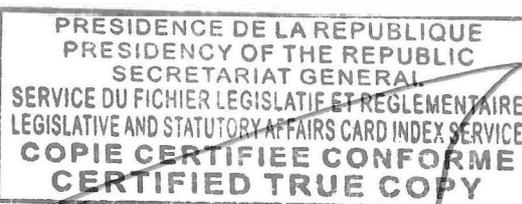


CIRCULAR No. 001 OF 30 AOUT 2021  
relating to the preparation of the State budget for the 2022 financial year

THE PRESIDENT OF THE REPUBLIC,

TO

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



- 1- This Circular lays down the general budget policy guidelines as well as practical measures for preparing the State budget for the 2022 financial year.
- 2- While taking into account the global and domestic macroeconomic context, the preparation of the State budget for the 2022 financial year is a continuation of the implementation of the Nation's economic, social and cultural development policy, underpinned by the 2020-2030 National Development Strategy (NDS30) which operationalizes the second phase of Vision 2035. It also takes into account the implementation of Government's response strategy against the Coronavirus and its economic and social impacts, the post-COVID-19 economic recovery plan, as well as the implementation of the new Economic and Financial Programme concluded with the International Monetary Fund (IMF). On the security front, the budget is being prepared in a context marked by the prevalence of polymorphous threats in our country.
- 3- Specifically, special emphasis will be placed on: (i) finalization and commissioning of major first-generation projects; (ii) strengthening of social cohesion and decentralization; (iii) implementation of the import/substitution policy; (iv) reconstruction of crisis-affected regions, particularly the North-West; South-West and Far-North; (v) organization of the Africa Cup of Nations (AFCON); (vi) continued implementation of

Universal Health Coverage (UHC); (vii) continuation and strengthening of the fight against security threats with a view to sustainably overcoming the security challenges facing our country.

- 4- The preparation of the budget for the 2022 financial year should build on the activities contained in the updated Public Finance Management Global Reform Plan in order to reinforce the use, preparation, presentation, execution, monitoring and evaluation of the programme budget.

#### I. MACROECONOMIC CONTEXT



- 5- The State budget for the 2022 financial year is being prepared amid an international environment marked by a fragile recovery of the global economy, owing to the optimism generated by the increase in vaccinations against the Coronavirus. Nevertheless, the recovery is contingent on many uncertainties regarding the control of the pandemic.
- 6- According to the IMF, in 2021 the global economy is expected to grow by 6% after a drop of 3.3% in 2020. This trend is explained by: (i) economic support measures in developed countries; (ii) recovery prospects driven by vaccination in the second half of 2021; and (iii) continued adaptation of economic activity to reduced mobility.
- 7- Growth in the group of **advanced countries** is estimated at 5.1%. All the main economies of the group are expected to experience an upturn in growth in 2021: United States (5.1% as against -3.5% in 2020), Japan (3.3% as against -4.8%), United Kingdom (5.3% as against -9.9%), Germany (3.6% as against -4.9%), France (5.8% against -8.2%), Italy (4.2% as against -8.9%) and Spain (6.4% as against -11%). Some countries are expected to catch up on the pre-crisis activity level faster. Disparities could be due to: (i) effectiveness of the authorities' health response plans and the populations' behaviour in the face of infections; (ii) economic activity flexibility and capacity to adapt to mobility challenges; and (iii) pre-existing trends and pre-crisis structural inflexibilities.
- 8- In the group of **emerging and developing countries**, recovery is expected to be more vigorous than initially projected, due to the easing of confinement in some major countries such as China and the progress of vaccination backed by several global initiatives. However, recovery paths are expected to differ between China and other countries. Indeed, while other countries will experience moderate growth, China's growth will accelerate from 2.3% in 2020 to 8.4%, thanks to effective containment measures, a vigorous public investment strategy and supply of liquidity by the central bank. In this group, the situation remains particularly difficult for countries with a strong tourist destination, given that international travel is taking time to return to normal.
- 9- After recording the sharpest contraction ever in 30 years (-1.9% in 2020 according to

IMF), sub-Saharan Africa is expected to experience a 3.4% growth rate in 2021. However, the pandemic continues to take a toll on activity in the major economies, including Nigeria and South Africa.

- 10- The Bank of Central African States (BEAC) expects growth in the Central African Economic and Monetary Community (CEMAC) to stand at 2.8% in 2021, up from -2.1% in 2020 under the effect of a decline in activity, both in the oil (-4.2%) and non-oil (-1.6%) sectors.
- 11- Inflation in advanced countries is expected to rise from 0.7% in 2020 to 1.6% in 2021. In the other countries, it is expected to drop from 5.1% to 4.9% over the same period. Specifically, it is projected to stand at 2.3% in the United States, 1.4% in the Euro zone, 1.2% in China, 14.3% in sub-Saharan Africa and 2.1% in the CEMAC zone.
- 12- In 2022, global economic growth is expected to stabilize at 4.4% owing to the adoption of new budgetary support measures in some major countries, the anticipated recovery driven by vaccination in the second half of 2021 and the continuous adaptation of economic activity to reduced mobility. Such prospects remain very uncertain, in particular as regards the evolution of the pandemic, the effectiveness of the measures adopted by the authorities to ensure a return to normal thanks to vaccination, and trends in financial conditions.
- 13- Based on this assumption, the group of advanced countries is expected to achieve a 3.6% growth, with 3.5% in the United States, 3.8% in the Euro zone, 5.1% in the United Kingdom and 2.5% in Japan. In the group of emerging and developing countries, recovery is expected to be stronger with a 5% growth rate, driven by China (+ 5.6%) and India (+ 6.9%). Growth in sub-Saharan Africa is expected to increase to 4%.
- 14- After rising in early 2021, commodity prices on international markets are expected to stabilize amid the global economic recovery. In particular, oil prices are expected to decline from an average of USD 58.5 per barrel in 2021 to USD 54.8 per barrel in 2022.
- 15- **At the national level**, besides the uncertainties inherent in the impacts of the COVID-19 pandemic on the economy, the context is marked by the implementation of the Post-COVID-19 recovery plan. The plan is part of the operationalization of NDS30, whose objective is to ensure the structural transformation of Cameroon's economy with particular emphasis on the continuation of the import-substitution policy required to strengthen the resilience of our economy.
- 16- In 2021, economic activity is expected to rebound to 3.4% compared with 0.7% in 2020, driven by the upturn in global demand for our export products, due to the gradual reopening of several economies and a dynamic domestic demand. In the non-oil sector in particular, recovery in demand from our trading partners will lead to an upturn in activities in export-oriented branches such as export agriculture, forestry and logging.

- 17- Similarly, the gradual lifting of restrictive measures will give new impetus to the service sectors which have been seriously affected by the pandemic (tourism, hospitality, catering, trade and transport). In addition, the resumption of international events and the gradual re-establishment of several supply chains will help to boost economic activity.
- 18- Concerning GDP utilization, private investment is expected to pick up, owing to the resumption of many investment programmes in businesses. The same would apply to public investment, which is partly dependent on the increase in budget revenues following the resumption of economic activity, but also on the implementation of post-COVID-19 stimulus measures and NDS30. Exports are expected to increase following the rise in commodity prices, driven by the recovery in global demand and the reestablishment of supply chains.
- 19- Regarding prices, inflation is expected to stand at 2.1%. It would thus experience a sharp drop compared with the 2.5% rate estimated in 2020, due to the measures taken to control prices and streamline the domestic market.
- 20- In 2022, based on the assumption that the pandemic will be brought under control and economies will open up, coupled with the fallout from the stimulus measures, Cameroon's economy is projected to grow by 4.4%, with 4.7% for the non-oil sector and -1.8% for the oil sector. In the non-oil sector in particular, growth would be driven mainly by the increase in domestic demand, which should boost the local supply of goods and the resumption of private investment. Inflation is expected to be contained at 2%, below the Community threshold of 3%.

## II. POLICY OBJECTIVES

- 21- In 2022, the objective will be to consolidate the economic growth dynamic by curbing the adverse effects of the COVID-19 pandemic. The action levers should primarily focus on the commissioning of major infrastructure projects, continued implementation of the support plan for the production of consumer goods and improvement of the business climate.
- 22- In terms of security, the priority for all government services will be the implementation of measures to resolve security crises. This will mainly involve: (i) strengthening the disarmament, demobilization and reintegration process; (ii) operationalizing the North-West, South-West and Far-North Regions reconstruction plan; and (iii) continuing the implementation of recommendations of the Major National Dialogue.
- 23- With regard to support for the production of consumer goods, emphasis will be laid on the production and processing of basic food products, including rice, maize, soybeans, millet, sorghum, milk and fish, in order to reduce the trade balance deficit.

**24-** Regarding internal taxation, in addition to striving to optimize domestic non-oil revenue collection, the new measures to be implemented during the 2022 financial year should promote a tax environment conducive to the development of businesses, thanks to ambitious measures for simplifying procedures and reducing the cost of fiscal discipline, through the following:

- continued reduction of the tax burden of companies directly affected by the health crisis, through the establishment of an accelerated depreciation rate;
- the clarification of the withholding tax regime applicable to some consumer products (beverages, flour milling, cement, etc.);
- reduction of the cost of fiscal discipline, in particular for small taxpayers, by providing them tax advantages;
- simplification of the tax regime for ex gratia transfers, in particular inheritances and donations;
- reduction of the number of payments for local taxes and duties;
- easing of procedures for the taxation of small- and medium-size enterprises (SMEs);
- the promotion of tax compliance by taxpayers through the establishment of a voluntary payment programme.

**25-** In terms of entry taxes, economic support will relate to:

- implementation of customs measures to strengthen the economic competitiveness of national enterprises, the industrialization and promotion of legitimate trade;
- continuous implementation of the import-substitution policy by raising taxes on some goods for which Cameroon is engaged in domestic production, with the exception of mass consumption products;
- stepping up the fight against economic fraud;
- strengthening the customs surveillance system at borders and within the customs radius to better protect the domestic economic space;
- trade facilitation, by reducing the costs and transit times for goods at the borders;
- revitalization of the partnership approach, by multiplying dialogue and consultation frameworks with the logistics chain and the business community.

**26- On the economic front,** Government should ensure progress towards achieving the objectives of emergence through the structural transformation of the economy. This will entail:



- completing and commissioning major first-generation projects
- ensuring the rehabilitation and maintenance of existing infrastructure
- finalizing the legislative and regulatory frameworks for the implementation of NDS30, as well as feasibility studies of the priority plans of the said strategy;
- putting in place the regulatory framework to help to guide public procurement of goods and services towards local production depending on the supply capacity;
- improving support for enterprises investing in the NDS30 priority sectors, in particular agribusiness, textiles, wood, chemicals and pharmaceuticals;
- continuing the implementation of the structural reforms initiated under the Economic and Financial Programme (EFP) with the IMF;
- promoting the effective establishment of economic zones;
- promoting regional integration and optimizing new market opportunities within the framework of the African Continental Free Trade Area (AfCFTA);
- developing transport infrastructure to facilitate trade and open up production basins, and thus facilitate market supply under the best possible conditions;
- supporting the development of the digital economy by intensifying the telecommunications network and infrastructure;
- continuing inflation control by (i) increasing the local supply of goods and food products and opening up production basins; (ii) strengthening food packaging and distribution channels; (iii) promoting healthy competition by ensuring compliance with market rules.

**27- On the social front, Government will:**

- continue to implement the comprehensive COVID-19 response strategy by strengthening the health surveillance system, related research and innovation, and the COVID-19 vaccination rollout strategy in Cameroon;
- continue to implement universal health coverage, with focus on disease management, particularly among pregnant women and under-five children;
- increase inclusive economic growth, in particular by giving greater consideration to **Labour Intensive (HIMO)** approaches and **Local Content** in investment project execution;
- operationalize the national book and textbook policy;
- continue the effective and efficient implementation of the National Gender Policy (NGP) Multi-sector Plan through appropriate programming of each ministry's

actions, which must systematically incorporate gender inequality reduction and women's empowerment objectives;

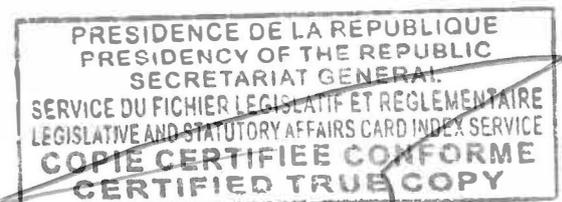
- set up the single social register by merging the various systems for identifying needy people;
- continue to implement the vulnerable household support policy by extending the Social Safety Net Project to households severely affected by COVID-19;
- increase support and funding for the construction of apprenticeship and vocational training workshops;
- step up the implementation of the policy of matching technical and vocational training to local market needs according to socio-economic realities.

**28- Regarding governance, the priorities will be to:**

- continue to set up a new risk management system within government services by introducing modern internal control and audit mechanisms;
- simplify public expenditure procedures with a view to reducing payment periods and improving the business environment;
- improve statutory payment periods;
- improve the quality of the national statistical information system through efficient budgeting of statistical activities by the relevant government services, in line with the National Statistical Information Development Strategy (SNDIS);
- ensure transparency in public management and enhance public accountability reporting;
- consolidate achievements and strengthen decentralization;
- pay the outstanding debts of regional authorities and public establishments as part of improving the management of the accounts of State correspondents;
- fast-track the Single Treasury Account reform.

**29- Against this backdrop, the 2022 Budget should be prepared based on the following assumptions:**

- a 4.4% real GDP growth;
- a 1.9% GDP deflator;
- an overall budget deficit, including grants, of 2% of GDP;
- a current account deficit, including public transfers, of 3.5% of GDP.



### III. GENERAL BUDGET POLICY GUIDELINES

**30-** The budget policy objective for the 2022 financial year is to continue fiscal consolidation with a view to ensuring public finance sustainability and proper implementation of NDS30. To this end, emphasis will be on increasing mobilization of non-oil revenue, as well as controlling and improving public spending efficiency.

**31- Regarding revenue**, priority will be given to the optimal mobilization of non-oil tax revenue, while ensuring increased support for post-COVID-19 economic recovery, and promoting a business development-friendly tax environment. Thus, the new revenue mobilization optimization measures should neither undermine the job-creation potential and achievements of companies, nor hamper their full competitiveness.

**32- 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:

- implementing the new local taxation mechanism for optimal financing of decentralization;
- establishing an appropriate tax regime for small- and medium-size enterprises (SMEs), particularly with regard to individual entrepreneurs;
- reorganizing the tax regime of externally financed projects, in line with international recommendations on the taxation of development aid;
- pursuing the streamlining of tax expenditure by abolishing ineffective exemptions or applying reduced rates, with the exception of expenditure on consumer products;
- continuing to strengthen environmental taxation, in line with the international commitments made by our country;
- continuing to strengthen monitoring instruments in some sectors with a high tax evasion or under-taxation potential (real estate, games of chance and entertainment, etc.);
- pursuing the fight against tax avoidance, in line with the measures adopted in recent years through alignment with related international standards;
- further tightening the tax regime for illegal exploitation of natural resources;
- adopting fiscal measures aimed at streamlining cash transactions;
- continuing to improve collaboration between financial services.

**33- The optimization of customs revenue** should result in the following actions:

- consolidation of the CAMCIS customs information system modernization process, with regard to its national network and the implementation of its additional modules relating to the handling of goods and post-removal controls;
- broadening of the tax base, by increasing taxes on some import and export goods, with the exception of basic necessities, in line with the import-substitution policy and the management of negative externalities;
- broadening of the base of decentralization resources;
- strengthening of the tax base control system, through the establishment of a value and origin file, considering the challenges related to commercial fraud and the implementation of preferential trade agreements;
- efficient collection of the customs debt of government services and bids for direct and transit bond clearance;
- streamlining of tax expenditure by matching customs exemptions to economic policies;
- efficient control and monitoring of foreign trade and foreign exchange financial operations;
- transposition of the customs tariff to the 2022 version of the harmonized commodity description and coding system, in conjunction with the competent community bodies;
- optimization of border flow control, in particular as part of strengthening maritime surveillance and waterways;
- implementation of priority trade facilitation actions included in the roadmap of the National Trade Facilitation Committee (NTFC) and the Cameroon Business Forum (CBF);
- continuous improvement of customs governance and the fight against bad practices.

**34- Regarding non-tax revenue**, collection of revenue from services and the securing of procedures should be strengthened. To this end, the following measures will be taken:

- updating and adapting of the texts that constitute the legal basis for data collection;
- computerization of revenue issuing and collection procedures;
- dematerialization of collection procedures and reduction of cash transactions;
- streamlining of the map of revenue collection agencies;
- establishment of platforms for detecting non-tax revenue niches and inclusion of such revenue in the finance law.

- 35- With respect to expenditure**, emphasis will be placed on real and true budget forecasts. As such, priority in including appropriations will be given to current State commitments and not to new measures.
- 36-** As part of budget consolidation, and in order to reduce State domestic arrears, a portion of budgetary appropriations from the overall package allocated to each government service should be devoted to the budgeting of outstanding commitments of previous years.
- 37-** Similarly, in order to limit increase in domestic debt, priority will be given to the constitution of substantial provisions for the payment of outstanding payments, arrears and pending commitments from previous financial years.
- 38-** Such effort should also concern all public entities, in particular public establishments and regional and local authorities, in the breakdown of the subsidy which will be granted to them, as well as the expenditure to be budgeted from their equity resources.
- 39-** Efforts to reduce government spending should be pursued. To this end, special measures should be taken to streamline the budgeting of some expenditure categories.
- 40-** With regard to personnel expenditure, there is need to step up efforts to clean up the State employee file through:
- continued control of the workforce and the payroll;
  - continued implementation of the SIGIPES 2 software package, in order to encourage the dematerialization of procedures, the digitization of records and the optimal management of the mapping of workstations;
  - the development and implementation of the legal framework to ensure the sustainable optimization of recruitment plans in the Public Service. The plans must necessarily take into account the redeployment and capacity building of State employees;
  - the capping of budgetary appropriations earmarked for planned recruitments, so as not to exceed the sustainability threshold of the wage bill in the State budget;
  - the consolidation of budget savings expected at the end of the Physical Head Count of State Personnel (COPPE 2018) operation by ensuring the final removal from the State payroll of all State employees definitively found to be absent and suspended for that reason;
  - effective management of the State's payroll debt;
  - continued streamlining of committees, commissions and working groups.
- 41- Regarding the purchase of goods and services**, emphasis will be laid on controlling

the operating costs of government services. Budget savings would be achieved in particular by ordering office and computer hardware with sharing solutions, so as to ensure that they are used by the greatest number of employees. Government should initiate the process of complete computerization of the stores accounts of government services and other public entities, in order to ensure the rational management of stocks.

- 42- Operating subsidies** granted to public establishments must be judiciously assessed, taking into account their real needs and the history of execution of previous budgets.
- 43-** For public bodies receiving budget revenue allocation, a ceiling compatible with the actual level of their relevant expenditure should be set in order to encourage optimal use of available public resources.
- 44-** As regards special appropriation accounts, the search for new niches and the collection of equity revenue should be continued. In addition, the amounts of the budgets of special appropriation accounts will result from an alignment of the revenue potential of these accounts and the relevant activities scheduled for implementation in 2022.
- 45- Regarding investment expenditure,** measures aimed at determining the level of the public investment budget by extracting operating activities must be continued and extended to other sources of financing, including external financing (FINEX).
- 46-** Government services must ensure that priorities falling within their competence are fully taken into account, in order to limit any use of common heads, which are reserved for unforeseen State interventions.
- 47-** To ensure the sustainability of public investments, the mechanisms for assessing and financing recurrent investment costs should be developed and strengthened. In this regard, the ministries in charge of public investments, finance and State property should, in collaboration with other services, ensure that sufficient provisions are made for such costs.
- 48-** A provision representing 2% of the amount of capital expenditure on ordinary internal resources for 2021 should be set aside in Head 95 "Carry-over of Appropriations", in order to cover non-scheduled committed expenditure for 2021 and guarantee proper execution of the relevant projects.
- 49- Regarding financing,** debt decisions must be consistent with the National Debt Strategy and the annual financing plan, in order to guarantee public debt sustainability and public financial viability.
- 50-** Concerning debt management, all the loan files of the State and its agencies, including RLAs, those of the entire public sector and the private sector guaranteed by the State or its agencies, as well as requests for guarantees and retrocessions submitted to the State, bond issues and all PPP-financed projects, must be submitted for approval by

the National Public Debt Committee (NPDC).

- 51-** Likewise, for the purposes of transparency and monitoring, all external and internal debt aggregates and operations as well as guaranteed debts (outstanding amounts, drawings and debt service) of the said entities (the State and its entities) should be communicated infra-annually and annually, consolidated by the Minister of Finance through the National Public Debt Committee and the Autonomous Sinking Fund, for the control of contingent liabilities and the public debt, in line with the 2014 Public Finance Statistics Manual.
- 52-** New commitments should be only for projects included on the list of Government priority projects for the financial year, while ensuring the availability of counterpart funds (CFs). Non-concessional loans will be contracted only for projects with high financial and socio-economic profitability, for which concessional financing is not available.
- 53-** The programming of disbursements on external and internal funding should comply with a regulatory process ensuring greater consistency between the programming of disbursements, the disbursement ceiling and the budget balance. Priority should be given to:
- projects likely to stimulate economic growth;
  - projects with a good capacity for absorbing resources and having a strong impact on improving the people's living conditions.
- 54- Concerning domestic financing,** actions to develop the domestic debt market through the issue of government securities should be continued by:
- implementing a coherent debt policy with preference for the use of this method of borrowing, while safeguarding the interests of the State, in particular by choosing between the costs of the various sources of financing;
  - prioritizing bond issues to finance the budget and thus minimize interest rate and refinancing risks;
  - including a relevant provision concerning domestic debt in the budget section to reduce the stock of short-term public securities.
- 55-** The entire domestic debt of the State and its entities, including RLAs, should be thoroughly assessed and audited, and a settlement plan drawn up with a view to systematically including them in the budgets of the entities concerned.

#### **IV. PRACTICAL MEASURES FOR THE PREPARATION OF THE STATE BUDGET**

- 56-** The State budget for the 2022 financial year will be prepared in accordance with the

principles laid down by the new fiscal regime of the State and other public entities, and in accordance with the provisions of the Decree to establish the State budgetary calendar. To this end, the programme budgeting approach should be continued and consolidated, to enhance transparency and efficient allocation of public resources. In this light:

- the programme budgets to which economic and social development objectives will be assigned, together with performance indicators, should stem from sector strategies backed by the National Development Strategy (NDS30);
- the strategic performance frameworks of public establishments must be scrupulously aligned with the guidelines of their technical supervisory authorities to improve the effectiveness of public policies;
- as appropriations are specialized per programme, expenditure with the same objective should be grouped within the same programme. As such, all programmes should include the earnings forecast chain which establishes a close link between the resources allocated and the expected results;
- budgetary options should be directed towards activities that contribute to achieving expected results;
- programme costs should be rigorously evaluated and broken down within medium-term expenditure frameworks (MTEFs), up to the level of activities. Efforts should be made at this level to distinguish expenditure falling within the reference budgetary lines from that inherent in the new measures;
- each new operation to be entered in the State budget for the 2022 financial year should be budgeted under Commitment Authorization (CA), broken down into Payment Appropriations (PA), taking into account the multi-annual programming enshrined in the Law relating to the fiscal regime of the State;
- staff costs will be systematically allocated in operational programmes, in order to reduce the support programme.

**57- Regarding gender promotion**, gender-sensitive planning and budgeting should be prioritized in all national development sectors.

**58-** Government services should execute their commitments contained in the National Gender Policy multi-sector action plan. Gender issues should be mainstreamed in the programmes, actions, activities and budgets of sector ministries. This should help to prepare the gender-sensitive budget document which should be appended to the finance bill.

**59-** All specific actions and measures aimed at promoting gender equality and equity should be clearly stated in the ministerial documents to be examined during budgetary and performance conferences. The programmes and actions designed and budgeted

from a gender perspective will serve as elements to lobby for the allocation of budget resources.

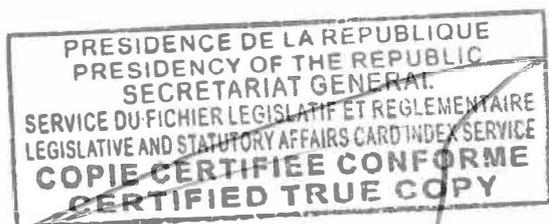
- 60-** During the 2022 financial year, gender-sensitive budget documents should, on a preliminary basis, concern the Ministries in charge of agriculture, livestock, decentralization, basic education, secondary education, health, social affairs and women's empowerment.
- 61- Concerning decentralization,** efforts should be made to increase the resources mobilized for RLAs, in accordance with the relevant provisions of the Law to institute the General Code of Regional and Local Authorities and the related implementing instruments. Accordingly, the measures to support RLAs in exercising the new powers devolved to them, mastering the budgeting of devolved resources as well as aligning the budget calendar of RLAs with the State budget calendar and transitioning to the programme budget should be pursued.
- 62-** Notifications of budget allocations to government services should indicate the overall budget amount with respect to the resources transferred. The amount of resources transferred should reflect the level of powers to be exercised by councils and regions.
- 63- Regarding co-funded investment projects,** the government entities concerned should, in collaboration with MINEPAT and MINFI, ensure the adequate consideration of counterpart funds for such projects to guarantee their smooth implementation.
- 64- New projects** could be programmed in the available budgetary space in CA and PA of the administration, taking into account ongoing projects and payment procedures. To this end, investment resources should be devoted primarily to the completion of ongoing operations.
- 65-** New multi-year commitment authorizations (MCAs) should be opened on the basis of the ceiling for multi-year commitments notified by the Prime Minister, Head of Government. The ceiling should take into account the sustainability of the medium-term budgetary framework of the issuing administration and the overall previous commitments of the said administration. Any accounting based on the effective date of settlement of the said commitments should also be attached to the request for the opening of new MCAs.
- 66-** 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).
- 67-** Regarding public enterprises and establishments to be rehabilitated, priority will be given to those that can restore financial equilibrium after the improvement of production facilities and whose activities contribute to implementing NDS30 orientations.

Furthermore, those that have benefited from restructuring resources will be subject to an audit prior to any new budget entry or rehabilitation.

- 68- The entry of credits 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 implemented.
- 69- Externally funded public investment projects should be entered in compliance with the principles of planning, maturation, programming and budgeting.
- 70- The disbursement plan for externally funded projects should be compatible with the Medium-Term Budgetary Framework (MTBF) available over the three-year period concerned.
- 71- The ministerial allocations communicated through the MTBF should, as much as possible, take into account actual needs stemming from realistic FINEX projects disbursement plans.
- 72- To control medium-term budgetary costs and the performance of public investment, the functional tranches of multi-year commitment authorizations (CAs) must take into account budget sustainability. In addition, the level of the CA must be determined in order to ensure the functionality of the planned project after consumption of the CA.
- 73- Operating and investment expenditures should be matched in MTEFs. Similarly, the recurrent costs generated per capital expenditure should be assessed, programmed and budgeted.
- 74- The projects entered 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.
- 75- The extended conferences on budget programming and associated performance (EPC/A P) are forums for validating the adjusted MTEFs of government services, which are required to participate in the budget conference preparatory meeting.
- 76- **Concerning recurrent expenditure**, the payroll should be prepared taking into account only the staff actually in service and those newly recruited.
- 77- The financing of State employee training should be primarily intended for capacity building sessions provided by the public entities responsible for the training and retraining of State employees.
- 78- Expenditure on goods and services should be reduced to what is strictly needed to ensure the proper functioning of government services, taking into account the recurrent costs generated in the implementation of public investment projects.

- 79- The recurrent expenditure of ministerial, regional and divisional tenders boards will be directly charged to the budgets of the entities in which the said boards have been set up. The same shall apply to the functioning of special public-private partnership contract commissions, as well as the payment of regulation charges.
- 80- Each government service should consider the actual level of market regulation charges in the breakdown of the operating budget.
- 81- Ministries and other government services will forward their operating expenditure on C2D financing, together with the provisional results chain, to the Ministry of Finance, for inclusion in the 2022 finance bill. The related appropriations should be broken down according to programmes, actions, projects and tasks including geographical locations.
- 82- 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 services at the end of the ongoing audit.
- 83- Regarding pensions, the relevant provision should take into account the deferred impact of the total liquidation of the dues of pensioners upon retirement.
- 84- The expenses relating to the functioning of Commissions for Observation and Assessment of Expropriations for public purposes should be budgeted by the government services concerned by the said operation.
- 85- At the end of the State budget preparation process, all authorizing officers should present, for all the expenditure entered in the Finance Bill, a provisional commitment plan to serve as the basis for preparation of the State cash flow plan.
- 86- Such are the major guidelines for the preparation of the Finance Bill for the 2022 financial year, to enable our country to achieve its growth and inclusive and sustainable development objectives.
- 87- 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.

YAOUNDE, 30 AOUT 2021



**PAUL BIYA**  
PRESIDENT OF THE REPUBLIC