le Ministère des Marchés Publics devrait diligenter les travaux d'élaboration et de publication en ligne du recueil des textes issus de la réforme enclenchée par le Code des marchés publics de 2018.
- **The Ministry of Public Contracts** should supervise the work of preparing and publishing online the collection of texts resulting from the reform initiated by the 2018 Public Contract Code.
- **The Public Contract Regulatory Agency** is called upon to revitalize the realization of the independent audit of the acquisition of system and to define a capacity building mechanism for regular actors.
- **The National Sinking fund** is challenged to bring the procedures relating to the granting by the State of loans, endorsements and guarantees into compliance with the provisions of the RFE-AEP.
- **The General Directorate for the Economy and Public Investment Programming** should continue its efforts to implement

Area 4 : Development of internal audits and verifications and external controls

Main objectives to achieve

O.4.1: Adapt the institutional verification and internal audit framework to the new legislative and regulatory framework (CEMAC Harmonized Framework)

O.4.2: Bring the missions of the jurisdiction of accounts into line with the provisions of the new PFM framework, bring them closer to the standards relating to SAIs and develop its operational capacities

O.4.3: Support the Assembly and the Senate for the revision of their organization with a view to adapting parliamentary control over the executive to the provisions of the new PFM framework and to strengthen their operational capacities.

Regarding the reform of the missions of the Court of Auditors, the draft bill on the Code of Financial Courts has been jointly transmitted to the Supreme Court and the Ministry of Justice by the Audit Bench since 2020.

With regard to the publication of an annual directory of local finance management, the related work is being carried out by the CTD Observatory. The outcome of this work should make it possible to make available, in a permanent and updated manner, information relating to the management of local finances from 2022.

As part of the publication of its annual report relating to the judgment of the accounts of the central administration, public establishments and RLAs, if the Audit Bench enters statistics on its work, only judgments whose substance is of interest particular are published. The format of the said is being improved to take into account the new challenges of the financial jurisdiction.

As for the implementation of the program to strengthen human resources in the Audit Bench, it continues at ENAM where the initial training of Audit Bench magistrates is carried out. In addition, internal capacity building (CdC officials) continues with the support of French expertise, despite a slowdown due to the health crisis.

With regard to the envisaged General State Account Certification Report, the work to build the capacity of CDC staff with regard to the Certification of State Accounts is continuing. The certification report of the General Account of the State which is, until then, sent separately to Parliament will constitute an appendix to the Settlement Bill from 2023.



POINTS OF EMPHASIS

- **The Audit Bench** is questioned in
 - The framework of the organization of a seminar on the modalities of implementation of its mission of support to Parliament for the attention of the finance and budget committees of the National Assembly and the Senate;
 - The update of the strategic plan to allow the jurisdiction of accounts to exercise all its missions relating to the judgment of the actors of the management of public finances;
 - The development of transplant software.

Area 5 : Establishment and strengthening of PFM support functions

Main objectives to achieve

O.5.1: Strengthen human resource management and training management skills and capacities

O.5.2: Streamline and make more efficient the general organization, integration and security of IT systems.

O.5.3: organization of broadcast programming and dissemination of information.

O.5.4: Strengthen support for the intervention framework of civil society organizations in favour of the effectiveness of PFM

O.5.5: Ensure the effectiveness of the programming and conduct of

For this axis, progress has been made in terms of projects relating to information systems as well as the growing involvement of civil society in the public finance process.

Concerning **information systems, and more specifically, the operationalization of the addressing plan of the Ministry of Finance**, reflections already carried out have led to the definition of said plan. Its implementation, envisaged in the short term, should make it possible to reduce many inconveniences such as the cost of administration, address conflicts, or even the difficulties of controlling address ranges, linked to the existence of multiple autonomous networks. Similarly, this addressing plan can also facilitate easier pooling of the network.

On the **definition of criteria, norms and standards for the acquisition of computer equipment and the development of applications for the benefit of public entities**, enforceable against all public expenditure authorizing officers, work has been initiated since 2021 and has led to the validation consensual manner of the related security policy. Moreover, it is planned to finalize this project by 2023.

As for the operationalization of the data exchange platform, we can be delighted with the satisfactory completion of the test phase of the BETA version. However, due to the reorganization of the PROBMIS and PATRIMONY applications, the implementation in the pilot sites has been delayed. In any case, the generalization of this implementation scheduled for June, will be carried out as soon as the pilot phase is completed.

Regarding **the functionality of the Committee responsible for monitoring the implementation of the Integrated Strategy for Computerized Public Finance Management (SIGIFiP)**, the Committee was relaunched by a first meeting held in May 2022

with the aim of revitalizing this project of SIGIFIP which should ultimately allow optimal integration of the information systems of the administrations in charge of public finance.

With regard to the implementation of the Information Systems Security Policy (PSSI), the latter, together with an implementation action plan as well as a declaration of applicability by which the Minister of Finance instructed its operationalization within the various General Directorates and other structures, has been validated since 2021. In addition, in order to establish the related understandings and with a view to optimal operationalization of the PSSI, awareness-raising work sessions are programmed with the various structures.

Regarding the projects dedicated to civil society organizations, it was foreseen that the technical, institutional and operational capacities of CSOs would be strengthened by the Government. In this regard, an action plan has been developed and proposed to the MINFI for its implementation.

In addition, on this area was also expected the production and publication of a biennial report evaluating the level of implementation of the organic frameworks of the ministerial departments. On this point, while it is true that the work has not yet started, the fact remains that an action plan has been clearly defined.



POINTS OF EMPHASIS

- **The Information Systems Division of the Ministry of Finance** is called upon to carry out a detailed audit of the state of the LAN and WAN networks.
- **The PGRGFP Implementation Structures** should continue their efforts in
 - The interfacing of their information system with that of their counterparts;
 - Online publication of their work and essential documents;
 - Strengthening the technical, institutional and operational capacities of Civil Society Organizations.

III. CONSTRAINTS AND ENVISAGED SOLUTIONS

The implementation of the reform projects scheduled for 2022 under the updated PGRGFP reveals an **average achievement rate of 41%**. In this regard, there is a constant dynamic of the SMOs in understanding the reform and in their involvement in the activities, although the situation is far from perfect.

Indeed, some constraints continue to affect the expected performance of the updated PGRGFP. These are mainly the constrained financing of reform activities, the nagging concern of information systems as well as the eternal insufficiency of information feedback.

Financing of activities

If the PGRGFP capitalizes on the experience acquired as well as the mechanisms put in place during the first cycle of implementation of the PGRGFP, in particular through the allocation of budgetary appropriations to the SMOs and the existence of support projects/programmes supported by the TFPs, it is necessary to note the unavailability of resources when operationalizing the reforms. In fact, despite the efforts made during the preparation of the State budget for the provision of the credits necessary for the implementation of the reform activities, the latter are systematically redirected to other purposes. In addition, some public finance reform support projects, concluded with Technical and Financial Partners, continue to capture the attention of stakeholders as the expected funding is slow to materialize, such as that of the World Bank (PEPS) or the African Development Bank.

This situation greatly weakens the operationalization of the ambitions of the updated PGRGFP, which itself stems from the financing difficulties of the initial plan. Moreover, a significant upsurge in requests for additional support has been noted at the level of the Minister of Finance for the implementation of PGRGFP projects.

To remedy this, all stakeholders should be mobilized to clearly establish the funding needs of the various SMOs as well as the resources available to date both at the State level and at the TFP level. Similarly, and in a dynamic of anticipation for the next exercise, it would be appropriate to engage the SMOs and TFPs in this exercise to identify needs and availability prior to the start of the 2023 POA.

Limited information system

A modern public finance management system cannot be achieved without an efficient information system. Although significant reforms have been carried out as part of the implementation of the laws of July 11, 2018 relating to RFE-AEP and CTBG, it happens that the upgrading of the IT tools relating thereto is slow to be done, thus leading to ambivalence in the conduct of reforms with a satisfactory conceptual dynamic on the one hand, but a totally different factual reality on the other. This situation is more significant with the non-operationalization for several years of the Committee in charge of Steering the Integrated Strategy for the Computerized Management of Public Finances (SIGIFiP), which did not allow a decisive and coordinated addressing of the IT issues of the management of public finances.

In order to optimize existing tools and promote the harmonized development of applications in line with the legal and regulatory requirements of public finance management, the

revitalization of the SIGIFiP Steering Committee should be consolidated. In addition, particular attention should be paid to the financing of IT policies which, because of the many failures recorded in recent years, are struggling to reassure partners as to their feasibility.

Informations feedback

Always highlighted during the evaluations of the implementation of the PGRGFP, the quality of the feedback of information continues to condition the quality of the reports. Indeed, if the various reports produced so far have generally only been the subject of minor or even marginal amendments, the fact remains that the collection of information is laborious and even uncertain.

As a result, the requirements continue to be at two levels:

- **Transmission to the structure in charge of coordinating the implementation of the PGRGFP of draft texts**, reports or methodological tools for notice of compliance with the spirit of the laws on the Financial Regime of the State and Others Public Entities and Code of Transparency and Good Governance in the Management of Public Finances; This transmission is not often made and certain texts supposed to be taken in application of the financial constitution of the State present, at the time of their adoption, significant discrepancies with it; It would therefore be advisable to always share the work before introduction into the formalization circuit.
- **Quarterly transmission of the status of implementation of the PGRGFP measures**; it was noted that the monitoring tools used by the PGRGFP, namely the activity sheet, the quarterly monitoring report, the implementation data collection sheet or the list of supporting documents, are not sufficiently exploited; renderings submitted by SMOs do not follow all required formats; moreover, the SMOs, instead of confining themselves to information on the measures listed in the PGRGFP, tend to transmit the report of all the activities carried out in the structures, which complicates their use.

IV. CONCLUSION AND RECOMMENDATIONS FOR OPTIMIZING THE IMPLEMENTATION OF THE PGRGFP

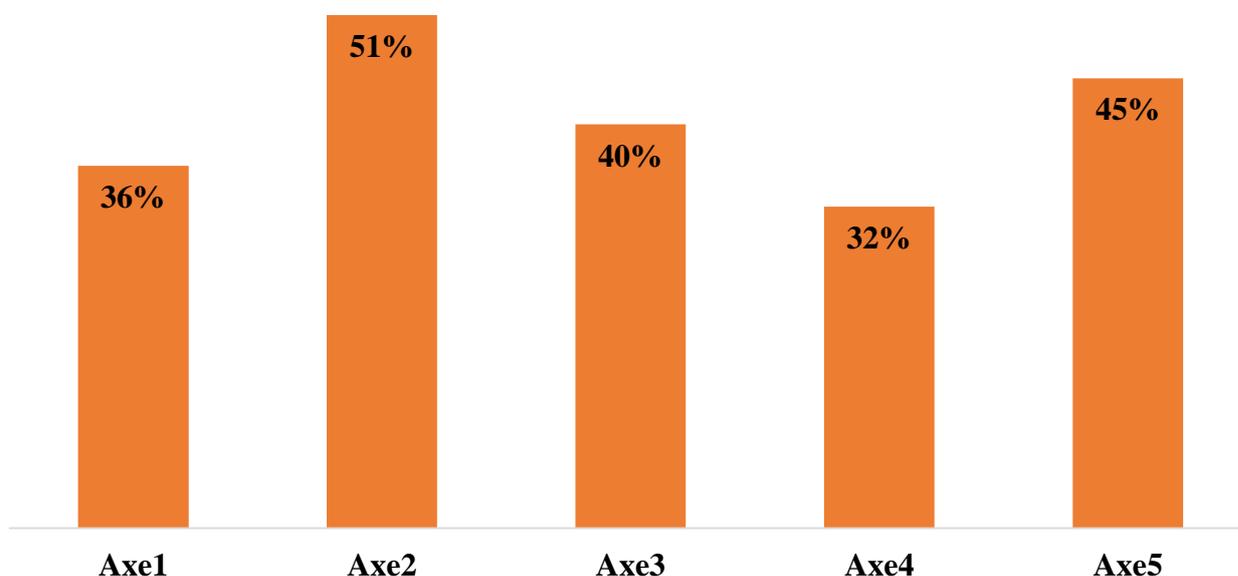
At the end of the first five months of 2022, it emerges that out of **185** (one hundred and eighty-five) reform projects retained, **118** (one hundred and eighteen) reform projects record at least a 50% implementation rate work. Thus, and in accordance with the methods for weighting the results defined in concert with each SMO in the context of the development of the activity sheets, the 2022 Operational Plan of the Updated PGRGFP shows an overall implementation rate of 41% as well as a rate of specific implementation of structuring projects by 55%.

Globally,

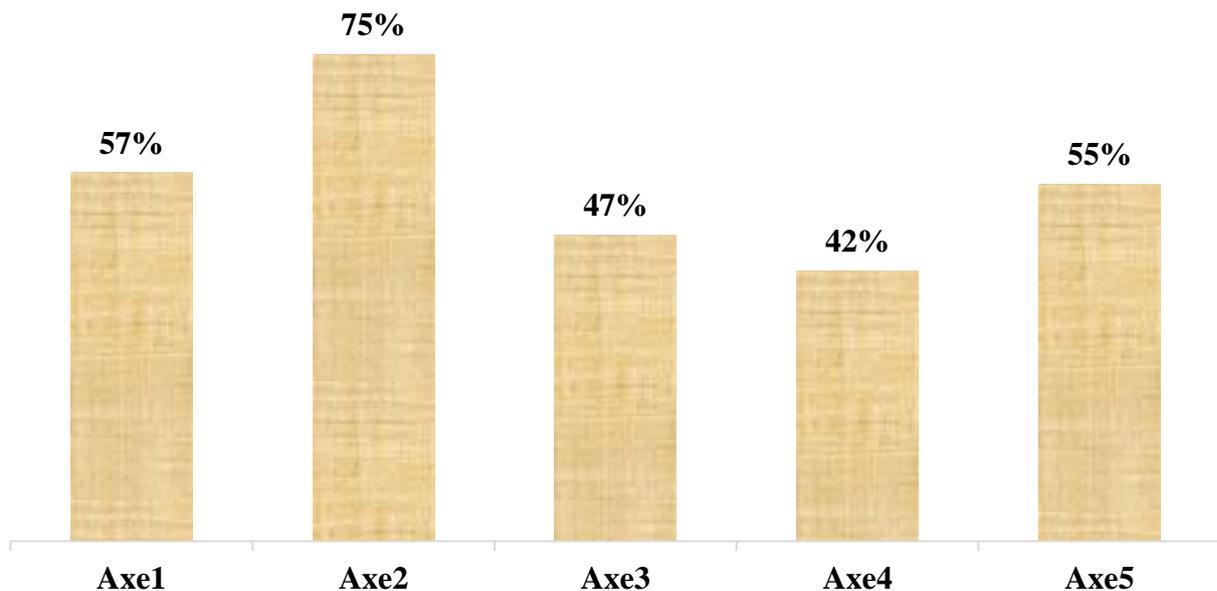
- **185** (one hundred and eighty-five) reform projects selected for the POA 2022;
- **41%** average annual achievement rate of the 2022 POA;
- **118** (one hundred and eighteen) reform projects with at least 50% implementation rate;
- **67** (sixty-seven) reform projects with less than 50% implementation rate.

The **118** reform projects with at least 50% implementation rate break down as follows:

Level of implementation of activities by areas



Level of implementation of structural activities by areas



With a view to optimizing the implementation of the updated PGRGFP, it would be appropriate to:

- To mobilize the financing necessary for the effective operationalization of certain structuring projects;
- To set up or revitalize, within each SMO, the internal organization specific to the management of their reform activities;
- To involve the monitoring teams of the structure in charge of carrying out the reforms in the various works carried out by the SMOs in order to ensure dynamic and effective feedback of information;
- Complete the technical and financial support mechanisms for reform activities in order to avoid delays in carrying out the various works.

ANNEX





