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REPUBLIC OF CAMEROON
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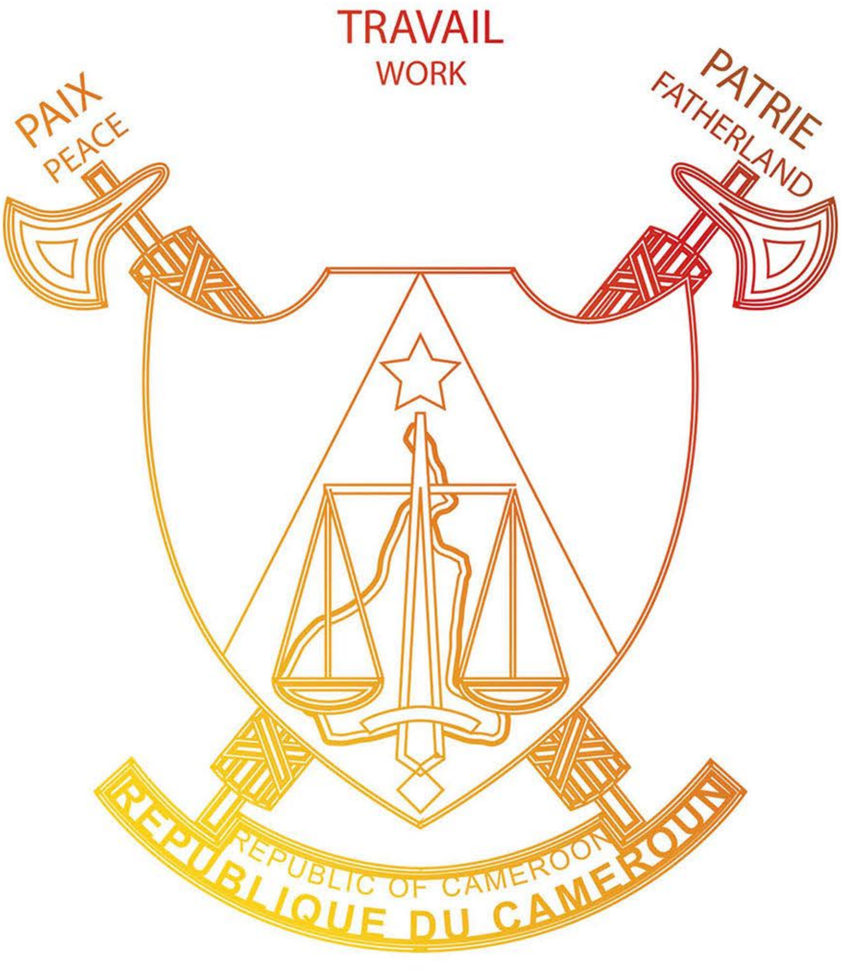
ECONOMIC AND BUDGETARY PLANNING DOCUMENT

PREPARATION OF THE 2026 STATE BUDGET

Citizen's Version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WHAT TO UNDERSTAND ABOUT THE DPEB?

1. Law N°2018/011 of July 11, 2018 on the Fiscal Regime of the State and Other Public Entities in its section 11 institutes the holding of the Budget Orientation Debate (DOB) by Parliament on the basis of certain documents and reports. In Cameroon, these documents have been brought together in a single document known as the Economic and Budgetary Programming Document (DPEB). The DPEB is governed by the provisions of Law No. 2018/011 of 11 July 2018 on the Code of Transparency and Good Governance in Public Finance Management in Cameroon.

2. The DPEB was introduced to define the medium-term trajectory of public finances, in line with government policy and EU convergence criteria. It has thus improved budgetary documentation and information for decision-makers, parliamentarians and citizens.

3. The DPEB is a guidance tool for transparent budget planning and management, based on economic assumptions, assessing resources, expenditure and public debt over three years.

4. Prepared by the Ministry of Finance, the DPEB serves as the basis for the Budgetary Orientation Debate (DOB) in the National Assembly, which takes place before 1 July each year.

5. It reviews the management of state funds (collected by the tax and customs authorities from businesses and citizens or raised on the financial market in the form of debt) over the last three years (2023-2025). This review is submitted to the national representatives (MPs).

6. It presents the broad outlines (guidelines) that the government has decided to follow to ensure the smooth functioning of the economy in the current year (2025) and for the next three years (2026-2028).

7. Because it aims to allocate resources efficiently in line with strategic public policy guidelines, international commitments and the government's roadmap for the coming year (2026), it is the main document used to draw up the state budget. In the current case, this is the budget for the year 2026.

8. Overall, the DPEB 2026-2028 aims to consolidate economic growth after the shocks of previous years and lays down medium-term budgetary and financial balance targets.

9. It takes into account the financial situation of the entire public sector, including central government, public bodies, local authorities, social security bodies and public enterprises.

10. The budget forecasts for the period 2026-2028 are based on assumptions relating to changes in the economic environment, taking into account the expected effects of economic policy measures.

11. The medium-term DPEB for 2026-2028 is part of the sixth session of the DOB, which counts towards the drafting of the initial 2026 finance law. It defines the outlines of budgetary policy and the overall projections for resources and expenditure. It is adopted by the Government in Cabinet, in accordance with Sections 26 and 28 of the Decree of 31 May 2019 to lay down the State budget calendar.

12. The citizen version of the DPEB, like the citizen budget, aims to enhance budgetary transparency by making the summary of the DPEB available to the public. It is structured around five sections: (i) developments and expectations in terms of wealth creation; (ii) State finances from 2023 to 2025; (iii) broad public policy guidelines for the three-year period; (iv) the State's financial outlook for the three-year period; (v) draft budgets for 2026, 2027 and 2028.

1 TRENDS AND EXPECTATIONS IN WEALTH CREATION

I-TRENDS AND EXPECTATIONS IN WEALTH CREATION

1.1-Global wealth creation between 2023-2024 and expected in 2025 and 2026

The 2025 budgetary policy debate is taking place in an international context marked by:
(i) a series of exogenous shocks, notably the ongoing Russia-Ukraine crisis and the war in the Middle East;
(ii) continued disruption of global value chains and intensifying trade tensions;
(iii) a climate of persistent uncertainty; and
(iv) the threat of tighter global financial conditions and capital outflows.

According to the World Economic Outlook published by the International Monetary Fund (IMF) in April 2025, global economic growth is estimated at 3.3% in 2024, compared with 3.5% in 2023, and is projected at 2.8% in 2025. Global growth is projected at 3% in 2026.

In the group of advanced countries, growth is expected to be 1.8% in 2024 and is projected at 1.4% in 2025. In the group of emerging and developing countries, the growth rate is expected to fall from 4.7% in 2023 to 4.3% in 2024 and stand at 3.7% in 2025. In 2026, projections point to growth of 1.5% in advanced economies and 3.9% in emerging and developing countries.

In sub-Saharan Africa, growth is expected to accelerate in 2024 from 3.6% in 2023 to 4% in 2024, in line with strong international agricultural commodity prices and improved domestic demand. However, economic activity is expected to decline in 2025 (+3.8%) due to the gloomy international environment. This slowdown would be mainly observed in Nigeria, Ethiopia and Angola. Growth is expected to continue in 2026, reaching 4.2%. In the CEMAC zone, growth is expected to slow from 2.9% in 2024 to 2.4% in 2025. In 2026, activity is expected to experience renewed growth (+3.2%).

In terms of prices, global inflation stood at 5.7% in 2024, after reaching 6.7% in 2023 and 8.7% in 2022. It is projected to be 4.3% in 2025 and 3.6% in 2026, in line with the expected effects of the restrictive monetary policy implemented by central banks. In the CEMAC zone, inflationary pressures are expected to continue in 2024, with a projected inflation rate of 5.5%.

The price of oil is expected to be around $66.9 per barrel in 2025, a 15.5% decrease compared to 2024. It is projected to be $62.4 in 2026. Liquefied natural gas prices, meanwhile, are expected to rise by 14.9% in 2025 to $12.5 and then fall by 14.6% in 2026.

1.2-Wealth creation between 2023 and 2025 in Cameroonn

The 2026 budget is being planned in an unfavourable and uncertain financial context marked by the continuing negative effects of the Russian-Ukrainian crisis, the decline in production combined with the fall in crude oil prices, and political tensions linked to the presidential election in October 2025.

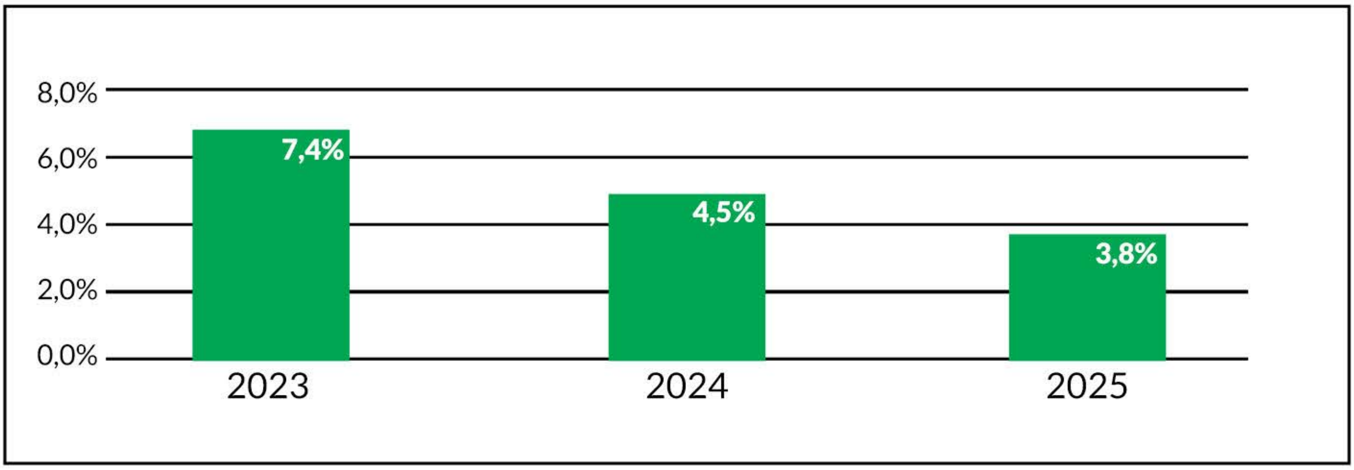
In 2024, economic growth is estimated at 3.5% and projected at 3.9% in 2025. These performances are attributable to the strong performance of activities in the non-oil sector. On the other hand, the oil sector is expected to continue its downward trend, with a decline in both oil and gas production. Growth will accelerate in 2024 in the primary sector (3.5% after 2.2% in 2023), in line with the strong performance in the agricultural sector. Conversely, growth will slow in the 'Forestry and logging' sector, partly due to the government's desire to increase the processing of this product. This favourable trend in the primary sector is expected to continue in 2025, with estimated growth of 4.1%.

In the secondary sector, growth will slow to 1.2% in 2024 after 2.3% in 2023, due to the poor performance of hydrocarbons. However, growth in this sector is expected to rebound to 2.9% in 2025.
Growth in the tertiary sector is estimated at 4.4% in 2024 after 3.9% in 2023. In 2025, growth is projected at 4.2%.

I-TRENDS AND EXPECTATIONS IN WEALTH CREATION

In terms of prices, inflation is estimated at 4.5% in 2024 after 7.4% in 2023, in line with the fall in food prices. For 2025, inflation is expected to be 3.8%. The government's policy has also been to keep a close eye on the consumer price index. As a result, the overall increase in the prices of goods in this index from one year to the next has remained under control throughout the period from 2023 to 2025.

Graph 1: Trend of prices between 2023 and 2025



1.3- Expectations for wealth creation between 2026 and 2028 in Cameroon

Cameroon's economic outlook remains positive, although marked by uncertainty. The implementation of the SND30 is expected to continue with a focus on industrial development.

However, there are numerous risks of a deterioration in performance, particularly those related to:

(i) weakening global demand;
(ii) tighter financing conditions and low commodity prices; and
(iii) persistent security issues.

Growth is expected to be 4.2% in 2026 and 4.4% on average over the period 2026-2028. This momentum should be driven mainly by the non-oil sector.
This includes in particular:

(i) the agricultural sector;
(ii) manufacturing industries, due to improved energy supply; and
(iii) construction and public works, linked to the continued implementation of major investment projects.

The oil sector is expected to remain on a downward trend, in line with the decline in oil production and oil and natural gas prices. A reversal of this trend is expected from 2028 onwards, when new oil and gas fields are expected to come on stream in this sector.
In terms of prices, inflation is forecast at 3.5% in 2026. It is expected to slow gradually, falling below the CEMAC community threshold by 2028.

2 CAMEROON'S FINANCES FROM 2023 TO 2024

II- CAMEROON'S FINANCES FROM 2023 TO 2024

2.1-Situation of budget execution in 2024

In 2024, compared to the 2023 fiscal year, the state's financial situation was marked by a decline in budgetary resources and an increase in budgetary expenditures.

Resources

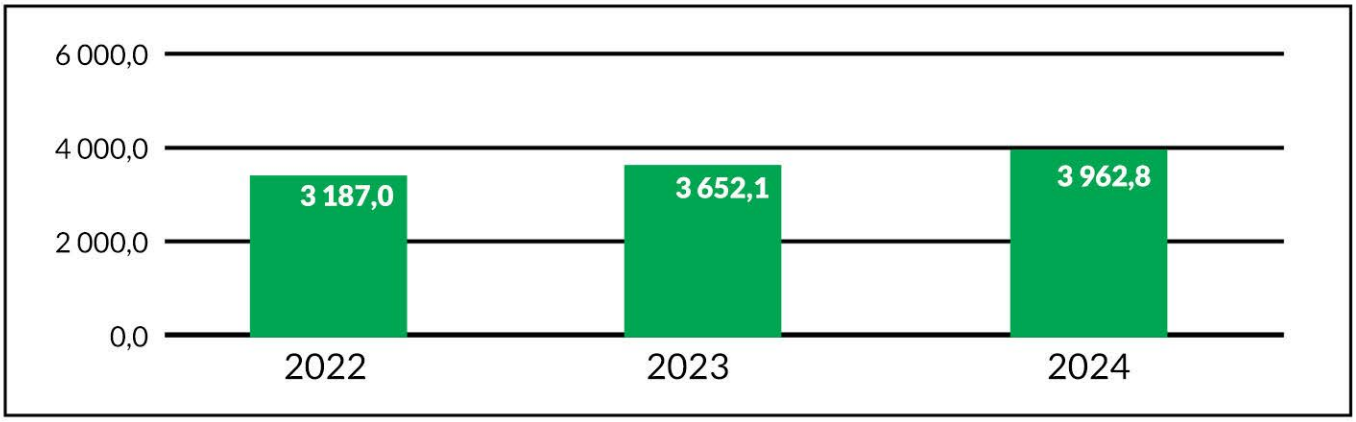
To finance its expenditures, the state drew on its diversified resources, especially domestic resources, which have continued to grow over the past two years.

In 2024, state budget resources amounted to 6,117.1 billion, including 20.3 billion in CAS revenues. This represents a decrease of 123.8 billion (-2%) compared to 2023.

General budget resources amounted to 6,096.8 billion, down 97.5 billion (-1.6%) compared to 2023. General budget resources are divided between oil revenues (688.7 billion), non-oil revenues (4,301.7 billion) and grants (84.8 billion) on the one hand, and 1,021.6 billion in loans on the other.

State revenues (internal revenues + donations) mobilised amount to 5,075.2 billion, an increase of 85.8 billion (+1.7%) compared to the 2023 financial year. This increase is due, on the one hand, to the overall improvement in economic activity at the national level and, on the other hand, to the numerous reforms in the areas of taxation and customs.

Graph 2: Trend of Tax Revenue (in billion)



Expenditure

In 2024, **state budget expenditure** amounted to 6,741.6 billion (including 11.3 billion in CAS expenditure), an increase of 265.7 billion (+4.1%) compared to 2023. Out of an annual target of 7,278.1 billion, the execution rate was 92.6%.

The general budget expenditure amounted to 6,730.3 billion, representing an execution rate of 93.3%. Compared to the 2023 financial year, they are up by 265.7 billion (+4.5%), resulting from an increase in current expenditure (+132.5 billion) and capital expenditure (+208.6 billion) and a reduction of 48.3 billion in public debt servicing.

Despite the Government's efforts to control its operating expenditure, there has been an increase in this expenditure between 2022 and 2024. In 2024, it rose by 132.5 billion (+3.6%).

Budget deficit

The overall budget balance shows a deficit of 478.7 billion, or 1.5% of GDP, compared with 0.6% of GDP in 2023. The primary balance shows a deficit of 81.3 billion (0.3% of GDP) after a surplus of 138.8 billion in 2023. The non-oil primary balance recorded a deficit of 770 billion in 2024 (2.4% of GDP) compared to a deficit of 738.3 billion in 2023 (-2.5% of GDP).

2.2- State finances in 2025

2.2.1- Budget execution at the end of March 2025

At the end of the first quarter of 2025, **total budgetary resources** mobilised amounted to 1,507.7 billion. This represents a decrease of 54.4 billion (-3.5%) compared to the first quarter of 2024, due to a decline in both domestic revenue (-12.4 billion) and loans and grants (-42 billion). Compared to the target laid down of 1,834.6 billion for the period, the achievement rate is 82.2%.

Domestic budget revenues collected amounted to 1,186.7 billion, down 1.0%. Domestic revenues show an achievement rate of 85.6%. Oil revenues collected amounted to 151 billion, down 16.4 billion.

Non-oil revenues rose from 1,031.7 billion at the end of March 2024 to 1,035.7 billion.

Loans and grants disbursed amounted to 321.0 billion at the end of March 2025, compared with 363.0 billion a year earlier. The Treasury issued 113.2 billion in net government securities, up 62.5 billion (+123.5%) compared with the first quarter of 2024.

Compared to the cumulative total as of 31 March 2024, total budgetary expenditure fell by 375.2 billion (-28.2%) to 957.5 billion at the end of March 2025.

Current expenditure excluding interest fell by 228.8 billion (-30.5%) to 520.2 billion at the end of March 2025. Investment expenditure fell by 81.4 billion to 118.8 billion at the end of March 2025. The implementation rate for current expenditure is 14.7% and that for investment expenditure is 7.2%.

Public debt servicing stands at 298.3 billion at the end of March 2025. Its execution rate is 14.4%, that of external debt servicing is 27.8%, while that of domestic debt servicing is 3.3%.

All budget balances are in surplus. **The overall budget balance** stands at 431.3 billion. The primary balance and non-oil primary balance surpluses are 520.8 billion and 369.9 billion respectively.

2.2.2- Proposed revision of the 2025 budget

The proposed ordinance revises the 2025 state budget upwards to **7,735.9 billion,** of which 7,669.9 billion is for the general budget and 66.9 billion is for special allocation accounts, representing an increase of 418.2 billion (+5.7%).

The general state budget increases by 418.2 billion compared to the initial level of **7,250.8 billion**. Internal revenue and grants from the initial finance law (LFI) are revised downwards by 113.3 billion (-2.0%) to **5,434.8 billion**.

The main categories are:

- **oil revenues: 641.5 billion** compared to 734.8 billion in the LFI. The SNH royalty has fallen from 570.2 billion in the LFI to 495.5 billion, in line with the decline in crude oil and gas production combined with the fall in crude oil prices;
- **tax revenue: 3,205.6 billion** compared to 3,217.8 billion in the initial budget;
- **customs revenue: 1,136.2 billion** compared to 1,144.0 billion in the initial budget;
- **non-tax revenue: 361.1 billion** as in the initial budget;
- **grants: 90.4 billion** as in the initial budget.

II- CAMEROON'S FINANCES FROM 2023 TO 2024

The general budget expenditure has been modified as follows:

- **Budget expenditure (excluding debt principal)** has been revised upwards by 82.8 billion to 5,646.14 billion, compared with 5,563.6 billion in the initial budget;
- **Personnel expenditure: 1,566.6 billion** compared to 1,586.6 billion in the initial budget;
- **Expenditure on goods and services: 1,075.3 billion** compared to 1,025.3 billion in the initial budget. This 4.9% increase takes into account the payment by the State of ENEO's debt to GLOBELEC, health sector projects initially financed by USAID funds, and the reinforcement of the provision for carryovers in the amount of 5 billion;
- **Transfers and subsidies: 931.8 billion** compared to 920.8 billion in the initial budget. This increase of 11 billion is justified by the increase in tariff shortfalls on the price of electricity for 20 billion, the creation of a provision of 1 billion to support the ADCs for the rehabilitation of Garoua airport, and budget savings on pensions for 10 billion;
- **Investment expenditure from own resources: 945.8 billion** compared to 891.8 billion in the initial 2025 budget. This increase of 54 billion takes into account the repurchase of SODECOTON shares held by the GEOCOTON Group for 46 billion and the reinforcement of resources allocated to the rehabilitation of urban roads for 33 billion;
- **Investment expenditure from external financing: 693.4 billion** compared to 758.4 billion in the initial 2025 budget; a decrease of 65 billion to take into account the absorption capacity of FINEX in light of past performance and mid-term execution;
- **Debt interest: 431.0 billion, compared to 378.2 billion** in the initial 2025 finance law, representing a net increase of 52.8 billion justified by commissions and discounts related to the raising of funds on the domestic and international markets, which amounts to 100 billion.

The SAA budget remained unchanged in the draft order at 66.9 billion.

The budget deficit stands at 303.9 billion, compared with 107.8 billion in the initial finance bill.

In total, the State's financing requirements in 2025 are 2,326.5 billion, compared with 1,795.0 billion in the initial finance bill. To meet its financing needs, the State intends to mobilise:

- **Project loans: 775.0 billion compared to 840.0 billion** in the Initial Budget Law (LFI); a decrease of 65 billion corresponding to the reduction in investment expenditure on external resources;
- **Budgetary support from the PEF: 214 billion** compared to 165.0 billion in the initial budget law, an increase of 49.0 billion linked to the shift in budgetary support from the IMF (45 billion) and the revaluation of that from the World Bank (4 billion).
- **Exceptional donor financing: 217.4 billion** compared to 189.4 billion in the initial 2025 Finance Act, an increase of 28 billion, corresponding to the postponement of the second half of the IMF disbursement under the Resilience and Sustainability Facility (RSF).
- **Issuance of government securities: 350 billion** compared to 380 billion in the initial finance law, due to unfavourable financial conditions on the domestic market;
- **Bank financing: 440.1 billion** compared to 220.6 billion in the initial finance law, justified by the planning of a direct loan of 250 billion from local banks, with a guarantee from AFREXIMBANK
- **External borrowing: 330 billion,** new financing that was not provided for in the initial budget.

3 MAJOR GUIDELINES FOR 2026 TO 2028 AND PRIORITIES FOR 2025

III- MAJOR GUIDELINES FOR 2026 TO 2028 AND PRIORITIES FOR 2025

These guidelines are based on the National Development Strategy 2020-2030 (NDS30) and reports monitoring its implementation. They focus on two main points: the status of NDS30 implementation and strategic guidelines for the 2026-2028 triennium.

3.1- State of implementation of the SND30 until 2025

Over the past five years, the Government has implemented a series of reforms and measures that have yielded results in terms of structural economic transformation, governance, and human capital and employment development. Without being exhaustive, some important milestones in this implementation include:

- An increase in installed electricity generation capacity, which rose from 1,529 MW in 2020 to 2,219 MW in 2025;
- The densification of the paved road network with more than 2,070 km of new roads for a total length of nearly 10,000 km of paved roads, including 109.10 km of motorways, 5,731.24 km of national roads, 1,495.27 km of regional roads and 2,549.57 km of municipal roads;
- The construction of the second phase of the deep-water port of Kribi, which was completed in 2024. The port is now capable of accommodating the world's largest container ships;
- Approximately 800 billion in financing has already been agreed upon for the revival of the production of consumer goods (wheat, rice, corn, fish, milk, etc.);
- The government has facilitated the establishment of industrial projects by private operators (cocoa processing plant, diversification of industrial production, particularly in the field of construction materials, mining operations, such as SINOSTEEL, with an average annual production value of 10 million tonnes).
- The gross enrolment rate at primary level has improved significantly, rising from 108% in 2020 to 122% in 2024. To achieve this, since 2021, more than 2,300 classrooms have been built, renovated and equipped in around 360 primary and nursery schools, particularly in the Adamawa, Far North, North and East regions, as well as in the suburbs of Douala and Yaoundé. In 2022, 90,845 primary school teachers were employed by the state. In 2024, 7,665 children were able to return to the education system;
- The maternal mortality rate fell from 438 deaths per 100,000 live births to 406 deaths between 2020 and 2022, while the infant mortality rate fell from 50 deaths to 47 deaths per 1,000 live births over the same period. This achievement was made possible in part by the creation of 20 maternity networks. In addition, the Government implemented the SRMNIA-NUT 2020–2024 National Strategic Plan, which provided free malaria treatment for children under five and facilitated access to reproductive health care for adolescents and young people throughout the country.
- The implementation in January 2025 of the Computerised Application for Logical Management of Staff and Salaries. This new system is a unified platform for managing the entire life cycle of public servants, from recruitment to termination of their rights, including the implementation of automatic promotions for public servants. This platform contributes to improving transparency and traceability in the management of civil servants' careers.

3.2- Key economic developments

Over the period 2026-2028, the Government intends to adopt sectoral strategic guidelines that will guide its actions to build an economy with less extroverted consumption.

With this in mind, the Government will work to: strengthen mechanisms to support local production; boost the support system for import substitution and export promotion policies; improve people's access to basic social infrastructure and services; and continue the decentralisation process.

The strategic guidelines for the three-year period in the area of production are as follows:

In the infrastructure sector, the Government intends to continue improving installed energy capacity by increasing it from approximately 2,219 MW in 2025 to nearly 2,600 MW in 2028. Similarly, the length of paved roads is expected to increase to around 11,300 km in 2028, thanks to the completion of several road and motorway projects. The Government intends to continue its efforts to increase infrastructure density in general and in urban areas in particular.

In the rural sector, the Government's efforts will focus on increasing agricultural production capacity, raising yields and facilitating access to agricultural inputs. In this sector, the PIISAH provides the backdrop for interventions.

In the industry and services sector, the government intends to mobilise the National Investment Company in its new configuration to implement its industrial programming strategy. This will involve implementing the Initial Impulse Programme (P2I) with a view to densifying its productive fabric and strengthening its diversification.

In the health sector, the Government intends to continue its efforts to establish a national social protection system in the material field of health. Upgrading the technical facilities of hospitals will continue to be a priority in order to improve the availability and quality of care and reduce infant and maternal mortality.

In the education and vocational training sector, the Government intends to continue implementing the new education and vocational training strategy adopted in 2024. In particular, it aims to extend universal access, increase the provision of school infrastructure at the local level and continue the transfer of resources related to primary and secondary education skills to the CTDs.

In the social protection and other social services sector, the focus will be on promoting the development of voluntary insurance and establishing a system of direct social transfers by continuing the social safety net project.

With regard to the promotion of employment and socio-economic integration, the Government's efforts will focus on:

1) measures to encourage the migration of economic actors from the informal to the formal sector;
2) establishing a system for collecting reliable and regular statistics in order to better assess progress in this area;
3) systematising labour-intensive approaches in public investment projects;
4) continuing the Project to Support the Promotion of Entrepreneurship, Skills Improvement and Competitiveness;
5) launching the programme ‘Building capacities and skills for employability and entrepreneurship in the Far North Region of Cameroon’.

III- MAJOR GUIDELINES FOR 2026 TO 2028 AND PRIORITIES FOR 2025

The Government's priorities in the area of governance, decentralisation and strategic management of the State for the next three years relate to:

(i) the implementation of the law on local taxation;
(ii) continuing security monitoring coupled with the implementation of the Reconstruction and Development Programmes for the North-West, South-West and Far North Regions;
(iii) continuing the implementation of the strategic plan for public finance reforms;
(iv) implementing the reform establishing an electronic platform for the collection of revenue and payment of expenditure by the State and other public entities;
(v) taking cross-cutting issues (gender and climate change) into account at all stages of public policy design and budgeting;
(vi) implementing measures to ensure the smooth running of upcoming elections.

With regard to improving the country's attractiveness for FDI, the Government intends to develop a strategy for actively monitoring and managing the country's sovereign rating with a view to raising it to B+ by 2028. In addition, the reforms necessary for the satisfactory completion of the current economic and financial programme supported by the IMF will be implemented.

Table 1: Assumptions made for the period 2026–2028

	2024	2025	2026	2027	2028
Nominal GDP (in billions)	32 9740	35 020	37 311	39 751	42 619
Growth rate (%)	3,5	3,9	4,2	4,2	4,8
GDP deflator (%)	6,6	2,2	2,2	2,2	2,3
Inflation (%)	4,5	4,0	3,5	3,0	2,8
Real non-oil GDP growth rate (%)	4,5	4,2	4,3	4,5	4,6
Non-oil GDP deflator (%)	6,9	2,7	2,4	2,2	2,3
Oil production (millions of barrels)	21,4	19,8	20,9	22,1	22,6
Gas production (billion scf)	75,9	79,2	65,0	39,0	70,2
World oil price per barrel (US$)	79,2	66,9	62,4	62,7	63,6
Gas price (US$)	10,9	12,5	10,7	9,1	8,1
US$/FCFA exchange rate	606,2	609,1	605,8	606,4	606,8

Source : Framework committee

4 FINANCIAL OUTLOOK BETWEEN 2026 AND 2028

IV- FINANCIAL OUTLOOK BETWEEN 2026 AND 2028

4.1 -Baseline situation and overall guidelines

The Government has opted to pursue a prudent fiscal policy with a view to restoring macroeconomic balance and laying the foundations for a solid economic recovery.

Over the period 2026-2028, the Government's overall fiscal policy will continue to focus on consolidating public finances. Efforts to mobilise higher non-oil domestic revenues will continue. Similarly, the Government will continue reforms aimed at better prioritising public spending and improving its socio-economic effectiveness and efficiency.

Fiscal policy will seek to increase the level of non-oil domestic revenue mobilisation from 13.2% of GDP in 2025 to 13.7% over the next three years. Meanwhile, primary expenditure will be gradually reduced from 14.9% of GDP in 2025 to 14.0% in 2026, 13.6% in 2027 and 13% in 2028.

Table 2 : Public finance trajectory 2026-2028

Budget aggregates	Exec 2023	Exec 2024	Proj.2025	Proj.2026	Proj.2027	Proj.2028
Overall balance *(% of GDP, current prices, including grants)*	-0,6	-1,5	-0,8	-0,2	-0,1	+0,7
Non-oil primary balance *(% of GDP)*	2,6	-2,4	-1,4	-0,4	-0,2	+0,5
CEMAC reference budget balance *(% of GDP*	-1,0	-1,3	-0,4	+0,1	+0,0	+0,6
Tax burden *(% of GDP)*	13,5	12,9	13,2	13,7	13,7	13,7
Primary expenditure excluding debt servicing *(% of GDP)*	15,9	15,4	14,9	14,0	13,6	13,0
Debt servicing (% of GDP)	4,2	4,3	7,0	7,1	6,7	5,4
Payroll sustainability ratio *(% of net tax revenu excluding VAT credits)*	37,8	38,9	36,8	34,8	34,7	33,7
Public debt *(% of GDP)*	44,5	46,0	43,6	50,0	50,0	50

Source : DGB/MINFI

4.2- Public policies for mobilising budget revenue

In 2025, fiscal policy continued to support the nation's economic, social and cultural development policy, while mitigating the impact of external shocks.

This policy remains aligned with social advancement, economic recovery through targeted support for growth sectors, active promotion of import substitution strategies, and consolidation of environmental and gender taxation. The strategy for optimising tax revenues is based on broadening the tax base and securing revenues.

4.2.1- Objectives for mobilising non-oil tax revenues

The rationalisation of tax expenditure will be a key lever of fiscal policy in the coming years. Emphasis will be placed on better integrating the informal economy into the tax system, strengthening the protection of the tax base, managing the risks associated with the digital transition and improving the contribution of individuals.

Fiscal policy for the 2026-2028 three-year period aims to increase the mobilisation of non-oil tax revenues and continue to improve the business environment.
Improving the business climate and strengthening the efficiency of the tax administration will focus on:

- i) strengthening taxpayers' rights and guarantees;
- ii) codifying the law on local tax reform;
- iii) consolidating the reform of the annual summary declaration for individuals;
- iv) aligning domestic legislation with the new CEMAC directives.

Customs policies supporting economic recovery focus on:

i) contributing to the financing of the national development strategy;

ii) participating in the structural transformation of the economy through the industrialisation of the country; iii) controlling tax expenditure, in particular through the transposition of the CEMAC VAT directive;

iv) improving the business environment and facilitating foreign trade.

4.2.2- Main measures envisaged

For the 2026 financial year, the outlook for mobilising domestic non-oil tax revenues will be based on the following measures:

- the implementation of a reformed local taxation system for optimal financing of decentralisation;
- the continued rationalisation of tax expenditure, in particular through the transposition of the new CEMAC directive on VAT;
- the continued strengthening of environmental taxation, in line with Cameroon's international commitments;
- the strengthening of reporting and documentation requirements for better supervision of restructuring and other intra-group operations;
- Consolidation of the electronic invoicing system.
- Finalisation of the process of automating the monitoring of the collection of certain taxes and duties, such as registration fees on legal documents.
- Electronic monitoring of gambling and development operations;
- Operationalisation of local tax centres and individual monitoring centres;
- Continued strengthening of the supervision of informal activities;
- Continued implementation of the automatic exchange of information at the international level.
- Creation of an intermediary structure between the Large Enterprises Directorate (DGE) and the Medium-Sized Enterprises Tax Centres;
- Generalising the automation of the registration procedure for all transactions.
- Continuing to set up a system for collecting and using data for tax purposes.
- Rationalising tax expenditure in line with public policy objectives.

Customs policies focus on:

- Streamlining the handling of goods, tax bases and the tracking of goods in transit;
- Strengthening the system for controlling the movement of funds in the sub-region;
- Continuing to implement a customs policy that encourages industrialisation, consolidates import substitution measures and promotes legitimate trade, in order to support economic sovereignty and economic patriotism;
- Continuing to strengthen partnerships with all actors in the national logistics chain;
- Continuously improving customs governance;
- Re-taxing certain consumer products for which a policy to promote local substitutes is underway (wheat and wheat flour);
- Identifying revenue niches and incidentally broadening the tax base;
- Continuing the policy of taxing export goods according to the degree of local processing;
- Systematically monitoring the preferred destination of customs facilities granted to economic operators;
- Rationalising tax expenditure in line with public policy objectives;
- Optimising the collection of revenue from public procurement and hydrocarbon imports;
- Establishing customs incentives for production inputs in sectors that are driving growth and structural transformation;
- Applying moderate export taxation in favour of finished products processed in Cameroon.

Efforts to optimise non-tax revenue will continue and will focus on:

(i) developing a general code for non-tax revenue;
(ii) digitising collection mechanisms;
(iii) identifying new revenue niches;
(iv) clearing outstanding receivables;
(v) identifying all operational revenue agencies;
(vi) strengthening the capacities of actors in the issuance and collection chain.

4.3- Spending policy for the 2026–2028 triennium

The budgetary policy on expenditure during the three-year period will focus on the effectiveness and efficiency of public spending, with an emphasis on the rigorous and rational selection of investment expenditure. The Government will ensure greater rationalisation of its expenditure by controlling the factors that determine it and optimising its budget planning and execution tools. The aim will be to achieve the budgetary savings necessary to accelerate the implementation of development projects and safeguard the balance of public finances.

During the three-year period, the main objective will remain to control or even reduce current expenditure excluding payroll costs. In this context, the Government plans to:

i) continue to control its current expenditure through the judicious selection of its priorities;
ii) control public consumption (water, electricity, telephone and internet);
iii) control rental costs;
iv) rationalising contributions to international organisations;
v) reducing cash advances and consequently limiting the accumulation of outstanding payments;
vi) controlling rents paid by the State in the context of PPP projects;
vii) controlling non-permanent personnel expenditure; and viii) continuing actions aimed at reducing State support for public enterprises and institutions.

The objective assigned to investment management during the three-year period is based on improving the quality of public expenditure through cost control and the preparation of public investment projects, the implementation of developed project selection tools, the strengthening of equity in the allocation of resources to RLAs, greater consideration of recurrent expenditure and increasing the density of alternative sources of financing for public investment. The aim is to reach the level of 30% of investment expenditure in the budget observed in 2016 over the period 2026-2028, in order to approach the target of 40% laid down by the NDS30.

With regard to externally financed projects, the use of this source of financing will be subject to stricter criteria in order to limit the signing of agreements on immature operations. Emphasis will be placed on the consolidation of SENDS in order to have a viable portfolio of ongoing projects.

With regard to decentralisation, the transfer of resources to local authorities will continue with the signing of all the implementing decrees intended to enable the regions to exercise their powers. The Government intends to complete the necessary preparations for the exercise of all powers transferred to local authorities and to continue to support them by strengthening their capacities and putting in place the necessary tools to enable them to improve the efficiency of their spending.

With regard to the consideration and financing of recurring maintenance and operating costs associated with public investment, the methodological tools developed for the assessment and financing of recurring costs will be disclosed and applied to public administrations and RLAs.

As for alternative models for financing public investment, their promotion will continue, while lessons will be learned from the initial experiences of projects implemented under PPP and project finance models, in particular the management of the budgetary risks associated with this type of financing.

IV- FINANCIAL OUTLOOK BETWEEN 2026 AND 2028

4.4- Financing/debt policy

During the three-year period, the government's financing policy aims to support economic development through various mechanisms. It provides guidelines for the structure of debt. The aim is to reduce the risk of over-indebtedness by adopting a realistic and prudent medium-term debt and public debt management strategy.

This strategy should aim to:

(i) meet the government's financing needs and payment obligations at the lowest possible cost;
(ii) facilitate the development and proper functioning of public securities markets;
(iii) use public-private partnerships as needed, while ensuring that risks are controlled; and
(iv) use international market financing if necessary.

The targets set out in the 2026-2028 Debt Strategy should be as follows:

- A public and publicly guaranteed debt ratio of no more than 50% of GDP;
- A portfolio composition of 75% external debt denominated in foreign currency and 25% domestic debt denominated in CFA francs. The weight of public debt denominated in US dollars should not exceed 25%;
- An average portfolio interest rate of no more than 4%;
- A share of short-term domestic debt of no more than 10% and maintaining the share of variable-rate debt below 20% of the portfolio.

5 DRAFT BUDGET FOR 2026, 2027 AND 2028

V- DRAFT BUDGET FOR 2026, 2027 AND 2028

This section presents the budget projections for total government revenue and expenditure, the resulting budget deficit, the sources of financing, and the coverage of other financing and cash flow expenses for the period 2026–2028.

5.1- Assumptions made

The budget projections for the three-year period are based on the following macroeconomic assumptions: In 2026, economic growth is expected to reach 4.2%, including 4.3% for the non-oil sector. Inflation will be 3.5%. In US dollars, the IMF projects the world price of oil at 62.38 per barrel and gas at 10.7. The US dollar exchange rate is projected at 605.8 CFA francs.

Between 2027 and 2028, economic activity is expected to remain dynamic at an average rate of 4.5%. Inflation is expected to average 2.9%. The global price of a barrel of oil is expected to rise slightly to an average of US$63.16, with the dollar at 606.63 CFA francs.

5.2- Budget revenue projections

In 2026, government budget revenues are projected to reach 5,718.5 billion, an increase of 283.8 billion (+5.2%) compared to 2024. These revenues are projected to average 6,179.3 billion between 2027 and 2028.

Specifically, government revenue breaks down as follows:

Oil revenue is projected at 563.1 billion in 2026, down 78.4 billion (-12.2%) compared to 2025. Oil revenues are expected to average 559.0 billion between 2027 and 2028, a slight decrease of 0.7% compared to 2026.

Non-oil revenues are projected to reach 5,102.4 billion in 2026, compared to 4,702.9 billion in 2025. Tax and customs revenues are expected to increase by a total of 360.6 billion compared to 2025. Between 2027 and 2028, domestic non-oil revenues are projected to average 5,129.7 billion. Non-tax revenues are projected to reach 400 billion in 2026. Between 2027 and 2028, these revenues are expected to average 441.6 billion.

Donations are projected to be 53.1 billion in 2026, down 37.3 billion (-41.3%) compared to 2025. Between 2027 and 2028, these donations are projected to average 49.2 billion.

5.3- Budget expenditure projections for the period 2026–2028

Government budget expenditure is projected to reach 5,708.6 billion in 2026. Between 2027 and 2028, this expenditure is expected to average 5,966.5 billion. In detail:

Personnel expenditure is expected to increase from 1,566.6 billion in 2025 to 1,607.3 billion in 2026. Between 2027 and 2028, this expenditure is expected to average 1,724.2 billion.

Expenditure on goods and services would increase from 1,077.7 billion in 2025 to 1,088.3 billion in 2026. Expenditure on goods and services is projected to average 1,096.9 billion between 2027 and 2028.

Transfers and subsidies will fall from 931.8 billion in 2025 to 918.1 billion in 2026. Between 2027 and 2028, transfer expenditure is expected to average 938.5 billion.

Capital expenditure would fall from 1,639.2 billion in 2025 to 1,624.2 billion in 2026. Between 2027 and 2028, capital expenditure is projected to average 1,707.5 billion.

5.4- Budget deficit

There will be an overall budget deficit of 74.1 billion in 2026, compared with 295.6 billion in 2025. During the period 2027-2028, the budget balance is expected to show an average surplus of 128.9 billion.
In 2026, total expenditure related to these operations is estimated at 2,050.2 billion, compared with 2,318.2 billion in 2025. Between 2027 and 2028, operations related to the repayment of government debt and the payment of arrears are projected to average 1,839.5 billion.

5.5- Budgetary risks

The budget projections for the period 2026–2028 remain exposed to various risks that could undermine them. These include **macroeconomic risks related to the assumptions** used in the projections, risks related to budget execution, risks related to public guarantees, risks related to PPPs, security risks, risks related to commodity price volatility, risks related to the liquidity of the domestic financial market, and risks related to the disbursement of budget support.
Indeed, the projected medium-term growth momentum is based on the implementation of various programmes and projects, including the P2I, PIISAH and the Nachtigal dam. Thus, any delay or limited effectiveness in the implementation of these structural reforms would call into question the growth projections and, consequently, those for tax revenues. Added to this are the risks of new economic shocks in an uncertain global context.

At the institutional level, social acceptance and the impact of new fiscal measures could be limited in an electoral context.

The security situation continues to pose a significant risk to the state budget, given the unpredictability of the scale of related expenditure.

On the financial front, tighter financial conditions on the domestic financial market, particularly the depth of the domestic market and interest rates, continue to weigh on the state's ability to raise funds through government bond issues. Furthermore, there is a significant risk to the external borrowing of 650 billion planned for 2026 and 2027, given the global economic and financial uncertainties. Finally, failure to comply with the conditions of the Economic and Financial Programme could lead to the postponement of disbursements of budgetary support from development partners.

CONCLUSION

The Cameroonian economy is expected to remain dynamic and resilient in the face of external shocks. It is expected to gradually accelerate over the period 2027-2028.

The strategic orientations of public policies focus on: (i) reducing the energy deficit; (ii) continuing to intensify local production of basic necessities.
In terms of public finances, the budget execution situation at the end of March 2025 shows a surplus in the overall balance, the primary balance and even the non-oil primary balance. The resources mobilised amounted to 1,507.7 billion. Expenditure over the same period amounted to 957.5 billion, compared with 1,332.7 billion a year earlier.

The overall direction of the Government's public finance policy for the period 2026-2028 remains budgetary consolidation.

The projections for total state budget resources in 2026 are 5,718.5 billion. These resources are expected to average 6,179.3 billion between 2027 and 2028. State budget expenditure is projected at 5,708.6 billion in 2026. Between 2027 and 2028, this expenditure is expected to average 5,966.5 billion.

On this basis, there will be an overall budget deficit of 74.1 billion in 2026. During the period 2027-2028, the budget balance is expected to show an average surplus of 128.9 billion. The non-oil primary budget balance is expected to continue its downward trend, reaching -0.4% of GDP in 2026, -0.2% in 2027, and then +0.5% of GDP in 2028.

Public debt is expected to remain below 50% of GDP over the period 2026-2028. In addition to mobilising national savings, it should seek concessional loans and innovative financing, while preserving the financial interests and economic sovereignty of the State.

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