REPUBLIC OF CAMEROON

PEACE-WORK-FATHERLAND

CIRCULAR No. 001 OF 30 AOUT 2023

relating to the preparation of the State budget for the 2024 financial year

THE PRESIDENT OF THE REPUBLIC,

TO

- THE PRIME MINISTER, HEAD OF GOVERNMENT;
- MINISTERS OF STATE;
- MINISTERS;
- MINISTERS DELEGATE;
- SECRETARIES OF STATE;
- REGIONAL GOVERNORS.

PRESIDENCE DE LA REPUBLIQUE
PRESIDENCY OF THE REPUBLIC
SECRETARIAT GENERAL
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE
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1. This circular concerns the preparation of the State budget for the 2024 financial year.
2. It presents the macroeconomic context, defines the objectives of public action, lays down general budget orientations as well as practical measures for preparing the State budget for the 2024 financial year.
3. The preparation of the State budget for the 2024 financial year takes into account the global and local macroeconomic context, and falls within the framework of the continued implementation of the Nation's economic, social and social development policy, underpinned by the 2020-2030 National Development Strategy (NDS30). It also takes into account the implementation of the post-covid-19 economic recovery plan and the Economic and Financial Programme concluded with the International Monetary Fund (IMF).
4. The preparation is placed under the banner of a socio-economic **impact budget**. In this connection, special emphasis should be placed on: (i) the implementation of major first-generation projects; (ii) the continuation of the preparation of major second-generation projects; (iii) strengthening social cohesion and decentralization; (v) the continuation of the implementation of plans and programmes for the reconstruction of crisis-affected regions, particularly the North-West, South-West and Far-North Regions; (vi) the continuation of the implementation of the import substitution policy; and (vii) maintaining security and health watch.
5. The preparation of the 2024 budget should continue the implementation of the activities contained in the Comprehensive Public Finance Management Reform

Plan in order to reinforce the use, preparation, presentation, execution and monitoring and evaluation of the programme budget.

I. MACROECONOMIC CONTEXT

6. The State budget for the 2024 financial year is being prepared amid an international environment marked by gradual global economic recovery, despite lingering uncertainties notably concerning: (i) worsening climate conditions which would negatively impact agricultural output; (ii) persistent disruptions in supply channels caused by the Russia-Ukraine conflict; and (iii) the continuing depreciation of the Euro vis-à-vis the USD, resulting in higher external debt servicing and import costs.

7. In 2023 and according to prospects for the month of April, the International Monetary Fund (IMF) projects global economic growth at 2.8%, as against 3.4% in 2022. This drop is mainly explained by a generalized slowdown in most regions of the world. In the group of advanced economies, growth is expected to drop to 1.3%, after 2.7% in 2022, linked to the decline in production in the manufacturing sector and lingering ·inflationary pressures. In emerging and developing countries, economic activity is also expected to record a sharp drop, with growth estimated at 3.9%, as against 4.0% in 2022.

8. Concerning sub-Saharan Africa in particular, and owing to inflationary pressures, tightened financing conditions and a drop in external demand, economic activity is expected to slow down, with growth decreasing from 3.9% in 2022 to 3.6% in 2023. In CEMAC, BEAC projects a slowdown in economic activity, with a growth rate of 2.7%, after 2.9% in 2022. This situation would be sustained by inflationary surges and the continuation of a restrictive monetary policy.

9. Global inflation should drop to 7%, after 8.7% in 2022. However, this is mainly due to a sharp turnabout in energy and food prices. In advanced countries, inflation is expected to stand at 4.7%, after 7.3% in 2022. In emerging and developing countries, inflation should return to 8.6%, as against 9.8% in 2022. In sub-Saharan Africa, inflation is estimated at 9.6%, after 12.2% in 2022. In the CEMAC zone, inflation is expected to stand at 2.7%, as against 5.2% in 2022.

10. **In 2024**, under the assumption of mitigation of inflation and the other effects of the Russia-Ukraine crisis, the IMF projects an increased global growth rate of 3.0%, of which 1.4% in advanced countries and 4.2% in emerging and developing countries. Growth is projected at 4.2% in sub-Saharan Africa and 2.9% in the CEMAC zone. The rate of inflation would stand at 4.9% for the global economy, 2.6% for the group of advanced countries and 6.5% in emerging and developing countries.

11. Oil prices on the international market are expected to drop to 68.9 dollars per barrel in 2024, from an average of 77.98 dollars per barrel projected in 2023. Non-oil commodity prices should remain unchanged on the whole.

12. **At the national level,** growth has been revised to 3.8% in 2023, as against 4.2% in the initial Finance Law due to the deterioration of the global economic outlook. On the supply side, the oil sector is expected to contract by ~~1.8% en~~ 2023, owing to the

drop in oil production. In the non-oil sector, growth is projected at 4.2%, as against the initial 4.5%, due to the increase in production costs and difficulties in commodity supply which manufacturing industries are still facing.

13. Concerning expenditure on GDP, household consumption is expected to increase by 3.0%, owing to the positive trends in agricultural income, consumer credits, Diaspora remittances and Government measures to mitigate the impact of inflation on purchasing power. Conversely, investment is expected to drop by 2.6%, as against 3.4% in 2022, in relation to the decrease in public investments.

14. Regarding prices, inflation is estimated at 5.9% in 2023, as against the initially estimated 3%, due to the factoring in of the effects of the readjustment of fuel pump prices and its induced impact on the other products.

15. In 2024, Cameroon's economic outlook remains positive, despite uncertainties related to the international environment. Real GDP growth is estimated at 4.3%, of which 4.6% for the non-oil sector and -2.2% for the oil sector. The non-oil sector should benefit from improved energy supply with the commissioning of the Nachtigal dam and the reinforcement of the electricity distribution network. Besides the implementation of the import substitution policy, this will help to increase the production capacity of some plants and support the buoyancy of manufacturing industries. Inflation is expected to progressively return to below the 3% threshold as a result of adjustments and measures implemented by Government to contain price hike.

II. PUBLIC POLICY OBJECTIVES

16. In 2024, the overall public policy will remain economic recovery and reinforcement of inclusive growth in order to foster better implementation of the National Development Strategy (NDS30).

17. In this connection, priority should be given to the implementation of the security, economic, fiscal, social and governance action levers below.

18. Concerning security, public policy will focus on:

- maintaining security watch;
- strengthening the disarmament, demobilization and reintegration process.

19. On the economic front, Government will:

- pursue reconstruction of the North-West, South-West and Far-North Regions;
- complete the commissioning of major first-generation projects;
- ensure the rehabilitation and maintenance of existing infrastructure;
- orient public procurement of goods and services toward local production;
- strengthen support for enterprise generations investing in SND30 priority sectors, particularly agri-food;

- accelerate implementation of the import substitution policy, particularly through implementation of the support plan for the production and processing of the main import products (rice, corn, wheat, soybean, millet, sorghum, fish, milk and pharmaceutical products);
- facilitate access to land in order to promote the implementation of second-generation agriculture;
- strengthen energy infrastructure to meet the needs of industry and the population, particularly by operationalizing hydroelectric dams and solar power plants for the electrification of rural areas;
- implement the actions of the SND30 Initial Stimulus Plan (P21) in a coordinated manner by ensuring greater processing of local raw materials and continuing the maturation of SND30 sector development plans;
- promote regional integration, free movement of goods and people, intra-zone trade, and optimize new market opportunities in CEMAC, ECCAS and AfCFTA;
- develop transport infrastructure and open up production basins in order to facilitate trade and market supply under the best possible conditions;
- continue to develop the digital economy by strengthening the telecommunications network and infrastructure;
- identify measures to control crypto-currency-related activities;
- enhance competitiveness of Cameroon's economy by reducing the costs of factors of production (transport, energy, etc.);
- accelerate implementation of the policy of national champions while promoting the values of economic patriotism;
- implement mechanisms for promoting climate finance in Cameroon as part of efforts to develop carbon finance and achieve eligibility for the Green Fund;
- limit the use of Common Heads by giving preference to line-to-line transfers:
- provide funding for the Electricity Sector Development Programme;
- controlling the budgetary risks associated with PPP projects;
- accelerate implementation of the decentralization policy, ensuring full transfer of powers and resources by the relevant government services to regional and local authorities;
- continue to implement measures aimed at guaranteeing better control of inflation, particularly as regards food products;
- increase the local supply of goods and foodstuffs, and strengthen food storage, packaging and distribution capacities;
- continue the rehabilitation and restructuring of the National Oil Refining Company (SONARA);
- strengthen local wood processing and export capacities for higher value-added products.

20. **Regarding internal taxation**, new measures adopted for the 2024 financial year should, in addition to optimizing internal non-oil revenue, promote a tax environment conducive to business development, by streamlining procedures and tracking taxpayers, notably by:

- continuing to reduce the tax burden on small businesses;

- continuing to align legislation with the dematerialization of tax procedures;

- promoting tax compliance among taxpayers by setting up a voluntary regularization programme;

- continuing to reorganize services by setting up an intermediary entity between the Large Business Department and the Medium Business Tax Centres, and by setting up tax centres to monitor individuals and specific taxes, as well as management and monitoring centres for non-profit organizations (NPOs).

21. **In terms of customs policy**, the Customs Administration will place greater emphasis on its economic mission to support public policies in the area of foreign trade. This will involve optimizing measures aimed at contributing to national security, regulating economic activity, facilitating foreign trade and improving the business climate.

As such, priority actions will focus on:

- strengthening border and customs area surveillance and acquiring modern control equipment and resources to meet the requirements of integrating Customs into the national defence and security community;

- reinforcing control measures for foreign trade financial operations relating to customs activities, in particular with a view to combating money laundering and terrorism in accordance with Article 65 of the revised CEMAC Customs Code;

- continuing to introduce incentives to consolidate import-substitution and economic patriotism policies;

- continuing to implement a customs policy that encourages industrialization and the promotion of legitimate trade, in order to reduce national vulnerabilities;

- applying moderate taxation on exports, for finished products processed in Cameroon, in order to contribute to the diversification of exports and the development of "national champions";

- reducing costs and border crossing times and strengthening the partnership approach;

- controlling the flow of foreign currency across borders and strengthening controls on the repatriation of export earnings, in conjunction with the other relevant administrative bodies.

22. **On the social front**, the aim will be to:

- reinforce the inclusiveness of economic growth, particularly by giving greater consideration to labour-intensive (HIMO) approaches and local content in investment project design;

- continue to strengthen the Social Safety Nets project by broadening the scope of its beneficiaries and diversifying the type of direct support provided (cash/in kind);
- continue to operationalize the National Book and Textbook Policy by drafting and applying the implementing instruments of Law No. 2021/0 24 of 16 December 2021 to organize and promote the book sector in Cameroon;
- continue to intensify the policy of matching technical and vocational training to local market needs according to socio-economic realities;
- continue to implement universal health coverage with focus on disease management, particularly among pregnant women and under-five children;
- continue to ensure health monitoring in the context of the fight against epidemics and pandemics;
- continue setting up the single social register;
- continue to fulfil commitments contained in the National Gender Policy (NGP) and extend such policy to other vulnerable people (persons with disabilities and economically fragile persons);
- set up a national solidarity fund for better management of vulnerable segments.

23. **Regarding governance,** the actions already initiated should be continued. To that end, efforts to enhance transparency and streamline public finance management should be pursued through the following measures:

- consolidating the institutional and normative environment of public decentralization policy in order to strengthen the participation of our fellow citizens in the management of local affairs;
- strengthening the legal and institutional framework for PPPs in order to improve the preparation of projects, and in particular their budgetary sustainability;
- pursuing the policy of clearing the State's non-financial domestic debt, while limiting the accumulation thereof;
- supporting Regions in the implementation of devolved powers for which instruments laying down terms and conditions for their exercise are available;
- building the capacity of Councils and Regions in terms of public policy planning, programming and budgeting, and supporting them in the systematic development of strategic and spatial planning tools, in line with the NDS30;
- strengthening incentive mechanisms to promote and supervise land governance, to enable the emergence of second-generation agriculture;
- continue implementation of the for Comprehensive Public Finance Management Reform Plan;

- setting up a performance-based strategy for the allocation of operating and investment subsidies, through the signing of performance contracts with public establishments;

- implementing, under performance contracts with public companies, actions capable of guaranteeing greater socio-economic profitability and financial viability, in order to avoid systematic recourse to State subsidies;

- speeding up the general review of public policies in order to rationalize State intervention, including adapting the portfolio of public establishments and companies to the country's real needs;

- continuing to implement the inter-ministerial plan to raise awareness, monitor and punish hate speech, and promote living together and citizenship;

- reinforcement of actions dedicated to the promotion the national bilingualism policy, pursuant to Law No. 2019/019 of 24 December 2019 on the promotion of official languages.

24. Against this backdrop, the 2023 budget should be an impact budget prepared based on the following assumptions:

- a 4.3% real GDP growth;
- a 1.9% GDP deflator;
- an overall budget deficit, including grants, of 1.0% of GDP;
- a current account deficit of about 3.0% of GDP.

III. GENERAL BUDGET POLICY GUIDELINES

25. The Government's public finance policy objective is to ensure that fiscal policy is compatible with the objectives pursued within the framework of the implementation of the National Development Strategy 2020-2030 (NDS30) by providing adequate financing for the resulting expenditure programme, while ensuring medium- and long-term fiscal sustainability.

26. **Concerning revenue,** the priority remains optimizing non-oil tax revenue mobilization while better supporting economic recovery by assisting businesses and households in dealing with the economic consequences of recent crises.

27. New measures to optimize revenue mobilization must therefore ensure that they do not create economic distortions that are detrimental to business development and competitiveness.

28. **Tax revenue mobilization** should be pursued by broadening the tax base, securing revenue and revenue collection channels and intensifying the fight against tax evasion and fraud. These measures should be concretized through actions aimed at:

(a) Concerning the broadening of the tax base

- establishing a reformed local tax system to optimize the financing of decentralization;
- continuing to optimize individual taxation, particularly by simplifying and modernizing tax procedures;
- pursuing the streamlining of tax expenditure, particularly by transposing the new CEMAC Directive on VAT (introduction of reduced rates on some staples);
- streamlining the taxation of externally-funded projects;
- strengthening the taxation of products with negative externalities by extending the super-reduced specific excise duty to some locally produced carbonated beverages;
- pursuing the strengthening of environmental taxation in line with Cameroon's international commitments. In this regard, the scope of the STPP on some fuels, such as liquefied natural gas, could be revised, and the introduction of a carbon tax could be considered;
- optimizing personal income tax revenue in the wages and salaries category by adjusting the thresholds for deducting business expenses and capping in-kind benefits excluded from the tax base;
- stepping up the collection of tax arrears from public enterprises;
- continuing to adapt legislation to better cover online transactions;
- extending excise duties to some products that have a negative impact on the environment, such as building materials.

(b) Regarding revenue protection:

- introducing an innovative solution to generate additional tax revenue from high value-added sectors, particularly the digital economy;
- finalizing the automation of the monitoring of the collection of some taxes, such motor vehicle stamp duty;
- improving the budgetary efficiency of VAT, particularly by clarifying its scope regarding property transactions.

(c) Regarding the control of and fight against fraud:

- ensuring the effective implementation of the beer labelling system
- ensuring effective implementation of the system for electronic monitoring of invoices and business turnover, particularly in the NICT sector;
- dematerializing withholding tax certificates;
- strengthening the supervision of informal activities by further introducing measures to limit cash transactions;
- strengthening reporting and documentation requirements to provide a better framework for restructuring and other intra-group transactions;
- continuing to align the domestic mechanism with international standards for fighting against tax base erosion practices by transposing the "country-by-country

reporting" standard and establishing a voluntary regularization policy, which are 2 of the 4 minimum standards of the Base Erosion and Profit Shifting (BEPS) project;

29. **To optimize the mobilization of customs revenue,** emphasis will be placed on the actions:

- continue to modernize the customs information system to optimize the handling of goods, risk analysis with respect to customs fraud profiles, litigation management, and data intelligence;
- improve the quality of goods handling and taxation base control infrastructure, as well as optimization of the Customs Revenue Securement Programme;
- operationalize the import and export value file to help control and manage the tax base;
- identify revenue niches and subsequent broadening of the tax base;
- strengthen controls on the use of facilities granted to economic operators in relation to the prime destination;
- streamline the tax expenditure, in line with public policy objectives. In this respect, particular attention will be paid to eliminating exemptions that do not contribute to promoting the import substitution policy and to increasing the taxation of products with negative externalities on the environment and health, as well as those for which Cameroon has local production capacity;
- optimize the collection of customs revenues from public contracts and hydrocarbon imports;
- continue the digitization of customs procedures to facilitate trade by prioritizing the grouping of port taxes and fees in customs declarations, completing the extension of the electronic payment platform to all customs units and continuing the automation of auctions;
- secure goods in transit by optimising the geolocation tracking system;
- build on the achievements of special missions to combat customs fraud and smuggling. In this regard, all other law enforcement and security forces will be required to assist the customs administration on first request;
- improve customs litigation by intensifying and digitizing post-clearance customs controls to support the simplification of front-line checks;
- complete work to link the information systems of all government services (the Ministry of Transport, the General Directorate of Taxation, the General Directorate of Customs) involved in the customs clearance and registration of vehicles.

30. **The mobilization of non-tax revenue** should be pursued by broadening the tax base, securing revenue collection procedures, modernizing government services and improving the quality of services provided to users. To this end, the following measures shall be taken:

- introduce a paperless system for data collection procedures;

- set up inter-ministerial platforms to identify new niches;
- carry out campaigns to collect outstanding debts;
- continue the census of operational revenue offices;
- build the capacity of actors operating in the revenue collection chain;
- improve transparency and accountability among non-tax revenue actors;
- improve the legal framework for the collection of non-tax revenue;
- use harmonized and secure media to collect and report information on non-tax revenue;
- strengthen the monitoring and establishment of internal control systems to control various risks;
- strengthen the monitoring of fines within the framework of economic regulation;
- transpose the financial provisions of the Criminal Procedure Code relating to the collection of fixed fines into the Finance Law for the 2024 financial year;
- strengthen measures to monitor all non-tax revenue collected;
- strengthen the monitoring of surpluses resulting from the capping of revenue allocated to some public establishment and special appropriation accounts;
- strengthen the system for monitoring the collection of dividends and other financial income receivables.

31. **With respect to expenditure,** emphasis will be placed on gradually increasing capital expenditure to a level commensurate with NDS30 targets so as to accelerate the implementation of the identified priority investment projects, which are essential for strengthening our resilience and for inclusive and sustainable growth, in line with the NDS30 guidelines.

32. Similarly, measures to streamline recurrent expenditure should be continued in order to keep total expenditure at a level consistent with resource constraints. In this regard, efforts will be made to limit the amount of subsidies and prioritize spending on goods and services in order to achieve greater efficiency.

33. Furthermore, budget forecasts should be realistic and accurate by prioritizing the inclusion of appropriations in the State budget to cover ongoing State commitments before allocating resources to new measures.

34. The new projects to be included in the public investment budget must inevitably be the outcome of a rigorous process of planning, maturation, prioritization and programming, with a demonstration of their socio-economic impact and the budgetary sustainability of their financing.

35. In order to reduce the State's domestic arrears, the outstanding payments from previous financial years should be budgeted as a matter of priority. This orientation also concerns all other public entities, in particular Public Establishments and Regional and Local Authorities in the breakdown of their own resources and transferred resources. As such, a portion of the envelope

allocated to each public administration must be devoted to the budgeting such outstanding payments or arrears.

36. Efforts to reduce the government spending will have to continue. To this end, special measures must be taken to ensure the rational budgeting of some categories of expenditure.

37. With regard to personnel expenditure and pensions, the prescribed actions concerning the human resources of the State as well as actions to clean up the payroll should be pursued more vigorously in to streamline the wage bill, notably by:

- ensuring forward-looking management of government workers and skills, guaranteeing efficiency in expressing new staffing needs;
- rationalizing recruitment and ensuring mastery and mobility of the workforce within the administrations remain essential for the budget sustainability of personnel expenditure;
- finalizing the Physical Headcount of State Personnel (COPPE 2018), by ensuring the removal from the State payroll of all government workers effectively found to be absent and suspended from duty;
- continuing the operation to clean up the payroll by deleting the names of deceased workers or pensioners;
- cleaning up the family allowances paid to government workers and pensioners;
- commissioning the National Application for the Management of Civil Servants placed on Secondment (ANGIFODE), with a view to capturing the pension contributions of government workers placed on secondment to public or semi-public establishments and assessing the related social security debt;
- commissioning the new human resources and state payroll management application, SIGIPES 2, to promote the dematerialization of procedures, the optimal management of personnel, payroll and job mapping.

38. With regard to purchases of goods and services, efforts will be made to limit their inclusion strictly to necessary recurrent expenditures, while taking into account essential recurrent expenditures for monitoring the implementation, operationalization and maintenance of public investments.

39. Subsidies granted to public establishments should be judiciously assessed, taking into account their real needs and the trends observed in the execution of their previous budgets.

40. For public establishments with a budget revenue allocation, a ceiling compatible with the actual level of their relevant expenditures should be set in order to ensure optimal use of available public resources.

41. The revitalization of the recovery of the own resources of special appropriation accounts should be continued. Moreover, the ceilings of special appropriations accounts will be determined based on the revenue potential of such accounts as well as the relevance and maturity of the activities planned for 2024.

42. **With regard to investment expenditure**, the activities to ensure that the expenditure items included in the investment budget contribute exclusively to gross fixed capital formation will have to continue.

43. Furthermore, efforts to strengthen public investment responsibilities should continue. To this end, steps will be taken to develop and implement a harmonized public investment management framework. Moreover, tools to guide the process for the selection of public investment projects will have to be developed, for greater public investment efficiency.

44. With this in mind, in order to have the resources needed to finance the investment operations defined in SND30, the constituent elements of the National Integrated Financing Framework (CNFI) should be finalized and the mechanisms for setting up Investment funds for the implementation of major transformative projects identified.

45. Government services must ensure that the priorities falling within their jurisdiction are fully taken into account, in order to limit any recourse to the common budget heads, reserved for interventions not covered in the State budget. To this end, ongoing projects having received funds under the common heads for implementation must be taken into account in the budget head concerned.

46. The recurrent costs inherent in the operation and maintenance of public investments should be taken into account in the budgets of ministries, while taking into account the specificity of the said investments.

47. A provision representing 2% of the amount of capital expenditure on ordinary domestic resources for the year 2023, must be formed under head 95 "brought forward", in order to cover in 2024 the non-authorized committed expenditure of the 2023 financial year and thus guarantee the continued smooth execution of the projects concerned.

48. **With regard to financing,** debt decisions must be consistent with the National Debt Strategy, the financing plan and the annual cash flow plan, in order to preserve public debt and public finance sustainability.

49. **In terms of debt management,** all financing offers or requests relating to domestic and external borrowing, all bond issues and all innovative financing operations (green bonds, Islamic bonds, climate financing/borrowing, etc.), to be contracted directly by the State, its various arms, including RLAs, public enterprises and public establishments, must be submitted to the National Public Debt Committee (NPDC) for an opinion. Similarly, for any request for on-lending or guarantee, including those related to Public-Private Partnerships, to be granted, it must ultimately obtain the opinion of the National Public Debt Committee. Restructuring operations (renegotiation, reduction, reprofiling, repurchase, assignment of receivables) must also comply with this requirement of systematic review by the NPDC.

50. New commitments will be contracted only for the implementation of projects with a specific mission, with proven socio-economic impact, and that are sufficiently mature, with Counterpart Funds (CPF) compatible with the successful completion of the projects. Non-concessional loans will be contracted only for projects with high financial and socio-economic profitability, for which concessional financing is not available.

51. Loan agreements whose execution timelines are abnormally long or exceeded and which are experiencing implementation difficulties will have to be renegotiated.

52. The development of the domestic debt market, should be continued with the issuance of public securities, through:

- deploying a debt policy consistent with the State financing plan and the medium-term debt strategy, promoting recourse to domestic borrowing while safeguarding the interests of the State, in particular by carrying trade-offs between the costs of various sources of financing;
- prioritizing bond issues to finance the budget so as to minimize interest rate and refinancing risks;
- proceeding with the prudent issuance of treasury bills (T-bills) as part of cash management operations and reducing the stock of such T-bills.

IV. PRACTICAL MEASURES FOR THE PREPARATION OF THE STATE BUDGET

53. The preparation of the State budget for the 2024 financial year will be carried out in accordance with the principles set forth under Law No. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and Other Public Entities and in accordance the provisions of Decree No. 2019/281 of 31 May 2019 to establish the State budget calendar. To this end, the programme budgeting approach should be pursued and consolidated to enhance transparency and efficiency in the allocation of public resources. To this end:

- budget programmes with performance objectives and results indicators must derive from the Strategic Performance Frameworks (SPF) based on the SND30;
- the sub-programmes of Public Establishments must be strictly aligned with the Strategic Performance Frameworks (SPFs) of their technical supervisory ministries in order to strengthen public policy efficiency;
- since the appropriations are specific to programmes, expenditures intended to achieve the same goal must be lumped together under the same programme. As such, all programmes must be accompanied by the projected results chain, which establishes a close link between resources allocated and expected outcomes;
- budget options must be directed towards activities that contribute to achieving the expected results;

- the costs of the programmes must be rigorously assessed and broken down within the Medium-Term Expenditure Frameworks (MTEFs), down to the level of activities. Efforts should be put in at this level to distinguish expenditures falling under the reference lines from those inherent in the new measures;
- every new operation to be included in the 2024 State budget must be budgeted in Commitment Authorization (CA), broken down into Payment Credit (PC), taking into account the multi-annual basis enshrined in the law relating to the Fiscal Regime of the State and other Public Entities.

54. **With regard to jointly financed investment projects,** in order to guarantee their proper execution, the government services concerned must, in conjunction with the ministers in charge of finance and investment, ensure that the counterpart funds for the said projects are sufficiently budgeted.

55. **New projects** may be programmed within the fiscal space available in Commitment Authorization (CA) and Payment Credit (PC) of the administration, after prior consideration of ongoing projects and outstanding payment.

56. The opening of new multi-year commitment authorizations (MCAs) must be carried out within the limit of the multi-year commitment ceiling prescribed by the Prime Minister, Head of Government. The ceiling must take into account the sustainability of the medium-term budget framework of the ministry concerned and the overall level of the said ministry's previous commitments. Requests to open new multi-year commitment authorizations must be accompanied by updated accounts on the conclusion of past commitments.

57. The basic packages disclosed for budgetary discussions are indicative and subject to upward or downward adjustments, depending on the relevance and maturity of projects. Accordingly, to control the level of overall State commitment, the packages notified by the Prime Minister, Head of Government, will be capped in commitment authorizations (CAs) and payment appropriations (PAs).

58. Regarding public enterprises and establishments to be rehabilitated, priority should be given to those that can restore financial equilibrium after the improvement of production facilities and whose activities contribute to implementing the NDS30 guidelines. Therefore, those that have benefited from restructuring resources will be subject to an audit prior to any new budgetary entry or rehabilitation.

59. The entry of appropriations in investment grants and counterpart funds in actual expenditure should be subject to the presentation of the elements of maturity of the investment operations to be carried out.

60. Externally funded public investment projects should be entered in compliance with the principles of planning, maturation, programming and budgeting.

61. Disbursement plans for externally-funded agreement projects must be compatible with the Medium-Term Budgetary Framework (MTBF) available for the three-year period concerned.

62. The ministerial allocations communicated through the MTBF should take into account the actual needs resulting from realistic FINEX project disbursement plans.

63. To ensure the control of medium-term budgetary costs and the performance of public investment, multi-year commitment authorizations (CAs) must take into account budgetary sustainability. In addition, the level of CAs must be determined in such a way as to ensure the functionality of the planned project after consumption of the CA.

64. Operating and investment expenditures should be matched in the MTEFs. Similarly, the recurrent costs generated by capital expenditure should be assessed, programmed and budgeted.

65. Projects included in the first year of the MTEFs of government services and institutions, and then in the finance bill, should first appear in the Public Investment Projects Bank and have a maturity visa.

66. Ministries and other government services will forward their C2D-funded capital expenditure, together with the provisional results chain, to the Ministry in charge of investment, for inclusion in the 2024 finance bill. The related appropriations should be broken down by programmes, actions, projects and tasks with geographical locations.

67. The State's commitments under PPPs in respect of investment rents should be rigorously assessed and entered in the budget of each ministry concerned.

68. **Regarding recurrent expenditure**, the payroll should be prepared in such a way as to ensure the regular payment of salaries and the gradual settlement of related debts, including the assumption of planned recruitment.

69. Regarding pensions, the relevant provision should take into account the deferred impact of the total liquidation of pensioners' dues upon retirement.

70. The recurrent expenditure of the ministerial, regional and divisional public contracts commissions will be borne directly by the budgets of the entities to which the said commissions are attached. The same applies to expenditure relating to the functioning of the special commissions for Public-Private Partnership Contracts, as well as the payment of regulatory fees.

71. Priority must be given to taking into account the actual level of market regulation charges and expert fees owed the Partnership Contracts Implementation Support Board (CARPA) by each government service in the breakdown of the recurrent budget.

72. Ministries and other government services should forward their C2D-funded recurrent expenditure, together with the provisional results chain, to the Ministry in charge of finance, for inclusion in the 2024 finance bill. The related appropriations should be broken down by programmes, actions, projects and tasks with geographical locations.

73. To ensure a rational treatment of the rental expenses of government services, only current rents will be included in the budgets of the ministry in charge of State property and the ministry in charge of defence. Payment of arrears should be

handled separately by the competent government service at the end of the ongoing audit.

74. The expenses relating to the functioning of the commissions for the establishment and evaluation of expropriations for public purposes and the payment of compensation should be budgeted by the government service concerned with the said operation.

75. The State's commitments under PPPs regarding investment rents should be rigorously assessed and entered in the budget of each ministry concerned.

76. Regarding gender promotion, the integration of the Gender Responsive Budgeting approach should be a priority in all sectors of national development.

77. Government services should execute their commitments to promote equality, made as part of the National Development Strategy and the National Gender Policy and outlined in the Strategic Performance Frameworks. Gender issues should be mainstreamed in the budgets of the sector ministries, as well as in the objectives and indicators adopted.

78. All the expenditure and specific measures planned to promote gender equality and equity must be clearly highlighted in the ministerial documents to be presented in the formats prescribed by the Minister of Finance and examined at the various budget conferences (MTEF, APP, APR). Such expenditure (programmes, actions, activities and tasks) should be identified and tracked by markers to serve as advocacy elements for the allocation of budgetary resources.

79. Under the supervision of the support team (NIS, MINFI, MINEPAT and MINPROFF), government services should conduct a sector-specific gender situational analysis, analysing gender issues in the sector, together with recommendations identifying budgetary levers to respond effectively to the specific and differentiated needs of women/girls and men/boys.

80. By 2024, the third edition of the Gender-Sensitive Budget Document should involve, on a pilot basis, the ministries responsible for finance, the economy, agriculture, livestock, decentralization, basic education, secondary education, health, social affairs and women's empowerment, etc.

81. Concerning the acceleration of the decentralization process, an effort should be made to reduce disparities in the allocation of resources to local authorities, to promote harmonious and balanced development at the local level. As such:

- government services should programme **the resources needed to effectively finance the exercise of the powers devolved to regional and local authorities in their MTEFs**, distinguishing between those for capital expenditure and those for current expenditure, and ensure that they are allocated fairly;
- sector ministries, in conjunction with the ministers in charge of investment, finance and decentralization, should assess the exercise of devolved powers;

- specific conferences should be jointly organized by the ministries in charge of finance, public investment and decentralization, to review equity in the distribution of resources allocated by the relevant government services to RLAs.

82. In budgeting the appropriations for the common heads (60, 65 and 94), efforts should be made to progressively allocate some expenditure previously entered in such heads to the ministerial heads.

83. At the end of the State budget preparation process, all authorizing officers must ensure that a forecast commitment plan is presented for all expenditure entered in the Finance Bill, on the basis of which the State's cash flow plan should be prepared.

84. Such are the major guidelines for the preparation of the finance bill for the 2024 financial year, to enable our country to achieve its growth and inclusive and sustainable development objectives.

85. The Prime Minister, Head of Government, the Minister of Finance and the Minister of Economy, Planning and Regional Development are responsible, each in his own sphere, for the strict implementation of these directives to which I attach the utmost importance.

PRESIDENCE DE LA REPUBLIQUE
PRESIDENCY OF THE REPUBLIC
SECRETARIAT GENERAL
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE
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Yaoundé, 30 AOUT 2023

RÉPUBLIQUE DU CAMEROUN
PAIX-TRAVAIL-PATRIE
LE PRÉSIDENT
THE PRESIDENT
PEACE-WORK-FATHERLAND
REPUBLIC OF CAMEROON

PAUL BIYA

PRESIDENT OF THE REPUBLIC