

REPUBLIQUE DU CAMEROUN

Paix – Travail – Patrie



REPUBLIC OF CAMEROON

Peace – Work – Fatherland

**STATE BUDGET EXECUTION
REPORT FOR THE 2022
FINANCIAL YEAR**



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ACRONYMS AND ABBREVIATIONS

CA:	Commitment authorisation
FDA:	French Development Agency
AMBACAM :	Cameroon Embassy
ANR:	Tax Clearance Form
EPA:	Economic Partnership Agreements
TB :	Trial Balance
OB:	Opening Balance
BEAC:	Bank of Central African States
PIB:	Public Investment Budget
FTBills:	Fungible Treasury Bills
BTP:	Buildings and Public Works
C2D:	Debt Relief and Development Contract
AF:	Advance Fund
CAA:	Autonomous Sinking Fund
AFCON:	African Cup of Nations
CEMAC:	Central African Economic and Monetary Community
CDI:	Small size Enterprises Tax Centre
CIME:	Medium size Enterprises Tax Centre
COCAN:	AFCON Organising Committee
COPPE:	Physical Count of State Personnel
PA:	Payment Appropriations
CRI	Regional Tax Centre
CSPH:	Hydrocarbon Price Stabilisation Fund
RLA:	Regional and Local Authorities
TSA:	Treasury Single Account
DGD:	Directorate General of Customs
DGI:	Directorate General of Taxation
DGTCFM:	Directorate General of the Treasury, Financial and Monetary Cooperation
DIT:	Douala International Terminal
SDR:	Special Drawing Rights
PE:	Public Establishments
EVP:	Twenty-Foot Equivalent
FINEX:	External Financing
IMF:	International Monetary Fund
HALCOMI:	Stop Illicit Trade
DI:	Direct Interventions
IISF :	Initiative for tax inspectors without borders
NIS:	National Institute of Statistics
PIT:	Personal Income Tax
CT:	Company Tax

ITFC:	International Islamic Trade Finance Corporation
FL:	Finance Law
AFL:	Amending Finance Law
MAG:	Shortfall
TB:	French Treasury Bonds
FTB:	Fungible Treasury Bonds
TAKEOVER:	Takeover
EFP:	Economic and Financial Programme
GDP:	Gross Domestic Product
PLANUT :	Three-year Contingency Plan
SME:	Small and medium-sized enterprises
OP:	Outstanding Payments
DR:	Domestic Resources
SGS:	Société Générale de Surveillance
SNH:	National Hydrocarbon Corporation
SONARA:	National Oil Refinery
CET:	Common External Tariff

EXECUTIVE SUMMARY

The 2022 budget was executed in an environment marked by soaring crude oil prices, post-Covid-19 inflationary pressure exacerbated by the war in Ukraine, and tighter international financial conditions. Soaring oil prices helped to improve budgetary results, but the cost of fuel subsidies soared.

This difficult context justified the adoption of a Amending Finance Law which revised upwards the level of the State budget by 328 billion (+5.8%) to 6,080.4 billion, including 5,977.7 billion for the general budget and 102.7 billion for the Special Appropriation Accounts.

Budgetary execution was characterised by a satisfactory level of resource mobilisation, driven by internal revenue, and by overall control of budgetary expenditure, contained within the forecast limit.

Out of a revised annual forecast of 5,992.7 billion (before a payment of 15 billion to SAA COVID-19), budgetary resources mobilised stood at 5,988.4 billion at the end of December 2022, corresponding to an execution rate of 99.9%. This represents an increase of 935.6 billion (+18.5%) compared with 2021. Budgetary resources break down into 4,393.2 billion in internal budget revenues and 1,595.3 billion in borrowing and grant revenues.

The resources of the general budget (which are the budgetary resources minus the payment for the SAA-Covid), meanwhile, amount to 5,981.8 billion out of an annual forecast of 5,977.7 billion, i.e. an execution rate of 100.1%.

As for budgetary expenditure, it reached 5,816.1 billion at the end of December 2022 on the basis of scheduling, an increase of 725.8 billion (+14.3%) compared with the level reached at the same period in 2021.

Budgetary expenditure¹ specifically, is set at 4,727.1 billion in terms of authorisations, i.e. 70.1 billion more than the revised annual forecasts. By major component, implementation to the end of December 2022 is as follows:

- **Budget execution in resources**

Budgetary resources mobilised at the end of December 2022 include domestic revenues (oil and non-oil revenues) as well as loans and grants.

¹ Budget expenditure comprises recurrent and capital expenditure

Domestic revenue was executed at 107.7% against a revised forecast of 4,080.9 billion. This result is due to the fact that non-oil revenues, and especially oil revenues, exceeded forecasts.

Oil revenues were collected to the tune of 973.8 billion against a revised target of 806 billion, representing an execution rate of 120.8%.

With regard to non-oil revenue, 3,419.3 billion was collected against a revised target of 3,274.9 billion, representing an execution rate of 104.4%, mainly as a result of good tax revenue collection.

3,187.0 billion had been collected by the end of December 2022, a positive variance of 138.3 billion compared with the revised target of 3,048.7 billion. Compared with the same period in 2021, tax revenues increased by 343.8 billion (+12.1%), driven by tax revenues (+295 billion).

Non-tax revenues amounted to 232.3 billion, a surplus of 6.1 billion over the revised forecast. This represents an increase of 60.4 billion (+35.1%) on the 2021 figure.

Borrowing and grants amounted to 1,595.3 billion out of a forecast of 1,911.8 billion in the AFL, representing an execution rate of 83.4%. Compared with 2021, they are up by 39.8 billion (+2.6%) due to a good disbursement of borrowings (+46.2 billion).

A total of 1,491.1 billion was disbursed in borrowings, including 639.3 billion in drawings on project loans, 70 billion on IMF loans, 296.4 billion in budget support and 485.3 billion obtained through issues of public securities.

Grants amounted to 104.2 billion against a revised forecast of 142.3 billion, representing an execution rate of 73.2%.

- Budget execution in expenditure

At the end of December 2022, for a revised forecast of 5,977.7 billion, the budget execution rate was 97.3%. By major component, budget expenditure was implemented as follows:

Recurrent expenditure (excluding interest on debt) came to 3,237.6 billion against a forecast of 2,998.4 billion, an overrun of 239.2 billion.

This comprised expenditure on personnel of 1,193.1 billion against a forecast of 1,187.9 billion, an overrun of 5.2 billion; expenditure on goods and services of 893.1 billion against a revised allocation of 940.8 billion, an execution rate of 94.9%; and transfers and subsidies of 1,151.5 billion against a forecast of 869.7 billion, an overrun of 281.8 billion.

Compared with 2021, recurrent expenditure will increase by 431.1 billion (+15.4%), driven by subsidies (+395.2 billion).

The wage bill to tax revenue ratio is 34.7%, compared with 38% in 2021. This is the first time Cameroon has met this surveillance criterion in the CEMAC zone (ratio below 35%) since 2017.

Capital expenditure was implemented to the tune of 1,278.8 billion against a forecast of 1,419 billion, representing an execution rate of 90.1%. Compared with 2021, capital expenditure increased by 174.1 billion (+15.8%). Investment expenditure from own resources amounted to 580.6 billion out of an allocation of 620.2 billion, i.e. an execution rate of 93.6%. Investment expenditure from external financing amounted to 688.3 billion out of an allocation of 779.8 billion, i.e. an execution rate of 88.3%.

Public debt servicing was executed to the tune of 1,299.6 billion out of a revised forecast of 1,560.3 billion, i.e. an execution rate of 83.3%. Compared with 2021, this represents an increase of 120.5 billion (+10.2%). The ratio of public debt servicing to domestic revenue CT29.6% compared with 33.7% in 2021.

Domestic public debt servicing amounted to 638.6 billion, against a revised forecast of 677 billion, representing an execution rate of 94.3%. This includes VAT credit repayments of 80 billion.

External debt servicing amounted to 661 billion out of a forecast of 883.3 billion, representing an execution rate of 74.8%. This breaks down into 492.3 billion in principal and 168.8 billion in interest.

In 2022, the deficits in the primary balance and the overall budget balance have reduced. While the non-oil primary balance deficit has worsened from 864.8 billion in 2021 to 1,070.9 billion, it has improved by 182.4 billion compared with the forecasts.

With regard to the programme with the IMF, Cameroon met all the quantitative criteria of the programme at the end of December 2022. It has met two of the four indicative targets. Cameroon has not complied with the indicative target relating to the ceiling on direct SNH interventions and the target relating to the net accumulation of payment arrears.

With regard to other aspects of budget implementation, progress has been made: (i) in the area of public procurement, with an improvement in acceptance rates; (ii) in the area of decentralisation, with a continued transfer

of powers and proper implementation of the resources transferred to the Regional and Local Authorities.

However, more needs to be done to reduce the volume of imprest accounts and cash advances (which are exceptional procedures), to control floating debts and FINEX execution procedures, and to improve financial reporting.

INTRODUCTION

This report sets out the state of execution of the State budget for the 2022 financial year, as authorised by Finance Law N°2021/026 of 16 December 2021, amended and supplemented by Ordinance N°2021/001 of 02 June 2022. It is intended for public information and contributes to budget transparency in accordance with Law N°2018/011 of 11 July 2018 on the Code of Transparency and Good Governance in the Management of Public Finances. The report reviews the execution of State budget revenues and dispatches. It describes and analyses the highlights of both the global economy and the national economy that have marked the execution of the budget in 2022.

The budget execution of the State in 2022 will be affected in the international context by the negative effects of the war in Ukraine, with uncertain prospects. In particular, this context has entailed: (i) a slowdown in global economic growth from 6.2% in 2021 to 3.4%; (ii) global inflation of 8.7%, compared with 4.7% in 2021, as a result of the rise in energy prices linked to supply shortages; (iii) the appreciation of around 13% of the dollar (against the CFA franc), a currency whose role is predominant in trade; (iv) the tightening of financial conditions in most regions of the world.

The slowdown in growth observed is mainly due to the economic situation in the world's three (03) major economies: the United States, China and the eurozone. In the United States, a fall in household purchasing power and a tightening of monetary policy are expected to reduce growth to 2.0% from 5.9% in 2021. In China, growth is estimated at 3.0% in 2022 after 8.4% in 2021, due to the resurgence of Covid-19 and the worsening crisis in the property sector. In the Eurozone, growth is expected to be 3.5% after 5.3% in 2021, due to the war in Ukraine and galloping inflation.

In sub-Saharan Africa, growth is estimated at 3.8% after 4.7% in 2021, with a slowdown in Nigeria (+3.0% after +3.6%) and South Africa (+2.6% after +4.9%). In the CEMAC region, on the other hand, growth should accelerate to 3.2% from 1.5% in 2021, driven mainly by a rebound in the oil sector.

In terms of world commodity prices, average crude oil prices will rise to USD 96.4 per barrel in 2022, compared with USD 69.4 in 2021. Metal prices will fall by 5%, after rising by 48% in 2021, while the prices of agricultural products, particularly cereals, will fall by 4.8%, after rising by 22% in 2021.

At national level, the budget execution context is marked by: (i) growth estimated at 4.0% in 2022 after 3.6% in 2021; (ii) a rise in prices with an inflation rate of 6.3% compared with 2.5% in 2021; (iii) a significant increase in budget revenues as well as an increase in the subsidy of fuel prices at the pump due to the surge in world oil prices. In addition, the transition to the new budget and accountant nomenclature adopted in 2019 has posed difficulties in adapting the related information systems.

This economic context led to the adoption of an Amending Finance Law.

This report comprises four (04) parts: the first devoted to budgetary resources, analysing internal revenue collected and external resources received; the second looks at budgetary expenses that were actually authorised; the third presents the budgetary results; the fourth part looks at specific themes and difficulties linked to budget execution.

With regard to performance analysis, the resources mobilised and the expenditure implemented are compared with the forecasts in the Amending Finance Law and with the actual figures for 2021.

PART ONE: BUDGET RESOURCES

Budgetary resources include internal revenues, borrowings and grants. Out of a revised annual forecast of 5,992.7 billion, budgetary resources mobilised amounted to 5,988.4 billion, i.e. an execution rate of 99.9%. Compared with 2021, this represents an increase of 935.6 billion (+18.5%), driven by internal revenue.

Table 1 : Budgetary resources for the 2022 financial year (in billions of CFA francs)

HEADINGS	IFL	AFL	Jan-Dec 21	Jan-Dec 22	Variation 2022-2021		Execution rate (d) / (b)
	2022 (a)	2022 (b)	Executions (c)	Executions (d)	In value	In %	
A- DOMESTIC REVENUE	3 866,9	4 080,9	3 497,3	4 393,2	895,9	25,6	107,7
I-Oil revenue	562,0	806,0	482,2	973,8	491,6	102,0	120,8
1-SNH royalties	462,0	706,0	409,0	774,5	365,5	89,4	109,7
2- CT oil	100,0	100,0	73,2	199,3	126,1	172,3	199,3
II- Non-oil revenue	3 304,9	3 274,9	3 015,1	3 419,3	404,2	13,4	104,4
1- Tax revenue	3 088,7	3 048,7	2 843,2	3 187,0	343,8	12,1	104,5
a- Revenue from taxes and levies	2 184,8	2 184,8	1 990,9	2 285,9	295,0	14,8	104,6
of which - VAT	735,0	735,0	657,9	785,9	128,0	19,5	106,9
- CT non-oil	410,0	410,0	384,3	464,3	80,0	20,8	113,3
- Excise duty	325,0	325,0	270,4	280,2	9,8	3,6	86,2
- Registration and stamp duty	130,3	130,3	120,3	120,4	0,1	0,1	92,4
- STPP	150,0	150,0	146,8	150,3	3,5	2,4	100,2
b- Customs duties	903,9	863,9	852,3	901,2	48,9	5,7	104,3
of which - Customs duty/import.	363,9	343,9	348,8	361,7	12,9	3,7	105,2
- VAT import	395,0	395,0	396,1	426,3	30,2	7,6	107,9
- Excise duty/import.	57,9	57,9	58,1	54,9	-3,2	-5,5	94,8
- Droits de sortie	54,8	54,8	38,5	41,3	2,8	7,2	75,3
2- Non-tax revenue	216,2	226,2	171,9	232,3	60,4	35,1	102,7
B- BORROWINGS AND GRANTS	1 797,8	1 911,8	1 555,5	1 595,3	39,8	2,6	83,4
Borrowings	1 655,5	1 769,5	1 444,9	1 491,1	46,2	3,2	84,3
- Project loans	746,5	746,5	404,4	639,3	234,9	58,1	85,6
- Loans IMF (Allocation SDR)	70,0	70,0	50,0	70,0	20,0	40,0	100,0
- Budget support (including IMF)	369,0	313,0	153,8	296,4	142,6	92,7	94,7
- Issuance of public securities	350,0	550,0	819,1	485,3	-333,8	-40,7	88,2
- Bank borrowings	100,0	70,0	10,3	0,0	-10,3	-100,0	0,0
- Other borrowings	20,0	20,0	7,3	0,0	-7,3	-100,0	0,0
Grants	142,3	142,3	110,6	104,2	-6,4	-5,8	73,2
TOTAL BUDGET RESOURCES	5 664,7	5 992,7	5 052,8	5 988,4	935,6	18,5	99,9
PAYMENTS SAA COVID	65,0	15,0	61,6	6,6	-55,0	-89,3	44,0
TOTAL RESOURCES FROM THE GENERAL BUDGET *	5 599,7	5 977,7	4 991,2	5 981,8	990,6	19,8	100,1

Source: MINFI/DP

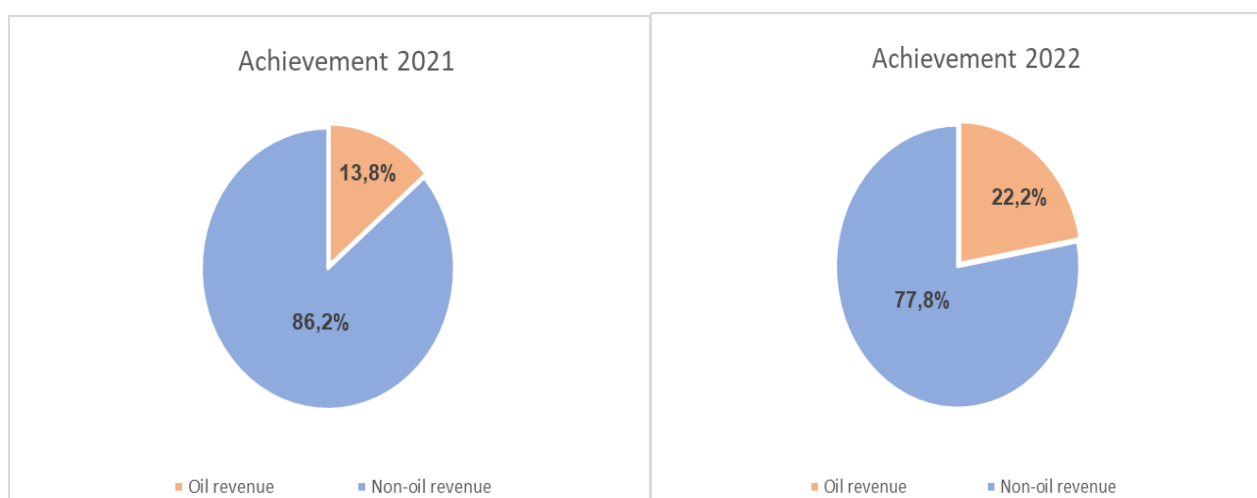
* These are budgetary resources less the payment to the SAA COVID

1.1. Domestic revenue

Domestic revenues are made up of oil revenues and non-oil revenues collected on the national territory. Domestic revenues collected during the 2022 financial year amount to 4,393.2 billion against forecasts of 4,080.9 billion, representing an execution rate of 107.7%. This represents an increase of 895.9 billion (+25.6%) compared with 2021. Oil revenue contributed 14.1% of this increase, and non-oil revenue 11.5%.

Non-oil revenue accounts for 77.8% of domestic revenue, compared with 86.2% in 2021.

Figure 1 : Components of domestic revenue in 2021 and 2022



Source: MINFI/DGB

1.1.1. Oil revenue

By 2022, oil revenues will have more than doubled, from 482.2 billion in 2021 to 973.8 billion. This trend is attributable to the good performance of world crude oil prices combined with the appreciation of the dollar. Compared with the revised annual target of 806 billion, the rate of achievement is 120.8%.

Oil revenues break down into 774.5 billion in SNH royalties and 199.3 billion in tax on oil companies. Oil revenues will account for 22.2% of domestic revenues, compared with 13.8% in 2021.

1.1.2. Non-oil revenue

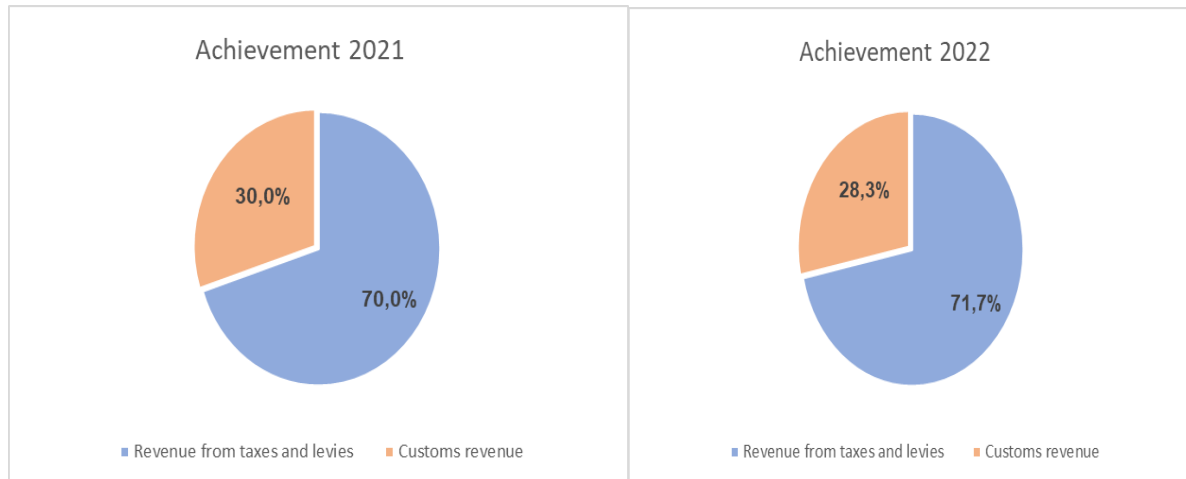
Non-oil revenue comprises tax revenue and non-tax revenue. Against an annual forecast of 3,274.9 billion, non-oil revenue was collected to the tune of 3,419.3 billion, an execution rate of 104.4%. Compared with 2021, non-oil revenue is up by 404.2 billion, mainly due to the increase in tax revenue (+343.8 billion).

1.1.2.1. Tax revenue

For the 2022 financial year, tax revenue was raised to the tune of 3,187.0 billion against an annual forecast of 3,048.7 billion, i.e. an execution rate of 104.5%. Compared with 2021, tax revenue is up by 12.1%, due to good mobilisation of both revenue from taxes and levies and customs duties.

Revenue from taxes and levies accounts for 71.7% of total tax revenue and customs duties for 28.3%.

Figure 2 : Structure of tax revenue in 2021 and 2022



Source : MINFI

1.1.2.1.1. Revenue from taxes and levies

Out of a target of €2,184.8 billion, €2,285.9 billion was raised in taxes and duties, representing an execution rate of 104.6%. Compared with 2021 revenues, this represents an increase of €295.0 billion (+14.8%).

This performance can be attributed to the consolidation of reforms aimed at dematerialising procedures and broadening the tax base, which have significantly improved taxpayer monitoring, in particular: (i) the digitalisation of all tax procedures; (ii) the strengthening of the information system; (iii) the payment of taxes exclusively by telepayment for businesses under the jurisdiction of the Large Business Directorate and the Medium Business Tax Centres; (iv) the continued professionalisation of tax auditing; (v) the new method of monitoring tax receivables; (vi) the consolidation of the Integrated Tax Partner reform to facilitate the taxation of the informal sector.

In addition, the new tax policy measures in the 2022 Finance Law also contributed to this performance, with an added value totalling 35.8 billion.

Table 2 : Impact of new measures on revenue

Description	Impact on revenue (in billion)
Introduction of the Money Transfer Tax (TTA)	19,7
Withholding tax on all purchases from manufacturers, importers and loggers	10,0
New regime for non-profit organisations	5,0
Reinstatement of the tourist tax	1,1
Total	35,8

Source : MINFI/DGI

Per type of revenue, the following taxes are performing well:

Value added tax (VAT): 785.9 billion was collected against the target of 735.0 billion, representing an execution rate of 106.9%. Compared with forecasts for 2021, VAT revenue is up by €128.0bn (+19.5%), due partly to the contribution of tax audits and partly to increased activity in sectors with high tax yields;

Tax on non-oil companies: out of a target of 410.0 billion, 464.3 billion was raised, representing an execution rate of 113.3% and an increase of 54.3 billion (+20.8%) compared with 2021. This increase is the result of higher revenue from monthly instalments, annual balances paid in March and tax audits;

Special Tax on Income (- TSR): 124.2 billion out of a target of 95.0 billion, i.e. an execution rate of 130.7%, due to the upturn in activity in the upstream oil sector;

Tax on Income from Transferable Securities (IRCM): 60.6 billion out of a target of 42.0 billion was collected, representing an execution rate of 144.3% and an increase of 15.1 billion (+33.2%) compared with 2021.

However, this performance was mitigated by below-target collections of certain taxes, in particular:

stamp duties of which the execution rate of 87.9% is the consequence of the decline in the yield of stamps on passports and laissez-passer;

excise duty, of which the execution rate was 86.2% due to a slow increase in excise duty in the brewing sector.

Table 3 : Revenue from taxes and levies (in billion)

Type of taxes and levies	Objectives as at 31/12/2022	Executions		Execution rate (%)	Variation (%) 2022/2021
		2021	2022		
Tax on non-oil companies	413	394,3	464,3	112,4	17,8
Salaries and Wages	180	175,3	188,9	104,9	7,8
Tax on Income from Transferable Securities	42	45,5	60,6	144,3	33,2
Special Tax on Income (TSR)	95	82,5	124,2	130,7	50,5
Value added tax	732	657,9	785,9	107,4	19,5
Special Tax on Petroleum Products (STPP)	150	146,8	150,3	100,2	2,4
Excise duty	325	270,4	280,2	86,2	3,6
Forest revenues	23,2	18,5	18,9	81,5	2,2
Registration duties and taxes	74	70,5	70,9	95,8	-0,3
Stamp duty	56,3	49,2	49,5	87,9	0,6
Other tax revenues	94,2	79,4	92,2	97,9	16,1
TOTAL	2 184,8	1 990,9	2 285,9	104,6	14,8

Source : MINFI/DGI-DGTCFM

1.1.2.1.2. Customs duties

The initial customs duties target of 903.9 billion was reduced to 863.9 billion to take account of the effects of the Ukrainian crisis. On this basis, customs duties were mobilised to the tune of 901.2 billion, representing a execution rate of 104.3%. Compared with the 2021 financial year, customs duties are up by 48.9 billion (+5.7%).

This performance is mainly due to payments recorded on behalf of SONARA (+49.1 billion), the partial settlement of the marketeers' debt (+6.6 billion), new measures relating to exit duties on logs (+3.7 billion) and the good performance of litigation (+9.9 billion).

However, this was mitigated by (i) the drop in activity, notably the reduction in the number of maritime manifests (-2.5%), transport permits for consumption (-8.7%), twenty-foot equivalent containers declared on entering Cameroon (-2.8%) and the 7.8% reduction in the volume of imports; (ii) the application of an 80% rebate on the amount of sea freight to be included in the taxable value of goods on import, which resulted in tax expenditure of around 70.7 billion; (iii) the accumulation of debt by the State (56.1 billion), marketers (45.5 billion) and SONARA (67.5 billion); (iv) the application of a fixed taxable value to imports of refined petroleum products in order to 128.4 billion; (v) the negative impact of the EPA between Cameroon and the European Union, estimated at 13.2 billion.

In terms of structure, VAT on imports (47.3% of the total) and customs duties on imports (40.1%) are the two main components of customs duties.

Table 4 : Trend of customs duties between 2021 and 2022 (in billion)

Type of taxes and levies	Objectives as at 31/12/2022	Executions		Execution rate (%)	Variation (%) 2022/2021
		2021	2022		
Import duties and levies.	343,9	348,8	361,7	105,2	3,7
VAT import.	395,0	396,0	426,3	107,9	7,7
Excise duty import.	57,9	58,1	54,9	94,9	-5,6
Exit duties	54,8	38,5	41,3	75,4	7,2
Computer taxes	0,3	1,1	0,7	197,2	-39,4
Other customs revenue	12,0	9,8	16,3	136,2	66,7
TOTAL	863,9	852,3	901,2	104,3	5,7

Source : MINFI/DGD-DP

Per type, the following customs duties are performing well:

VAT on imports was raised to the tune of 426.3 billion against 396.0 billion in 2021, an increase of 30.3 billion (+7.6%). Compared with the target of 395.0 billion, the rate of achievement is 107.9%.

Customs import duties amount to 361.7 billion against a target of 349.3 billion, representing an execution rate of 105.2%. Compared with 2021, they are up by 12.9 billion (+3.7%).

Other **customs revenue** amounted to 16.3 billion, up 6.5 billion on 2021. Compared with the target of 12.0 billion, this represents an execution rate of 136.2%. These results can be explained by the good performance of litigation.

However, this performance was mitigated by the failure to achieve the targets for **exit duties** (75.3% execution rate) and **excise duty** (94.8%), which were raised to the tune of 41.3 billion and 54.9 billion respectively.

1.1.2.2. Non-tax revenue

They are made up of revenues from State property (royalties and rents for the use of State property, disposals of State property assets); service revenues (proceeds from the sale of goods and services); pension contributions; oil transit duty and other non-tax revenues (dividends paid by companies in which the State is a shareholder, port fees, remuneration of bank deposits, extraordinary income, fines, etc.).

In 2022, non-tax revenues mobilised amounted to 232.3 billion against a target of 226.2 billion, i.e. an achievement rate of 102.7%. Compared with 2021, non-tax revenues are up by €60.4 billion, driven by service revenues, other non-tax revenues and oil transit duties.

Table 5 : Executions of non-tax revenue (in billion)

Description	2021	2022	2022	Variation 2022/2021		Execution rate 2022 (%)
	Execution	AFL	Execution	Value	(%)	
Property revenue	6,9	6,0	6,8	-0,1	-0,9	114,0
Service revenue	38,7	60,2	53,8	15,1	38,9	89,3
Pension contributions	55,4	65,0	56,3	0,9	1,5	86,6
Oil transit duty	31,4	35	36,5	5,1	16,3	104,4
Other non-tax revenue	39,5	60	78,9	39,4	99,8	131,5
Total non-tax revenue	171,9	226,2	232,3	60,4	35,1	102,7

Source : MINFI/DGB-DGTCFM

The breakdown of non-tax revenues per major category is as follows:

Revenue from the property amounted to 6.8 billion euros, representing an implementation rate of 114.0%. This performance can be explained by the continuation of enforced recovery of state debts as a result of joint MINFI/MINDCAF actions.

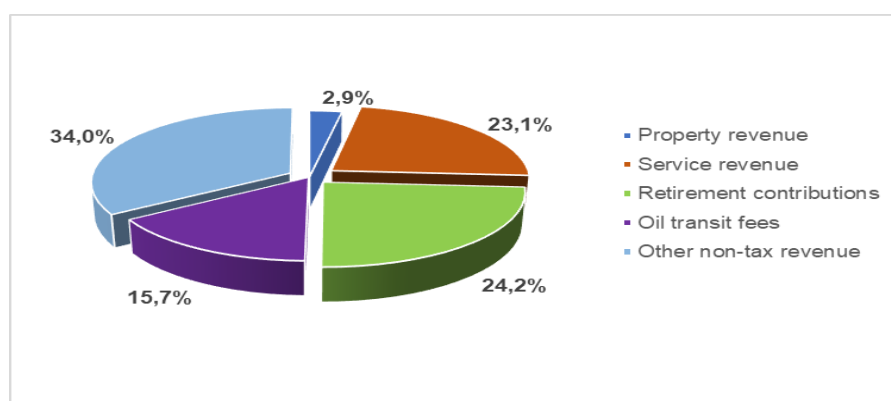
Revenue from services will amount to 53.8 billion in 2022, i.e. an execution rate of 89.3%. Compared with 2021, they will increase by 15.1 billion (+38.9%), mainly due to higher toll and weighing revenues (+1.6 billion) and gold revenues (+1.13 billion).

Pension contributions amounted to 56.3 billion, against a target of 65 billion, compared with 55.4 billion in 2021.

Oil transit duties amounted to 36.5 billion against a target of 35.0 billion, representing an implementation rate of 104.4%. Compared with 2021, this represents an increase of 5.1 billion (+16.3%) due to the higher volume of oil exported by Chad.

Other non-tax revenues amounted to 78.9 billion against a target of 60.0 billion, representing an outturn rate of 131.5%. Compared with 2021, this represents an increase of 39.4 billion (+99.8%). This increase is attributable to the rise in dividends (+12.8 billion), the restitution of the corpus delicti in respect of offences against public assets (+1.2 billion) and fines (+1.2 billion).

Figure 3 : Weight of components of non-tax revenue in 2022



Source : MINFI/DGB

1.2. Borrowings and grants

The Finance Law for 2022 provides for loans and grants totalling 1,911.8 billion. 1,595.3 billion, an increase of 39.8 billion (+2.6%) compared with 2021.

1.2.1. Borrowings

Borrowings consist of loans, issues of government securities and other borrowings. In 2022, borrowings amounted to 1,491.1 billion out of a revised forecast of 1,769.5 billion, representing an execution rate of 84.3%.

1.2.1.1. Project loans

Drawdowns on project loans totalled 639.3 billion, corresponding to an execution rate of 85.6%. Compared with 2021, they increased by 234.9 billion (+58.1%).

By component, **project loans** comprise multilateral loans, bilateral loans and commercial loans.

Drawdowns on **multilateral project loans** totalled 272.3 billion out of forecasts of 294 billion, representing a take-up rate of 92.6%. Compared with 2021, they are down by 20.8 billion (-7.1%).

Bilateral borrowings amounted to 325.4 billion against forecasts of 267.1 billion, representing an execution rate of 121.9%. Compared with 2021, this represents an increase of 213.4 billion (+191.0%).

Drawdowns on **commercial loans** (excluding drawdowns on net ITFC loans) stood at 41.5 billion against forecasts of 185.4 billion, i.e. an execution rate of 29%. Compared with 2021, they are down by 17.3 billion (29%).

1.2.1.2. Loans IMF (SDR)

The IMF's SDR allocations amount to 70.0 billion out of a forecast of 70.0 billion.

1.2.1.3. Programme loans

Support budgets amounted to 296.4 billion, representing an execution rate of 94.7% compared with the revised forecasts of 313 billion. They came from the International Monetary Fund (131.3 billion), the World Bank (66.1 billion), the African Development Bank (53.1 billion) and the French Development Agency (45.9 billion).

Table 6 : Disbursement of programme loans per donor category (in billion)

	Amount disbursed in 2021	IFL 2022	AFL 2022	Amount disbursed in 2022	Variation 2022/2021		Execution rate (%) 2022
					Value	In %	
Multilateral	153,8	263,0	198,0	303,8	150,0	97,6	153,4
AfDB - Budget support EFP		53,0	50,0	53,1	53,1		106,3
IMF - Budget support EFP	98,6	150,0	80,0	184,6	86,0	87,3	230,8
IDA - EFP support budget	55,2	60,0	53,0	66,1	10,9	19,7	124,6
Other partners			15,0		-		0,0
Bilateral	-	106,0	45,0	45,9	45,9		102,0
AFD - Budget support EFP		106,0	45,0	45,9	45,9		102,0
Commercial							
Total Budget support	153,8	369,0	243,0	349,7	195,9	127,4	143,9

Source : CAA

1.2.1.4. Issuance of public securities

During the 2022 financial year, issues (net of redemptions of Fungible Treasury bonds) of public securities amounted to 485.3 billion of which -9.8 billion of net issuances of FTBILLS, 260.2 billion of Fungible Treasury Bonds (FTBONDS) and 235.0 billion of bank borrowings (Treasury bonds). AFL 2022 authorised the Government to issue up to 550 billion in public securities, in particular Treasury bonds, and domestic bank borrowings to finance development projects. The execution rate for public securities issues was therefore 88.3%.

Overall, FTBILLS issued amounted to 373.7 billion, while repayments totalled 383.5 billion, of which 241.0 billion came from outstanding amounts at the end of 2021 and 142.5 billion by 2022. This corresponds to net issuance of FTBILLS of -9.8 billion.

Table 7 : Summary of FTBILL issuance per maturity

Maturity		13 weeks	26 weeks	52 weeks	Grand total
Issuances	2021	142,6	254,5	81,9	479,0
	2022	58,7	301,5	13,5	373,7
	Variation	-83,9	47,0	-68,4	-105,3
Repayments	2021	85,0	295,5	84,7	465,2
	2022	71,6	230,0	81,9	383,5
	Variation	-13,4	-65,5	-2,8	-81,7
Net issuance	2021	57,6	-41,0	-2,8	13,8
	2022	-12,9	71,5	-68,4	-9,8
	Variation	-70,5	112,5	-65,6	-23,6
Outstanding	2021	57,6	101,5	81,9	241,0
	2022	44,7	173,0	13,5	231,2
	Variation	-12,9	71,5	-68,4	-9,8
WAIR (in %)	2021	2,2	2,1	2,9	
	2022	3,3	3,2	3,5	
	Variation	1,1	1,1	0,6	

Source : MINFI/DGTCFM

With regard to FTBONDS, the Government decided in 2022 to diversify issuance through the open-ended public securities market and the sub-regional financial market. This resulted in the issuance of eight lines of fungible Treasury bonds and four top-ups with maturities ranging from 4 to 10 years. It should be noted that only the 4- and 5-year lines were topped up.

FTBOND issuance amounted to 260.2 billion, broken down by maturity as follows:

- 4 years: the total volume of 74.5 billion was raised in three auction sessions at an average interest rate of 4.7%;
- 5 years: the total volume of 142.6 billion was raised in six auction sessions at an average interest rate of 5.4%;
- 6 years: the amount raised was 13.3 billion at an interest rate of 6.0%, corresponding to one auction session;
- 7 years: the amount raised is 20.0 billion at an interest rate of 6.5% corresponding to an auction;
- 10 years: the amount raised is 9.9 billion at an interest rate of 5.0% corresponding to an auction session.

Treasury bonds issued by public tender amounted to 235 billion with a 7-year maturity and an interest rate of 6.25%. Bond redemptions amounted to 55.6 billion, of which 50 billion in principal and 5.6 billion in interest.

Table 8 : Breakdown of resources obtained from FTBOND and TB per maturity.

Maturities	Issuances			TIMP (in %)		
	2021	2022	Variation	2021	2022	Variation
2 years	45,0		-45,0	3,4	-	-
3 years	30,5		-30,5	3,7	-	-
4 years		74,5	74,5		4,7	-
5 years	178,5	142,6	-35,9	5,5	5,4	-0,1
6 years	34,9	13,3	-21,6	6,0	6,0	0,0
7 years	35,0	20,0	-15,0	6,5	6,5	0,0
10 years		9,9	9,9	-	5,0	-
Total FTBOND	323,9	260,2	-63,7	-	-	
ECMR	0,0	235,0	235,0	-	6,3	-
Eurobond	449,3		-449,3	6,0	-	-
Grand total	773,2	495,2	-278,0			

Source : MINFI/DGTFCM

1.2.1.5. Other borrowings

Out of a revised forecast of 20.0 billion, the government did not resort to bank borrowings.

Table 9 : Borrowings (in billion)

Description	2021	2022			Variation		Execution
	Execution	IFL	AFL	Execution	Value	2021/2020 (%)	rate (%)
Project loans	404,4	746,5	746,5	639,4	234,9	58,1	85,6
Programme loans	153,8	369	313	296,4	142,6	92,7	94,7
<i>IMF (SDR)</i>	50	70	70	70,0	20,0	40,0	100,0
Issuance of public securities	819,1	350	550	485,3	-333,8	-40,7	88,2
<i>of which :-FTBOND and FTBILL</i>	369,8	350	350	250,3	-119,5	-32,3	71,5%
<i>-ECMR</i>	0	0	0	235,0	235,0	-	-
Bank financing	10,3	100	70	0,0	-10,3	-100,0	0,0%
Other borrowings	7,3	20	20	0,0	-7,3	-100,0	0,0%
Total financing (gross)	1 444,9	1 655,5	1 769,5	1 491,1	46,2	3,2	84,3%

Source : MINFI/DGTFCM-CAA

1.2.2. Grants

Grants include project grants and programme grants from cooperation with development partners. In 2022, drawings on grants are estimated at 104.2 billion against an annual forecast of 142.3 billion, i.e. an execution rate of 73.2%.

PART TWO: BUDGET EXPENDITURE

Budgetary expenditure includes recurrent expenditure (excluding interest on debt), capital expenditure and servicing of the public debt. In 2022, total expenditure authorised will amount to 5,816.1 billion, representing an execution rate of 97.3%.

Transfers and transfers of appropriations have an impact on the AFL's ALLOCATIONS and modify the expenditure authorisations voted, in accordance with Article 38 of Law no. 2018/012 of 11 July 2018 relating to the fiscal regime of the State and other public entities. This situation may lead to overruns in the execution rate of the budget components of charges.

Budget expenditure amounted to 4,727.1 billion out of an annual forecast of 4,657.0 billion. This represents an increase of 574.3 billion (+13.8%) compared with 2021.

Table 10 : Budget expenditure for 2022 (in billion)

Description	IFL 2022 (a)	AFL 2022 (b)	Revised AFL 2022 (c)	Authorisations 2021 (d)	Authorisations 2022 (e)	Execution rate (%) (e/b)	Variation (%) ((e-d)/d)
A-RECURRENT EXPENDITURE	2 645,4	2 998,4	3 484,3	2 806,5	3 237,6	108,0	15,4
I - Personnel expenditure	1 138,5	1 187,9	1 225,3	1 075,0	1 193,1	100,4	11,0
Salaries	1 072,1	1 121,5	1 107,2	1 008,1	1 106,7	98,7	9,8
Other personnel expenditure	66,4	66,4	118,1	66,9	86,4	130,2	29,2
II - Goods and services	997,2	940,8	1 329,4	989,8	893,1	94,9	-9,8
III - Transfers and subsidies	509,7	869,7	929,6	741,7	1 151,5	132,4	55,2
Grants and subsidies	265,5	625,5	685,4	506,0	901,2	144,1	78,1
Transfers (Pensions including)	244,2	244,2	244,2	235,7	250,3	102,5	6,2
B-CAPITAL EXPENDITURE	1 479,0	1 419,0	1 570,7	1 104,7	1 278,8	90,1	15,8
I - Capital expenditure from domestic resources	664,2	620,2	771,9	582,9	580,6	93,6	-0,4
II - Participation	25,0	10,0	10,0	19,9	10,0	100,0	-49,7
III - Rehabilitation / Restructuring	10,0	9,0	9,0	11,1	0,0	0,0	-100,0
IV - External financing	779,8	779,8	779,8	490,8	688,3	88,3	40,2
C - PUBLIC DEBT	1 475,3	1 560,3	922,7	1 179,1	1 299,6	83,3	10,2
I - Domestic public debt	677,0	677,0	350,3	443,1	638,6	94,3	44,1
Principal	513,1	510,4	183,7	294,3	516,7	101,2	75,6
Interest	79,9	82,6	82,6	76,8	41,9	50,7	-45,5
Repayment VAT credits	84,0	84,0	84,0	72,0	80,0	95,3	11,2
II - External public debt	798,3	883,3	572,4	736,0	661,0	74,8	-10,2
Principal	638,6	726,3	415,4	571,2	492,3	67,8	-13,8
Interest	159,7	157,0	157,0	164,8	168,8	107,5	2,4
BUDGETARY EXPENDITURE (A+B+interest)	4 364,0	4 657,0	5 294,6	4 152,8	4 727,1	101,5	13,8
TOTAL (A+B+C)	5 599,7	5 977,7	5 977,7	5 090,3	5 816,1	97,3	14,3

Source : MINFI/DGB

2.1. Recurrent expenditure (excluding interests on debt)

They include personnel expenditure, purchases of goods and services, and transfers and subsidies. In 2022, recurrent expenditure (excluding interests on debt) will be 3,237.6 billion, 239.2 billion higher than the forecast of 2,998.4 billion. Compared with 2021, recurrent expenditure will increase by 431.1 billion (+15.4%), due to the rise in subsidies.

2.1.1. Personnel expenditure

They are made up of salaries (around 95% of the total) and other personnel expenditure.

In 2022, wages and salaries will amount to 1,106.7 billion, i.e. an execution rate of 98.7% of the 1,121.5 billion forecast in the AFL. Compared with 2021, the wage bill will increase by €98.6 billion (+9.8%), due to the implementation of measures taken by the government in response to teachers' grievances and the acceleration of the process of taking on ex-temporaries, primary school teachers and medical personnel.

In addition, the reorganisation of the State's payroll has resulted in budget savings of 35.6 billion on the following operations.

Table 11 : Budget savings from consolidation of the payroll in 2022

Description of operation	Amount (in billion)
Checking arrears before payment	1,4
Suspension of disability pensions for pensioners	11,9
Suspension of collection orders issued to pensioners	1,3
Identification and suspension of multiple service numbers	1,1
Consolidation of consular records	1,0
Recovery of post-mortem salaries from credit institutions of deceased civil servants or pensioners.	18,9
Total	35,6

Source : MINFI/DGB

Other personnel expenditure amounted to 86.4 billion against a forecast of 66.4 billion, an overrun of billions (explanation). Compared with 2021, when it was 66.9 billion, this expenditure has increased by 19.5 billion (+29.1%).

2.1.2. Expenditure on goods and services

They relate to the acquisition of goods and services for the operation of the government. In 2022, expenditure on goods and services will be executed to the tune of 893.1 billion out of a revised ALLOCATION of 940.8 billion, giving an execution rate of 94.9%. Compared with 2021, expenditure on goods and services will fall by 96.7 billion (-9.8%).

2.1.3. Transfers and subsidies

Transfers and subsidies comprise grants and subsidies and pensions. At the end of the 2022 financial year, this expenditure will amount to 1151.5 billion against a forecast of 869.7 billion, i.e. an overrun of 281.8 billion. Compared with 2021, expenditure on transfers and subsidies will increase by €409.8 billion (+55.3%), due to the increase in fuel price subsidies at the pump.

Grants and subsidies comprise subsidies payable, scholarships and internships, and contributions to international organisations. They were implemented to the tune of 901.2 billion out of an allocation of 625.5 billion, i.e. an overrun of 275.7 billion. Compared with 2021, grants and subsidies are up by 395.2 billion (+78.1%).

Payments made in respect of pensions amounted to 250.3 billion, against a DFTB of 244.2 billion, an execution rate of 102.5%. Compared with 2021, pensions will increase by 14.6 billion (+6.2%).

2.2. Capital expenditure

Capital expenditure is expenditure that contributes to gross fixed capital formation. They include investment expenditure from internal resources and from external financing.

At the end of the 2022 financial year, capital expenditure had been executed to the tune of 1,278.8 billion out of a revised allocation of 1,419.0 billion, giving an execution rate of 90.1%.

The execution rate for externally financed capital expenditure was 88.3%, and for own resources 93.6%.

Compared with cumulative execution to the end of December 2021, investment expenditure rose by 174.1 billion (+15.8%), despite the fall in rehabilitation expenditure (-11.1 billion) and equity investment (-9.9 billion).

2.2.1. Capital expenditure from internal resources

Capital expenditure from internal resources for the 2022 financial year amounts to 580.6 billion out of a revised ALLOCATION of 620.2 billion. Year-on-year, this represents a fall of 2.3 billion (-0.4%).

2.2.2. Capital expenditure on external financing

At the end of December 2022, capital expenditure on external financing amounted to 688.3 billion for a revised ALLOCATION of 779.8 billion. Year-on-year, it increased by 197.5 billion (+40.2%), linked to the rise in disbursements in the form of project loans (+235 billion compared with 2021).

2.3. Public debt service

Public debt servicing comprises external public debt servicing and domestic public debt servicing. At the end of the 2022 financial year, public debt servicing had been carried out to the tune of 1,299.6 billion out of a revised forecast of 1,560.3 billion, i.e. an execution rate of 83.3%. Compared with 2021, public debt servicing increased by 120.5 billion (+10.2%), mainly due to domestic debt servicing. The debt service to domestic revenue ratio is 29.6%, compared with 33.7% in 2021, due to the partial redemption of the Eurobond issued in 2015.

2.3.1. Domestic public debt service

Domestic public debt servicing for the 2022 financial year is 638.6 billion, against a forecast of 677 billion, i.e. an execution rate of 94.3%. Compared with 2021, it is up by €195.5 billion (+44.1%) as a result of efforts to reduce the stock of domestic debt arrears, and the gradual clearance of outstanding payments and unstructured debt with domestic service providers and creditors.

2.3.2. External public debt servicing

At the end of the 2022 financial year, external public debt servicing will amount to 661 billion, i.e. an execution rate of 74.8%. Compared with 2021, this represents a decrease of 75 billion (-10.2%).

PART THREE: BUDGET RESULTS

The good performance of world prices for products exported by Cameroon led to the adoption of an amending finance law, which improved the budgetary results.

3.1. Budget balance

The following table summarises the budgetary resources and expenditure and shows the various balances characteristic of the execution budget.

Table 12 : Summary of budget execution (in billion)

REVENUE	AMOUNT	EXPENDITURE	AMOUNT
I. BUDGET GENERAL			
Domestic revenue	4 497,4	Recurrent expenditure	3 441,8
Tax revenue brutes	3 187,1	Gross interest and commission	210,7
Of which repayment of VAT credits	80,0	External debt interest relief	0,0
Net tax revenue	3 107,1	Personnel expenditure	1 193,1
Oil revenue	973,8	Goods and services	886,5
Non-tax revenue	232,3	Of which Studies and project management related to the investment	
Total Net domestic revenue	4 313,2	Current transfers	1 151,5
Grants	104,2	Of which capital transfers to RLA and EP	
Programme grants	55,3	Of which subsidies paid to SAA	
Project grants	48,9	Capital expenditure	1 278,9
Exceptional revenue	0,0	External financing	688,3
Privatisation revenue		Own resources	580,6
Deductions from revenue for the benefit of the Special National Solidarity Fund for Combating the Coronavirus	6,6	Shareholding/restructuring	10,0
Net revenue general budget	4 410,8	Other expenditure	-2,2
		Net loans	-2,2
		General budget expenditure	4 718,5
ii – Special Treasury Accounts			
Special Appropriations Accounts	6,6	Special Appropriations Accounts	6,6
Of which special fund covid-19	6,6	Of which special fund covid-19	6,6
Support fund (Grants)			
Other Special Appropriations Accounts	0,0	Autres Special Appropriations Accounts	0,0
Total State net budget revenue	4 417,4	Total State budget expenditure	4 725,1
iii - Balance			
	Amount	% GDP	
Financing capacity/need	-309,9	-1,1	
Overall balance	-307,7	-1,1	
Primary balance	-97,0	-0,4	
Non-oil primary balance	-1 070,9	-3,9	
CEMAC reference balance	-811,6	-2,9	

Source : DGB

*(Domestic revenue - Repayment of VAT credits) or (Net tax revenue+ Non-tax revenue + Non-oil revenue)

**Recurrent expenditure (excluding interest on debt) + (interest and commission)

3.1.1. Overall budget balance

The overall budget balance is the difference between budget revenue and total expenditure. A negative balance indicates a budget deficit, while a positive balance indicates a budget surplus. In 2022, the balance will be in deficit by 307.7 billion, or 1.1% of GDP, compared with 2.5% of GDP in 2021. Compared with 2021, the deficit will be reduced by 316.5 billion.

3.1.2. Primary balance

The primary balance is the difference between revenue and expenditure excluding interest on debt. It is an indicator of a country's ability to meet its commitments without recourse to external resources.

In 2022, the primary balance will be in deficit by €97.0 billion out of a revised forecast of €360 billion, improving by 0.9 percentage points to 0.4% of GDP. Compared with 2021, this represents a reduction of 285.6 billion.

3.1.3. Non-oil primary balance

The non-oil primary balance is the difference between the primary balance and oil revenue. The deficit in the non-oil primary balance has worsened by 206.1 billion compared with 2021 to stand at 1,070.9 billion.

Table 13 : Budget balances in 2021 and 2022 (in billion)

Type of balance	Amount AFL 2022	Execution 2021	Execution 2022	Variation 2022/2021
Primary balance	-360	-382,6	-97,0	285,6
of GDP	-1,3	-1,5	-0,4	
Non-oil primary balance	-1 166,0	-864,8	-1 070,9	-206,1
of GDP	-4,3	-3,5	-3,9	
Overall balance	-682,7	-624,2	-307,7	316,5
of GDP	-2,5	-2,5	-1,1	

Source : MINFI/DGB

3.2. Financing

3.2.1. Charges

In addition to the financing requirement of 307.7 billion arising from budget transactions, the Government faced other financing and cash expenses of 1,157.8 billion in 2022, comprising debt amortisation (1,009.0 billion), VAT credit repayments of 80.0 billion, Treasury accruals (including unstructured CAA debt) of 62.8 billion and payments to Treasury correspondents of 6.0 billion; the financing gap of 105.5 billion.

3.2.2. Resources

To cover its needs, in 2022 the State raised financing totalling 1,571.0 billion, of which 639.3 billion in project loans, 485.3 billion in public securities issues, 296.4

billion in budget support, 80.0 billion in drawdowns on the VAT escrow account and 70.0 billion in drawdowns on SDR.

Table 14 : Presentation of financing resources and charges (in billion)

Financing and cash need	AMOUNT	Financing and cash resources	AMOUNT
Overall budget deficit	307,7	Project loans	639,3
Amortisation Structured debt (excluding correspondents)	1 009,0	Issuance of public securities	485,3
External debt	492,3	Budget support	296,4
Domestic debt	516,7	Bank financing	80,0
Outstanding payments Treasury/unstructured debt CAA	62,8	<i>Escrow account VAT</i>	80,0
Repayment of VAT credits	80	Exceptional financing	70,0
Net cash outflow to Correspondents	6,0	<i>Drawdown SDR</i>	70,0
Financing gap	105,5	<i>Financing IDB (SAA Reconstruction)</i>	0,0
TOTAL	1 571,0	TOTAL	1 571,0

Source : DGB

3.3. Indicators characteristic of public finances

Generally speaking, the state of public finances can be analysed using a battery of indicators, each adapted to a particular issue, with the shortcomings of one indicator being offset by the characteristics of another. The indicators make it possible to compare the results of budget execution with the objectives of the economic and financial programme and multilateral surveillance.

3.3.1. Indicators for monitoring the 2021-2024 economic and financial programme

On 29 July 2021, the Government concluded with the IMF a programme supported by the Extended Credit Facility and the Extended Fund Facility for the period 2021-2024. As part of the implementation of this programme, Cameroon met all the quantitative criteria at the end of December 2022. With regard to the indicative targets, the country has met two (02) out of four (04).

3.3.1.1. Non-oil revenue

Cameroon has met the non-oil revenue criterion, with a figure of 3,419.4 billion, compared with a programme target of 3,275 billion.

3.3.1.2. Net accumulation of domestic payment arrears

At the end of December 2022, Cameroon had accumulated domestic payment arrears of 47.1 billion instead of the minimum repayment of 85 billion set by the EFP. This criterion has therefore not been met.

3.2.1.3. SNH direct interventions

At the end of December 2022, SNH had paid out 774.5 billion in oil royalties, of which 183.9 billion in the form of direct interventions. As the ceiling has been set at 145 billion, Cameroon has not met this indicative target.

Table 15 : Indicators for monitoring the economic programme to the end of December 2022

Description	Target	Executions
A- Periodic quantitative performance criteria		
1-Primary non-oil budget balance target	-1083,0	-1070,9
2-Capping of Central Government net internal financing (excluding IMF financing)	46,0	-64,9
3-Central government net financing requirement from the Central Bank (excluding MFI financing)	170,0	-83,5
4-Cap on disbursements of non-concessional external debt	647,0	494,3
B- Indicative targets		
1-Planning on non-oil revenue	3 275,0	3 419,4
2-Planning of social expenditure to reduce poverty	1062,0	1 576,0
3- Ceiling on direct SNH interventions	145,0	183,9
4-Cap on net accumulation of domestic payment arrears	-85,0	47,1

Source: MINFI/DP

3.3.1.4. Social expenditure

Social expenditure is public expenditure included in the State budget for priority programmes to accelerate the implementation of the Government's social development objectives. They include the recurrent and capital expenditure of the administrations involved in the social sectors (MINSANTE, MINEDUB, MINESEC, MINEFOP, MINTSS, MINJEC, MINPROFF, MINAS), as well as subsidies on administered prices (fuel at the pump, household electricity), expenditure linked to SAA COVID and expenditure on the Social Safety Net Project.

At the end of December 2022, social expenditure executed on an authorisation basis amounted to €1,576 billion. Compared with the target of 1,062 billion, they are 514 billion higher, reflecting compliance with the programme criterion. This performance is mainly due to the expenditure recorded by the education sector (MINESEC and MINEDUB), the health sector (MINSANTE) and fuel price subsidies at the pump.

Table 16 : Execution of social expenditure in 2022 (in billion)

	PA AFL (a)	PA revised (b)	Auth. excludi ng advanc es (e)	Salaries, pensions and cash advances to be regularised (d)	Overall auth. (e)= (e)+(d)	Auth. rate. (%) (f) = (e)/(b)	Rate outstanding auth. (%) (g) = [(b) - (e)] / (b)
INTERVENTIONS IN MINISTRIES							
A – Recurrent expenditure	879.9	878.4	128.5	605.4	733.9	83.5	16.5
Personnel expenditure	634.0	631.8	3.3	605.4	608.7	96.3	3.7
Goods and services	197.8	203.6	102.8	0.0	102.8	50.5	49.5
Transfers and subsidies	48.0	43.0	22.4	0.0	22.4	52.1	47.9
B – Capital expenditure	156.6	157.9	140.9	0.0	140.9	89.3	10.7
Investment expenditure on RIO	74.5	75.8	14.0	0.0	14.0	18.5	81.5
External financing	82.1	82.1	126.9	0.0	126.9	154.6	-54.6
Total interventions in ministries	1 036.5	1 036.3	269.4	605.4	874.8	84.4	15.6
OTHER GOVERNMENT INTERVENTIONS							
Impest accounts	8.4	8.4	8.4	0.0	8.4	100.0	0.0
Common chapters	22.0	22.0	22.0	0.0	22.0	100.0	0.0
SAA COVID-19	100.0	100.0	0.0	0.0	0.0	0.0	100.0
Subsidies on administered prices	619.7	619.7	617.7	0.0	617.7	99.7	0.3
Social safety nets project	15.2	15.2	20.9	0.0	20.9	137.6	-37.6
Total other government interventions	765.3	765.3	669.1	0.0	669.1	87.4	12.6
EXPENDITURE TO BE REGULARISED							
Assigned revenue	21	21	0	23.5	23.5	111.9	-11.9
Cash advances	0.7	0.7	0	0.7	0.7	100	0
FINEX outside the Finance Law	7.9	7.9	0	7.9	7.9	100	0
Total expenditure to be regularised	29.6	29.6	0	32.1	32.1	108.4	-8.4
TOTAL SOCIAL EXPENDITURE	1 831.5	1 831.2	938.5	637.5	1 576.0	86.1	13.9

Source : MINFI/DGB.

3.3.1.5. Expenditure carried out in accordance with exceptional procedures

At the end of December 2022, expenditure carried out under the derogatory mode amounted to 540.3 billion, or 14.1% of total expenditure (excluding FINEX and debt servicing), compared with 9.6% in 2021. Compared with the 5% ceiling set in the Economic and Financial Programme with the IMF, this expenditure is 9.1 points higher.

The increase in this ratio is essentially attributable to cash advances to pay the emergency debt owed to marketers in response to the fuel shortage.

Table 17 : Expenditure carried out under exceptional procedures in 2022

HEADINGS	2022	
	Amount	Poids
Impest accounts	57,2	1,5%
Projected commitments	0	0,0%
Cash advances	Cash advances	12,6%
Amount of derogatory procedures	540,3	14,1%
TOTAL EXPENDITURE (excluding FINEX and debt servicing)	3 828,2	

Source : MINFI/DGB

3.3.2. Convergence criteria and indicators for CEMAC multilateral surveillance

For the 2022 financial year, Cameroon has met one (01) of the four (04) convergence criteria. This is the ratio of the stock of government debt to GDP, which must be less than or equal to 70%.

3.3.2.1. Reference budget balance

This corresponds to the overall balance excluding oil plus 80% of the average ratio of oil revenue to GDP over the last three years. In 2022, it stands at -811.6 billion (-2.9% of GDP) after -2.5% of GDP in 2021. Cameroon has not met the criterion (above -1.5% of GDP).

3.3.2.2. Public debt ratio

At the end of 2022, outstanding debt increased by 1 009 billion, or 3.6% of GDP, to 12 361 billion (44.2% of GDP).

3.3.2.3. Non-accumulation of arrears

Cameroon has accumulated arrears of 196 billion in 2022, and has not met the criterion on the non-accumulation of arrears.

Table 18 : State of execution of the convergence criteria

Convergence criteria	Standard	2020	2021	2022
Reference budget balance (in % of GDP)	> -1,5%	-3,3	-2,5	-2,6
Average annual inflation rate (in %)	< 3%	2,5	2,3	6,3
Total public debt stock/nominal GDP	≤ 70%	40,3	45,3	44,2
Accumulation of arrears	0		155,8	196

Source: Cameroonian authorities (INS, DP/MINFI, CAA)

In addition, surveillance indicators have been in force in the CEMAC zone since 2017. They serve as warning signals for the various risks to the macroeconomic situation.

3.3.2.4. Tax burden rate

This rate defines the relative importance of compulsory levies in the national economy and reflects the effort made by the State to collect resources to meet its costs. The tax pressure rate, excluding oil revenue, has been increased from 12.2% in 2021 to 12.7% in 2022. Cameroon has not met this criterion (above 17%).

3.3.2.5. Wage bill/tax revenue

This indicator measures a country's ability to support its wage bill from tax revenue. In 2022, the wage bill/tax revenue ratio is 34.7%, below the 35% ceiling. Cameroon met this criterion for the very first time.

3.4. Execution of the cash plan

The year 2022 was marked by the mobilisation of cash resources of 5,061.0 billion, made up of 3,706.0 billion in own revenues and 1,355.0 billion in financing (including drawings from reserve accounts). Expenditure amounted to 5,036.8 billion, made up of budget expenditure of 2,633.3 billion and cash expenses of 2,403.5 billion.

Table 19 : Summary of cash plan performance (in billion)

Description	2021	2022	Ecart	Variation (in %)
Total collections and financing	3 831,0	5 061,0	1 230,0	32,1
Cash receipts	2 958,6	3 706,0	747,4	25,3
Cash resources	872,4	1 355,0	482,6	55,3
Total disbursements	3 843,1	5 036,8	1 193,7	31,1
Budget expenditure	2 051,8	2 633,3	581,5	28,3
Cash expenses	1 791,3	2 403,5	612,2	34,2
Cash and cash equivalents at beginning of period	27,5	8,0	-19,5	-70,9
Cash and cash equivalents	15,4	32,2	16,7	108,6

Source: MINFI/CTRB

At 31 December 2022, outstanding payments were estimated at 483.6 billion, down 58.4 billion (-10.8%) compared with 31 December 2021. They comprise 115.7 billion in arrears for years prior to 2022 and 367.9 billion for 2022.

Outstanding payments for years prior to 2022, estimated at the end of 2021, were reduced by 426.33 billion, mainly as a result of actual payments. This concerns other personnel expenditure (-13.58 billion), goods and services (-133.11 billion), capital expenditure (-163.23 billion), transfers and subsidies (-81.57 billion), floating debt (-4.34 billion) and COVID-19 expenditure (-25.37 billion).

Despite these efforts to clear outstanding debts, two main negative factors remain: (i) a low level of clearance compared with the target set in the Finance Act (-58.42 billion against a projection of -146 billion, corresponding to an implementation rate of 40.0%); (ii) payment delays that are still high (more than 150 days after the Treasury has taken charge, whereas the deadline set in the EFP is a maximum of 90 days).

This situation can be explained by, among other things (i) cash advances on non-budgeted expenditure, which remove regularly budgeted expenditure from the payment circuit; (ii) cross-debt agreements, which are made enforceable during the year in which they are signed and which help to improve the performance of the tax base administrations through the resulting hedging, whereas the expenditure counterpart is either attached to a previous budget year or allocated to servicing the domestic debt; (iii) poor budget procedures (credit back-up) with no link to available or projected cash flow.

Table 20 : Outstanding payments at end December 2022 (in billion)

Description	Other Personnel expenditure	Goods and Services	Investments & Counterpart funds	Transfers and subsidies	Domestic debt (Budget)	Expenditure COVID	Total
Outstanding OPs at 31 December 2021	18,73	164,1	208,42	111,58	13,81	25,37	542,01
Outstanding OPs at 31 December 2022	22,67	143,05	147,67	125,71	4,34	40,15	483,59
Of which current management (2022)	17,52	112,06	102,48	95,7	0	40,15	367,91
Years prior to 2022	5,15	30,99	45,19	30,01	4,34	0	115,68

Source : MINFI/DGTCFM

At 31 December 2022, the cumulative balance of **correspondents' and depositors' accounts** stood at 1,008.8 billion, compared with 899.2 billion at 31 December 2021, an increase of 12.2%. In addition, the audit of these accounts is ongoing with a view to cancelling cases that are not due and drawing up a clearance plan for cases that are due.

3.5. Reform of the Single Treasury Account

The Treasury Single Account (TSA) is a current account held in the books of the BEAC. It was opened in 2007 as part of the reform of payment systems to rationalise the State's cash management.

However, the current TSA has a number of limitations: (i) some public resources are still outside the scope of application; (ii) the banking function is inadequate in relation to the Treasury's correspondents and depositors; (iii) several players are involved in the payment processing chain; (iv) while the TSA has sub-accounts, the BEAC's information systems require centralised cash management.

The main objectives of the reform of the Single Treasury Account are to:

- align its management with the legislative and regulatory framework and international best practice in public finance management;
- have a global view of all public liquidity in the banking system in real time.

To achieve these two main objectives, a strategy document with five axes has been drawn up. One of the axes targets the widening of the scope of the TSA through the census of the bank accounts of public entities as well as the establishment of a plan for the repatriation of funds housed in commercial banks; the said funds were valued at 165.6 billion in February 2022.

The 2023 finance law provided for a provision that gives the Minister of Finance the power to automatically order the repatriation of funds from other entities in the TSA before the end of 2025. Similarly, it is planned to set up the Treasury Bank Agency which will not only be an accounting post of the Treasury network called upon to offer a banking service to depositors and Treasury correspondents, but will also be responsible for electronic banking. It could serve as a bank relay in areas without commercial banks for the collection of savings.

For the future, the working group in charge of the reform of the TSA envisages, among other things: (i) updating the regulatory framework for the management of the TSA; (ii) the revival, in agreement with the Banks and other public entities, of the repatriation of their funds in the TSA and (iii) the closure of the said accounts.

PART FOUR: SPECIFIC ISSUES AND DIFFICULTIES RELATED TO THE EXECUTION OF THE BUDGET

This part highlights topical themes or issues that support or impact the execution budget. These are the execution of the SAA COVID-19, the implementation of decentralization, the award and execution of public contracts, the derogatory procedures and the methods of execution of expenditure on external financing.

4.1. Implementation of decentralization

4.1.1. Transfer of jurisdictions to RLAs

In 2022, the Government continued to implement the decentralization process, which is becoming more refined every day. Indeed, an amount of 232.4 billion in resources from the finance law has been made available to the Municipalities and Regions, to respond, through local interventions, to the needs of the populations.

With specific regard to the Regions, after their commissioning in 2021, the year 2022 was characterized by the gradual establishment of regional administrations, the finalization of the reform on local taxation, the validation of planning documents and the continued signing of decrees setting the terms for exercising their powers. Satisfying these prerequisites must lead to the full exercise of the powers transferred to the Regions.

4.1.2. Execution of the General Decentralization Allocation

The amount of resources allocated to the General Decentralization Endowment for the 2022 budget year is 240.2 billion, in accordance with Decree No. 2023/034 of January 20, 2023. It is up by 8.0 billion (+ 3.4%) compared to 2021 and is divided into 128.1 billion for operation and 112.1 billion for investment.

At the end of the fiscal year, authorized expenditure under all transferred resources is estimated at 214.6 billion against a forecast of 232.4 billion, i.e. an execution rate of 92%.

The execution of the resources transferred to the RLA in investment leads to a significant accumulation of the debt stock and the under-consumption of credits, due in large part to the non-mastery by the actors of the expenditure chain in the RLA, of the procedures and delays which govern public procurement and the late provision of expenditure authorizations.

4.2. Award and execution of public contracts

This section presents the situation as of December 31, 2022 of programming, award and execution of public contracts. It ends with a statement of major facts recorded in the award and execution of contracts, as well as the measures taken to improve the efficiency of public procurement.

4.2.1. Programming of public contracts

The award and execution of public contracts were the subject of programming by the Project Owners and the Delegated Project Owners (MO/MOD), in conjunction with the Ministry of Public Contracts (MINMAP).

As of December 31, 2022, 7,739 public contracts, corresponding to 6,177 Tender Documents (TENDER FILE), for an estimated total amount of 1,121.7 billion have been identified and scheduled online on the COLEPS platform (Cameroon Online E-procurement System) and distributed as follows:

- 904 contracts for the Ministerial Departments, corresponding to 788 Tender File, for a total amount of 586.7 billion;
- 461 contracts for Projects/Programmes, corresponding to 363 TENDER FILES, for a total amount of 212.4 billion;
- 781 contracts for Public Establishments, corresponding to 637 TENDER FILES, for a total amount of 78.6 billion;
- 374 contracts for the Deconcentrated State Services (SDE), corresponding to 355 Tender File, for a total amount of 14.8 billion;
- and, 5,219 contracts for RLAs, corresponding to 4,034 TENDER Files, for a total amount of 229.2 billion.

At the end of the 2022 financial year, 817 MO/MOD met this regulatory requirement for public procurement programming, out of a workforce of 831 identified, i.e. a participation rate of 98.3%. Of the 9,344 budgeted contracts, the programming rate for public contracts is 92.4%.

This public procurement schedule has been made public through the wide dissemination of the resulting Market Schedule Journals (JPM) and their "online" publication on the COLEPS platform (www.marchespublics.cm), as well as on the MINMAP website (www.minmap.cm), in accordance with the requirements of Law No. 2018/011 of July 11, 2018 on the Code of Transparency and Good Governance in the management of public finances in Cameroon.

In January 2022, the initial programming of public contracts was 7,098 contracts, corresponding to 5,729 Tender File, for a projected total amount of 966.3 billion. With the update, 7,223 markets were programmed; these

markets correspond to 5,700 Tender File, for a total estimated amount of 1,010.4 billion.

4.2.2. Awarding public contracts

At the end of the 2022 financial year, compared to the 2021 financial year, there was an average improvement of 02 points in the performance of Project Owners/Delegated Project Owners (PO/DPO) in the award of public contracts, including by OTC, as follows:

- 5,429 Calls for Tenders were launched out of the 5,673 planned, i.e. a launch rate of 95.7%. This rate was 97.0% in 2021;
- 6,828 contracts were awarded out of the 7,169 expected, i.e. an award rate of 95.2%. This rate increased by 0.4 points compared to 2021;
- 6,655 contracts were contracted out of the 7,146 expected, i.e. a signature rate of 93.1% compared to 92.4% in 2021.

In addition, there is an improvement in the contractualisation of Projects/Programmes and Regional and Local Authorities contracts. On the other hand, there is a drop in performance in the Ministerial Departments, Public Establishments and devolved State Services.

Table 22 : Overall Public Procurement Performance of PO/DPO

PO/DPO CATEGORY	Lancement AO				Attribution marchés			Signature marchés		
	Number of tenders planned (1)	Number of tenders actually launched (2)	Number of corresponding projects	Rate (%) of AO launch [(2) / (1)]	Number of planned contracts (3)	Number of contracts effectively awarded	Rate (%) of contract awards [(4) / (3)]	Number of contracts planned (5)	Number of contracts actually signed (6)	Contract signing rate (%) [(6) / (5)]
Ministries	597	555	665	93,0	702	655	93,3	702	606	86,3
Projects/programmes	322	242	317	75,2	384	282	73,4	364	275	75,5
Public establishments	606	581	720	95,9	745	695	93,3	745	680	91,3
Regions	4148	4051	5232	97,7	5338	5196	97,3	5335	5094	95,5
SDE	318	303	319	95,3	334	319	95,5	334	315	94,3
SDR	119	109	113	91,6	123	113	91,9	123	112	91,1
SDD	199	194	206	97,5	211	206	97,6	211	203	96,2
RLA	3830	3748	4913	97,9	5004	4877	97,5	5001	4779	95,6
Regional councils	166	164	258	98,8	261	258	98,9	261	244	93,5
City councils	197	162	204	82,2	242	189	78,1	242	150	62,0
Councils	3467	3422	4451	98,7	4501	4430	98,4	4498	4385	97,5
Grand total	5673	5429	6934	95,7	7169	6828	95,2	7 146	6655	93,1

Source : MINMAP

SDE : Services Déconcentrés de l'Etat

RLA : Regional and Local Authorities

With specific regard to exceptional **over-the-counter procedures**, 648 contracts were awarded using this procedure as of December 31, 2022, which

represents a rate of 8.4% out of a total of 7,739 contracts awarded, below 1.6 points compared to the standard threshold of 10%.

4.2.3. Execution of public contracts

The execution of public contracts improved on average by 2 points compared to the 2021 financial year, in terms of start-up and receipt of services, as follows:

- 6,540 services actually started out of a total of 7,133 expected; i.e. a benefit start-up rate of 91.7%; up 0.7 points compared to December 31, 2021;
- 4,939 services were actually received out of the 6,365 expected; i.e. a benefit receipt rate of 77.6%, up from the 74.3% observed at December 31, 2021.

Compared to December 31, 2021, there is a good performance in the execution of contracts for Projects/Programmes, Public Establishments and RLAs; unlike those of the Ministries and SDE.

Table 23 : Overall performance of the execution of public contracts by PO/DPO category

PO/DPO category	Démarrage prestations			Réception prestations		
	Number of contracts planned (1)	Number of contracts actually started (2)	Start-up rate (%) of services [(2) / (1)]	Number of planned services (3)	Number of services actually received (4)	Services reception rate (%) [(4) / (3)]
Ministries	702	579	82,5	521	365	70,1
Projects/ programmes	356	266	74,7	205	122	59,5
Public establishments	744	660	88,7	604	454	75,2
Regions	5331	5035	94,4	5 035	3 998	79,4
EPS	334	310	92,8	312	249	79,8
SDR	123	109	88,6	114	101	88,6
SDD	211	201	95,3	198	148	74,7
RLA	4997	4725	94,6	4 723	3 749	79,4
Regional Councils	261	243	93,1	218	142	65,1
City councils	241	116	48,1	145	59	40,7
Councils	4495	4366	97,1	4 360	3 548	81,4
GRAND TOTAL	7 133	6 540	91,7	6 365	4 939	77,6

Source : MINMAP

SDE : Services Déconcentrés de l'Etat

RLA : Regional and Local Authorities

As for the **derogatory procedures for imprest**, 103 projects have actually been executed following this procedure out of the 154 authorization requests granted and notified to the applicants.

4.2.4. Major facts noted in the award and execution of public contracts

At the end of the 2022 financial year, the main major events include:

- control of the 10% threshold for exceptional over-the-counter procedures, which stands at 8.4%;
- in total, 103 projects were actually carried out by force account out of the 154 authorization requests granted and notified to the applicants;
- the average time for awarding public contracts was 123 days, ie 04 million 03 days for national procedures;
- the rate of contracts awarded within less than 5 months is at 73.4%, down from the rate of 83.5% recorded at December 31, 2021;
- the rate of contracts received is 77.6% against 74.3% in 2021;
- the cancellation of 753 projects, of which 89 following credit transfers and 664 mainly for lack of financing or lack of maturity elements;
- the "online" award of 111 contracts for a total amount of 8.7 billion, following the publication of 238 Bids for a total amount of 98.9 billion, well above the target of 218 contracts to be awarded in 2022 via the COLEPS platform;
- the award of 1,615 contracts for a total amount of 376.6 billion without any prior programming, including 955 awarded in the Regions for a total amount of 77.3 billion. Which is contrary to the provisions of article 59, paragraphs 1 and 5 of the Public Contracts Code, reiterated in points 64 and 66 of its Application Circular.

4.2.5. Measures to improve the efficiency of public contracts

As part of its mission to ensure the proper functioning of the public procurement system, the following actions were taken during the 2022 financial year by the Public Contract Authority:

- inclusion of explanatory and clarifying instruments on the one hand and of a prescriptive nature on the other hand, in particular:
 - o Circular No. 00001/PR/MINMAP/CAB of April 25, 2022 relating to the application of the Public Contracts Code;
 - o Circular letter No. 000002/LC/MINMAP/CAB of 12 May 2022 relating to the continuity of the public procurement service, in the event of a sanction of a PO/DPO, or members of a Procurement Commission, in accordance with the provisions of Articles 194 and 195 of the Public Contracts Code;
 - o Order No. 7/A/MINMAP of 01 January 2022 setting the procedures for awarding and executing framework agreements;

- Order No. 166/A/MINMAP of 07 June 2022 setting the terms for categorizing companies in the Building and Public Works sector.
- the signing of memorandum No. 000017/NS/MINMAP/SG/DGMI of February 10, 2022 relating to the processing of applications for authorization of derogatory management and exceptional procedures by mutual agreement;
- the creation of eighteen (18) new Procurement Commissions, including those at the Universities of Ebolowa, Bertoua and Garoua respectively by Orders No. 168 / A / MINMAP, No. 169 / A / MINMAP and No. 170 / A / MINMAP, all of June 13, 2022;
- the taking of acts of sanctions against actors found guilty of bad practices or fraudulent maneuvers in the award and execution of public contracts. For this exercise, 146 players were sanctioned, of which 96 companies for termination of contracts and suspension of public procurement, and 50 players for fraud, forgery and use of forgery in the process of awarding and performing public contracts;
- support for 65 PO/DPO pilots in the "online" award via COLEPS of 60% of their portfolio of scheduled contracts, as well as on-site training of staff from the Internal Structures for the Administrative Management of Public Contracts (SIGAMP);
- the implementation of the 2nd phase of the project to dematerialize public procurement procedures (e-Procurement Project) through the sophistication and development of new modules of the COLEPS system;
- the extension to December 31, 2022 of the pilot phase of the performance-based remuneration and payment mechanism (PBF), operational with 08 pilot MO/MOD corresponding to 22 target players, by Order No. 30/A/MINMAP of March 03, 2022.

4.3. Difficulties encountered in the execution budget in 2022

4.3.1. Abuse of derogatory procedures

The derogatory procedures relate to expenditure which has been the subject of payment without respecting the normal procedure of budget execution and which must therefore be regularized a posteriori. These include impest accounts, provisional commitments and cash advances.

Circular Circular No. 00000456/C/MINFI of December 30, 2021, on Instructions relating to the Execution of Finance Laws, Monitoring and Control of the Budget Execution of the State and Other Public Entities for the 2022 financial year prescribed the limitation of the use of derogatory procedures.

With regard to impest accounts and the release of funds². However, the volume of expenditure carried out through this channel is still high.

4.3.1.1. Recourse to cash advances

Cash advances correspond to disbursements made without prior commitment to deal with urgent or exceptional situations. These advances are subject to a posteriori budgetary adjustment.

In 2022, cash advance disbursements amount to 483.1 billion, of which 483.1 billion in expenditure on goods and services and 0.01 billion in investment expenditure. Compared to 2021, these disbursements increased by 207.1 billion (75.0%) mainly due to (i) the emergency payment of marketers' debt in response to the fuel shortage and (ii) the exceptional use of derogatory procedures during the changeover of the information system to the new State budget nomenclature.

Table 24 : Cash advances in 2022

Type of expenditure	Amounts (in billion)	
	Décaissé	Régularisé
Investment	0,01	0,01
Operating	483,09	483,09
Grand total cash advances	483,10	483,10

Source : DGTFCM

4.3.1.2. Increase in the allocation of impest accounts

Impest accounts are a budget execution modality set up to allow credit managers to proceed with the payment of urgent expenditure that cannot be accommodated with the normal execution procedure. Their implementation is governed by the MINFI circular on the execution budget of the State and other public entities.

For the 2022 financial year, the gross amount of expenditure carried out for this procedure is estimated at 57.3 billion against 53.5 billion in 2021, an increase of 3.8 billion (+ 6.6%).

This situation is due to the fact that 30 new impest accounts were created during the 2022 of which 08 budget year for CONSUPE up to 1.2 billion; 02 for MINDEF up to 0.9 billion; 01 for MINAC up to 136.4 million; 02 for MINEDUB for an amount of 68 million and 04 for MINTP for 93 million.

In addition to these new authorities, the increase in volume is also attributable to the increase in the allocation of certain former imprests.

² Points 147 to 153 of CIREX 2021

Table 25 : Situation of impest accounts in 2021 and 2022

Description	Nombre de régies		Volume annuel (in billion)	
	2021	2022	2021	2022
Imprests set up	27	30	5,9	3,6
Imprests reopened	373	381	47,3	53,7
Total	400	411	53,2	57,3

Source : MINFI/DGB

4.3.2. Non-mastery of floating debts

Floating debt refers to government arrears arising, among other things, from contractual commitments by public administrations, current consumption, rents, compensated tax debts; as well as SONARA and marketer revenue shortfalls related to fuel price support at the pump. Although efforts are made to reduce the stock of this debt, it poses a problem of accounting sincerity and efficiency in cash management. In 2022, the amount cleared of the floating debt amounts to 5.6 billion against 33.1 billion in 2021.

4.3.3. Terms of execution of external financing

The execution of investment expenditure on external financing is done according to the mechanisms adopted by agreement between the Government and the external Technical and Financial Partners (PTF). In some cases, these mechanisms do not involve the CAA in the execution circuit, all of which does not facilitate the collection and accounting of financial execution data. This situation is particularly observable for a good part of the projects financed on the basis of grant agreements for which the question of reliable and exhaustive data has arisen in recent years.

At the end of December 2022, the volume of disbursements of external financing in the form of grants for the benefit of certain projects was 133.03 billion against an annual forecast of 32.08 billion, i.e. an overrun of 100.05 billion. A significant part of these disbursements was made for the benefit of MINSANTE projects financed by the Global Fund to Fight AIDS, Tuberculosis and Malaria for an amount of 86.2 billion. It happens that the volume of financing mobilized for the benefit of these projects is significant.

Thus, to deal with this situation, the circular relating to the Execution, Monitoring and Control of the Budget execution of the State provides for the organization by MINEPAT, in collaboration with MINFI and MINMAP, of the quarterly review on the regulation of calls for funds and disbursements of external financing. This review makes it possible to collect data on the expenditure of external financing for which the execution and reporting circuit

does not include the CAA. However, the data collected during the said review is on the basis of declarations from the Project Management Units (PMUs) in the absence of accounting documents which would guarantee the traceability and integrity of the centralized statistics. The PMUs of projects financed by grants generally communicate data of which the accounting reliability can only be ensured by the executing agencies. In addition, the lack of fluid communication between the executing agencies and the PMUs is constantly noted during each review.

That said, there is a need to establish a mechanism integrating all the stakeholders in the project management chain (MINEPAT, MINFI, sectoral ministries, PMUs and TFPs), for monitoring the execution of grant agreements, in order to guarantee reliability and completeness in the collection of data on the disbursement of external financing from the said agreements.

4.3.4. Financial reporting

The difficulty for the feedback of information between the departmental financial controls and the regional financial controls and between the regions and the head office. This difficult reporting of information results in difficult access to information in real time.

4.3.5. Other difficulties

The network infrastructure does not cover the entire scope of budget execution. Indeed, Divisional financial controls, despite computerization, are not interconnected with regional financial controls. As a result, data on the execution budget in the decentralized areas only reach the central office at the end of each month; which does not favor the generation of budget execution statements in real time.

Energy supply problems also disrupt budget execution as well as the lack of interconnection of the various public finance management information systems. In addition, the current system does not function optimally due to the lack of internal control capable of guaranteeing the quality of budget accounting data.

CONCLUSION

Despite the difficult socio-economic situation throughout the year, the budget execution at the end of December 2022 is characterized by satisfactory results both in the mobilization of resources and in their use for the implementation of public policies.

The State execution budget shows an overall deficit balance of 307.7 billion (1.1% of GDP). This deficit fell by 316.5 billion compared to 2021. The deficit in the primary balance fell by 287.5 billion to stand at 0.4% of GDP against 1.5% in 2021. The ratio of debt service to domestic revenue fell from 33.7% in 2021 to 29.6%. The wage bill to tax revenue ratio stands at 34.7% against 38% in 2021. Since 2017, this is the first time that Cameroon has met this monitoring criterion in the CEMAC zone (ratio below 35%).

Cameroon has met all the quantitative criteria of the program with the IMF at the end of December 2022. It has met two indicative targets out of the four. Cameroon did not meet the indicative targets relating to the ceiling of direct SNH interventions and the net accumulation of domestic arrears.

The execution budget at the end of December 2022 is characterized by a satisfactory level of revenue mobilization, in particular tax revenue, which recorded a good performance. Budgetary resources were realized at 99.9% and expenditures executed at 97.3%.

With regard to domestic revenue, oil revenue and non-oil revenue have an execution rate of 120.8% and 104.4% respectively.

As for the execution of expenditure, it was overall contained within the forecast limit. However, it is also marked by a strengthening of transfers and subsidies (up by 409.8 billion compared to 2021).

By economic nature, capital expenditure represents 23.5% of authorizations, followed by personnel expenditure (21.9%) and transfers and subsidies (21.1%). Recurrent expenditure (excluding debt interest) recorded an execution rate of 108% (compared to 112.8% in 2021), capital expenditure, an execution rate of 90.1% (compared to 81.7% in 2021), and public debt service was executed at 83.3%.

However, some anomalies persist in terms of budget management. These include, among other things, pressure on expenditure (or the persistence of the phenomenon of budget overruns), the fragility of the regional security situation, the weak implementation of public finance reforms and the long payment delays (above the standard in the CEMAC zone of 60 days).

Efforts to recover resources and control operating expenses must be continued to ensure the achievement of the objectives set in the three-year economic and financial program 2021-2024. The same applies to the limitation of abusive recourse to derogatory procedures, the control of floating debt and the methods of execution of FINEX as well as the improvement of financial reporting.

APPENDICES

Appendix 1 : Changes brought about by Ordinance No. 2022/001 of June 02, 2022 on the main headings of the budget

In accordance with Ordinance No. 2021/001 of June 2, 2022 amending and supplementing certain provisions of Law No. 2021/026 of December 16, 2021 on the finances of the Republic of Cameroon for the 2022 financial year, the overall budget for general budget expenses increased from 5,599.7 billion to 5,977.7 billion, an increase of 378.0 billion.

The **resources of the general budget** were revised upwards by 378 billion (+ 6.8%) compared to the initial level of 5,599.7 billion in the finance law, resulting from a:

- increase of 244.0 billion in oil revenue (806 billion against 562 billion in the initial budget assuming the rise in the world price of a barrel of crude oil);
- 10 billion (+4.6%) increase in non-tax revenue (to take into account revenue from the sale of Covid-19 tests and the mobilization of consular revenue);
- reduction of 40 billion in customs duties linked to the impact of the crisis and the EPAs on foreign trade.
- The other components, namely taxes and duties (2,184.8 billion); grants (142.3 billion) remain unchanged.

The change in expenditure is as follows in large masses:

- **Personnel expenditure:** 1,174.3 billion against 1,124.8 billion in the initial finance law; i.e. an increase of 49.5 billion (4.4%) essentially linked to taking into account the financial effects of the Government's commitments to respond to the problems of secondary school teachers and anticipate the demands of health personnel;

- **Expenditure on goods and services:** 810.9 billion against 867.4 billion in IFL, i.e. a reduction of 56.5 billion (-6.5%); in fact, a budgetary saving of 73.5 billion was made on this expenditure item from, on the one hand, precautionary blockages (-63.5 billion) and, on the other hand, the adjustment of the provision for import-substitution from 50 to 40 billion (-10 billion). Part of the budgetary savings thus achieved made it possible to double the provision dedicated to supporting the prices of basic necessities from 15 to 30 billion and to strengthen the carry-forward provision by 2 billion;

- **Transfers and subsidies:** 1,013.2 billion against 653.2 billion in the initial budget, an increase of 360 billion (+55.1%). This increase comes from taking into account the additional shortfalls of marketers estimated at 480 billion against an initial budget entry of 120 billion in the finance law, given the surge in oil prices and the Government's desire to keep hydrocarbon prices stable at the pump;

- **Investment expenditure on own resources (including rehabilitation and restructuring expenditure):** 639.2 billion against 699.2 billion in the initial 2022 budget; i.e. a decrease of 60 billion (-8.6%) taking into account the budgetary constraint.

- Investment expenditure on external financing: 779.8 billion as in the initial 2022 budget.

- **Debt interest:** 239.6 billion as in the initial 2022 finance law.

The SAA budget is evaluated in this draft ordinance at **102.7 billion** against **152.7 billion** in the initial finance law, i.e. an absolute decrease in value of 50 billion resulting from the halving of SAA COVID-19 expenditure. This reduction is explained by the restriction of the strategy to fight against Covid-19 on vaccination and the consideration of the measure of payment by users of screening tests, in a context of relative control of this pandemic.

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

Appendix 2 : Situation per donor, disbursements on FINEX (project loans)

Decaissements Prêts Projets (montant en milliers de FCFA)	Prev. Budget Init. LF 2022	Prev. Budget Corrigée.	Decaissement Année 2022***
Prêts Projets et programmes			
Multilateral	577 011 623,95		506 171 301,86
BAD	137 402 415,51		96 209 837,49
<i>dont Appuis budgétaires PEF</i>	<i>53 000 000,00</i>		<i>-</i>
<i>Appuis budgétaires COVID-19</i>	<i>-</i>		<i>53 132 517,00</i>
<i>Appuis budgétaires Sectoriel</i>	<i>-</i>		<i>-</i>
BADEA	6 772 510,77		556 958,72
BDEAC	21 418 065,32		2 674 344,16
BEI	-		-
BID	38 433 998,64		74 997 777,81
BIRD	27 936 606,94		56 924 825,13
<i>dont Appuis budgétaires PEF</i>	<i>-</i>		<i>-</i>
FAD	20 148 219,55		17 991 936,79
FIDA	22 857 223,86		6 775 699,07
FMI	150 000 000,00		114 612 008,40
<i>dont appuis budgétaires PEF</i>	<i>150 000 000,00</i>		<i>114 612 008,40</i>
<i>appuis budgétaires COVID-19</i>	<i>-</i>		<i>-</i>
FSN	-		8 316,00
FS OPEP	5 164 039,46		213 731,20
IDA	137 820 310,73		135 205 867,09
<i>dont appuis budgétaires PEF</i>	<i>80 000 000,00</i>		<i>66 054 869,90</i>
UE	9 058 233,16		-
Bilateral	373 090 893,63		371 373 724,85
KFW	338 625,54		-
Belgique	-		-
Espagne	-		-
AFD	110 317 475,62		54 160 305,15
<i>dont Appuis budgétaires PEF</i>	<i>106 000 000,00</i>		<i>45 916 990,00</i>
JICA	3 809 537,31		503 575,63
NORGE	84 656,38		-
PAYS BAS	-		-
SUISSE	-		-
ARABIE SAOUDITE	7 280 449,08		-
Chine	2 201 066,00		-
EXCH	215 704 468,13		294 587 490,95
EXKOR	7 365 105,47		2 479 242,05
EXTURK	-		-
EXIND	11 682 581,08		19 436 958,94
FKDEA	14 306 929,01		29 855,57
FSD	-		176 296,56
Commerciaux	185 397 482,42		135 581 499,31
AEI	-		-
BOC	16 592 651,4		-
HUAWEI China	-		-
BELFIUS	13 375 708,78		2 908 797,64
BMCE Bank	4 402 132,00		7 233 629,54
CDS group	-		-
EUROBOND N°2 REPCAM 2021	-		-
COMMERZ	8 042 356,54		5 286 796,01
DEES	7 026 479,93		5 222 217,71
ICBC	31 322 862,33		-
IFTC	10 412 735,31		94 071 647,97
INTESA SANPAOLO SPA	30 560 954,87		-
NR_ECMR	-		-
RBIA	761 907,46		-
SOCIETE GENERALE NEW YORK	1 185 189,39		-
SG	37 672 091,18		-
SCBL	24 042 413,25		20 858 410,44
Total Général	-		1 013 126 526,02
dont Prêts Projets	746 500 000,00		639 338 492,75
dont Appuis budgétaires	389 000 000,00		279 716 385,30
dont Prêts à court terme	-		-
ITFC (décaissement)	-		94 071 647,97
dont Emission Eurobond	-		-
Eurobond N°2	-		-
Total Général (hors Prêts à CT & Eurobond)	1 135 500,00		919 054 878,05

*Données définitives **Données semi-définitives ***Données semi-provisoires

Source : CAA

Appendix 3 : Execution of investment resources transferred to councils (In thousands)

Budget chapter	ALLOCATION		COMM.	AUTH.	% COMM PA	% AUTH
	CA	PA	PA			
14-MINAC	296,0	296,0	247,8	159,6	83,7	53,9
15-MINEDUB	15 739,4	15 739,4	14 097,7	10 711,6	89,6	68,1
16-MINSEP	500,0	500,0	376,6	257,6	75,3	51,5
21-MINCOMMERCE	530,0	530,0	468,7	363,5	88,4	68,6
23-MINTOUL	1 200,0	1 200,0	1 145,5	943,2	95,5	78,6
25-MINESEC	19,9	19,9	19,9	19,6	100,0	98,9
26-MINJEC	1 700,0	1 700,0	1 406,0	1 131,5	82,7	66,6
27-MINDDEVEL	39 950,0	39 950,0	34 336,5	25 687,1	85,9	64,3
28-MINEPEDED	570,0	570,0	464,4	359,6	81,5	63,1
30-MINADER	7 808,0	7 808,0	7 318,8	5 560,4	93,7	71,2
31-MINEPIA	3 500,0	3 500,0	2 894,4	1 826,2	82,7	52,2
32-MINEE	9 500,0	9 500,0	8 330,1	6 465,1	87,7	68,1
33-MINFOF	350,0	350,0	299,7	151,0	85,6	43,1
35-MINEFOP	600,0	600,0	582,6	448,0	97,1	74,7
36-MINTP	13 153,7	13 153,7	12 550,7	10 225,6	95,4	77,7
38-MINHDU	6 350,4	6 350,4	5 260,3	3 875,8	82,8	61,0
39-MINPMEESA	695,0	695,0	761,6	536,3	109,6	77,2
40-MINSANTE	8 472,5	8 472,5	7 510,9	5 887,8	88,7	69,5
42-MINAS	660,0	660,0	680,9	483,0	103,2	73,2
43-MINPROFF	600,0	600,0	495,4	388,8	82,6	64,8
94-INTERVENTIONS	2 039,9	2 039,9	2 458,3	1 598,2	120,5	78,3
Total Common investment	114 234,8	114 234,8	101 706,8	77 079,4	89,0	67,5

Source : MINEPAT

Appendix 4 : Situation of multilateral surveillance indicators in 2022

The multilateral surveillance indicators in the CEMAC zone are grouped into 5 blocks in order to ease their interpretation to make them warning signals as to the various risks that weigh on the macroeconomic situation:

- Growth: (i) real GDP growth rate and (ii) investment rate (in % GDP);
- Currency and prices: (i) external currency coverage rate (external assets/BEAC sight deposits and (ii) three-year average inflation rate;
- Public finances: (i) primary budget balance excluding oil revenue (in % of non-oil GDP), (ii) rate of tax pressure excluding oil revenue (non-oil revenue/non-oil GDP), to be modulated according to the country's level of development (GDP/capita), (iii) debt service on tax revenue, (iv) wage bill on tax revenue, (v) operating expenditure on tax revenue, (vi) share of productive investments in total expenditure, (vii) share of human capital investment in total expenditure
- External balance: (i) BDP current account balance (in % of GDP), (ii) external debt service (in % of exports), (iii) rate of government indebtedness;
- Financial system (financial soundness indicators): (i) capital adequacy, (ii) asset quality, (iii) asset profitability, (iii) liquidity.

Appendix 5 : Multilateral surveillance indicators

Block	Indicators	Standards	2020	2021	2022
1- Growth	1. Real GDP growth rate	≥ 7 %	0,3	3,6	4,0
	2. Investment rate (% GDP)	≥ 20 %	17,7	18,8	18,8
2- Currency and prices	1. Rate of external coverage of the CEMAC currency (external assets / BEAC sight commitments)	≥ 20 %	65,7	64%	73,1
	2. Inflation rate	≤ 3 %	2,5	2,3	6,3
3- Public finances	1. Primary fiscal balance excluding oil revenue (% GDP excluding oil)	/	-4,2	-3,5	-4,3
	2. Rate of tax pressure excluding oil revenue (non-oil revenue/non-oil GDP)	≥ 17 %	11,6	12,2	12,7
	3. Debt service/tax revenue	/	32,5	38,1	36,9
	4. Payroll/tax revenue	≤ 35 %	41,1	37,8	34,7
	5. Operating Expenditure/tax revenue	/	96,9	100,1	101,7
	6. Share of productive investments in total expenditure	/	32,3	27,1	27,1
4- External equilibrium	1. Current account balance excluding grants (% GDP)	≤ 5 %	-3,9	-4,3	-4,2
	2. External debt service (% of exports)	/	10,2		15

GLOSSARY

Assignment of revenue	Revenues may be, exceptionally, directly allocated, without transiting through the general budget, to certain expenditures or structures (including public administrative establishments)
Décret d'avance	Opening or cancellation of management appropriations for urgent needs not provided for in the initial finance law
Déficit public	The public deficit adds up the budget balance of the State and that of local authorities and social organizations
Expenditure brutes	Disbursements made during the year including repayments and tax relief
Expenditure nettes	Gross expenditure minus the amount of repayments and reliefs
Expenditure fiscales	Legislative or regulatory provisions of which the implementation results in a loss of revenue for the State
Budget mission	Set of programmes contributing to a ministerial or interministerial public policy
Performance goals	The programmes' annual performance plans (PAP) include objectives that express the strategic priorities of each programme. The goals are measured using performance indicators
Compulsory levies	All taxes and social contributions
Budget principles	Unity, universality, annuality, non-contraction of receipts and expenditure, non-assignment of receipts, sincerity
Gross Domestic Product (GDP)	Indicator of national wealth, i.e. the sum of the added values of all branches of production
Budget program	Grouping of appropriations intended to implement an action or a coherent set of actions. The program is the specialty unit of the appropriations and the level of the authorization of the expenditure
Annual performance projects (PAP)	Appendices to the PLF, which develop credits and various pieces of information by program (strategy, actions, objectives, expected results)
Annual Performance Reports (APRs)	Appendices to the Settlement Bill, which provide information on budget execution (differences with forecasts, results and indicators)
Gross receipts	Revenue received, before deduction of repayments or tax relief
Net revenue	Gross receipts less the amount of repayments and tax relief
Credit reports	Commitment authorizations or payment credits available on a program at the end of the year can be carried over to the following year, within certain limits.
Primary balance	It is made up of the difference between net revenue and net expenditure, before payment of debt interest.
Credit transfer	Modification of the distribution of appropriations between programmes of separate ministries
Bank transfer of credits	Modification of the distribution of appropriations between programmes of the same ministry

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