

CIRCULAR No. 001 OF 23 001 2024
relating to the preparation of the State budget for the 2025 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 concerns the preparation of the State budget for the 2025 financial year.
2. It presents the macroeconomic context, defines the objectives of public action, lays down general budget guidelines as well as practical measures for preparing the State budget for the 2025 financial year.
3. The preparation of the State budget for the 2025 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 cultural development policy, underpinned by the 2020-2030 National Development Strategy (NDS30). It also pursues the implementation of economic and financial programmes (EFPs) concluded with the International Monetary Fund (IMF).
4. The preparation is under the banner of a socio-economic **impact budget**. In this connection, special emphasis should be placed on: (i) increased energy supply to industries and households; (ii) opening up of production basins; (iii) increased local supply of essential goods and agro-industry inputs; (iv) increased financial support to the industrial sector; (v) continued improvement of peoples' access to quality healthcare; (vi) continued support and the preservation of

vulnerable households' purchasing power ; (vii) speeding up the decentralization process; (viii) continuation of nationwide security surveillance and implementation of the presidential plan for the reconstruction and development of the security crisis-affected areas, in particular the North-West, South-West and Far-North Regions.

5. The preparation of the 2025 Budget should consolidate the implementation of the programme-based budget, regarding its preparation, presentation, execution and monitoring-evaluation.

I. MACROECONOMIC CONTEXT

6. **On the international scene**, the State budget for the 2025 financial year is being prepared amid an environment marked by a difficult recovery in the global economy, notably relating to: (i) the persistent armed conflicts in Ukraine and the Middle East; (ii) the continued policy of tighter financial conditions, in particular the maintenance of high interest rates; (iii) increased geo-economic fragmentation, with consequences for trade and capital movements; (iv) worsening weather conditions, which are adversely affecting agricultural yields; (v) persistent inflationary pressures, despite the observed deceleration.
7. In its July 2024 Global Economic Outlook, the International Monetary Fund (IMF) forecasts that the world economy will grow by 3.2% in 2024, after 3.3% in 2023. Trends vary according to the major economic groupings: growth is set to remain at 1.7% in advanced countries, while in emerging and developing countries it is set to decelerate from 4.4% in 2023 to 4.3% in 2024.
8. In sub-Saharan Africa in particular, the growth prospects are likely to be more favourable. The growth rate is estimated at 3.7% in 2024, after 3.4% in 2023, driven by increased domestic demand and private investment. In CEMAC, BEAC projects an improvement in economic activity, with a growth rate of 3.3% in 2024 after 2.3% in 2023. However, the sub-region remains vulnerable to external shocks, the risk of worsening political instability and a proliferation of climate hazards.
9. Regarding prices, global inflation should gradually slow from 6.8% in 2023 to 5.9% in 2024. This trend should also be seen in the advanced countries (4.6% in 2023 and 2.6% in 2024). However, in the group of emerging and developing countries, inflation is expected to remain high at 8.3% in 2024, as in 2023. In sub-Saharan Africa, inflation is estimated at 17.6% in 2024, after 19.1% in 2023. In the CEMAC zone, inflation is expected to fall from 5.1% in 2023 to 4.5% in 2024.



10. **In 2025**, the IMF projects an increased global growth rate of 3.3%, with 1.8% in advanced countries and 4.3% in emerging and developing countries. In sub-Saharan Africa, growth is projected at 4.1%, of which 3.1% in the CEMAC zone. The rate of inflation would stand at 4.5% for the global economy, 2.0% for the group of advanced countries and 6.2% in emerging and developing countries. In sub-Saharan Africa, inflation is expected to stand at 13.5%, and 4% in the CEMAC zone.
11. Crude oil prices on the international market should continue to fall in 2025, averaging USD 77.38 a barrel after USD 81.26 in 2024. Non-fuel commodity prices are expected to remain unchanged on the whole.
12. At national level, following the signing of Ordinance No. 2024/001 of 20 June 2024, growth was reviewed downwards to 4.1% compared with 4.5% in the initial 2024 Finance Law (IFL), as a result of slower than expected growth in 2023 (3.3% compared with 3.9% projected) and the downward review of the oil production level. On the supply side, the oil sector is expected to decline by 5.1%, while the non-oil sector is projected to grow by 4.5%. By 2025, Cameroon's economy is projected to grow by 4.4%.
13. Regarding prices, inflation is expected to remain high at 7% in 2024, taking into account the readjustment of fuel prices at the pump and the induced effects on other products. In 2025, inflation is projected at 4.0% at domestic level.

II. PUBLIC POLICY OBJECTIVES

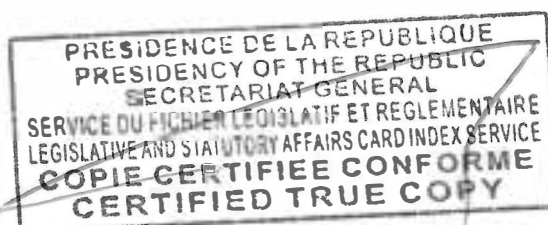
14. In 2025, the overall public policy objective remains the strengthening of the economic growth trend, as well as its inclusive nature, to promote the industrial transformation of our productive fabric and improve people's living conditions. To this end, the following actions should be implemented as a matter of priority.
15. **Concerning security**, public policy will focus on:
- strengthening security watch at borders and in built-up areas;
 - pursuing the disarmament, demobilization and reintegration process.
16. **On the economic front**, Government will strive to implement measures to speed up the economy's structural transformation. To this end, it must:
- take the operational measures needed to implement the Initial Impact Programme (IIP), in order to strengthen financial support for the industry;
 - work towards full implementation of the Integrated Agropastoral and Fisheries Import-Substitution Plan (PIISAH);



- ease access to agricultural and agro-pastoral inputs;
- promote the development of the pharmaceutical industry;
- increase energy supply capacity to meet the needs of industries and households, notably through the commissioning of the Nachtigal dam, the start of construction work on the Kikot hydroelectric dam, and the development of other renewable energy sources;
- continue the construction of potable water supply points;
- continue the construction of low-cost houses;
- ensure that the electricity sector returns to financial equilibrium;
- strengthen support for businesses by investing in the NDS30 priority sectors;
- develop transport infrastructure and open up production basins, to increase supplies to markets and industries;
- promote economic patriotism by directing public procurement of goods and services towards local supply as a matter of priority;
- ease access to land, to encourage the implementation of second-generation agriculture;
- pursue policies to seize the opportunities offered by the African Continental Free Trade Area (AfCFTA);
- ensure the rehabilitation and maintenance of existing infrastructure, to guarantee the full operation thereof;
- pursue reconstruction of the North-West, South-West and Far-North Regions;
- continue to develop the digital economy by strengthening the telecommunications network and infrastructure;
- enhance the supervision of crypto-currency-related activities;
- monitor actions under Cameroon's Nationally Determined Contribution (NDC), to honour international climate change commitments ;
- extend the list of species banned from export in log form, to prepare the economy for enforcement of the decision to ban the export of log timber in the CEMAC sub-region in 2028;
- pursue the mining of iron ore, to provide the metallurgy and iron and steel industries with sufficient raw materials.

17. Regarding internal taxation, the objective is to build trust among taxpayers and investors, an essential prerequisite for increased tax revenue mobilization without impeding economic growth. It will focus on the following measures:

- further reduction of the tax burden on small businesses;
- further aligning legislation with the dematerialization of tax procedures;
- strengthening taxpayers' rights and guarantees;
- strengthening tax measures to support private investment and job creation;
- improving tax education and communication;



- consolidating the reform of the annual tax return for individuals, to facilitate tax compliance;
- introducing a specific tax regime adapted to the constraints of implementing externally and public-private partnership (PPP) financed projects .

18. To improve the business climate, which remains a strategic tax policy area, the institutional and operational capacity of the Cameroon Business Forum (CBF), a strategic body for public-private dialogue, will be strengthened to consolidate the reforms aimed at making the business environment more attractive, and improve the perception of rating agencies through ownership of the new 'Be Ready in Business' methodology.

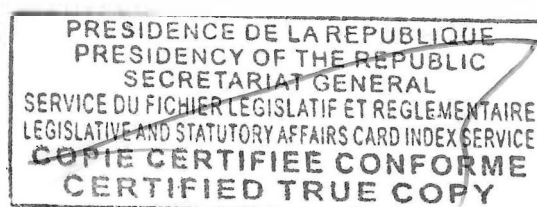
19. The customs policy will involve optimizing measures that contribute to national security, regulate economic activity, facilitate foreign trade and improve the business climate.

To this end, priority actions will focus on:

- technological networking of borders and the national territory, through the procurement and increased use of modern equipment and means of controlling people and goods, to consolidate monitoring policies;
- strengthening the monitoring of goods in transit;
- efficient monitoring of foreign trade financial transactions relating to customs activity, money laundering and organized crime;
- continuing to implement a customs incentive to boost industrialization, consolidation of import-substitution measures and the promotion of legal trade, for economic recovery and economic patriotism;
- ongoing strengthening of the partnership approach with all players in the national supply chain, in conjunction with the imperatives of securing the supply chain and reducing goods costs and transit times;
- continuously improving customs governance by combating bad practices;
- introducing a tax system that takes account of products linked to deforestation and goods intended for environmental protection activities.

20. On the social front, the aim will be to:

- reinforce the inclusiveness of economic growth, particularly by promoting labour-intensive approaches (HIMO) in the design of investment projects;
- intensify the policy of matching technical and vocational training with local market needs;
- continue to improve hospital technical facilities;
- continue to ensure health monitoring to protect against epidemics and pandemics;



- continue to set up the unified social register and step up the Social Safety Net project by increasing the number of beneficiaries;
- continue actions to preserve the purchasing power of vulnerable households;
- intensify and promote school infrastructure at local level, by pursuing the transfer of resources related to the powers devolved upon regional and local authorities in the area of primary and secondary education;
- build sites for the newly created universities.

21. 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:

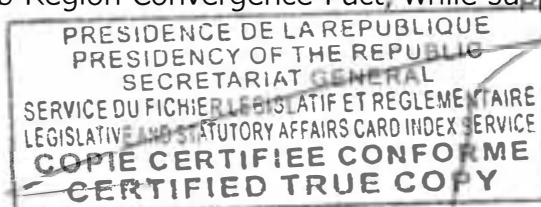
- accelerating the decentralization process, through the continued transfer of resources from the relevant government services to regional and local authorities;
- finalizing the ongoing study to implement the granting of budget allocations to regional and local authorities and other relevant institutions;
- pursuing the policy of clearing the State's non-financial domestic debt, while limiting the accumulation thereof;
- implementing the Comprehensive Public Finance Management Reform Plan following the PEFA 2023 assessment;
- conducting the general population and housing census and the general agriculture and livestock census;
- launching the AIGLES software package as part of integration of State employees' career and pay management systems;
- strengthening the restructuring and rehabilitation of State-owned enterprises, and closing pending liquidations, through the National Investment Corporation (SNI).

22. Against this backdrop, preparation of the 2025 budget should be based on the following assumptions:

- a 4.4% real GDP growth;
- a 4.0% inflation rate;
- an overall budget deficit, including grants, of 0.3% of GDP;
- a current account deficit of about 2.3% of GDP.

III. GENERAL BUDGET POLICY GUIDELINES

23. Government's overall tax policy will continue to be based on consolidating public finances, consistent with the Economic and Financial Programme agreed with the IMF and the CEMAC Sub-Region Convergence Pact, while supporting the



implementation of the National Development Strategy 2020-2030 (NDS30) priority objectives.

24. Regarding revenue, the priority remains optimizing non-oil domestic revenue mobilization, while ensuring better support for economic recovery and household support.

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

26. 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

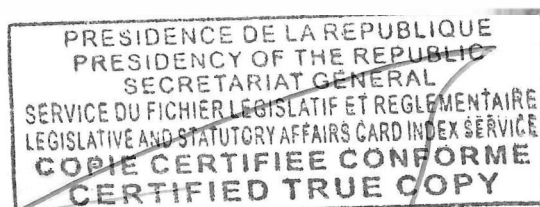
- establishing a reformed local tax system to optimize the financing of decentralization;
- pursuing the streamlining of tax expenditure, in particular through the introduction of reduced rates on some essential goods;
- continued strengthening of environmental taxation in line with Cameroon's international commitments;
- streamlining measures to optimize Personal Income Tax (PIT) yield;
- stepping up the collection of tax arrears from State-owned enterprises;
- continuing to adapt tax legislation to electronic transactions.

b. Regarding revenue protection:

- finalizing automation of the monitoring of some tax and levy collections, such as registration fees for legal documents.

c. Regarding the control of and fight against fraud:

- finalizing the system for electronic monitoring of companies' production and invoicing;
- electronic monitoring of gambling and entertainment operations;
- further strengthening informal sector supervision ;
- strengthening reporting and documentation requirements to provide a better framework for restructuring and other intra-group transactions;
- finalizing the implementation of the automatic information exchange mechanism and the country-by-country reporting standard, as part of the ongoing alignment of the domestic system with international standards to combat tax base erosion.



27. Regarding customs revenue, the objectives of which must be determined taking into account the paradigm shift leading to prioritization of the economic mission over its fiscal mission, the most effective revenue mobilization will focus on the following actions:

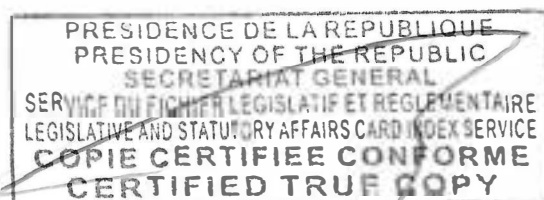
- consolidating the quantification and strengthening of data intelligence to manage risks and improve customs performance;
- consolidating the implementation of the value file and supervising tax bases;
- improving the collection of customs revenue from public contracts and hydrocarbon imports;
- securing goods in transit by optimizing the geolocation tracking system;
- capitalizing on the achievements of special missions to combat customs fraud and smuggling;
- monitoring the use of the privileged destination granted to economic operators;
- streamlining tax expenditure, in line with public policy objectives.

28. Regarding non-tax revenue, Government's actions should focus on standardizing, securing and strengthening the monitoring of the collection of such revenue, by:

- preparing a general code for non-tax revenue;
- dematerializing collection systems;
- strengthening collected revenue reporting mechanisms;
- improving transparency and accountability among non-tax revenue stakeholders;
- strengthening the monitoring of fines through economic regulation;
- improving services provided to users;
- identifying new revenue niches;
- clearing outstanding debts;
- identifying operational revenue agencies;
- building the capacity of players in the revenue collection chain;
- strengthening the system for monitoring the collection of dividends and other financial income receivables.

29. Concerning expenditure, emphasis will be placed on streamlining salary expenditure and gradually increasing capital expenditure to support implementation of the NDS30.

30. Similarly, measures to streamline recurrent expenditure should be continued to keep total expenditure at a level consistent with resource constraints.



31. 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.
32. To reduce the State's domestic arrears, the outstanding payments from previous financial years should be budgeted as a matter of priority. This shall also concern 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 budget allocated to each public administration must be devoted to budgeting such outstanding payments or arrears.
33. With regard to the recent operation to identify and audit the floating debt of the State and its various arms, the minister in charge of finance should take all necessary measures to clear the validated stock in accordance with the commitments made under the ongoing Economic and Financial Programme.
34. **With regard to personnel expenditure and pensions**, the prescribed actions concerning State human resources as well as actions to clean up the payroll should be pursued to streamline the wage bill, notably by:
- commissioning the Computer Application for the Logical Management of the State's Workforce and Pay (AIGLES);
 - ensuring forward-looking workforce and skills management, guaranteeing efficiency in expressing new staffing needs;
 - controlling recruitment, workforce and mobility of labour within government services to guarantee personnel expenditure budget sustainability;
 - finalizing the litigation phase of the Physical Headcount of State Personnel (COPPE 2018), by removing from the State payroll all State employees effectively found to be absent and suspended from duty;
 - continuing the operation to clean up the payroll by deleting the names of resigned workers or by suspending unduly paid salaries or pensions;
 - cleaning up the family allowances paid to government workers and pensioners;
 - validating the social security debt arising from the non-payment of pension contributions for detached State employees or on secondment to public administrative establishments or public enterprises through the National Application for the Management of Civil Servants on Secondment (ANGIFODE);
 - significantly reducing the wage debt owed to State employees by clearing such debt.
35. 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 to monitor the implementation, operationalization and maintenance of public investments.

36. Electricity, water, telephone and internet services must be budgeted appropriately to avoid upsetting the financial balance of the companies that provide these services.
37. **Subsidies granted to public establishments for recurrent expenses** should be judiciously assessed, taking into account their real needs and the trends observed in the execution of their previous budgets. In addition, in line with the relevant legal requirements, the ministers concerned shall submit an annual report to the President of the Republic on the situation of the establishments and enterprises under their technical supervision.
38. For public establishments with budget revenue allocation, a ceiling compatible with the actual level of their relevant expenditure should be set in order to ensure optimal use of available public resources.
39. With regard to special appropriation accounts, the intensified own revenue collection should be continued. In addition, the ceilings for the resources allocated to the special appropriation accounts shall be set on the basis of the revenue potential of these accounts, as well as the relevance and maturity of the activities programmed for implementation in 2025.
40. **Investment expenditure** should continue to be directed exclusively towards gross fixed capital formation, to build up the stock of fixed assets needed to achieve the objectives set in the NDS30.
41. New projects to be included in the public investment budget should inevitably result from a rigorous planning, maturation, prioritization and programming process, demonstrating their socio-economic impact and the budgetary sustainability of their financing.
42. In addition, public investment responsibilities should continue to be strengthened while factoring climate issues. To achieve this, the harmonized climate-sensitive public investment management framework should be finalized.
43. To improve performance, government services should systematically draw up and sign performance contracts for active development projects and programmes. They must also ensure that such projects and programmes comply with Prime Ministerial Decree No. 2021/7341/PM of 13 October 2021 to lay down



the rules governing the establishment, organization and functioning of development programmes and projects.

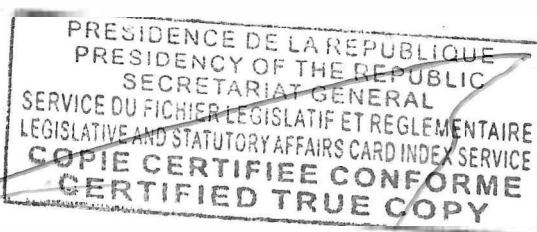
44. New public investment issues, such as recurrent costs and PPP contract rents, should continue to be taken into account, with the related expenditure included in the budgets of the government services hosting the projects.
45. A provision representing 2% of the amount of capital expenditure on ordinary domestic resources for 2024, must be formed under Head 95 "brought forward", to cover in 2025 the non-authorized committed expenditure of the 2024 financial year and thus guarantee the continued smooth execution of the projects concerned.
46. **With regard to financing**, the National Debt Strategy shall remain prudent. Debt decisions must therefore be consistent with the 2025-2027 National Medium-Term Debt Strategy and the 2025 Annual Financing Plan to guarantee public debt viability and public finance sustainability.

In the same vein, it shall be aimed at:

- rationalizing and cleaning up the portfolio of externally financed projects (FINEX) by including only mature, priority projects with a high socio-economic impact in the portfolio each year. Similarly, Government shall conduct a comprehensive audit of active FINEX programmes and projects to assess their performance and propose measures for the final closure of those with unsatisfactory output;
 - taking appropriate measures in financing the electricity sector, to control and contain the budgetary risks likely to affect the financial stability of this sector.
47. **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 financings, climate financing) to be contracted directly by the State and its various arms (RLAs, public enterprises and public establishments), must be submitted to the National Public Debt Committee (NPDC) for mandatory opinion. The same applies for any request for on-lending or guarantee, including those related to public-private partnerships and debt restructuring operations (renegotiation, reduction, reprofiling, repurchase, assignment of receivables).
 48. New commitments should be contracted only for the implementation of sufficiently mature projects, and for which the necessary counterpart funds for the successful completion of the projects have been programmed. Priority will be

given to concessional loans, while non-concessional loans will be contracted only to finance projects with high financial and socio-economic profitability, for which concessional financing is not available.

49. For transparency and monitoring purposes, all external and internal debt data and operations, as well as endorsed debt (outstanding amounts, drawings and debt servicing) should be subject to continuous reporting and disseminated on a sub-annual and annual basis. Accordingly, financing agreements in the form of grants, for which commitments are made directly by the sector ministries and other arms of the State, should be forwarded for monitoring and consolidation by the Autonomous Sinking Fund.
50. To optimize the performance of the resources contracted with donors, loan agreements with abnormally long or exceeded lead times and which are facing implementation difficulties should be renegotiated and/or cancelled, as appropriate. Undisbursed Commitment Balances (UCBs) should be particularly monitored and solutions proposed to reduce them and increase project absorption capacity.
51. **Development of the domestic market** should be continued with the issuance of public securities, through:
- prevention of any default risk on the domestic debt market by improving Government's repayment capacity and thus benefit from favourable conditions for the issuance of new debt;
 - deepening of the primary and secondary markets by improving the investor base with an enhanced communication strategy to attract new resident and non-resident investors;
 - drawing up and implementation of an issuance schedule consistent with the State financing plan as laid down in the medium-term debt strategy, giving priority to the use of long-maturity bonds, while safeguarding State interests, in particular by trade-offs between the costs and risks associated with the various financing sources ;
 - prioritization of bond issues to finance the budget so as to minimize interest rate and refinancing risks;
 - development of financial products tailored to market needs;
 - active management of debt instruments, in particular buybacks and rescheduling;
 - prudent issuance of treasury bills (T-bills) as part of cash management operations and reducing the stock of such T-bills when they present a high refinancing risk.



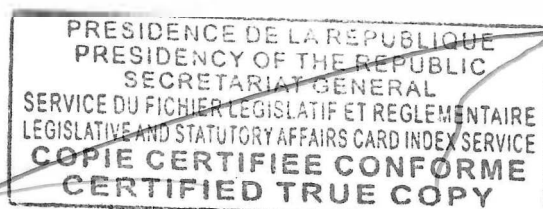
52. **With regard to cash management**, the aim is to enable the State to honour its financial commitments in all circumstances. The Treasury should always allow for the execution of planned expenditure, by:

- clearing payment arrears;
- covering State financing needs while minimizing costs and maintaining risks at a sustainable level over the long term;
- better supervising the financial services offered to Treasury correspondents and depositors;
- supervising the transfer of receivables with public entities.

IV. PRACTICAL MEASURES FOR PREPARATION OF THE STATE BUDGET

53. The State budget for the 2025 financial year will be prepared in accordance with the principles set forth in Law No. 2018/012 of 11 July 2018 relating to the Fiscal Regime of the State and other Public Entities and in accordance with Decree No. 2019/281 of 31 May 2019 to establish the State budget calendar. To this end, the programme-based budgeting approach should be pursued and consolidated to enhance transparency and efficiency in the allocation of public resources. To this end:

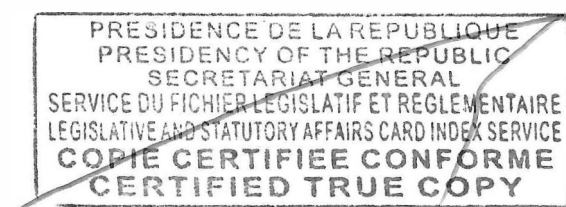
- budget programmes with performance objectives and outcome indicators must derive from the Strategic Performance Frameworks (SPFs) based on the NDS30;
- the sub-programmes of public establishments must be strictly aligned with the Strategic Performance Frameworks (SPFs) of their technical supervisory ministries to strengthen public policy efficiency;
- since the appropriations are programme-specific, 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 outcomes;
- programme costs must be rigorously assessed and broken down within Medium-Term Expenditure Frameworks (MTEFs), down to the level of activities. Efforts should be made 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 2025 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. To guarantee the proper execution of **jointly financed investment projects**, the relevant government services must, in conjunction with the ministries in charge of finance and investment, ensure that the counterpart funds for the said projects are sufficiently budgeted.
55. Moreover, counterpart funds must be budgeted in accordance with Decree No. 2021/7341/PM of 13 October 2021 to lay down the establishment, organization and functioning of development programmes and projects, and Order No. 110/CAB/PM of 6 October 2023 to lay down the conditions for categorization, compensation methods and grant of benefits to staff of the Development Programmes and Projects Management Unit.
56. **New projects** may be programmed within the fiscal space available in the Commitment Authorization (CA) and Payment Credit (PC) of the government service, after prior consideration of ongoing projects, according to the work schedule, and outstanding payment. Furthermore, new projects should be included on the basis of their priority and the selection criteria specified in the selection manual prepared to guarantee the effectiveness of investments.
57. New multi-year commitment authorizations (MCAs) should be opened 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.
58. The basic packages disclosed for budget discussions are indicative and subject to upward or downward adjustments, depending on project relevance and maturity. 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 credits (PCs).
59. 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 alongside the performance contract signed with the State. Therefore, those that have benefited from restructuring resources will be subject to an audit prior to any new budgetary entry or rehabilitation.

60. The entry of appropriations in investment grants and counterpart funds in actual expenditure should be subject to presentation of the elements of maturity of the investment operations to be carried out and the existence of a current funding agreement.
61. Externally funded public investment projects should be entered in compliance with the principles of planning, maturation, programming and budgeting.
62. Disbursement plans for externally-funded agreement projects must be compatible with the Medium-Term Budgetary Framework (MTBF) available for the three-year period concerned.
63. The ministerial allocations communicated through the MTBF should take into account the actual needs resulting from realistic FINEX project disbursement plans.
64. To ensure the control of medium-term budgetary costs and public investment performance, 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.
65. Operating and investment expenditures should be matched in the MTEFs. Similarly, the recurrent costs generated by capital expenditure should be assessed, programmed and budgeted.
66. 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.
67. Ministries and other government services should forward their C2D-funded capital expenditure, together with the provisional results chain, to the ministry in charge of investment, for inclusion in the 2025 finance bill. The related appropriations should be broken down by programmes, actions, projects and tasks with geographical locations.
68. The State's commitments under PPPs in respect of investment rents should be rigorously assessed and entered in the budget of each ministry concerned.
69. **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.

70. Regarding pensions, the relevant provision should take into account the deferred impact of the total liquidation of pensioners' dues upon retirement.
71. 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.
72. 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.
73. Ministries and other government services should forward their C2D-funded capital expenditure, together with the provisional results chain, to the ministry in charge of finance, for inclusion in the 2025 finance bill. The related appropriations should be broken down by programmes, actions, projects and tasks with geographical locations.
74. 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 will be handled separately by the competent government services.
75. 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.
76. The State's commitments under PPPs in respect of investment rents should be rigorously assessed and entered in the budget of each ministry concerned.
77. Legal expenses shall be borne directly by the budgets of the relevant government services, that is, the Ministry of Justice and the Ministry of Defence. In addition, to ensure their rational treatment, this will be done within the limits of the prescribed quotas in such a way as to ensure regular payment and gradual regularizations, in accordance with the ceiling on the related appropriations.



78. Regarding **gender promotion**, the integration of the gender responsive budgeting approach should be a priority in all national development sectors.
79. 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.
80. 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.
81. 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.
82. In 2025, the Gender Responsive Budgeting document will still be produced.
83. Moreover, a document on Climate Sensitive Budgeting will be produced and tested in a pilot phase in 2025 for some government services.
84. **Concerning resources transferred to RLAs**, 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 recurrent expenditure, and ensure that they are fairly allocated;
 - sector ministries, in conjunction with the ministers in charge of investment, finance and decentralization, must monitor and evaluate the exercise of the devolved powers by defining and operating an effective feedback mechanism;
 - the visibility of the resources transferred to regional and local authorities must be enhanced in the Medium-Term Budgetary Framework (MTBF), so that they can be programmed and budgeted;



- 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;
- efforts made to harmonize the criteria for allocating resources to the RLAs should continue.

85. In budgeting the appropriations for the common heads (60, 65, 92, 93, 94 and 95), efforts should be made to cap their volume at 10% of total State budget expenditure. The resources initially entered under these heads will still be gradually allocated to the budgets of the relevant government services.

86. In connection with the National Climate Change Adaptation Plan (NCCAP), government spending should contribute to the fight against climate change. To this end, government services should present their expenditure according to the following three markers: climate change adaptation, climate change mitigation and biodiversity protection.

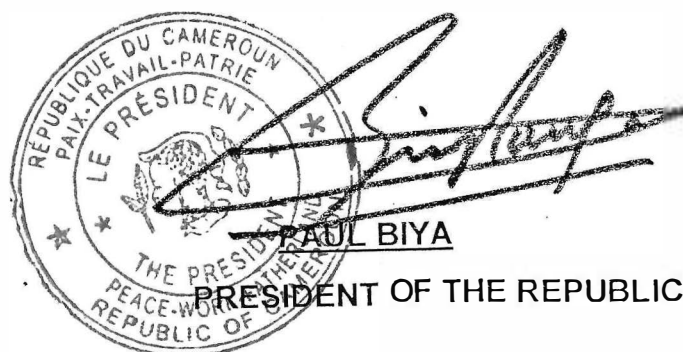
87. At the end of the State budget preparation process, all authorizing officers must ensure that a forecast commitment plan is presented for all expenditure entered in the Finance Bill, on the basis of which the State's cash flow plan should be prepared.

88. Such are the major guidelines for the preparation of the finance bill for the 2025 financial year, to enable our country achieve its growth and inclusive and sustainable development objectives.

89. 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, 23 OCT 2024



PRESIDENT OF THE REPUBLIC