

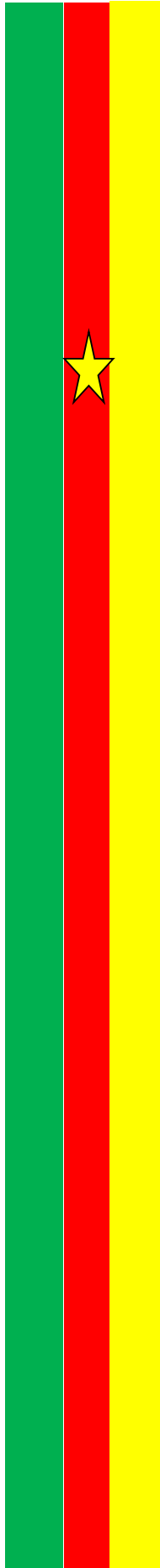
REPUBLIQUE DU CAMEROUN

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Paix – Travail – Patrie  
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REPUBLIC OF CAMEROON

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Peace – Work – Fatherland  
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# STATE BUDGET EXECUTION REVIEW AT THE END OF JUNE 2023

# SUMMARY

SUMMARY ..... i

LIST OF TABLES ..... ii

LIST OF GRAPHS..... ii

LIST OF BOXES ..... ii

LISTE OF APPENDICES ..... ii

FOREWORD..... iii

EXECUTIVE SUMMARY ..... iv

**INTRODUCTION** ..... 6

**PART ONE: MOBILIZATION OF BUDGETARY RESOURCES** ..... 8

1.1- Internal revenues..... 9

1.2- Borrowings and grants..... 15

**PART TWO : EXECUTION OF BUDGET EXPENSES**..... 18

2.1-Expenditure by economic nature ..... 18

2.2-Special cases of social expenditure..... 23

**PART THREE: BUDGETARY RESULTS** ..... 25

3.1- Budget balances..... 25

3.2- Financing ..... 27

3.3- Indicators for monitoring the economic and financial program ..... 27

**PART FOUR: SPECIAL THEMES** ..... 29

4.1- Derogatory procedures..... 29

4.2- External financing..... 30

4.3- Resources Transferred to RLAs ..... 31

4.4- Floating debt ..... 32

**CONCLUSION** ..... 33

APPENDICES ..... vi

Appendix 1 : Changes brought about by the Ordinance of 02 June 2023 on the main headings of the budget..... vi

TABLE OF CONTENT ..... x

## LIST OF TABLES

Table 1 : Overall budget execution in resources (in billion) .....	8
Table 2 : Tax yield at end-June (in billion) .....	12
Table 3 : Breakdown of revenues by type of charge and levy, at the end of June 2023 (in billion).....	13
Table 4 : Realization of non-tax revenues (in billion) .....	14
Table 5 : BTA issues in the first half of 2022 and 2023 (in billion) .....	16
Table 6 : OTA issues in the first half of 2022 and 2023 (in billion) .....	16
Table 7 : Reimbursement of government securities .....	17
Table 8 : Overall budget expenditure (in billion).....	18
Table 9 : Social expenditure at the end of June 2023 (in billion) .....	24
Table 10 : Summary of budget execution (in billion) .....	25
Table 11 : Presentation of financing resources and charges (in billion) .....	27
Table 12 : Implementation of some PEF monitoring indicators .....	28
Table 13 : Expenses incurred under the derogation procedures at June 30, 2023.....	29
Table 14 : Cash on hand at the end of June 2023 .....	30
Table 15 : Execution of investment transfer expenditure to RLAs at the end of June 2023 (in thousands of CFA francs).....	32
Table 16 : Change in resources and expenses of the 2023 AFL compared to the FL .....	ix

## LIST OF GRAPHS

Graph 1 : Internal revenues and their components (in billion) .....	9
Graph 2 : Oil revenues mobilized in the first half of 2022 and 2023 (in billions) .....	9
Graph 3 : Non-oil revenues mobilized in the first half of 2022 and 2023 (in billion) .....	10
Graph 4 : Weight of tax revenue components in first-half 2022 and 2023 (%) .....	10
Graph 5 : Weight of tax revenues in the first half of 2023 .....	11
Graph 6 : Weight of non-tax revenue components in June 2023 .....	15
Graph 7 : Current expenditure excluding interest on debt (in billion).....	19
Graph 8 : Payroll by institutional sector at the end of June 2023 (in billions).....	20
Graph 9 : Salary debt payments by institutional sector at the end of June 2023 (in billion) ...	20
Graph 10 : Investment expenditure (in %) .....	22
Graph 11 : Evolution of FINEX disbursements to projects .....	30

## LIST OF BOXES

Box 1 : Defining and calculating budget balances.....	26
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## LISTE OF APPENDICES

Appendix 1 : Changes brought about by the Ordinance of 02 June 2023 on the main headings of the budget .....	vi
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## FOREWORD

In accordance with section 85 sub-section 8 of Law No. 2018/012 of July 11, 2018 on the Fiscal Regime of the State and Other Public Entities, which states that "*Government shall before Parliament, for information and control purposes, quarterly reports on the execution of the budget in revenue and in expenditure as well as on the implementation of the finance law. These reports shall be made available to the public*" and section 36 of the Code of Transparency and Good Governance, which states that "*Periodic reports on the budget implementation status shall be published during the year*", the Ministry of Finance has undertaken to produce a mid-term review of budget execution.

This review reports on the status of execution of the 2023 Finance Law as at June 30. As an accountability document, it provides parliamentarians and the public with more information on the management of public funds in 2023. In addition, it helps to establish recommendations that will contribute to the correction of shortcomings noted at mid-term. Ultimately, this document provides MINFI with an analytical tool for regular monitoring of budget execution in a context marked by the quest for greater budgetary discipline.

The mid-year review covers only general budget operations. The data used come from the TABORD at the end of June 2023 produced by the Forecasting Division, based on information from the Autonomous Sinking Fund (CAA), MINEPAT, DGB, DGI, DGD and DGTCFM.

Special themes concern overriding procedures (imprest accounts, cash advances), transferred resources, floating debt and the state of public procurement.

## EXECUTIVE SUMMARY

In the first half of the year, execution of the 2023 budget was marked at international level by the persistence of uncertainties linked to geopolitical tensions and exposure to security threats, notably: (i) the fall in manufacturing output and the continued tightening of monetary and financial conditions; (ii) the persistent disruption of global supply chains, linked to the continuing war in Ukraine.

At national level, Cameroon's economy remains resilient in the face of economic and security shocks, despite a context marked by: (i) the continuing security crisis in three regions of the country; (ii) a surge in prices, particularly consumer prices; (iii) the rise in world crude oil prices, which led to an increase in budget revenues as well as fuel price subsidies at the pump; (iv) the adoption of an amendment to the finance law through Ordinance N°2023/001 of June 02, 2023.

General budget appropriations of 6,274.8 billion in the initial 2023 Finance Law have been revised upwards by 367.7 billion to 6,642.5 billion. This brings the overall budget deficit to 0.7% of GDP.

The execution of the State budget for the 2023 financial year to the end of June shows a positive budget balance of 137.6 billion, resulting from ordinary resources (excluding borrowing revenues) of 2,342.8 billion and expenses (excluding debt amortization) of 2,210.6 billion.

### **Budget performance in terms of resources**

At the end of June 2023, the State's total resources amounted to 2,926.5 billion, representing an execution rate of 44.1% of the forecast in the 2023 Amending Finance Law (AFL). Compared with June 30, 2022, these resources are down by 5.4 billion. They are made up of 80.9% internal revenues and 19.1% borrowings and grants.

**Internal revenues** amounted to 2,366.7 billion, or 50.6% of annual forecasts. Compared with the same period in 2022, domestic revenues increased by 329.8 billion (+16.2%), mainly due to the rise in non-oil revenues (contributing 14.3% to the increase in domestic revenues). Internal revenues are made up of oil revenues (19.2%) and non-oil revenues (80.8%).

**Oil revenues** amounted to 453.3 billion versus 401.8 billion at the end of June 2022, an increase of 51.5 billion. The revenue realization rate was 53.8%.

**Non-oil revenues** amounted to 1,913.4 billion, representing 49.9% of the revised annual forecast. Compared with end-June 2022, they increased by 278.3 billion (+17.0%). Tax revenues accounted for 93.4% and non-tax revenues for 6.6%.

**Tax revenues** stood at 1,788 billion, up 235.5 billion compared with end-June 2022.

**Tax and levies revenues** totalled 1,303.6 billion, up 152.3 billion (+13.2%). **Customs revenues** amounted to 484.4 billion, up 83.2 billion (+20.7%).

**Non-tax revenues** increased by 42.8 billion compared with the first half of 2022, to 125.4 billion, representing 46.6% of annual forecasts.

**Borrowings and grants** amounted to 559.8 billion. They represented 28.5% of the annual forecast of 1,963.0 billion. **Borrowings** contracted by the State to continue implementing investment projects amounted to 194.6 billion, representing 24.5% of

the annual forecast. Recourse to the auction market accounted for 13.9% of borrowing revenue.

At the end of June 2023, **grants** amounting to 7.1 billion had been raised, representing 7% of the annual grant forecast.

### **Execution of budget expenses**

**Total government expenditure** amounted to 2,878.1 billion euros, representing an implementation rate of 43.3% of AFL forecasts. They break down as follows:

**Current expenditure (excluding interest on debt)** amounted to 1,673.6 billion, representing an achievement rate of 48.5%. They accounted for 59.0% of total government expenditure. Personnel expenditure accounted for 38.0% of current expenditure.

**Capital expenditure** amounted to 396.1 billion euros, i.e. an implementation rate of 34.7%. They accounted for 13.7% of total expenses at the end of June 2023.

**Public debt service payments** stood at 808.4 billion, up 108.6 billion compared with end-June 2022. Public debt servicing accounts for 28.1% of the State's total expenses, and 39.5 % of these expenses were paid.

However, the execution of the 2023 budget remains marred by derogatory procedures and shortcomings in the execution of the public investment budget.

Efforts to mobilize resources, especially financing resources, improve the consumption of investment credits and control operating costs will need to continue in the second half of 2023, in order to meet growing social and security needs.

## INTRODUCTION

This report presents the state of execution of the State budget at the end of June 2023, based on the provisions of Law N°2022/020 of December 27, 2022, laying down the Finance Law of the Republic of Cameroon for the financial year 2023, amended and supplemented by Ordinance N°2023/001 of June 02, 2023. This report reviews the execution of revenue and expenditure of the State's general budget. It describes and analyses the salient facts of the global and national economy that have marked the execution of the budget during this period. The report is intended for public information and participates in budget transparency in accordance with Law N°2018/011 of July 11, 2018 on the Code of Transparency and Good Governance in the Management of Public Finances.

In the first half of 2023, the State budget was executed in an international context mainly marked by: (i) the decline in manufacturing output and the continued tightening of monetary and financial conditions; (ii) the continued disruption of global supply chains, linked to the ongoing war in Ukraine.

According to the IMF's World Economic Outlook (October 2023), global growth is set to slow to 3.0%, after 3.5% in 2022, mainly due to the situation in the Eurozone (0.7% vs. 3.3% in 2022). In the **advanced countries**, the growth rate is set to fall from 2.6% in 2022 to 1.5%. However, it should remain stable at 2.1% in the **United States of America**. In **emerging and developing countries**, growth should be broadly stable at 4.0% in 2023. In **China**, growth is estimated at 5.0%, after 3.0% in 2022, due on the one hand to higher overall consumption and net exports, and on the other to lower investment. In **sub-Saharan Africa**, growth is set to decelerate to 3.3% after 4.0% in 2022, influenced by the slowdown in activity in **Nigeria** (2.9% after 3.3%) and **South Africa** (0.9% after 1.9%). In the **CEMAC** zone, where the economy is heavily dependent on crude oil prices, growth should slow to 2.7% after 3.3% in 2022.

With regard to commodity prices, the commodity price index fell by 7.5% between February and August 2023. This decline is mainly due to base metals (-15.7%) and European natural gas (-36.0%). Over 2023 as a whole, average crude oil prices are expected to fall from \$96.36/barrel in 2022 to \$80.5/barrel.

**At national level**, the budget execution context is marked by: (i) the increase in fuel prices since February 1, 2023, in order to reduce price subsidies at the pump; (ii) the upgrading of salaries for civil and military State personnel at an average rate of 5.2%; (iii) the granting by the IMF of a general allocation of SDRs which brought additional resources to the State budget; and (iv) the adoption of a rectifying finance law (AFL).

This context has led to the latest updates of the macroeconomic framework, which show: (i) a growth rate of 3.9% in 2023 against an initial projection of 4.2%; (ii) a revised inflation rate of 6.7% against an initial projection of 3.0%; (iii) a fall in total resources, attributable to a fall in borrowings and grants; (iv) an increase in total expenditure, driven by current expenditure.

This report on the execution of the AFL 2023 to the end of June comprises four (04) parts: the first is devoted to budgetary resources, analysing internal revenues collected and external resources received; the second focuses on budgetary expenses, i.e., those

that have actually been authorized; the third presents the budgetary results; the fourth looks at specific themes linked to budget execution.

In terms of performance analysis, resources mobilized and expenditure incurred are compared with the forecasts in the Amendment to the Finance Law.



## PART ONE: MOBILIZATION OF BUDGETARY RESOURCES

Budgetary resources include internal revenues, borrowings and grants. As at June 30, 2023, they stood at 2,926.5 billion, representing 44.1% of the revised annual forecast. They are made up of 80.9% internal revenues and 19.1% borrowings and grants. Compared with the end of June 2022, resources are down by 5.4 billion (-0.2%), due to lower borrowings and grants.

**Table 1 : Overall budget execution in resources (in billion)**

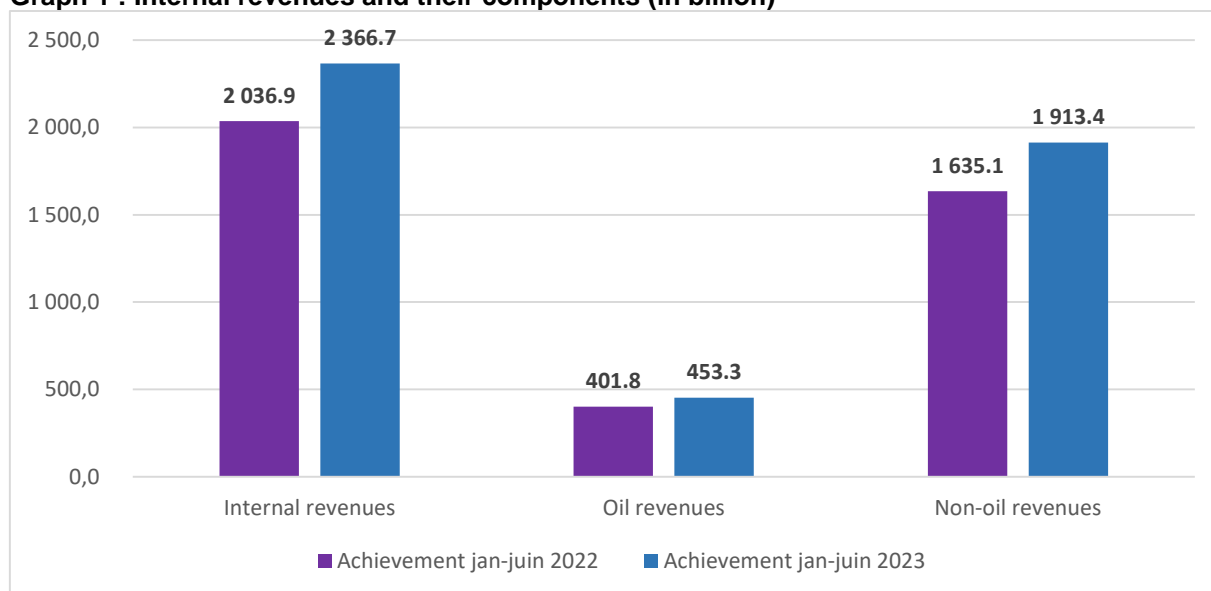
HEADINGS	I.F.L.	A.F.L.	Jan-June 22	Jan-June 23	Variation Jan-June 2022/Jan-June 2023		Execution rate (%) (d)/(b)
	2023	2023	Execution	Execution	Value (e)=(d) - (c)	(%) (e)/(c)	
	(a)	(b)	(c)	(d)			
<b>A- INTERNAL REVENUES</b>	<b>4 585,5</b>	<b>4 679,5</b>	<b>2 036,9</b>	<b>2 366,7</b>	<b>329,8</b>	<b>16,2</b>	<b>50,6</b>
<b>I-Oil revenues</b>	<b>807,0</b>	<b>841,8</b>	<b>401,8</b>	<b>453,3</b>	<b>51,5</b>	<b>12,8</b>	<b>53,8</b>
1-SNH royalty	462,0	594,5	334,9	351,3	16,4	4,9	59,1
2- CT oil	100,0	247,3	66,9	102,0	35,1	52,5	41,2
<b>II- Non-oil revenues</b>	<b>3 778,5</b>	<b>3 837,7</b>	<b>1 635,1</b>	<b>1 913,4</b>	<b>278,3</b>	<b>17,0</b>	<b>49,9</b>
<b>1- Tax revenues</b>	<b>3 528,1</b>	<b>3 568,4</b>	<b>1 552,5</b>	<b>1 788,0</b>	<b>235,5</b>	<b>15,2</b>	<b>50,1</b>
<b>a- Tax and levies revenues</b>	<b>2 523,4</b>	<b>2 594,7</b>	<b>1 151,3</b>	<b>1 303,6</b>	<b>152,3</b>	<b>13,2</b>	<b>50,2</b>
including - VAT	900,0	914,0	358,8	378,0	19,2	5,4	41,4
- Non-oil corporate income tax	500,0	515,0	296,7	337,6	40,9	13,8	65,6
- Excise duties	310,0	310,0	141,4	159,2	17,8	12,6	51,4
- Registration and stamp duties	135,8	141,1	53,5	75,5	22,0	41,1	53,5
- STPP	155,0	155,0	76,5	81,5	5,0	6,5	52,6
<b>b- Customs revenues</b>	<b>1 004,7</b>	<b>973,7</b>	<b>401,2</b>	<b>484,4</b>	<b>83,2</b>	<b>20,7</b>	<b>49,7</b>
including - Customs/import duty.	419,7	365,8	158,3	188,7	30,4	19,2	51,6
- Import VAT	437,7	446,1	190,9	222,6	31,7	16,6	49,9
- Excise duties/import.	61,3	60,9	25,0	30,8	5,8	23,2	50,6
- Exit duties	61,3	58,0	20,0	24,3	4,3	21,5	41,9
<b>2- Non-tax revenues</b>	<b>250,4</b>	<b>269,3</b>	<b>82,6</b>	<b>125,4</b>	<b>42,8</b>	<b>51,8</b>	<b>46,6</b>
<b>B- PROCEEDS FROM LOAN AND DONATIONS</b>	<b>1 689,3</b>	<b>1 963,0</b>	<b>895,0</b>	<b>559,8</b>	<b>-325,2</b>	<b>-37,5</b>	<b>28,5</b>
<b>BORROWING INCOME</b>	<b>1 598,3</b>	<b>1 862,0</b>	<b>833,3</b>	<b>552,7</b>	<b>-270,6</b>	<b>-33,7</b>	<b>29,7</b>
- Project loans	795,4	795,4	343,6	194,6	-149,0	-43,4	24,5
- IMF loans	139,0	136,0	69,0	45,4	-23,6	-34,2	33,4
- Budget support	101,0	88,1	45,9	23,3	-22,6	-49,2	26,4
- Issuance of public securities	450,0	450,0	304,8	229,4	-75,4	-24,7	51,0
- Bank loans	71,7	271,7	0,0	0,0	0,0	NC	0,0
SDR allocation	41,2	120,8	70,0	60,0	-10,0	-14,3	49,7
<b>DONATIONS</b>	<b>91,0</b>	<b>101,0</b>	<b>61,7</b>	<b>7,1</b>	<b>-54,6</b>	<b>-88,5</b>	<b>7,0</b>
<b>TOTAL GENERAL BUDGET RESOURCES</b>	<b>6 274,8</b>	<b>6 642,5</b>	<b>2 931,9</b>	<b>2 926,5</b>	<b>-5,4</b>	<b>-0,2</b>	<b>44,1</b>

Source: MINFI

## 1.1- Internal revenues

Internal revenues are made up of oil and non-oil revenues. As at June 30, 2023, they stood at 2,366.7 billion, representing an achievement rate of 50.6% compared with the annual forecast. Compared with their level at the same date in 2022, they increased by 329.8 billion (+16.2%), mainly due to the rise in non-oil revenues.

**Graph 1 : Internal revenues and their components (in billion)**

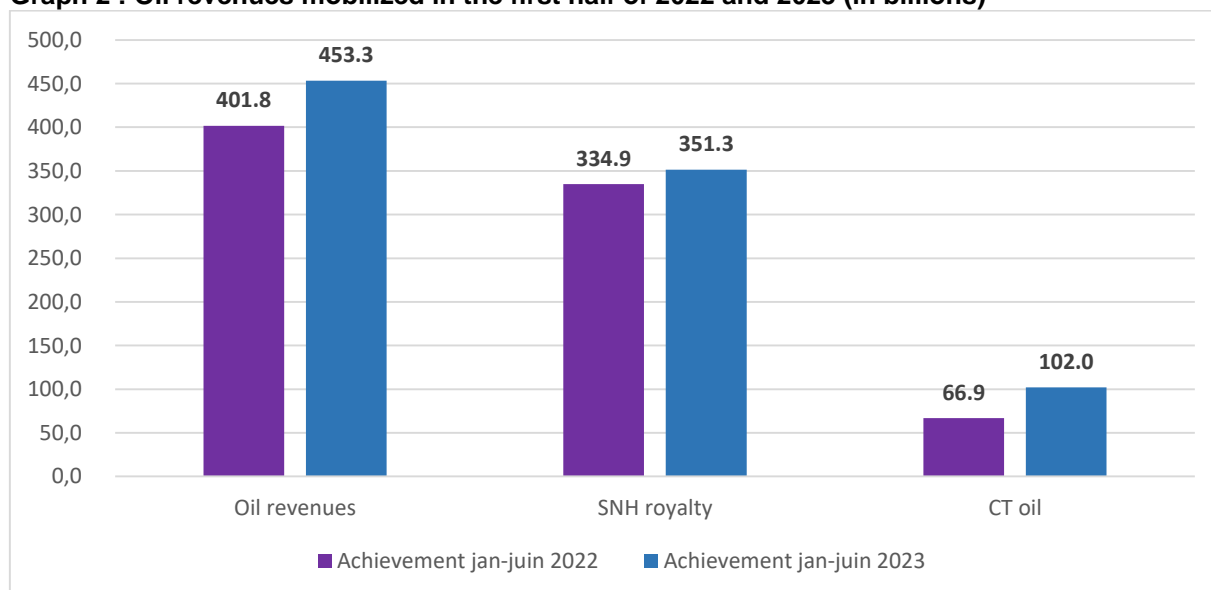


**Source :** MINFI

### 1.1.1- Oil revenues

In the first half of 2023, oil revenues amounted to 453.3 billion, representing an achievement rate of 53.8% compared with the annual forecast. They include 351.3 billion in SNH oil royalties and 102.0 billion in oil company tax. Year-on-year, oil revenues increased by 51.5 billion (+12.8%).

**Graph 2 : Oil revenues mobilized in the first half of 2022 and 2023 (in billions)**

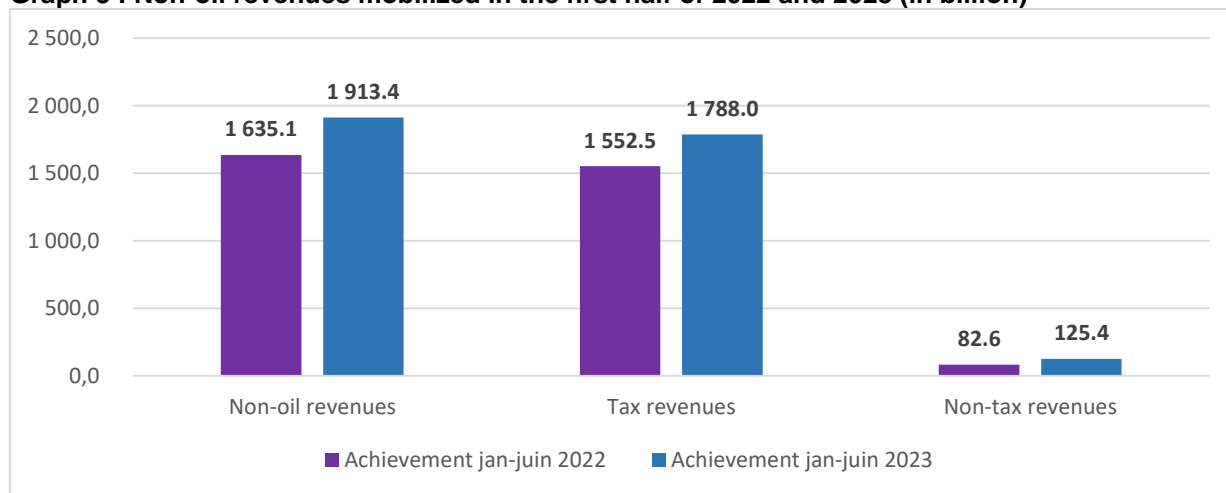


**Source :** MINFI

### 1.1.2- Non-oil revenues

As at June 30, 2023, non-oil revenues totalled 1,913.4 billion, representing 49.9% of AFL 2023 forecasts. Non-oil revenues are made up of tax revenues (93.4%) and non-tax revenues (6.6%). Compared with the same date in 2022, non-oil revenues increased by 278.3 billion (+17.0%), resulting from the rise in two components.

**Graph 3 : Non-oil revenues mobilized in the first half of 2022 and 2023 (in billion)**

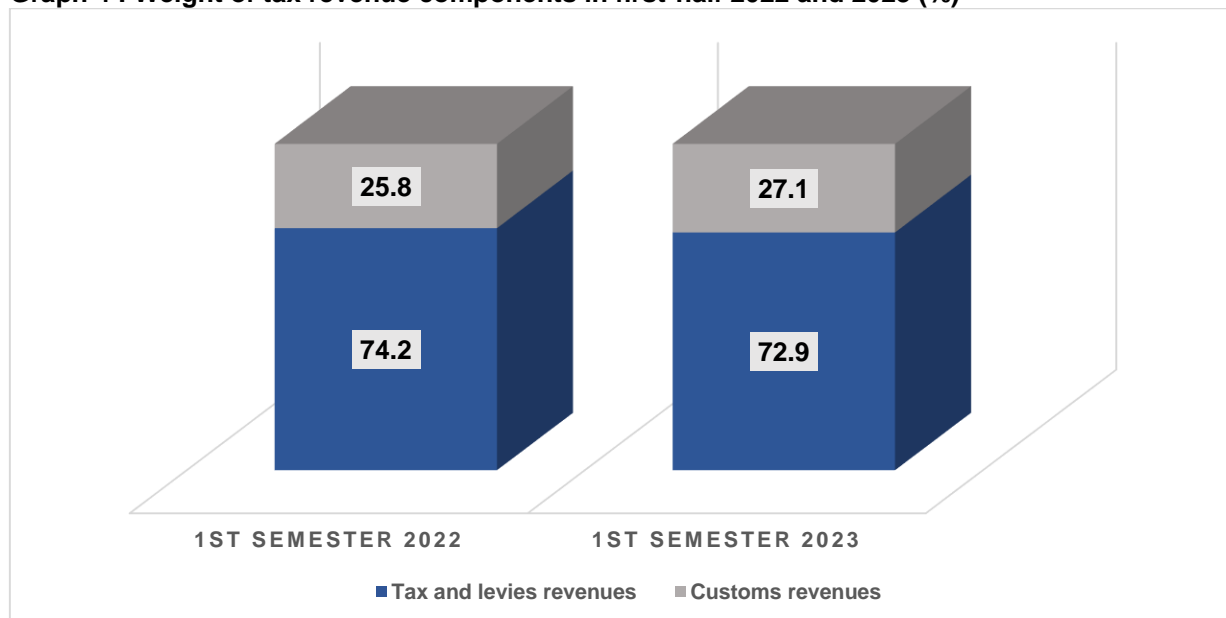


**Source :** MINFI

#### 1.1.2.1- Tax revenues

Tax revenues comprise domestic taxes and customs receipts. As at June 30, 2023, they stood at 1,788 billion, i.e. 50.1% of the annual forecast of 3,568.4 billion. Compared with the end of June 2022, tax revenues rose by 235.5 billion (+15.2%), resulting from an increase in taxes (+152.3 billion) and customs revenues (+83.2 billion).

**Graph 4 : Weight of tax revenue components in first-half 2022 and 2023 (%)**



**Source :** MINFI

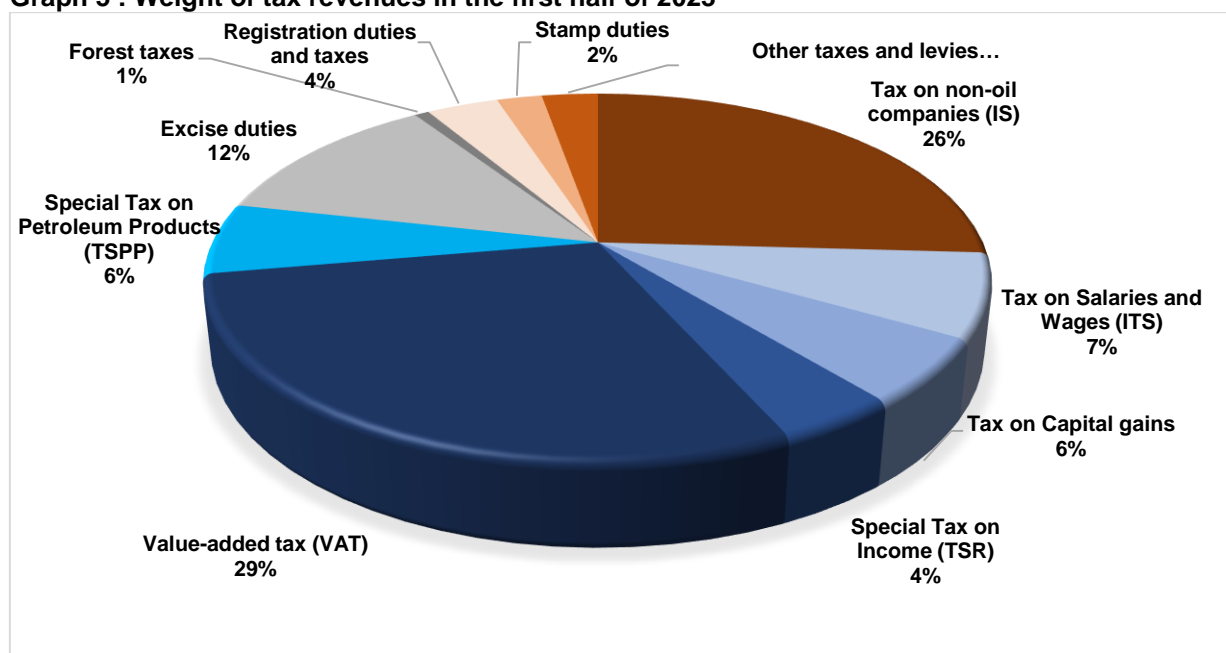
## ❖ Taxes and levies

Out of an annual target of 2,594.7 billion, taxes mobilized in the first half of 2023 amounted to 1,303.6 billion, representing an achievement rate of 50.2%. Compared with the first half of 2022, this represents an increase of 152.3 billion (+13.2%). This performance is attributable to tax administration and tax policy reforms.

Tax administration reforms have broadened the tax base, tightened taxpayer monitoring, secured revenues and facilitated users' tax obligations. They have mainly focused on: (i) the detection and reclassification of more than 5,000 taxpayers under the actual tax regime, based on the exploitation of various sources of information (foreign trade, customer/supplier listing, statistical and tax declarations (DSF), taxpayers' monthly returns, etc.); and (ii) the reorganization of services and the dematerialization of tax procedures.

Tax policy reforms under the Finance Law included: (i) the increase in stamp duty rates, with additional revenues of 7.2 billion euros; (ii) the introduction of the TSPP on gas, with an added value of 1.6 billion euros; and (iii) the application of the tax on money transfer operations, which generated additional resources of 3.1 billion euros.

**Graph 5 : Weight of tax revenues in the first half of 2023**



**Source :** MINFI

By type of revenue, the following taxes and levies showed an increase in performance:

- **Non-oil corporate income tax (IS):** 337.6 billion were collected against an annual target of 515.0 billion, representing an achievement rate of 65.6%. Compared with the figures for the first half of 2022, these revenues are up by 40.9 billion (+13.8%) due to the increased yield on annual balances paid in March 2023 (+35.1 billion) and the substantial revenues collected on the tax arrears of certain public companies;
- **tax on capital gains (IRCM):** 74.4 billion were collected against an annual target of 70.0 billion, representing an achievement rate of 106.3%. Compared with the

same period in 2022, this revenue is up by 44.6 billion (+149.6%), due in particular to the IRCM on capital gains from the buyout of Guinness Cameroun by the *Société Anonyme des Boissons du Cameroun* (SABC);

- **registration fees:** out of an annual target of 88.1 billion, the tax authorities collected 46.4 billion, representing an achievement rate of 52.7%. Compared with the first half of 2022, registration fees rose by 55.4%, due in particular to the registration of the Guinness Cameroun takeover mentioned above;
- stamp duties: 29.1 billion were raised against an annual target of 53.0 billion, representing an achievement rate of 55.0%. Compared with the same period in 2022, this represents an increase of 5.5 billion (+23.4%), due to higher stamp duty rates;
- excise duties: out of an annual target of 310.0 billion, 159.2 billion was raised, representing an achievement rate of 51.4%. Compared with the 1st half of the previous year, excise duties rose by 12.6%, due in particular to the increase in such duties in the brewing sector.

On the other hand, forestry taxes fell by 1.8 billion (-16.4%), due to the sluggish activity in this sector.

**Table 2 : Tax yield at end-June (in billion)**

Taxes and levies	Forecast AFL [a]	January –June 2023				Jan- June Exec 22. [f]	Semester Variation 2023/2022	
		Objective [b]	Execution [c]	Execution rate			Value [c]-[f]	relative [c]/[f]
				d=[c]/[b]	e=[c]/[a]			
Tax on non-oil companies (IS)	515,0	327,3	337,6	103,1%	65,6%	296,6	+41,0	+13,8%
Tax on Salaries and Wages (ITS)	210,0	102,1	96,5	94,6%	46,0%	96,9	-0,4	-0,4%
Tax on Capital gains	70,0	49,3	74,4	151,0%	106,3%	29,8	+44,6	+149,6%
Special Tax on Income (TSR)	127,0	57,7	55,4	96,1%	43,6%	53,6	+1,9	+3,5%
Value-added tax (VAT)	914,0	389,4	378,0	97,1%	41,4%	358,8	+19,2	+5,3%
Special Tax on Petroleum Products (TSPP)	155,0	78,6	81,5	103,7%	52,6%	76,5	+5,0	+6,6%
Excise duties	310,0	158,3	159,2	100,5%	51,4%	141,4	+17,7	+12,6%
Forest taxes	21,9	12,1	9,2	75,4%	41,8%	10,9	-1,7	-15,9%
Registration duties and taxes	88,1	35,0	46,4	132,4%	52,7%	29,9	+16,5	+55,4%
Stamp duties	53,0	26,5	29,1	110,1%	55,0%	23,6	+5,5	+23,4%
Other taxes and levies	130,6	39,6	36,2	91,6%	27,7%	33,3	+2,9	+8,7%
<b>TOTAL</b>	<b>2 594,7</b>	<b>1 275,8</b>	<b>1 303,6</b>	<b>102,2%</b>	<b>50,2%</b>	<b>1 151,3</b>	<b>+152,3</b>	<b>+13,2%</b>

**Source:** MINFI

### ❖ Customs revenues

Out of an annual target of 973.7 billion, customs revenues mobilized in the first half of 2023 amounted to 484.4 billion, representing an achievement rate of 49.7%. Compared with the first half of 2022, this represents an increase of 83.2 billion (+20.7%) due to the upturn in foreign trade and the positive impact of the new measures contained in the 2023 Finance Law.

With regard to foreign trade, the number of manifests at the Autonomous Ports of Douala and Kribi rose (+12.1%), as did the number of containers (TEU) declared for entry (+10.7%).

With regard to the new measures in the Finance Law, the positive impact to the end of June 2023 is estimated at 22.9 billion, due to the increase in the IT royalty rate (+10.8 billion), the readjustment of exit duty rates on certain products (+3.1 billion), the allocation of 32% of Community contributions to budget revenues (+3.2 billion) and the submission of certain goods to excise duty (+5.8 billion).

Revenues for the first half of 2023 could have been better had it not been for :

- the accumulation of government debt (39.2 billion, including 20.6 billion for MINEPAT and 18.7 billion for other government departments);
- new unreleased transactions by traders, with duties and taxes estimated at 47.8 billion;
- the accumulation of SONARA's debt: 1.7 billion in 2023, not including undeclared vessels;
- the impact of the Economic Partnership Agreement (EPA) between Cameroon and the European Union, estimated at 8.6 billion by the end of June 2023, versus 5.4 billion year-on-year.

Import VAT accounts for 46% of customs revenues, and import duties for 39%.

**Table 3 : Breakdown of revenues by type of charge and levy, at the end of June 2023 (in billion)**

Category	A.F.L.	Jan-June 2023				Jan-June 22	variation 2023/22	
		Objective	Execution	Execution rate (in%)		Execution	Value	(%)
	(a)	(b)	(c)	(c/b)	(c/a)	(d)	e=(c-d)	(e/d)
Import customs duties.	365,8	190,1	188,7	99,3	51,6	158,3	30,4	19,2
Import VAT.	446,1	215,3	222,6	103,4	49,9	190,9	31,7	16,6
Import excise duties	60,9	32	30,8	96,3	50,6	25	5,8	23,2
Exit duties	58	29,9	24,3	81,3	41,9	20	4,3	21,5
Other customs revenues	21,7	3,1	19,3	622,6	88,9	6,7	12,6	188,1
<b>TOTAL</b>	<b>973,7</b>	<b>470,4</b>	<b>484,4</b>	<b>103,0</b>	<b>49,7</b>	<b>401,1</b>	<b>83,3</b>	<b>20,8</b>

**Source** : MINFI

In the first half of 2023, VAT import receipts totalled 222.6 billion euros, representing an achievement rate of 49.9% compared with annual forecasts. Compared with the first half of 2022, this represents an increase of 31.7 billion (+16.6%).

Customs import duties amounted to 188.7 billion, compared with 158.3 billion in the first half of 2022, representing an increase of 19.2% and an achievement rate of 51.6% of the AFL 2023 forecasts.

Excise duties amounted to 30.8 billion, up 23.2% year-on-year. Compared with the annual target of 60.9 billion, the rate of achievement was 50.6%.

Exit fees amounted to 24.3 billion versus 20.0 billion in the first half of 2022, an increase of 21.5%. The annual forecast achievement rate is 41.9%.

#### *1.1.2.2- Non-tax revenues*

They are made up of revenues from State property (royalties and rents for the use of State property, sales of State real estate assets); service revenues (proceeds from the sale of goods and services); pension contributions; oil transit duties and other non-tax revenues (dividends paid by companies in which the State is a shareholder, exceptional revenues, port fees, etc.).

At the end of June 2023, non-tax revenues mobilized within the public sector were estimated at 125.4 billion against a target of 269.3 billion set by the Finance Law, representing an achievement rate of 46.6%. Year-on-year, these revenues are up by 42.8 billion, due to increases in other non-tax revenues (+34.7 billion), pension contributions (+7.9 billion) and oil transit duties (+2 billion)

**Table 4 : Realization of non-tax revenues (in billion)**

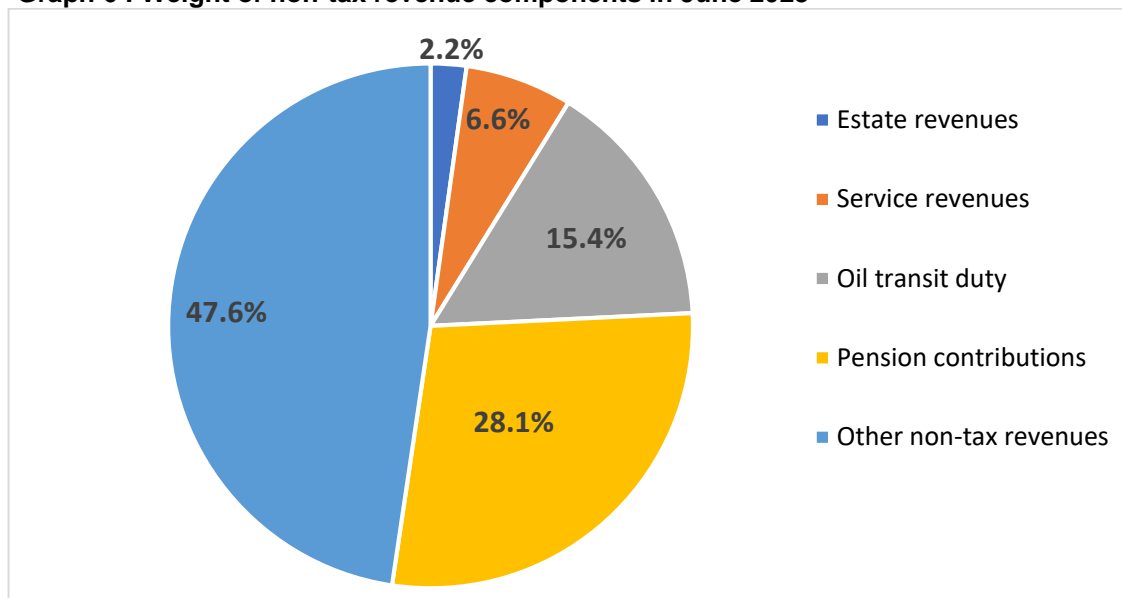
Category	AFL 2023 (a)	Execution 30 June 2022 (b)	Execution as at 30 June 2023 (c)	Variation (c/b)		Execution rate  2023 (%)
				Value	in %	
Estate revenues	7,9	3,5	2,8	-0,7	-20,0	35,4
Service revenues	75,5	9,4	8,3	-1,1	-11,7	11,0
Oil transit duty	45,2	17,3	19,3	2,0	11,6	42,7
Pension contributions	64,5	27,4	35,3	7,9	28,8	54,7
Other non-tax revenues	76,2	25,0	59,7	34,7	138,8	78,3
- of which dividends from shares and holdings	NA	14,6	44,6	30	205,5	NC
<b>TOTAL</b>	<b>269,3</b>	<b>82,6</b>	<b>125,4</b>	<b>42,8</b>	<b>51,8</b>	<b>46,6</b>

**Source** : MINFI ; NA : not available ; NC : not calculated

As at 30th June 2023, non-tax income by component was as follows:

- ❖ **Services revenues** amounted to 8.3 billion, representing an 11.0% implementation rate compared with the Bill. In terms of a year-on-year comparison, they fell by 1.1 billion (-11.7%).
- ❖ **Pension contributions** increased from 27.4 billion at the end of June 2022 to 35.3 billion, which represents an increase of 7.9 billion. Compared to the annual target of 64.5 billion, this represents an achievement rate of 54.7%.
- ❖ **Oil transit rights** amounted to 19.3 billion, representing a realization rate of 42.7% compared to the rectifying finance bill. On an annual basis, it rose by 2 billion (+11.6%) due to the increase in the volume of oil exported by Chad.
- ❖ **Other non-tax revenue** totalled 59.7 billion, representing a 78.3% rate of achievement of the Finance Bill forecasts. In year-on-year terms, they increased by 34.7 billion (+138.8%), due to the resumption of dividend payouts.
- ❖ **Estate revenues** amounted to 2.8 billion, i.e. 35.4% below the annual target of 7.9 billion. In year-on-year terms, they fell by 0.7 billion (-20.0%).

**Graph 6 : Weight of non-tax revenue components in June 2023**



**Source :** MINFI

## **1.2- Borrowings and grants**

The forecast for loans and grants in the Finance Bill is 1,963 billion. By the end of June 2023, loans and grants had been mobilized to the tune of 559.8 billion, representing a completion rate of 28.5%.

### **1.2.1- Loan income**

Loans include project loans, program loans, government securities issues, bank loans and SDRs. Out of a revised target of 1,862 billion, Government loans amounted to 552.7 billion, representing an achievement rate of 29.7%.

#### **1.2.1.1- Project loans**

As at 30th June 2023, project loan drawdowns stood at 194.6 billion, i.e. 24.5% of the annual forecast.

#### **1.2.1.2- Program loans**

Program loans comprise IMF loans and other budget support. At the end of June 2023, they amounted to 68.7 billion, including 45.4 billion from IMF loans and 23.3 billion from other budgetary support.

#### **1.2.1.3- Issuance of public securities**

Government securities are made up of Assimilable Treasury Bills (BTA) and Treasury Bonds. In the first half of 2023, budget financing through public security issues amounted to 229.4 billion, representing a 51.0% completion rate. These comprise 10.7 billion in net BTAs and 218.7 billion in Treasury bonds.



### ❖ Assimilable Treasury Bills (BTA)

BTAs are issued on a short-term basis to meet short-term cash requirements, with maturities of 13, 26 and 52 weeks. At the end of June 2023, BTA issues totalled 253.4 billion compared to 147.5 billion at the same period in 2022, representing an increase of 105.9 billion in absolute terms and 71.8% in relative terms. Repayments amounted to 242.7 billion and concerned BTAs issued in 2022 (217.7 billion) and 2023 (25.0 billion). Taking repayments into account, net issuance of BTAs amounted to 10.7 billion in the first half of 2023.

**Table 5 : BTA issues in the first half of 2022 and 2023 (in billion)**

Maturity	First semester 2022		First semester 2023		Variations		
	Amount issued	Weighted Average Interest Rate (WAIR)	Amount issued	Weighted Average Interest Rate (WAIR)	Value	(in %)	WAIR
13 weeks	4,0	2,5%	50,5	4,4%	46,5	1162,5	0,5%
26 weeks	143,5	2,7%	185,9	4,3%	42,4	29,5	0,6%
52 weeks	0,0		17,0	4,4%	17,0	-	
<b>Total</b>	<b>147,5</b>	<b>-</b>	<b>253,4</b>	<b>-</b>	<b>105,9</b>	<b>71,8</b>	

**Source :** MINFI

### ❖ Treasury bonds

OTAs and ECMRs are medium- and long-term financial instruments with the same characteristics, issued to finance public investment projects, but differing in the market in which they are issued. Their minimum maturity is 02 years. During the current financial year, the Government has chosen to diversify the types of instruments and sources of financing by seeking funding from both markets.

At the end of June 2023, OTA and ECMR bond issues totalled 218.7 billion, of which 42.5 billion were issued by auction and 176.2 billion by syndication. On a year-on-year basis, cumulative issuance is therefore 46.32% lower than in 2022. Redemptions of OTAs during the period under review amounted to 83.48 billion compared to 130.8 billion for the same period in 2022, a decrease of 36.15%. Net financing through the issuance of Treasury bonds (using both issuance mechanisms) thus amounts to 135.2 billion.

**Table 6 : OTA issues in the first half of 2022 and 2023 (in billion)**

Maturity	2022		2023		Variation		
	Amount issued	Interest rate	Amount issued	Interest rate	Value	(in %)	Interest rate
2 years	25	4,50%	15,00	4,75%	-10	-40,0	0,25%
3 years			84,37	5,70%		-	5,70%
4 years	25	4,50%	61,61	6,00%	36,613	146,4	1,50%
5 years	112,6	5,50%	14,50	5,75%	-98,1	-87,1	0,25%
6 years			32,58	6,63%	32,582	-	6,63%
7 years	235	6,20%		6,20%	-235	-100,0	0,00%
8 years			10,64	7,25		-	725,00%
10 years	9,85	5,00%		5,00%	-9,85	-100,0	0,00%
<b>Total</b>	<b>407,45</b>	<b>-</b>	<b>218,704</b>	<b>-</b>	<b>-283,755</b>	<b>-46,3</b>	<b>-</b>

**Source :** MINFI

**Table 7 : Reimbursement of government securities**

References	2022	2023	Variation	
			By value	in %
BTA-13 weeks	61,62	69,70	8,08	13,1
BTA-26 weeks	101,50	173,00	71,50	70,4
BTA-52 weeks	32,00		-32,00	-100,0
<b>TOTAL BTA</b>	<b>195,12</b>	<b>242,70</b>	<b>47,58</b>	<b>24,4</b>
02 years	33,35		-33,35	-100,0
03 years	97,41	35,00	-62,41	-64,1
04 years		48,48	48,48	-
TOTAL OTA	130,76	83,48	-47,27	-36,1
<b>Total</b>	<b>325,88</b>	<b>326,18</b>	<b>0,31</b>	<b>0,09</b>

**Source :** MINFI

### **1.2.2- Donations**

The Finance Law provides for 101 billion in donations. As at 30th June 2023, 7.1 billion in donations had been mobilized, representing 7.0% of the annual forecast.

## PART TWO : EXECUTION OF BUDGET EXPENSES

The initial forecasts for the 2023 financial year were modified by Ordinance N°2023/001 of June 02, 2023, amending and supplementing certain provisions of Law N°2022/026 of the 27th of December 2022, enacting the Finance Law of the Republic of Cameroon for the 2023 financial year. Budget execution rates have been calculated on the basis of the forecasts in this ordinance.

In line with these changes, the overall expenditure envelope for the 2023 financial year has been increased from 6,274.8 billion to 6,642.5 billion.

As at 30th June 2023, the State's total expenditure amounted to 2,878.1 billion, representing an implementation rate of 43.3% of the amending finance law forecasts. Compared to the same date in 2022, they had increased by 432.1 billion (+17.7%), driven mainly by current expenditure.

### 2.1-Expenditure by economic nature

State expenditure includes current expenditure (excluding interest on debt), capital expenditure and public debt servicing. Their execution is presented on the basis of appropriation schedules.

**Table 8 : Overall budget expenditure (in billion)**

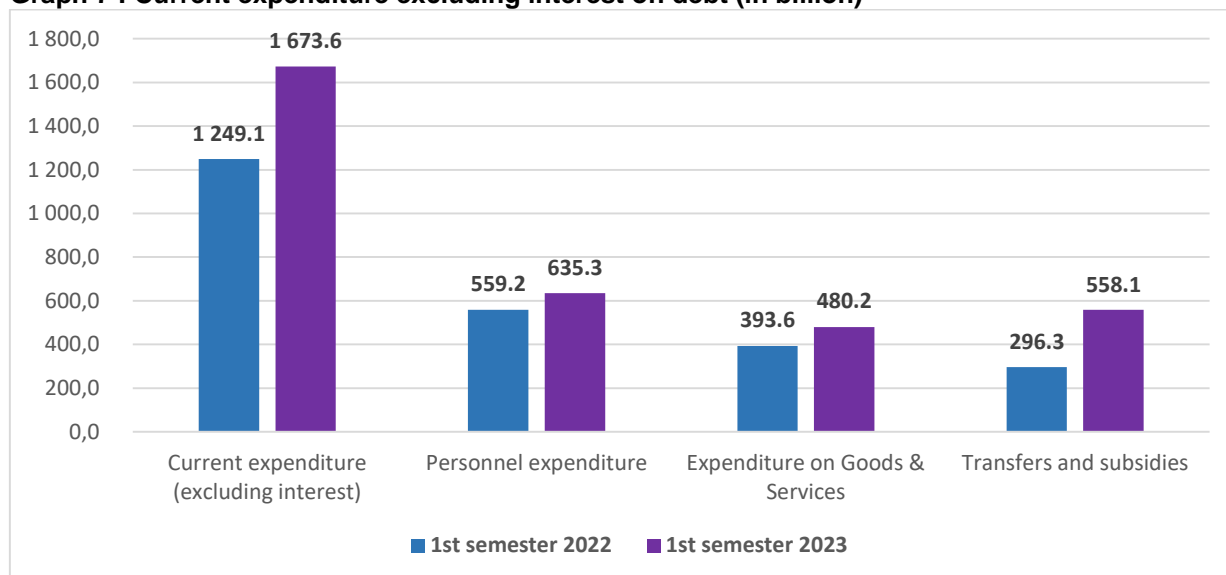
RUBRIQUES	L.F.I	L.F.R.	Exécution à fin juin 2022	Exécution à fin juin 2023	Taux d'exécution  % (f=d/b)	Variation	
	2022 (a)	2022 (b)				(c)	(d)
<b>I-Dépenses courantes (hors intérêts)</b>	<b>3 366,5</b>	<b>3 453,5</b>	<b>1 249,1</b>	<b>1 673,6</b>	<b>48,5</b>	<b>424,5</b>	<b>34,0</b>
Fonctionnement courant	2 333,5	2 280,7	952,8	1 115,5	48,9	162,7	17,1
- Dépenses de personnel	1 257,7	1 313,2	559,2	635,3	48,4	76,1	13,6
<i>Dont salaires</i>							
- Dépenses de Biens & Services	1 075,8	967,5	393,6	480,2	49,6	86,6	22,0
<i>dont - à régulariser</i>	0,0	0,0	201,0	212,8	NC	11,8	5,9
Transferts et Subventions	1 033,0	1 172,8	296,3	558,1	47,6	261,8	88,4
<i>dont - à régulariser</i>	0,0	0,0	0,0	0,0	NC	0,0	NC
- Subventions	773,8	913,6	172,4	432,2	47,3	259,8	150,7
- Pensions	259,2	259,2	123,9	125,9	48,6	2,0	1,6
<b>II- Dépenses d'investissement</b>	<b>1 169,7</b>	<b>1 142,2</b>	<b>461,5</b>	<b>396,1</b>	<b>34,7</b>	<b>-65,4</b>	<b>-14,2</b>
Sur financements extérieurs	723,5	723,5	227,0	201,6	27,9	-25,4	-11,2
Sur ressources propres	416,2	388,7	224,3	186,0	47,9	-38,3	-17,1
Dépenses de restructuration/réhabilitation	30,0	30,0	8,4	8,5	28,3	0,1	1,2
<b>III- Prêts rétrocédés</b>	<b>0,0</b>	<b>0,0</b>	<b>35,6</b>	<b>0,0</b>	<b>NC</b>	<b>-35,6</b>	<b>-100,0</b>
<b>IV- Service de la dette publique</b>	<b>1 738,6</b>	<b>2 046,8</b>	<b>699,8</b>	<b>808,4</b>	<b>39,5</b>	<b>108,6</b>	<b>15,5</b>
Dette extérieure	898,0	898,0	321,5	350,6	39,0	29,1	9,1
- Intérêts	194,0	194,0	106,0	83,9	43,2	-22,1	-20,8
- Principal	704,0	704,0	215,5	266,7	37,9	51,2	23,8
Dette intérieure	840,6	1 148,8	378,3	457,8	39,9	79,5	21,0
- Intérêts	119,9	128,9	22,7	54,4	42,2	31,7	139,6
- amortissement du principal	521,8	561,8	39,3	59,0	10,5	19,7	50,1
- Remboursement crédits TVA	84,0	84,0	52,0	31,0	36,9	-21,0	-40,4
- Arriérés intérieurs	114,9	374,1	46,8	313,4	83,8	266,6	569,7
<b>TOTAL Charges budgétaires</b>	<b>6 274,8</b>	<b>6 642,5</b>	<b>2 446,0</b>	<b>2 878,1</b>	<b>43,3</b>	<b>432,1</b>	<b>17,7</b>

**Source** : MINFI

### 2.1.1-Current expenditure (excluding interest on debt)

Current expenditure (excluding interest on debt) comprises current operating expenditure (personnel expenses and purchases of goods and services), and transfers and subsidies. As at June 30, 2023, they had increased by 424.5 billion compared with end-June 2022, to reach 1,673.6 billion. This represents an implementation rate of 48.5%.

**Graph 7 : Current expenditure excluding interest on debt (in billion)**



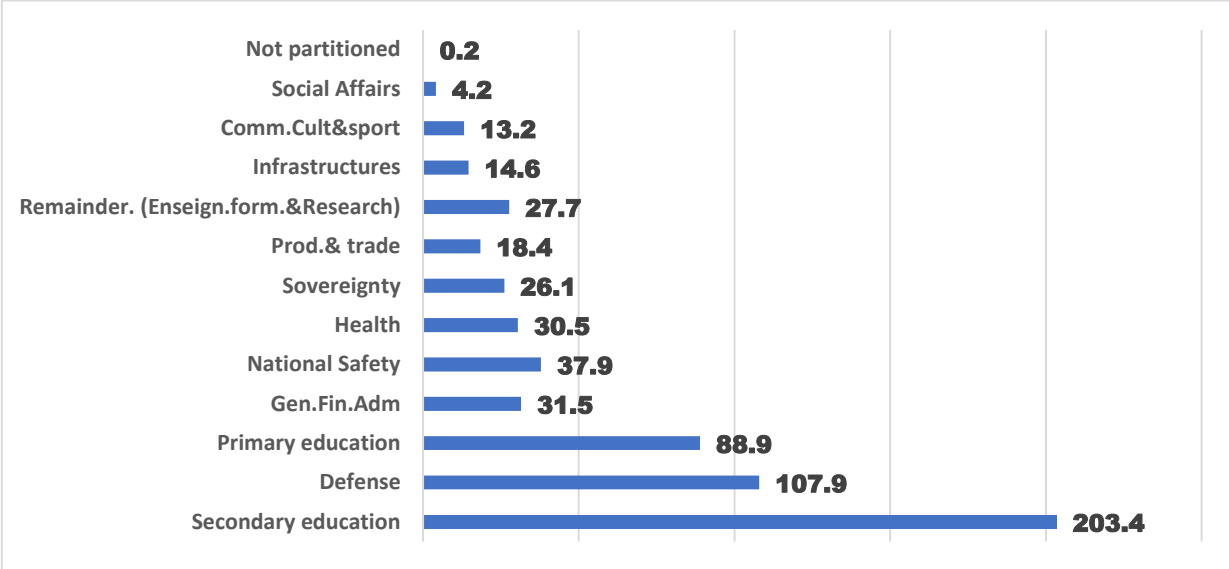
**Source:** MINFI

#### 2.1.1.1. Personnel expenditure

Nearly 95% of personnel expenditure is composed of salaries, and 5% of other personnel expenditure. At the midway point of 2023, the salary bill had been implemented to the tune of 635.3 billion, representing an implementation rate of 48.4%. Compared to the same period in 2022, the salary bill has increased by 13.6% (+76.1 billion), essentially due to the measures taken by the Government in response to teachers' demands, and the acceleration of salary payments (ex-temporary employees, primary school teachers and health personnel), on the one hand, and to the salary adjustments made in February 2023, on the other.

A 2023 mid-term overview of salary execution by institutional sector shows that salaries in secondary education amount to 203.4 billion, representing 33.6% of State salaries, thus testifying to its predominance over all personnel expenditure.

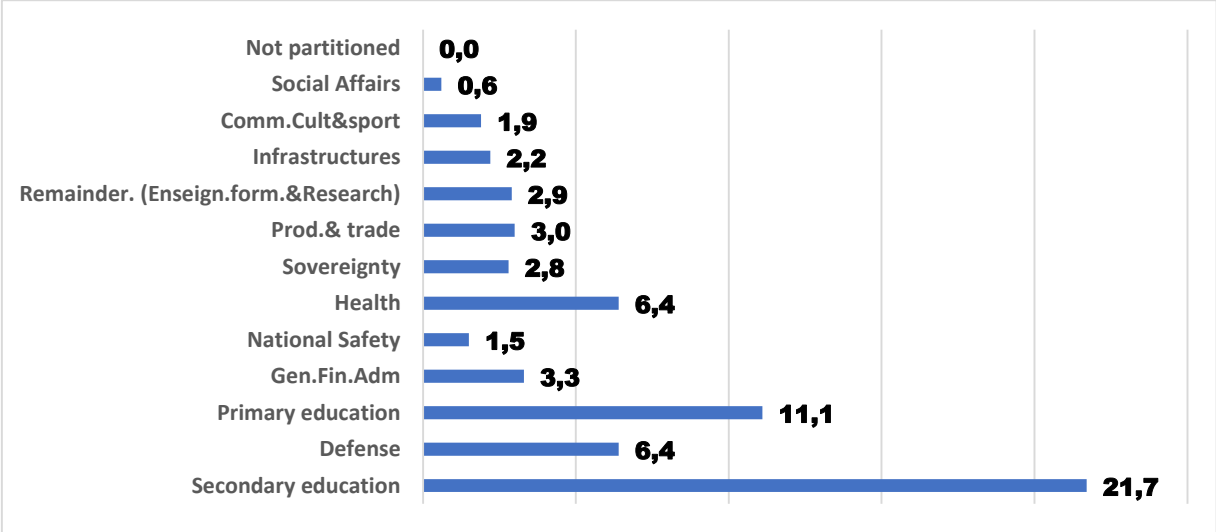
**Graph 8 : Payroll by institutional sector at the end of June 2023 (in billions)**



**Source :** MINFI

With regard to the settlement of the salary debt, this is done through the payment of salary arrears or acquired career benefits. An analysis of arrears paid in the first half of 2023 reveals that secondary education alone accounts for 21.7 billion (34.1% of the volume of arrears paid), and primary education 11.1 billion (17.4%). In the end, these two levels of education will have received 51.5% of the payments intended to clear the salary debt (32.8 billion).

**Graph 9 : Salary debt payments by institutional sector at the end of June 2023 (in billion)**



**Source :** MINFI

Other personnel expenditure amounted to 30.5 billion as of June 30th 2023, against an annual forecast of 46.7 billion, i.e. an implementation rate of 65.3%. Compared to 2022, when it stood at 60.2 billion, this expenditure is reduced by 13.5 billion (-22.4%).

*2.1.1.2. Expenditure on goods and services*

. Expenditure on goods and services amounted to 480.2 billion, i.e. an implementation rate of 49.6%. Compared to the end of June 2022, this represents an increase of 86.6 billion (+22%).

### *2.1.1.3. Transfers and subsidies*

Expenditure on transfers and subsidies amounted to 558.1 billion against an annual forecast of 1,172.8 billion, representing an implementation rate of 47.6%. In comparison with June 2022, this represents an increase of 261.8 billion (+88.4%).

Expenditure on pensions amounted to 125.9 billion, i.e. 48.6% of the forecast.

### **2.1.2. Investment expenditure**

At the end of June 2023, investment expenditure had been implemented to the tune of 396.1 billion (201.6 billion from external financing, 186.0 billion from internal resources and 8.5 billion in restructuring expenditure) out of an annual allocation of 1,142.2 billion, representing an implementation rate of 34.7%.

Compared with actual figures for the first half of 2022, capital expenditure decreased by 65.4 billion (-14.2%), attributable to lower spending on external financing (-25.4 billion) and on own resources (-38.3 billion).

#### *2.1.2.1. Investment expenditure from internal resources*

At the end of June 2023, capital expenditure from internal resources amounted to 186.0 billion out of an allocation of 388.7 billion, representing an implementation rate of 47.9%. The bulk of capital expenditure from internal resources relates to centrally-managed expenditure, due in particular to delays in project contractualization and the reissuing of cancelled expenditure authorizations in deconcentrated areas and at the level of decentralized local authorities.

With regard to centrally-managed credits, they financed, among other things:

- 41.9 billion in counterpart funds for jointly financed projects out of a total of 103.7 billion;
- 18.6 billion of the 63.2 billion allocated to PLANUT projects;
- projects financed by C2D funds amounting to 11.1 billion out of a total allocation of 11.6 billion
- 2.1 billion for projects under the Triennial Special Youth Plan, out of a total budget of 4 billion.

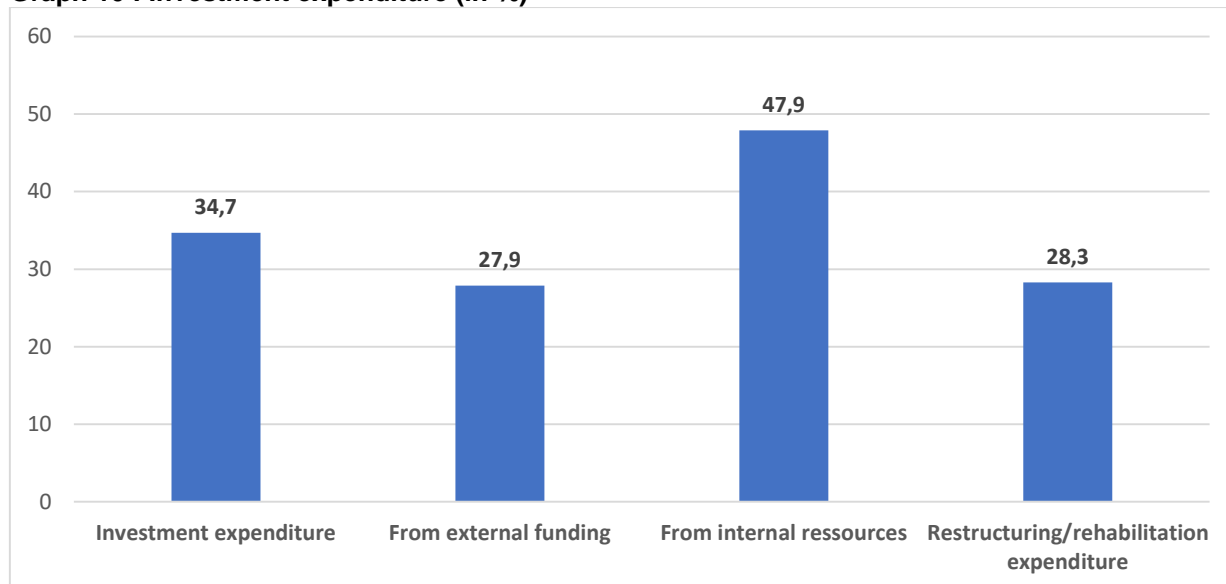
#### *2.1.2.2. Investment expenditure financed by external sources*

At the end of the first semester of the 2023 financial year, externally-financed investment expenditure amounted to 201.6 billion against an annual allocation of 723.5 billion, representing an implementation rate of 27.9 %. Year-on-year, they fell by 25.4 billion (-11.2 %). This decrease is largely attributable to the decline in disbursements of external financing on loan agreements to finance road infrastructure projects, with disbursements down by 90 billion compared with end-June 2022.

Disbursements under external financing at the end of June 2023 were driven by the following projects, among others:

- Potable Water Supply for the City of Yaoundé from the Sanaga River (PAEPYS): 34.6 billion;
- Transport Sector Development Project: 19.8 billion;
- Kribi Deep Sea Port Expansion Project (Phase 2): 15.7 billion;
- project to upgrade electricity transmission networks: 10.8 billion.

**Graph 10 : Investment expenditure (in %)**



**Source:** MINFI

### **2.1.3. Service of Public debt**

Service on public debt comprises service on external public debt and service on domestic public debt. As at June 30, 2023, service on the public debt amounted to 808.4 billion out of a forecast service of 2,046.8 billion, representing an execution rate of 39.5%. Compared to the end of June 2022, this represents an increase of 108.6 billion (+15.5%).

#### **2.1.3.1. Service of domestic public debt**

At the end of June 2023, debt servicing paid by the State to its domestic creditors amounted to 457.8 billion out of a forecast service of 1,148.8 billion, i.e. an execution rate of 39.9%.

#### **2.1.3.2. Service of external public debt**

In the first half of 2023, debt servicing paid by the State to its external partners amounted to 350.6 billion out of a forecast servicing of 898 billion, representing an execution rate of 39.0%. Compared to 2022, external debt servicing will increase by 29.1 billion, due to repayments of the first instalments of the 2017 IMF budget support, and the resumption of repayments after the suspensions due to the G20 initiative in 2020 and 2021.

## 2.2-Special cases of social expenditure

Social expenditure is public spending in the State budget on priority programs to accelerate the achievement of the Government's social development objectives. They include current and capital expenditure by government departments involved in social sectors (health, education, social affairs, etc.), as well as subsidies on administered prices (fuel at the pump, household electricity) and expenditure on the Social Safety Net Project. They are closely monitored, in line with the commitments made by the Government as part of the Economic and Financial Program (PEF), supported by a three-year agreement with the International Monetary Fund (IMF)'s Extended Credit Facility (ECF) and Extended Fund Facility (EFF). The program's quantitative indicator relating to the level of the social expenditure floor is set at FCFA 1,325 billion by the end of December 2023, with intermediate targets at the end of March (306 billion), the end of June (624 billion) and the end of September (993 billion).

At the end of June 2023, social spending amounted to 694.2 billion compared to a target of 624.0 billion at the end of June 2023, with a variance of 70.2 billion.

This result is attributable to current expenditure, which stands at 670.5 billion, or 96.6% of the overall level of expenditure. The latter was driven by MINESEC personnel expenses, which amounted to 203.5 billion (representing 29.3% of the overall level of expenditure), mobilized to resolve problems linked to the teachers' strike, and fuel pump expenses of 269.5 billion (representing 38.8% of the overall level of expenditure). Compared with the second quarter of fiscal 2022, which stood at 417.7 billion, there was an increase of 276.5 billion in the overall level of expenditure.

With regard to the performance recorded in each area of intervention, we note that education achieved the best performance, with 317.7 billion, or 45.8% of the overall level of expenditure. This was followed by household support, with 211.7 billion, or 30.5% of total expenditure.



**Table 9 : Social expenditure at the end of June 2023 (in billion)**

	PA AFL (a)	revised PA (b)	Ord. excluding advances (c)	Salaries, pensions and cash advance to settle (d)	Ord. global (e)=(c)+(d)	Ord. rate (%) (f) = (e)/(b)	Remaining rate Ord. (%) (g) = [(b) - (e)]/(b)
<b>INTERVENTIONS IN MINISTRIES</b>							
<b>A - Current expenditure</b>	<b>940,0</b>	<b>941,8</b>	<b>54,9</b>	<b>337,6</b>	<b>392,5</b>	<b>41,7</b>	<b>58,3</b>
Personnel expenses	694,2	694,2	1,6	337,6	337,6	48,6	51,4
Goods and services	197,8	202,6	30,0	0,0	31,6	15,6	84,4
Transfers and subsidies	48,0	45,0	23,3	0,0	23,3	51,8	48,2
<b>B - Capital expenditure</b>	<b>89,1</b>	<b>89,0</b>	<b>15,1</b>	<b>0,0</b>	<b>15,1</b>	<b>16,9</b>	<b>83,1</b>
<b>Total interventions in ministries</b>	<b>1029,1</b>	<b>1030,8</b>	<b>70,0</b>	<b>337,6</b>	<b>407,6</b>	<b>39,5</b>	<b>60,5</b>
<b>OTHER GOVERNMENT INTERVENTIONS</b>							
Imprest accounts	4,8	4,8	4,8	0,0	4,8	100,0	0,0
Common budget Chapters	11,4	11,4	2,5	0,0	2,5	21,9	78,1
CAS COVID-19	100,0	100,0	0,0	0,0	0,0	0,0	100,0
Subsidies on administered prices	475,3	475,3	272,3	0,0	272,3	57,3	42,7
Social Safety Net Project	21,3	21,3	7,0	0,0	7,0	32,9	67,1
<b>Total of other government interventions</b>	<b>612,8</b>	<b>612,8</b>	<b>286,6</b>	<b>0,0</b>	<b>286,6</b>	<b>46,8</b>	<b>53,2</b>
<b>TOTAL SOCIAL EXPENDITURE</b>	<b>1641,9</b>	<b>1643,6</b>	<b>356,6</b>	<b>337,6</b>	<b>694,2</b>	<b>42,2</b>	<b>57,8</b>

**Source** : MINFI

## PART THREE: BUDGETARY RESULTS

The budget for the 2023 financial year was voted with an estimated financing requirement of 226.3 billion, representing a budget deficit of 0.8% of GDP

### 3.1- Budget balances

The table below summarizes budgetary resources and expenditure. It shows the various budget balances.

**Table 10 : Summary of budget execution (in billion)**

REVENUE	AMOUNT	EXPENDITURE	AMOUNT
<b>I. GENERAL BUDGET</b>			
<b>INTERNAL REVENUE</b>	<b>2 366,7</b>	<b>CURRENT EXPENDITURE</b>	<b>1 811,9</b>
Gross tax revenue	1 788,0	Interest and commissions	138,3
Of which VAT credit repayments	31	Personnel expenditure	635,3
<b>Net tax revenue</b>	<b>1 757,0</b>	Goods and services	480,2
Oil revenues	453,3	Current transfers	558,1
Non-tax revenues	125,4		
<b>Total net internal revenue</b>	<b>2 335,7</b>	<b>EXPENDITURE ON CAPITAL</b>	<b>396,1</b>
<b>DONATIONS</b>	<b>7,1</b>	External funding	201,6
Program donations	0	Internal resources	186
Project donations	7,1	Participation/Restructuring	8,5
<b>EXCEPTIONAL INCOME</b>	<b>0</b>	<b>OTHER EXPENDITURE</b>	<b>0</b>
Privatization revenues	0	Net loans	0
<b>NET REVENUE GENERAL BUDGET</b>	<b>2 342,8</b>	<b>GENERAL BUDGET EXPENDITURE</b>	<b>2 208,0</b>
<b>II – SPECIAL TREASURY ACCOUNTS</b>			
Special allocation accounts	5,4	Special allocation accounts	2,6
<b>TOTAL NET GOVERNMENT BUDGET REVENUE</b>	<b>2 348,2</b>	<b>TOTAL STATE BUDGET EXPENDITURE</b>	<b>2 210,6</b>
<b>III - BALANCES</b>			
	AMOUNT	% of GDP	
<b>FINANCING CAPACITY/NEED</b>	<b>137,6</b>	<b>0,5%</b>	
<b>OVERALL BALANCE</b>	<b>137,6</b>	<b>0,5%</b>	
<b>PRIMARY BALANCE</b>	<b>275,9</b>	<b>0,9%</b>	
<b>NON-OIL PRIMARY BALANCE</b>	<b>-177,4</b>	<b>-0,6%</b>	

**Source** : MINFI

At the end of the first semester of the 2023 financial year, the overall budget balance is in surplus by 137.6 billion, the primary balance is in surplus by 275.9 billion and the non-oil primary balance deficit is 177.4 billion.

### **Box 1 : Defining and calculating budget balances**

The State budget is made up of resources and expenditure. The difference between resources and expenditure is the budget balance.

#### Budget resources.

They include internal revenues and loans and grant resources. Internal revenues include oil revenues (SNH royalties and taxes on oil companies) and non-oil revenues. Non-oil revenues comprise: domestic taxes and duties, customs revenues, non-tax revenues and loan repayments.

Loan and grant resources include: project loans, program loans or budget support, IMF loans, grants, public securities issues and bank loans.

#### Budgetary expenses

They include: current expenditure (excluding interest), capital expenditure and service of the public debt.

Current expenditure includes: personnel expenditure, expenditure on goods and services, transfers and subsidies.

Capital expenditure is that which contributes to gross fixed capital formation. They include capital expenditure from internal and external sources, as well as restructuring and rehabilitation expenditure.

Whether or not the various items that make up resources and expenditure are taken into account when calculating the balance, gives rise to several qualifiers for the calculated balance.

**The overall balance of the State budget** corresponds to the difference between resources (internal revenues plus donations) and expenditure. There are three possible scenarios: (i) when resources exceed expenditure, the State budget is said to be in surplus; (ii) when resources are equal to expenditure, the State budget is balanced; (iii) when resources are less than expenditure, the State budget is in deficit. Overall budget balance = total revenue - total expenditure

**The primary balance** is the difference between domestic revenue plus grants and expenditure excluding interest on public debt. It is an important indicator of a country's budgetary situation and the risks of uncontrolled growth in public debt.

The primary balance is a measure of a government's ability to repay its debt. It gives a fairly accurate picture of a government's "effort" to rebalance the budget balance, irrespective of the weight of history. If all revenues are used to finance non-debt spending, the State must borrow again to repay its debt.

A primary deficit is a negative balance in the general government budget, excluding interest paid on debt and income from financial assets. The opposite is a primary budget surplus.

**primary balance = total revenue - current expenditure excluding interest on public debt - capital expenditure from internal resources**

However, under the Economic and Financial Program agreed with the IMF, disbursements relating to expenditure on external funding are included in the calculation of the primary balance.

**primary balance = total revenue - current expenditure excluding interest on public debt - capital expenditure from internal resources - expenditure from external funding**

**The non-oil primary balance of the State budget is the difference between the primary balance and oil revenues.**

**non-oil primary balance = primary balance - oil revenues**

### 3.2- Financing

Financial needs for non-budgetary operations amounted to 655.6 billion. They were made up of external debt amortization (266.7 billion), the domestic debt amortization including the accumulation of bank deposits (201.6 billion), outstanding treasury bills and domestic arrears (111.3 billion), receipts from correspondents (45.0 billion), the accumulation of deposits with the banking system (328.6 billion) and the repayment of VAT credits (31.0 billion). Taking into account the financing gap of 5.7 billion, total financing needs amounted to 661.3 billion.

To cover these needs, the State found non-budgetary resources from project loans (194.6 billion), public securities issues (229.4 billion), PEF budgetary support (68.7 billion) and bank financing (31.0 billion). Including the budget surplus of 137.6 billion, these non-budgetary resources totaled 661.3 billion.

The table below shows the various components of financing needs and resources.

**Table 11 : Presentation of financing resources and charges (in billion)**

Financing and cash need	AMOUNT	Financing and cash resources	AMOUNT
Overall budget deficit		Budgetary surplus	137,6
Amortisation Structured debt	468,3	Project loans	194,6
External debt	266,7	Issuance of public securities	229,4
Domestic debt	201,6	Budget support PEF	68,7
Of which accumulation of bank deposits	6,1	Bank financing	31,0
Outstanding payments		<i>Escrow account VAT</i>	31,0
Treasury/unstructured debt CAA	111,3	Exceptional financing	0,0
Repayment of VAT credits	31	<i>Budget support BAD</i>	0,0
Net cash outflow to Correspondents	45,0	<i>(PARPAC)</i>	0,0
<i>Financing gap</i>	5,7	<i>Financing BID (CAS</i>	0,0
<b>TOTAL</b>	<b>661,3</b>	<i>Reconstruction)</i>	
		<b>TOTAL</b>	<b>661,3</b>

Source : MINFI/DGB \*including unstructured debt Autonomous Sinking Fund-CAA(decrease);\*\* including unstructured debt Autonomous Sinking Fund-CAA(accumulation)

### 3.3- Indicators for monitoring the economic and financial program

In 2021, Cameroon signed a three-year agreement with the IMF under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF). This program is monitored on the basis of Quantitative Performance Criteria (QPC) and Indicative Targets (IT). At the end of June 2023, the achievements of these criteria and benchmarks on public finances are as follows:

- The minimum non-oil primary balance is -331 billion. Achievements amounted to -119.8 billion over the period under review, showing that the criterion has been met;
- The upper limit on the Government's net domestic funding (excluding IMF funding) is 132 billion at the end of June 2023. Over the same period, achievements amounted to -72.5 billion, showing that the criterion has been met;
- The central government's debt ceiling with the Central Bank (excluding IMF funding) is set at 139 billion at the end of June 2023. The actual figure was -88.6 billion over the same period, showing compliance with the criterion;

- The ceiling on disbursements of non-concessional external loans has been set at 346 billion at the end of June 2023. Over the same period, disbursements amounted to 93.5 billion, reflecting compliance with the criterion over the period;
- The non-oil revenue threshold at the end of June 2023 is 1,729 billion. Over the period under review, achievements stood at 1,882.4 billion, reflecting compliance with the criterion;
- The minimum target for social spending is 624 billion by the end of June 2023. 694.2 billion over the period under review, showing that the criterion has been met;
- The maximum limit for Direct Interventions is 80 billion at the end of June 2023. Over the period under review, achievements amounted to 90.1 billion, which means that the criterion was not met;
- The maximum net accumulation of domestic payment arrears is -81 billion at the end of June 2023. The actual figure is -12.5 billion, reflecting non-compliance with the criterion over the period under review.

**Table 12 : Implementation of some PEF monitoring indicators**

Heading	End of June 23	RESULTS	
	QPC	To end June 23	difference
	(1)	(2)	(2)/(1)
<b>A- Periodic quantitative performance criteria</b>			
1- Non-oil primary budget balance floor (ordo basis)	-331,0	-175,8	155,2
2- Net domestic funding limit for central government (excluding IMF funding)	132,0	-72,5	204,5
3-Limit on central government's net borrowing from the central bank (excluding IMF funding)	139,0	-88,6	227,6
4- Disbursement limits for non-concessional external debt	346,0	93,5	252,5
<b>B- Indicative targets</b>			
1- Focus on non-oil revenues	1729,0	1882,4	153,4
2- Floor on social spending to reduce poverty	624,0	694,2	70,2
3- SNH direct intervention limit	80,0	90,1	-10,1
4- Maximum net accumulation of domestic payment arrears	-81,0	-12,5	-68,5

**Source** : MINFI

## **PART FOUR: SPECIAL THEMES**

This section highlights topical issues or problems that could affect budget execution. These are: derogation procedures, external funding, resources transferred to the CTDs, floating debt, and the award and execution of public contracts.

### **4.1- Derogatory procedures**

Derogatory procedures relate to expenditure which has been paid without having followed all the prior stages, and which must therefore be subject to budgetary regularization after the event. They include cash advances, imprest accounts and provisional commitments.

Circular N°00000456/C/MINFI 30th December 2021, on Instructions relating to the Execution of Finance Laws, and the Monitoring and Control of the Execution of the State Budget and Other Public Entities for the 2022 financial year, prescribes the limitation of recourse to derogatory procedures. However, the number of expenses incurred through this channel remains high.

As at June 30th 2023, spending under the derogatory procedures (excluding FINEX and debt servicing) amounted to 234.5 billion, corresponding to 12.6% of total spending, compared to 8.8% at the end of June 2022. In percentage terms, this expenditure exceeds the 5% ceiling set in the 2021-2024 Economic and Financial Program.

**Table 13 : Expenses incurred under the derogation procedures at June 30, 2023**

HEADING	2023		2022	
	Amount	Weight*	Amount	Weight*
Imprest accounts	31,5	1,7%	28,2	1,5%
Cash advances	203	10,9%	105,2	7,3%
<b>TOTAL</b>	<b>234,5</b>	<b>12,6%</b>	<b>133,4</b>	<b>8,8%</b>

**Source** : MINFI (\*heading's share of total expenditure excluding FINEX and debt service)

#### **4.1.1- Cash advances**

Cash advances correspond to disbursements made without prior commitment to meet urgent or exceptional situations. At the end of June 2023, cash advances totaled 203.0 billion and related solely to goods and services. Compared to the end of June 2022, these disbursements increased by 97.5 billion (+92.4%). Budget adjustments amounted to 80.7 billion.

#### **4.1.2- Imprest accounts**

Imprest accounts are a method of budget execution set up to enable credit managers to make payments for urgent expenditure that cannot be met through the normal execution procedure. Although the limitation on the use of imprest accounts is constantly reaffirmed in the various Circulars on budget execution, it is slow to materialize in the field of expenditure execution.

The use of imprest accounts, although constantly reaffirmed in the various budget implementation circulars, has been slow to take shape in the field of expenditure implementation.

At the end of the first half of 2023, 430 imprest accounts were opened for an annual volume of 61.2 billion. The expenditure executed through this procedure amounts to 31.5 billion, an increase of 3.3 billion compared to the same period in 2022. One of the reasons for this is the creation of eight (08) imprest accounts within the MINAT mainly for the monitoring of refugee management and support to the administrative authorities for forecast information.

**Table 14 : Cash on hand at the end of June 2023**

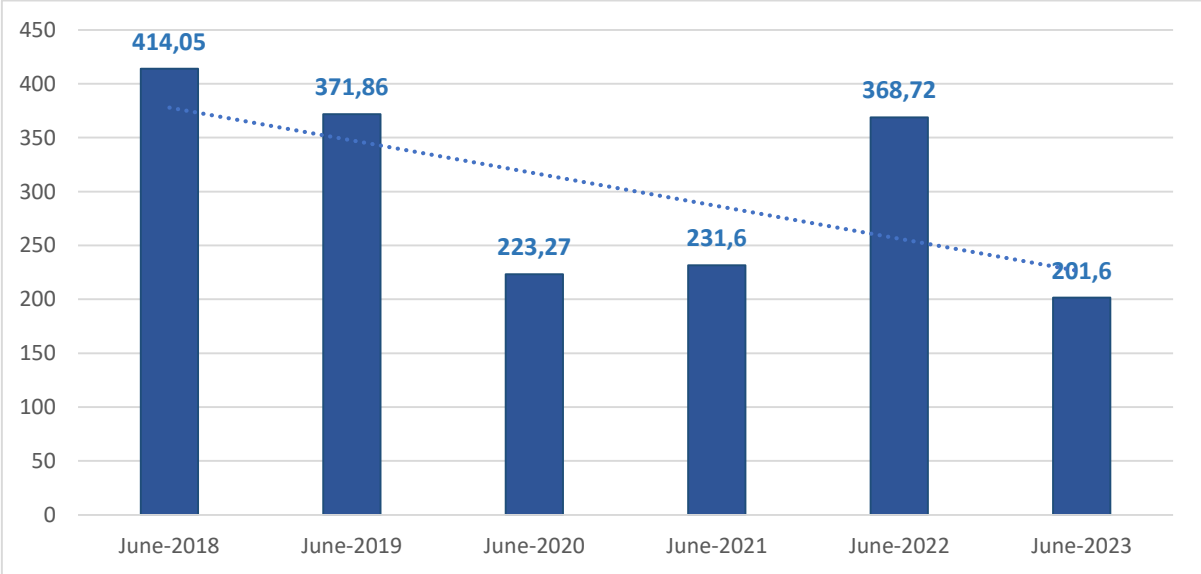
DESTINATION	Numbers of imprest	Annual Volume (in billion)	Cash (billion)
Imprest created	35	1,8	1,3
Opening imprest	395	59,5	30,2
<b>TOTAL</b>	<b>430</b>	<b>61,3</b>	<b>31,5</b>

**Source :** MINFI

### 4.2- External financing

The volume of external financing disbursements at the end of June 2023 for jointly financed projects included in the BIP was 170.4 billion. The amount of FINEX disbursements resumed the downward trend observed since the 2019 financial year to reach the lowest level in the first half of 2023.

**Graph 11 : Evolution of FINEX disbursements to projects**



**Source :** MINFI

This decrease in the disbursement of FINEX for a more or less identical undisbursed committed balance over the period 2018-2023 can be explained by, among other things:

- the preponderance of jointly funded projects whose agreements were signed between 2019 and 2023. Indeed, the years 2018-2020 are marked by the acceleration of major first-generation externally financed projects in the wake of

the preparations for the organization of the 2021 AFCON. These projects have arrived futures for the most part and exited the portfolio in favour of new conventions financing for projects whose implementation is struggling to reach cruising speed due to the insufficient maturity of certain operations;

- the alignment in the budgeting of jointly financed projects with the economic classification enshrined in Decree No. 2019/3187/PM of September 9, 2019, setting the general framework for the presentation of the State Budget Nomenclature. Indeed, unlike in previous years when jointly financed projects were budgeted in the BIP, these projects are now included in the finance law in terms of investment and operation. Thus, for the 2023 financial year, The jointly financed projects included in the current budget law have been budgeted at 107.3 billion and the disbursements to these projects at the end of June amount to 48.64 billion;
- the persistence of delays in the contracting of investment operations.

### **4.3- Resources Transferred to RLAs**

Expenditure related to the implementation of decentralisation is carried out in accordance with the provisions of Laws No. 2004/017 of 22 July 2004, No. 2009/011 of 10 July 2009 and No. 2018/012 of 11 July 2018 on the orientation of decentralization, respectively, on the regime of regional and local authorities and the fiscal regime of the State and other public entities.

Indeed, given the preponderant and significant nature of decentralization in the development process, certain resources are made available to local authorities by the central administration. These resources, known as transferred resources, are necessary for these communities to exercise their jurisdictions. They are vested in them either by tax transfer, by endowments, or both at the same time.

With regard to investment resources transferred to decentralised local authorities according to competences, they are estimated in the 2023 budget at 64.3 billion divided between 20 budget chapters. At the end of June 2023, the amount of authorized expenditure was 3.3 billion authorized, i.e. an implementation rate of 5.1% compared to a zero implementation rate in the same period 2022.



**Table 15 : Execution of investment transfer expenditure to RLAs at the end of June 2023 (in thousands of CFA francs)**

Budget chapter	ENDOWMENT FL RECTIFIED		ENDOWMENT REVISED		ENG.	ORD.	% ENG PA	% ORD
	CA	PA	CA	PA	PA			
14-MINAC	350 000	350 000	344 500	344 500	21 000	21 000	6,10	6,10
15-MINEDUB	16 326 885	16 326 885	16 402 385	16 402 385	1 038 975	416 799	6,33	2,54
16-MINSEP	500 000	500 000	500 000	500 000	-	-	-	-
21- MINCOMMERCE	530 000	530 000	530 000	530 000	-	-	-	-
23-MINTOUL	1 200 000	1 200 000	1 200 000	1 200 000	85 000	20 000	7,08	1,67
26-MINJEC	1 800 000	1 800 000	1 800 000	1 800 000	12 899	12 899	0,72	0,72
27-MINDDEVEL	39 402 414	39 402 414	39 839 500	39 839 500	2 640 028	1 099 594	6,63	2,76
28-MINEPDED	590 000	590 000	590 000	590 000	49 794	39 796	8,44	6,75
30-MINADER	8 640 000	8 640 000	8 640 000	8 640 000	524 579	338 611	6,07	3,92
31-MINEPIA	3 550 000	3 550 000	3 550 000	3 550 000	165 505	53 740	4,66	1,51
32-MINEE	9 870 000	9 870 000	9 870 000	9 870 000	390 369	175 449	3,96	1,78
33-MINFOF	350 000	350 000	350 000	350 000	19 998	19 998	5,71	5,71
35-MINEFOP	600 000	600 000	570 000	570 000	-	-	-	-
36-MINTP	13 089 000	13 089 000	13 296 668	13 296 668	1 274 687	677 334	9,59	5,09
38-MINHDU	7 365 500	7 365 500	7 365 500	7 365 500	215 000	165 000	2,92	2,24
39-MINPMEESA	700 000	700 000	700 000	700 000	29 900	24 900	4,27	3,56
40-MINSANTE	8 230 000	8 230 000	8 300 000	8 300 000	719 260	195 380	8,67	2,35
42-MINAS	758 500	758 500	760 000	760 000	43 999	23 499	5,79	3,09
43-MINPROFF	664 520	664 520	664 520	664 520	50 900	50 900	7,66	7,66
94- INTERVENTIONS	-	-	1 128 019	1 128 019	1 128 019	-	100,00	-
<b>TOTAL RT PIB 2023</b>	<b>114 516 819</b>	<b>114 516 819</b>	<b>116 401 092</b>	<b>116 401 092</b>	<b>8 409 911</b>	<b>3 334 897</b>	<b>7,22</b>	<b>2,87</b>

**Source** : MINFI

#### 4.4- Floating debt

Floating debt refers to the State's unpaid debts resulting from, among other things, contractual commitments of public administrations, current consumption, rents, compensated tax debts; as well as shortfalls in revenue for SONARA and Marketers, related to fuel price support at the pump. Efforts are being made to reduce the stock of this debt, which is problematic in the context of cash management. To this end, an audit is underway at the Ministry of Finance to identify and identify this debt in the various administrations concerned. In the first half of 2023, the amount paid under floating debt amounted to €0.9 billion, a decrease of €5.3 billion year-on-year.

## CONCLUSION

The implementation of the budget as of 30 June 2023 is characterised by a worse mobilisation of budgetary resources than on the same date of 2022 (down by 5.4 billion with an implementation rate of 44.1% compared to 46% a year earlier). The rate of realization of loans and grants is 28.5% while that of internal revenue is 50.6%. By component, oil revenues recorded a rate of achievement of 53.8% of the 2023 AFL forecasts and non-oil revenues, 49.9%, including 50.1% for tax revenues and 46.6% for non-tax revenues.

Budgetary expenses increased by 392 billion compared to the end of June 2022 to 2,838.0 billion, mainly due to the increase in current expenditure. As in previous years, capital expenditure recorded a low level of execution (32% after 34.7% in 2022).

This resulted in surpluses in the overall budget balance of 195.2 billion and the primary balance of 333.5 billion, reflecting the effectiveness of the policy of aligning expenditure with the pace of collection of budgetary revenues.

However, the implementation of the 2023 budget remains marred by derogation procedures and shortcomings in the implementation of the public investment budget.

Efforts to mobilize resources, especially those of financing, to improve the consumption of investment credits and to control operating costs, will have to continue in the second half of 2023, in order to meet growing social and security needs. Parallel, the continuation of the efforts of all national actors in the budget execution chain and development partners will enable the Government to properly implement the main measures provided for in the 2023 AFL.

## APPENDICES

### **Appendix 1 : Changes brought about by the Ordinance of 02 June 2023 on the main headings of the budget**

The present draft ordinance revises upwards the level of the State budget to 6,726.9 billion (including 6,642.5 billion for the general budget and 84.4 billion for the Special Purpose Accounts), compared to 6,345.1 billion in the initial 2023 finance law; i.e. an increase of 381.8 billion in absolute terms and 6% in relative terms, with an overall budget deficit that narrowed slightly to 0.8% of GDP compared to 0.9% in the initial budget law.

#### **A. General budget**

**The general state budget increases by 367.7 billion** compared to the initial level of 6,274.8 billion; i.e. a rate of change of +5.9%.

##### ➤ **Internal revenue and donations**

Internal revenues and revised grants are estimated at 4,780.4 billion against 4,676.4 billion in the initial budget law, an increase of 104.0 billion (+2.2%). They are broken down into broad categories as follows:

- **Oil revenues: 841.8 billion** against 807 billion in the initial budget, an increase of 34.8 billion (+4.3%). Although the SNH royalty has been revised downwards to 540.5 billion from 626 billion in the initial finance law, due to the downward revision of oil production (23.7 million barrels against 26 million barrels in the finance law), A wind-fall of \$54 billion from fiscal year 2022 was factored into the 2023 budget. In addition, the oil corporate tax was increased by 66.3 billion, from 181 billion in the budget law to 247.3 billion in the revised projection;
- **Tax revenues: 2,594.7 billion** against 2,523.4 billion in the initial budget, an increase of 71.3 billion in absolute terms and 2.8% in relative terms. This increase is due to the revaluation of the initial forecasts of the DGI's revenue by 47 billion on the basis of the actual achievements of 2022. In addition, an administrative effort of €24.3 billion, including the fiscal impact of the revaluation of public employees' salaries and the minimum wage (€4.3 billion), will be made over the rest of the year;
- **Customs revenue: 973.7 billion** against 1004.7 billion in the initial finance law, i.e. a decrease of 31 billion (-3.1%) linked to the taking into account of the budgetary impact of the 50% reduction in the mercurial value of hydrocarbon imports estimated at -74 billion. The decrease in the application of the mercurial value was partially offset by the revaluation of the initial forecasts of DGD revenue by 23 billion on the basis of the actual achievements in 2022, and the inclusion of an additional 20 billion in administrative measures.
- **Non-tax revenue: 269.3 billion** compared to 250.4 billion in the initial budget, an increase of 18.9 billion (+7.5%), including €16 billion in dividends expected from banks. These will be paid by the banks on the basis of the profits

accumulated during the Covid-19 period during which a COBAC decision prohibited their distribution.

- **Donations: 101.0 billion** compared to €91 billion in the initial budget, i.e. an increase of €10 billion (+11%) corresponding to the amount of European Union budget support initially erroneously accounted for in financing.

➤ **Expenditure (excluding principal debt)**

Budgetary expenditure (excluding the main debt) was revised upwards by 68.5 billion to 4,918.5 billion against 4,850.0 billion in the initial budget law, i.e. an increase of 1.4%. The breakdown of these expenditures is as follows, by heading:

- **Personnel Expenditures: 1,313.2 billion** against 1,257.7 billion in the initial finance law; i.e. an increase of 55.5 billion (+4.4%) mainly due to the **taking into account the wage revaluation measure**;
- **Expenditures on goods and services: 965.4 billion** against 1073.7 billion in the initial finance law, i.e. a reduction of 108.3 billion (-10.1%). This effort aims to create fiscal space to allow additional expenditure to be covered under the constraint of respecting a non-oil budget deficit of 2.4% of GDP set within the framework of the Economic and Financial Programme;
- **Transfers and subsidies: 1,172.8 billion** against 1,033.0 billion in the initial budget, an increase of 139.8 billion (+13.5%). This increase is mainly justified by: (i) the upgrading of the fuel price subsidy at the pump (+453.3 billion compared to 350 billion in the initial finance law) in order to take into account the arrears of 2022; (ii) the inclusion of the gas price subsidy (+32 billion) and, (iii) the increase in the subsidy for the FILE project Social security services (+4.5 billion) ;
- **Capital expenditure from own resources** (including rehabilitation and restructuring expenditure) : **418,7 milliards** contre 446,2 milliards dans le budget initial 2023, soit une diminution de 27,5 milliards (-6,2%), compte tenu de la forte contrainte budgétaire ;
- **Dépenses d'investissement sur financement extérieur : 723.5 billion** as in the initial 2023 budget;
- **Interest on debt: 322.9 billion** compared to 313.9 billion in the initial finance law, i.e. an increase of 9 billion linked to the inclusion of interest on OTAs issued at the end of 2022.

## **B. Budget of the Special Appropriation Accounts**

The budget for the Special Appropriation Accounts (SAA) has been reassessed at 84.4 billion compared to 70.3 billion in the initial budget law, i.e. an increase in absolute value of **14.1 billion** resulting from the strengthening of the resources of the Special Fund for the Financing of the Reconstruction and Development of the Far North, North-West and South-West Regions. The ceiling of the Fund has been increased to **29.1 billion** from 15 billion initially.

In addition to the State subsidy of 15 billion already allocated in the initial budget law, the additional resources of the Fund will come from the said Fund:

- Financial contributions from the Islamic Development Bank in the form of a loan of **4.3 billion**, as well as from Japan in the form of a grant of **1.3 billion**;

- the carry-over of the cash balances of the resources mobilized the previous year by the State for the implementation of the Presidential Plan for the Reconstruction and Development of the North-West and South-West Regions, lodged in the account entitled UNDP REPRESENTATIVE – CFA ACCOUNT opened in the books of the Standard Chartered Bank of Cameroon, in the amount of **8.6 billion**.

The ceilings for the other CAS, estimated globally at **55.3 billion**, remain unchanged.

### C. Budget and Financial Balance in the 2023 (Revised Budget)

#### ➤ Financing and cash flow requirements

The budget deficit resulting from the revision of State revenues and expenditures in 2023 amounts to 226.3 billion compared to **257.6 billion** in the initial finance law; i.e. a reduction in absolute terms of **31.3 billion**.

The other financing and cash expenses borne by the State, in addition to the requirement from the financing of the budget deficit, are as follows:

- **Amortization of structured debt: 1,225.8 billion** as in the initial 2023 finance law;
- **Refund of VAT credits: 84 billion** as in the initial 2023 finance law;
- **Arrears including unstructured debt: 374,2 billion** against 115 billion in the initial 2023 finance law, an increase of 259.2 billion, of which 200 billion will be covered by funds raised on external markets. This measure aims to promote the proper implementation of the 2023 Finance Act by limiting the crowding out effect of the payment of outstanding financial years on expenditure for the current financial year and therefore the reduction of payment deadlines;
- **Net outflows of correspondents: 40 billion** compared to 0 billion in the initial finance law. Like the increase in the envelope dedicated to the clearance of outstanding payments, this entry is also intended to limit the crowding out effect of the drawdown of funds from Treasury correspondents on expenditure for the current financial year.

In total, the State's financing needs in 2023 stand at 1,950.3 billion compared to **1,682.4 billion** in the initial finance law, i.e. an increase of this need to 267.9 billion, mainly driven by cash charges (outstanding and corresponding payments).

#### ➤ Fund Resources

To meet its financing needs, the State intends to mobilize the following instruments:

- **Project loans: 795,4 billion** as in the initial 2023 finance law ;
- **Budget support: 265 billion** compared to 281.3 billion in the initial budget law, i.e. a decrease of 16.3 billion linked to the reclassification of the European Union's budget support (10 billion) and to the taking into account of impairment losses linked to the fall in the dollar exchange rate;
- **Exceptional financing: 84,2 80 billion** from the drawdown of SDRs and 4.2 billion from the Islamic Development Bank (IDB) under the Special Fund for the Financing, Reconstruction and Development of Recognized Economically Damaged Areas in the Far North, North-West and South-West Regions;
- **Issuance of domestic government securities: 450 billion** as in the initial finance law;

- **External banking market:** 200 billion;
- **Domestic bank financing:** 155,7 billion compared to billion in the initial 2023 finance law.

**Table 16 : Change in resources and expenses of the 2023 AFL compared to the FL**

Headings	FL 2023	Rév. 2023	Variation	
			Amount	%
<b>Total Resources</b>	<b>6 274,80</b>	<b>6 642,50</b>	<b>367,7</b>	<b>5,90%</b>
<b>Internal Revenue and Donations</b>	<b>4 676,40</b>	<b>4 780,40</b>	<b>104</b>	<b>2,20%</b>
Oil Revenues	807	841,8	34,8	4,30%
Non-oil revenues	3 778,50	3 837,70	59,2	1,60%
Tax revenue	3 528,10	3 568,40	40,3	1,10%
Taxes and duties	2 523,40	2 594,70	71,3	2,80%
Customs revenue	1 004,70	973,7	-31	-3,10%
Non-tax revenue	250,4	269,3	18,9	7,50%
Donations	91	101	10	11,00%
Projects	35,4	35,4	0	0,00%
Program	55,6	65,6	10	18,00%
<b>Gross Funding</b>	<b>1 598,40</b>	<b>1 862,10</b>	<b>263,7</b>	<b>0,2</b>
Project Loans	795,4	795,4	0	0,00%
Budget support (FMI, UE, AFD, BM, BAD)	240	224,1	-15,9	-6,60%
Donations FMI	139	136	-3	-2,20%
UE	10	0	-10	-
AFD	27	27	0	-
BM	64	61,1	-2,9	-
BAD	0	0	0	-
OTHER DONNORS	0	0	0	-
Issuance of securities (MLT)	450	450	0	0,00%
Bank Financing (Excluding Public Securities)	71,7	271,7	200	278,90%
<i>external banking market</i>	0	200	200	-
Other borrowings	0	0	0	-
DTS FMI	0	80	80	-
<b>Exceptional Funds</b>	<b>41,3</b>	<b>40,9</b>	<b>-0,4</b>	
BAD (PARPAC)	41,3	40,9	-0,4	-
<b>Total Expenditures and Net Loans</b>	<b>6 274,80</b>	<b>6 642,50</b>	<b>367,7</b>	<b>5,90%</b>
<b>Current expenditure</b>	<b>3 314,50</b>	<b>3 401,50</b>	<b>87</b>	<b>2,60%</b>
Title 2: Personnel Expenditures	1 257,70	1 313,20	55,5	4,40%
Title 3: Purchases of goods and services	1 021,70	913,4	-108,3	-10,60%
FINEX	107,2	107,2	0	0,00%
Studies and project management	70,5	70,5	0	0,00%
Title 4: Transfers and subsidies	1 033,00	1 172,80	139,8	13,50%
capital transfers	146,5	146,5	0	0
Title 6: Exceptional expenses	2,1	2,1	0	0,00%
Title 5: Capital expenditure	<b>1 169,70</b>	<b>1 142,20</b>	<b>-27,5</b>	<b>0</b>
External expenditure/financing,	723,5	723,5	0	-
Expenditure s/own resources	416,2	388,7	-27,5	-6,60%
Participation/Restructuring Expenses	30	30	0	-
Local Production Recovery Fund	21	21	0	-
Decentralization Addendum (DGD)	31	31	0	0,00%
Debt Service	<b>1 738,60</b>	<b>2 046,80</b>	<b>308,2</b>	-
External debt servicing	<b>898</b>	<b>898</b>	<b>0</b>	-
Principal	704	704	0	0,00%
Interest	194	194	0	0,00%
Domestic debt servicing	840,6	1 148,80	308,2	36,70%
Principal	521,8	561,8	40	-
ECMR	50	50	0	-
Donations Coherent	0	40	40	-
Deposit Accumulation/Advance Refund	41,5	41,5	0	0,00%
Statutory	0	0	0	-
Reduction in BTA outstandings	119,9	128,9	9	7,50%
Interest	84	84	0	0,00%
Outstanding Treasury/Unstructured Debt CAA	115	374,2	259,2	-
Of which Outstanding Treasury	100	359,2	259,2	-
CAA Unstructured Debt	15	15	0	-
Cleared Tax Debt/Floating Debt	0	0	0	-
Other arrears	0	0		
Capacity (+)/Borrowing (-)	<b>0</b>	<b>0</b>		

**Source :** MINFI

# TABLE OF CONTENT

SUMMARY .....	i
LIST OF TABLES .....	ii
LIST OF GRAPHS .....	ii
LIST OF BOXES .....	ii
LISTE OF APPENDICES .....	ii
FOREWORD .....	iii
EXECUTIVE SUMMARY .....	iv
INTRODUCTION .....	6
PART ONE: MOBILIZATION OF BUDGETARY RESOURCES .....	8
1.1- Internal revenues .....	9
1.1.1- Oil revenues .....	9
1.1.2- Non-oil revenues .....	10
1.1.2.1- Tax revenues .....	10
1.1.2.2- Non-tax revenues .....	13
1.2- Borrowings and grants .....	15
1.2.1- Loan income .....	15
1.2.1.1- Project loans .....	15
1.2.1.2- Program loans .....	15
1.2.1.3- Issuance of public securities .....	15
1.2.2- Donations .....	17
PART TWO : EXECUTION OF BUDGET EXPENSES .....	18
2.1-Expenditure by economic nature .....	18
2.1.1-Current expenditure (excluding interest on debt) .....	19
2.1.1.1. Personnel expenditure .....	19
2.1.1.2. Expenditure on goods and services.....	20
2.1.1.3. Transfers and subsidies .....	21
2.1.2. Investment expenditure.....	21
2.1.2.1. <i>Investment expenditure from internal resources</i> .....	21
2.1.2.2. <i>Investment expenditure financed by external sources</i> .....	21
2.1.3. Service of Public debt .....	22
2.1.3.1. Service of domestic public debt.....	22
2.1.3.2. Service of external public debt .....	22
2.2-Special cases of social expenditure.....	23
PART THREE: BUDGETARY RESULTS .....	25
3.1- Budget balances.....	25
3.2- Financing .....	27
3.3- Indicators for monitoring the economic and financial program .....	27

PART FOUR: SPECIAL THEMES .....	29
4.1- Derogatory procedures.....	29
4.1.1- Cash advances.....	29
4.1.2- Imprest accounts .....	29
4.2- External financing.....	30
4.3- Resources Transferred to RLAs .....	31
4.4- Floating debt .....	32
CONCLUSION .....	33
APPENDICES .....	vi
Appendix 1 : Changes brought about by the Ordinance of 02 June 2023 on the main headings of the budget .....	vi
A. General budget .....	vi
B. Budget of the Special Appropriation Accounts .....	vii
C. Budget and Financial Balance in the 2023 (Revised Budget).....	viii
TABLE OF CONTENT .....	x