REPUBLIQUE DU CAMEROUN

Paix – Travail – Patrie

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REPUBLIC OF CAMEROON

Peace – Work – Fatherland

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BUDGETARY ORIENTATION DEBATE

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2022-2024 MEDIUM-TERM ECONOMIC AND BUDGETARY PROGRAMMING PAPER

PREPARATION OF THE 2022 STATE BUDGET

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LIST OF ACRONYMS AND ABBREVIATIONS

CA	Commitment Authorization
AFD	French Development Agency
AMBACAM	Embassy of Cameroon
EPA	Economic Partnership Agreements
APME	Agency for the Promotion of Small and Medium Enterprises
ARVs	Antiretrovirals
AfDB	African Development Bank
PIB	Public Investment Budget
WB	World Bank
BUCREP	Central Bureau of Censuses and Population Studies
C2D	Debt Reduction and Development Contract
CAA	Autonomous Sinking Fund
CAMCIS	Cameroon Customs Information System
CAMPHIA	Cameroon Population based HIV Impact Assessment
AFCON	African Cup of Nations
MTBF	Medium Term Budgetary Framework
ECCAS	Economic Community of Central African States
CEMAC	Economic and Monetary Community of Central African States
CHAN	African Nations Football Championship
NPDC	National Public Debt Committee
COMIFAC	Central African Forests Commission
COPPE	Physical Head count of State Personnel
PA	Payment Appropriations
UHC	Universal Health Coverage
RLAs	Regional and Local Authorities
DGB	Directorate General of Budget
DGC	Directorate General of Customs
DGT	Directorate General of Taxation
DOB	Budgetary Orientation Debate
DF	Department of Forecasting
EBPP	Medium-Term Economic and Budgetary Programming Paper
GESP	Growth and Employment Strategy Paper
ECAM	Cameroonian Household Survey
CFA F	Franc of African Financial Cooperation
ECF	Extended Credit Facility
FEICOM	Special Council Fund for Mutual Assistance
IMF	International Monetary Fund
HALCOMI	Operation Stop Illicit Trade
HIMO	High Labour Intensive
CT	Corporate Tax
FL	Finance Law
MICS	Multiple Indicators Cluster Survey
MINEDUB	Ministry of Basic Education
MINESEC	Ministry of Secondary Education
MINFI	Ministry of Finance
MW	Megawatts
OPEC	Organization of Petroleum Exporting Countries

OTA	Fungible Treasury Bond
PAJER-U	Rural and Urban Youth Support Programme
PAK	Autonomous Port of KRIBI
PANEJ	National Action Plan for Youth Employment
PAREC	Support Programme for Education Reforms in Cameroon
PBF	Performance Based Financing
EFP	Economic and Financial Programme
PIAASI	Integrated Support Project for Informal Sector Actors
GDP	Gross Domestic Product
PIFMAS	Project for the Socioeconomic Integration of Youths through the Creation of Micro-enterprises for the Manufacture of Sports Equipment
PLANUT	Three-Year Emergency Plan For Accelerating Growth
SME	Small and Medium-sized Enterprise
APP	Annual Performance Project
PPP	Public Private Partnership
SVP	Socially Vulnerable Person
PTSJ	Special Youth Triennial Plan
PLHIV	Person Living with HIV
APR	Annual Performance Report
FRS-OPE	Fiscal Regime of the State and Other Public Entities
GCAL	General Census of Agriculture and Livestock
OIR	Ordinary Internal Resources
TR	Transferred Resources
SEND	Balances Committed Undisbursed
SIGIPES	Computer System for the Integrated Management of State Personnel and Payroll
NDS30	2020-2030 National Development Strategy
NHC	National Hydrocarbons Corporation
SONARA	National Refining Company
CET	Common External Tariff
TSFO	Table of State Financial Operations
STPP	Special Tax on Petroleum Products
VAT	Value Added Tax
EU	European Union
US	United States
XDR	Special Drawing Rights (IMF)

INTRODUCTION

On the strength of the adoption of the laws of 11 July 2018 relating respectively to the fiscal regime of the State and other public entities and the code of transparency and good governance in the management of public finances in Cameroon, the process of drafting the Finance law has been enriched with a crucial step that is the Budgetary Orientation Debate (BOD). Indeed, article 11 of the aforementioned fiscal regime provides that: (1) “Each year before 1 July, the Government should transmit to Parliament the medium-term framing documents…, accompanied by a report on the macroeconomic situation and a report on the execution of the budget for the current year”; (2) "On the basis of these documents and reports, Parliament shall organise a Budgetary Orientation Debate in public session, but without a vote".

The Budgetary Orientation Debate allows Parliament to intervene upstream of the budgetary procedure, to better contribute to the definition of the macroeconomic and budgetary framing. This is the place for parliamentarians to appropriate the macroeconomic assumptions underlying the draft budgets in preparation and to give their opinion on the government's budgetary policy choices.

Another added value of the institutionalization of the BOD is that it offers the executive and the legislature the opportunity to discuss each year the conditions, tools and means that allow the medium-term sustainability of public finances through a better monitoring of public deficits. Indeed, the ultimate purpose of the BOD is to create conditions for the adoption of finance laws that permanently guarantee macroeconomic stability and therefore overall economic balance.

The medium-term budgetary framework, the medium-term expenditure frameworks, the report on the macroeconomic situation and the report on the execution of the budget for the current year, required by the law on the fiscal regime of the State and of other public entities for the holding of the BOD, are likely to allow the Government and Parliament to meet this fundamental requirement. However, for practical, readability and consistency reasons, the Government has taken the option of merging the content of these tools and reports into a single document called "Medium-Term Economic and Budgetary Programming Paper" abbreviated EBPP. It is prospective and covers the next three years.

The 2022-2024 Medium-Term Economic and Budgetary Programming Paper (EBPP) refers to the preparation of the finance law for the year 2022, of which it defines the determinants of fiscal policy, the overall level of expected revenue and projected expenditure. The EBPP is the document drawn up by the Government and serving as a basis for the Budgetary Orientation Debate (BOD) organized within Parliament. To this end, the latter has all the information necessary for a better appreciation of the strategic options and budgetary guidelines adopted for the conduct of the nation's economic and social development policy over the 2022-2024 period in line with the 2030 National Development Strategy.

This document, which is within the framework of the holding of the third session of the BOD, was drawn up in a context marked by the first year of the effective implementation of the National Development Strategy by 2030 (NDS30), the recovery of the economy after the slowdown in activity imposed by the COVID-19 pandemic, and the prospect of a new Economic and Financial Programme (EFP) with the International Monetary Fund (IMF).

The EBPP submitted for parliamentary discussion was adopted by the Government in Cabinet Meeting, in accordance with articles 26 and 28 of the decree of 31May 2019 setting the calendar for the State budget.

This 2022-2024 EBPP is structured around four (4) chapters:

- The first two chapters are situation chapters. They first describe the macroeconomic context, both nationally and internationally. They then present the state of public finances for the past year as well as for the first three months of the current fiscal year;

- The third and fourth chapters are orientation chapters devoted, on the one hand, to the formulation of the overall strategic orientations of the public policies set out in the various sectors for the triennium and, on the other hand, to the budgetary outlook accompanied by the main determinants of public expenditure over the 2022-2024 period.

CHAPTER I: MACROECONOMIC SITUATION AND OUTLOOK

This chapter presents, at the international, sub-regional and national levels, recent economic developments and short- and medium-term prospects.

I. INTERNATIONAL ECONOMIC CONTEXT

The current international economic environment is marked by a fragile recovery in the global economy, in conjunction with the optimism over the progress of vaccination campaigns against the coronavirus.

Indeed, after a 3.3% contraction in 2020 according to the IMF, the world economy should experience growth of 6% in 2021 and 4.4% in 2022. This situation is explained by: (i) measures to support the economy in developed countries, (ii) recovery expectations, driven by vaccination in the second half of 2021 and (iii) the continued adaptation of economic activity to reduced mobility. However, these prospects remain uncertain as regards the evolution of the pandemic, the effectiveness of the measures taken by the authorities to ensure a return to normalcy through vaccination, and the evolution of financial conditions.

In **the group of advanced countries**, growth is estimated at 5.1%. All of the group's main economies should experience an upturn in 2021: United States (5.1% against -3.5% in 2020), Japan (3.3% against -4.8%), United Kingdom (5 .3% against -9.9%), Germany (3.6% against -4.9%), France (5.8% against -8.2%), Italy (4.2% against -8.9 %) and Spain (6.4% against -11.0%). The catching-up of the level of activity before the crisis is said to be faster in some countries. These disparities can be explained by: (i) the effectiveness of the health response plans of the authorities and the behaviour of the populations in the face of infections, (ii) the flexibility and capacity of economic activity to adapt to the obstacles to mobility, (iii) pre-existing trends and structural rigidities prior to the crisis. While essential for containing the coronavirus, restrictions on mobility continue to weigh on activity and the economic outlook.

In the **group of emerging and developing countries**, the recovery should be more vigorous than initially expected, due to the easing of lockdowns in some large countries such as China and the progress of vaccination supported by several global initiatives. However, recovery trajectories should diverge between China, which is experiencing a strong acceleration (+ 8.4% growth after 2.3% in 2020) thanks to effective containment measures, a vigorous public investment strategy and the 'provision of liquidity by the central bank, and other countries. In this group, the situation remains particularly difficult for countries with a strong tourist destination, since the return to normal of international travel takes time.

Sub-Saharan Africa, after having recorded the strongest contraction it has known (–1.9% in 2020 according to the IMF) for 30 years, is expected to experience growth of 3.4% in 2021. However, the pandemic continues to weigh on activity in the main economies (Nigeria, South Africa).

In the CEMAC, the BEAC expects a growth rate of 2.8% in 2021 after -2.1% recorded in 2020 under the effect of a decline in activity in both the oil sector (-4.2%) than non-oil (-1.6%).

Regarding inflation, in advanced countries, it should drop from 0.7% in 2020 to 1.6% in 2021. In other countries, it should rise from 5.1% to 4.9% on the same period. In particular, it would 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.

On international markets, an improvement has been observed since the beginning of 2021 in the prices of the main materials exported by Cameroon. This favourable dynamic is further supported by the recovery of economic activity in the world after several months of gloom linked to the Covid-19 pandemic. According to the IMF, oil prices, which fell by 32.7% in 2020 to reach $ 41.29 per barrel, should increase by 41.7% in 2021 ($ 58.52 per barrel), then experience a drop of 6.3% in 2022 ($ 54.83 per barrel).

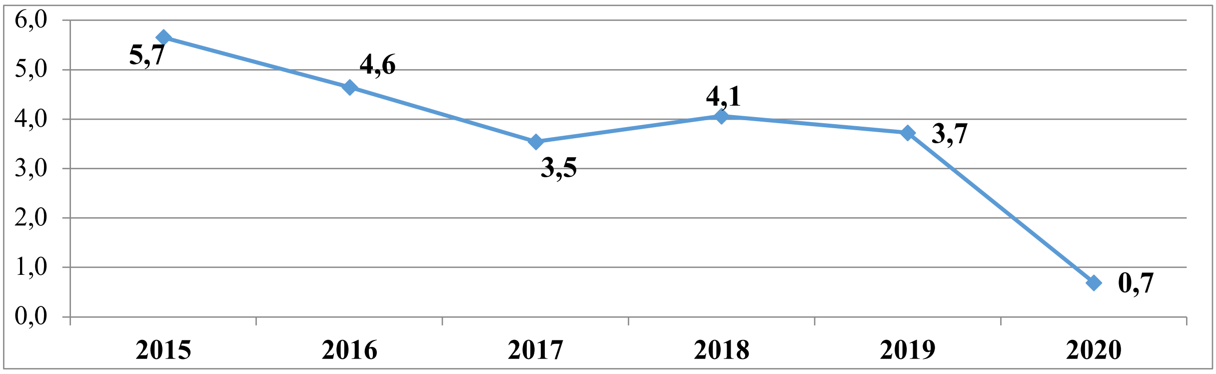
II. RECENT NATIONAL SOCIO-ECONOMIC SITUATION

II.1 Evolution of the national economy

Despite the adverse effects of the Covid-19 pandemic, Cameroon showed resilience in 2020. In contrast to the recessionary winds observed in several countries around the world, economic activity in Cameroon has slowed down, albeit markedly. Thus, the growth rate stood at 0.7% in 2020 compared to 3.7% in 2019. This slowdown is observed in both the oil and non-oil sectors.

The oil sector, which saw an increase in production (+2.2%), recorded an estimated growth of 1.3%. In the non-oil sector, a revival of activity was observed in the agri-food industry, construction and public works, information and telecommunication services and financial services. The underperformance of the "industrial and export agriculture" sector was less pronounced than initially expected. Products such as cotton and rubber even saw a significant increase in production. On the other hand, the "Restaurants and hotels", "Forestry and logging" and "Transport, storage and communications" branches were hit hard by the crisis, with growth rates of -22%, -4.8% and -3.8% respectively.

Graph 1: Evolution of the growth rate of the Cameroonian economy



Source: MINFI

In 2021, growth is expected to revive by 3.4% as global demand for our exports picks up, due to the gradual reopening of several economies and the dynamism of domestic demand. In the non-oil sector in particular, the recovery in demand from our trading partners will encourage the revival of activities in export-oriented sectors such as export agriculture and forestry and logging.

Similarly, the gradual lifting of restrictive measures will give new impetus to the service sectors that were particularly affected by the pandemic (tourism, hotels, restaurants, trade and transport). In addition, the resumption of international events (such as the CHAN) and the gradual restoration of several supply chains would contribute to boosting economic activity.

In terms of GDP jobs, private investment should pick up, in conjunction with the resumption of several business investment programmes, as the effects of the pandemic are gradually brought under control. The same would be true of public investment, which is partly dependent on the increase in budgetary revenue, following the recovery of economic activity, but also on the implementation of post-COVID and SND30 stimulus measures.

Exports are expected to rise as a result of the recovery in commodity prices, caused by the resumption of global demand and the restoration of supply chains.

After the 2.5% level in 2020, inflation remains under control below the 3% threshold set by the CEMAC community standard, thanks to the actions taken by the authorities to contain the rise in prices, particularly for health and consumer goods.

With regard to public finances, the budget deficit widened slightly, from 3.4% of GDP in 2019 to 3.6% in 2020, mainly due to a more pronounced fall in expenditure than in revenue. It is worth noting that investment spending has fallen sharply in favour of social spending. In 2021, the budget deficit is expected to narrow further, to 2.1%, thanks to a more substantial increase in revenue than in expenditure.

As for the external sector, the current account balance of the balance of payments is in deficit by 844.9 billion in 2020, or about 4.2% of GDP. Compared to 2019, the deficit of this balance is reduced by 147.1 billion, driven by the decrease in the deficits of the balance of goods and the balance of services. On the other hand, the primary income balance and the secondary income balance have deteriorated. In 2021, the reduction in the current account deficit should continue, with an expected recovery in goods exports.

With regard to the monetary situation, the money supply (M2) increases by 12.7%, from 5 416.4 billion in December 2019 to 6 106.7 billion in December 2020. This increase is the result of a 21.7% increase in domestic credit and a 0.3% reduction in net foreign assets. In 2021, the money supply is expected to grow by about 4%.

II.2 Social situation in 2020

The government's social policy is focused on improving the living conditions of the population in order to have a solid human capital capable of supporting the country's development. The social sector therefore remains a government priority; in 2020 it received a budget allocation of 1 219.8 billion, up 35.7 billion compared to 2019. The occurrence of the COVID-19 pandemic has negatively affected all social sectors. In response to the pandemic, the government took measures to limit its effects. These measures included: (i) the intensification of awareness campaigns; (ii) the temporary closure of schools and universities and the reorganisation of the school and academic year; (iii) the adaptation of the technical facilities of several hospitals to provide free care for people affected by the pandemic, the setting up of specialised centres to care for the sick and the acquisition and distribution of equipment to limit the spread of the virus.

II.2.1 Education

The budgetary allocation for the education sector in 2020 was increased to 672 billion, corresponding to 12.9% of the state budget. This allocation has made it possible to pursue several objectives, in particular access for all to quality education, the adaptation of training and education to the socio-economic environment in order to meet market needs, and the promotion of research and development. The main results achieved in 2020 are as follows

- **Primary and nursery education**

During the 2019/2020 school year, primary education welcomed 4,578,708 pupils, an increase of 3.9% compared to 2018/2019. They are supervised by 100,347 teachers, an increase of 4%. The number of classrooms increased by 0.90% to 19 904. The gross preschool enrolment rate increases by one percentage point, from 37.8% in 2018/2019 to 38.8% in 2019/2020. The primary completion rate increased from 70.6% in 2019 to 71.1% in 2020. The pupil/classroom ratio in public primary education has changed slightly from 64 in 2018 to 62 in 2020. Similarly, the percentage of students passing the CEP and FSLC has increased from 88.17% in 2018 to 71% in 2020.

- **Secondary education**

During the 2019/2020 school year, general secondary education enrolled 1,868,982 students, supervised by 72,614 teachers, in 44,391 classrooms. Technical and vocational education registered 351,310 students, taught by 26,520 teachers, in 10,494 classrooms. In general secondary education, the pupil/classroom ratio increases from 64 in 2018 to 62 in 2020 in the urban area. The ratio of learners/workstation (computer room) is 44. The transition rate from primary to secondary school has increased from 59.23% in 2019 to 63.31% in 2020, an increase of 4.08 points. Furthermore, the percentage of students in technical and vocational secondary education has increased from 22.01% in 2018/2019 to 23.57% in 2019/2020, with a target of 24% in 2020. The number of vocational courses set up has increased from 66 in 2018 to 69 in 2020.

- **Higher education**

The budget allocated to higher education fell from 62.1 billion in 2019 to 57.1 billion in 2020, a decrease of 5 billion. This budget has allowed the following programmes to be pursued: the development of the technological and professional component; the modernisation of faculties; and the development of academic research and innovation.

The number of public higher education institutions is distributed as follows during the 2019/2020 academic year: 01 Cameroon-Congo Interstate University, 08 State Universities, 41 technological and professional institutions, including 04 with Special Status, 33 faculty institutions. In the private sector, there are 285 Private Higher Education Institutes (IPES).

As for the number of teachers in state universities, it has increased from 5 250 in 2018 to 6 332 in 2019, an increase of 20.6%. The number of students rose from 323,672 to 361,478, an increase of 10.8%. State universities and public institutions account for 83.6% of these students. In the state universities, 302 037 students are taught by 6 332 teachers, i.e. a ratio of 48 students per teacher.

As part of the three-year 2019-2021 programme to recruit 2,000 teachers in state universities, 1,237 teachers were recruited in the first phase. The second and third phases planned for 2020 and 2021 will recruit 500 teachers each.

II.2.2 Health

The report of the fifth Demographic and Health Survey (EDSC-V) conducted in 2018 by the National Institute of Statistics (NIS) and published in 2020 revealed that:

- the infant mortality quotient increased to 74 ‰ in 2004 and then to 62 ‰ in 2011 and 48 ‰ in 2018. In the same period, the infant and child mortality quotient also decreased from 144 ‰ in 2004, to 122 ‰ in 2011 and 79 ‰ in 2018;
- antenatal care coverage by a trained health provider increased from 80% in 2004 to 87% in 2018. In the same period, there was also an increase in the percentage of births that took place in a health facility (59% in 2004 to 67% in 2018) and in the percentage of births attended by a trained health provider (59% in 2004 to 69% in 2018);
- HIV prevalence among women and men aged 15-49 declined from 5.4% in 2004 to 4.3% in 2011 and reached 2.7% in 2018. Moreover, this decline in HIV prevalence is observed in both men and women. Among men, HIV prevalence fell from 4.1% in 2004 to 2.9% in 2011 and 1.9% in 2018. In the same period, HIV prevalence among women fell from 6.6% to 5.6% to 3.4%;

Almost three out of four households (73%) own at least one insecticide-treated net (ITN). On average, a household has 1.8 ITNs. More than three-quarters of the nets (76%) were obtained by households during mass distribution campaigns.

The various interventions carried out over the past three years by the government to support public and private actors in this sector suggest that these indicators will change significantly in the next few assessments.

II.2.3 Protection and social security

- **Social protection**

Social protection coverage in Cameroon, including contributory and non-contributory schemes, is estimated at 8.7% between 2017 and 2019. This rate is below the sub-regional average and social security benefits remain well below the international standards established by Convention 102, which Cameroon has ratified. Only 6.46% of the Cameroonian population is covered by a social health protection mechanism, with a mutualisation rate of 2% for health risks. This rate is expected to increase significantly due to the gradual implementation of Universal Health Coverage (UHC). The work in progress has led to the implementation of a series of activities prior to this project, in particular the identification of sources of financing, the signing of the public-private partnership contract, and the setting up of the management system (construction of the data centres and interconnection of the information system). In addition, the process of approving the legislative and regulatory framework establishing the CSU is in its final stages.

- **Social safety nets**

Social safety nets are well-targeted, generally non-contributory transfer programmes that are part of the inclusive growth policy and provide support to populations living in extreme poverty. The project is implemented through three components: ordinary cash transfers (OCTs); emergency cash transfers (ECTs) and labour-intensive public works (LIPWs).

At the end of December 2019, cash transfers amounted to CFAF 18.2 billion, of which CFAF 14.4 billion was for the ordinary cash transfer programme with accompanying measures, CFAF 2.16 billion for the emergency cash transfer programme and CFAF 2.34 billion for the labour-intensive public works programme (THIMO).

In the target areas, 82,000 households have benefited from this support, which has led to the creation of 29,000 jobs, including some 60 permanent jobs, 1,850 temporary jobs and 27,000 rural jobs in the context of labour-intensive public works.

For the period 2019-2022, the social safety net programmes plan to provide support to 291,500 selected households in the national territory for transfers of 60.9 billion, including 33.1 billion from the TMO programme, 21.5 billion from the TMU programme and 6.2 billion from the THIMO programme.

III. SHORT- AND MEDIUM-TERM ECONOMIC PROSPECTS

The macroeconomic outlook remains subject to the uncertainties inherent in the evolution of the Covid-19 pandemic, as well as the expected impact of the Government's economic stimulus package. The COVID-19 crisis requires a redefinition of the development model for: (i) take into account exogenous risks and threats; (ii) remedy certain major trends in the economy, notably dependence on the outside world; (iii) build solid foundations for a better conquest of external markets.

These various options have guided the formulation of a three-year post-Covid economic recovery plan that has been implemented since the beginning of the 2021 fiscal year. This plan includes projects in favour of the affected sectors whose recovery it aims to achieve through Support for the production and processing of consumer products in line with the implementation of the import-substitution policy. These products include inputs for production units, mass consumption products (rice, maize, soya, millet/sorghum, fish, refined oil, etc.);

The implementation of adapted and dedicated mechanisms for the financing of enterprises (VSEs, SMEs and GEs). The objective is to promote greater access to financing at lower cost during this critical period for businesses. The said financing, housed in credit institutions, will concern capital goods and the working capital of companies. As an illustration, the 2021 Finance Law has provided for a guarantee ceiling of 200 billion to allow the State to grant a guarantee for the financing of the productive fabric (EIB, DACC, BADEA, CAS COVID);

Strengthening the dynamism of growth sectors. This involves strengthening the local offer with priority actions in favour of restoring the activity of companies in the sectors most affected by the pandemic, with a view to satisfying domestic demand and conquering new markets. Emphasis is also placed on the development of a local pharmaceutical industry and the digital economy;

Strengthening the competitiveness of businesses. To this end, emphasis will be placed on measures to reduce the costs of production factors, to strengthen the capacity to mobilize private savings for business financing, and to improve access to the national market for local businesses, particularly through public procurement.

The implementation of this post-Covid recovery plan is part of the operationalization of the NDS30, whose objective is to proceed with the structural transformation of the Cameroonian economy by making changes in the productive, industrial, financial and administrative structures. To this end, the strategic frameworks of the administrations have been revised and are being finalised. Similarly, a law on the modernisation of the economy is being drafted with the active participation of the private sector.

The outlook is for growth of 4.4% in 2022 and 4.8% on average over the period 2022-2024, thanks to the potential control of the pandemic and the opening up of the economies combined with the effects of the implementation of recovery plans in the various partner countries. Thus, growth in the oil sector over the period 2022-2024 would average 0.3%, with the increase in gas production merely offsetting the depletion of oil fields.

As regards the non-oil sector, the branches affected by the health crisis will be particularly dynamic, notably because of the catching up, even partial, of the losses suffered. In particular, there will be: (i) a recovery in industrial and export agriculture and in forestry and logging and (ii) a recovery in all services affected by the restrictive measures and particularly in hotels and restaurants due to the revival of tourist activity.

In the primary sector, average growth of 4.8% is projected over the period. This trend is supported by the acceleration of the implementation of the import-substitution policy, notably through the increase in the local supply of goods at the origin of the trade balance deficit. Emphasis will be placed on increasing the production of food crops (rice, maize, sorghum, starches), livestock products and fisheries.

Other factors will contribute to the improvement of production and productivity in industrial agriculture, notably the increase in demand downstream of agro-industries, the positive effects of the recovery programmes and development plans for the cocoa, coffee, banana, cotton and rubber sectors, and the recovery in the prices of the main export products.

As for the secondary sector, growth is projected at 4.7% on average despite the drop in oil production. Outside of hydrocarbons, the sector should benefit first of all from the development of several industries, notably from increases in factory capacity as part of the implementation of the SND30, the good performance of the agri-food industry and other manufacturing industries. These industries should benefit from a better supply of electricity, notably through the finalisation of the commissioning of hydroelectric dams and the construction of electricity transmission infrastructure. Construction and public works should also support the growth of the sector, thanks to the implementation of several major second-generation hydroelectric and road infrastructure projects (construction of the Nachtigal dam, Batchenga-Ntui road), the reconstruction of the North-West, South-West and Far North regions, as well as the rehabilitation and development of transport infrastructure with the aim of facilitating trade and opening up the production basins.

In the tertiary sector, growth projections are 4.7% on average over the period, thanks in particular to the development of the two upstream sectors (primary and secondary), the revival of activities in the branches affected by the health crisis, notably maritime and air transport, catering and hotels. Telecommunications and financial services should also support the dynamics of this sector.

On the employment side of GDP, the growth of the Cameroonian economy will continue to be supported by the components of domestic demand, mainly household consumption and investment. This domestic demand should benefit from the effects of the government's measures to stimulate economic activity, the recovery of investment (public and private), the revival of the labour market and the control of inflation. Between 2022 and 2024, final household consumption, which accounts for 70% of GDP, is expected to grow by an average of 4.7%, with a contribution to economic growth of 3 points. Investment growth would be more vigorous, with an average of 4.5%.

With regard to prices, inflation is not expected to exceed the CEMAC threshold of 3% over the period 2022-2024, owing to the measures taken to control prices on the one hand and to improve the local supply of consumer goods in conjunction with the reorganisation of the domestic market on the other.

With regard to public finances, the budgetary policy for the period 2022-2024 is geared towards continuing the budgetary consolidation effort undertaken by the government since 2017, with a view to ensuring the sustainability of public finances, with a view to avoiding unsustainable debt while guaranteeing the proper implementation of the NDS30 in line with the commitments made within the framework of the new Economic and Financial Programme currently being negotiated with the International Monetary Fund (IMF). This consolidation will be achieved by improving the mobilisation of non-oil revenues, strengthening budgetary discipline and controlling and improving the efficiency of public spending. A reduction in non-priority expenditure while preserving social expenditure and a better prioritisation of capital expenditure will make it possible to pursue investment projects.

In terms of the external accounts, the projections are based on a reduction in the current account deficit to an average of 2.9% of GDP over the period 2022-2024, thanks in particular to the promotion of processed product exports (cocoa, wood, coffee, cotton, etc.) and the implementation of the import substitution policy through the gradual reduction of imports by improving the local supply of mass consumption products.

Table 1: Evolution of key macroeconomic indicators

	2016	2017	2018	2019	2020	2021		2022	2023	2024
			CN	CN		Former	New			
Real sector										
GDP at current prices (CFAF billion)	19344,8	20328,4	21492,5	22854,7	22775	22973	24231	25749	27514	29445
Oil GDP	623	718	1000	1064	673	762	999	991	1016	1018
Non-oil GDP	18722	19610	20493	21791	22102	22211	23232	24757	26498	28427
GDP at constant prices	15093	15629	16264	16869	16981	16974	17563	18328	19240	20228
Oil GDP	1011	846	823	893	920	869	931	914	931	939
Non-oil GDP	14082	14783	15441	15976	16061	16105	16632	17414	18309	19289
GDP at constant prices	4,6	3,5	4,1	3,7	0,7	3,3	3,4	4,4	5,0	5,1
Oil GDP	-3,6	-16,4	-2,7	8,5	1,3	1	1,2	-1,8	1,9	0,9
Non-oil GDP	5,3	5	4,4	3,5	0,6	3,5	3,6	4,7	5,1	5,4
Prices										
GDP deflator	1,1	1,5	1,6	2,6	-0,5	1,8	3	1,9	1,9	1,9
Oil GDP deflator	-17,6	37,9	43	-2	-30,3	6,4	46,6	1,1	0,7	-0,7
Non-oil GDP deflator	1,6	-0,2	0	2,8	0,9	1,5	1,5	1,8	1,8	1,8
Consumer prices	0,9	0,6	1,1	2,5	2,5	2,5	2,1	2,0	2,0	2,0
Export prices	-8	3,1	7,4	-0,4	-14,3	1,6	20,8	-1	-0,2	-0,7
of which Cameroonian oil prices	-15,4	21,4	24,8	-5	-32,5	5,9	42,7	-0,7	0,6	-0,7
Import prices	-6,7	-0,3	2,5	-0,8	0,8	0,4	0,4	1	2,4	2
Terms of trade	-1,2	3,4	4,9	0,5	-15,1	1,3	20,5	-1,9	-2,6	-2,7
Sectoral breakdown										
Primary sector	5	3,2	5,1	2,8	0,6	3,2	3,8	4,3	4,8	5,2
Secondary sector	3,6	1,3	3,1	4,9	2,8	2,7	3,3	4,2	4,6	5,3
of which oil	-3,6	-16,4	-2,7	8,5	1,3	1	0,9	-0,6	-3,4	-0,6
Tertiary sector	4,9	4,3	4,4	3	-0,4	3,7	3,7	4,4	4,9	4,9
Demand components										
GDP	100	100	100	100	100	100	100	100	100	100
Components of demand										
Consumption	82,1	81,1	81,6	81,8	80,6	79,3	79,1	77,4	76,9	76,1
Private	70	70	70,5	71	70	67,9	68,6	67,6	67,4	66,8
Public	12,1	11,1	11,1	10,9	10,6	11,4	10,5	9,8	9,5	9,2
GFCF	22,6	23	22,8	22,6	23,5	26,4	24,4	24,8	24,9	25,2
Private	17,8	18,6	18,8	18,5	19,9	21,9	20,7	21	21,1	21,4
Public	4,8	4,4	4	4	3,6	4,5	3,7	3,8	3,8	3,8
B&S exports	19,2	18,6	19,3	20,2	16,2	17,9	18,3	18,1	19,5	19,6
B&S imports	24	22,6	23,7	24,7	20,3	23,7	21,8	21,4	20,9	20
Public sector										
Total revenues and grants	14,7	15	15,7	15,7	13,6	14,8	14,9	15,1	15,4	15,8
oil	2,2	1,9	2,3	2,6	1,9	1,7	2,3	2	1,8	1,7
Non-oil (Tax burden)	11,9	12,3	12,6	12,5	11,6	12,6	11,8	12,5	13	13,5
Non-oil (% non-oil GDP)	12,3	12,8	13,2	13,2	12	13,1	12,8	13,2	13,7	14,3
Expenditure	20,9	18,8	18,5	19,3	17,2	18	16,9	17,4	17,5	17,8
current	12,9	11,2	11,3	12,5	12,3	11,3	10,6	11,1	11,3	11,4
Capital expenditure	7,8	7,2	6,5	6,6	4,7	5,9	5,5	5,7	5,8	6,4
Overall budget balance (ordinance basis)	-6,2	-3,8	-2,5	-3,4	3,6	-2,8	-3,1	-2,0	-1,8	-1,3
Overall balance, cash basis	-6,6	-4,3	-3	-4,7	-3,7	-3,3	-3,1	-2	-1,8	-1,3

	2016	2017	2018	2019	2020	2021		2022	2023	2024
			CN	CN		Former	New			
Reference budget balance (CEMAC)	**-5,3**	**-3,3**	**-2,9**	**-4,1**	**-3,1**	**-2,9**	**-3,5**	**-2,3**	**-2,1**	**-1,4**
External sector										
Current account balance	**-3,2**	**-3,4**	**-3,5**	**-4,3**	**-3,9**	**-4,3**	**-2,7**	**-3,5**	**-3**	**-2,4**
Overall balance	**-4,3**	**1,1**	**0,7**	**0,7**	**-1,2**	**-2,2**	**-1,3**	**-2,3**	**1,1**	**0,2**
Monetary situation (nominal growth)										
Money supply (M2)	5,3	5,9	14,4	7,4	12,1	3,8	5,2	6,6	6,5	7,8
Net foreign assets	8,6	15,5	5,2	14,4	-1,4	-0,1	11,4	3,4	3,5	3,1
Credit to the economy	5,9	2,6	12,1	0,2	4,7	6	6	3,7	7,7	7,9

Source: Inter-ministerial Macroeconomic and Budgetary Framing Committee

CHAPTER II : MANAGEMENT OF PUBLIC FINANCES

This part summarises the implementation of the budget for the year 2020, in terms of revenues and expenditure. It also presents the main changes in the initial budget law following the ordinances of 26 May and 7 June 2021.

It should be noted that the resources of the State include internal revenue, loans and grants. Internal revenue is made up of oil and non-oil revenue. Non-oil revenues are made up of tax revenues, customs revenues and non-tax revenues. Borrowing is broken down into project loans, programme loans, government securities issues and bank loans. Grants include project and programme grants. Government expenditure is made up of current expenditure, capital expenditure and public debt servicing.

I. BUDGET IMPLEMENTATION SITUATION IN 2020

This section presents the implementation of the budget in terms of revenue and expenditure at the end of the 2020 fiscal year, as well as the resulting budget balance and financing.

The 2020 budget was executed in an environment marked by the Covid-19 pandemic, which negatively influenced the economic and financial situation of our country. This context justified the signing of Ordinance N°2020/001 of 03 June 2020 amending and supplementing certain provisions of Law N°2019/023 of 24 December 2019 to lay down the Finance Law of the Republic of Cameroon for the financial year 2020, which revised downwards the amount of the general State budget by 542.7 billion (4,409 billion against 4,951.7 in the 2021 IFL), and created a Special National Solidarity Fund for the fight against the coronavirus and its economic and social repercussions (COVID-SAA) capped at 180 billion.

I.1 Mobilisation of budgetary resources

State budget resources mobilised at the end of December 2020 amounted to 4 653.0 billion for a revised forecast of 4 546 billion (including 4 409 billion for the general budget and 137 billion for payments to COVID-19 SAA), i.e. an implementation rate of 102.4%. Compared to 2019, these resources are down by 307.2 billion due to the low mobilisation of internal revenue, particularly VAT revenue, in connection with the sluggish activity due to the COVID-19 pandemic.

States resources comprise 3 212.4 billion in budgetary revenues (oil revenues, non-oil revenues and grants) and 1 440.6 billion in financing resources (capital market borrowing, programme borrowing and project borrowing).

Table 2: Resources of the State budget for the 2020 fiscal year

HEADINGS	2020 I.F.L.	2020 A.F.L.	Jan-Dec 19 Achievements	Jan.-Dec 20 Achievements	Variation 2020/2019 (in billions F.CFA)	Variation 2020/2019 (in %)	Implementation rate (in %)
I-BUDGETARY REVENUE (A+B)	**3 719,2**	**2 950.5**	**3 650,5**	**3 212,4**	**-438,1**	-12,0	**108,9**
A- INTERNAL REVENUE (a+b)	**3 617,2**	**2 848,5**	**3 517,2**	**3 177,5**	**-339,7**	-9,7	**111,5**
a- Oil revenues	443,0	269,7	584,5	428,2	**-156,3**	-26,7	**158,8**
b- Non-oil revenues (1+2+3)	3 174,2	2 578,8	2 932,7	2 749,3	**-183,4**	-6,3	**106,6**
1- Tax revenues (i+ii)	2 962,2	2 374,8	2 768,3	2 560,6	**-207,7**	-7,5	**107,8**
i- Tax revenues	2 103,0	1 724,8	1 947,2	1 852,8	**-94,4**	-4,8	**107,4**
ii- Customs revenues	859,2	650,0	821,1	707,8	**-113,3**	-13,8	**108,9**
2- Non-fiscal revenues	212,0	204,0	164,4	188,7	**24,3**	14,8	**92,5**
B- GRANTS	**102,0**	**102,0**	**133,3**	**34,9**	**-98,4**	**-73,8**	**34,2**
II- FINANCING REVENUES (I+II)	**1 304,5**	**1 595,5**	**1 309,7**	**1 440,6**	**130,9**	10,0	**90,3**
III-TOTAL STATE BUDGET REVENUES (I+II)	**4 921,7**	**4 536,0**	**4 960,2**	**4 653,0**	**-307,2**	-6,2	**102,4**
IV-PAYMENT TO CAS-COVID19		**137,0**		**152,8**	**152,8**		**111,5**
TOTAL GENERAL STATE BUDGET REVENUES (III-IV)	**4 921,7**	**4 409,0**	**4 960,2**	**4 500,2**	**-460,0**	-9,3	**102,1**

Source: MINFI

Budgetary revenues

They are made up of internal revenue and grants. The rate of mobilisation of budgetary revenue is 108.9% compared with the forecast in the rectifying finance law for the 2020 financial year. Compared with the 2019 fiscal year, this revenue is down by 438.1 billion (-12%).

I.1.1 Internal revenue

The level of internal revenue collection is 3 177.5 billion for a revised forecast of 2 848.5 billion, i.e. an achievement rate of 111.5%. Compared to the 2019 budget year, it is down by 339.7 billion (-9.7%). Internal revenue includes oil revenue and non-oil revenue.

Oil revenues

For a revised target of 269.7 billion, oil revenues were collected to the tune of 428.2 billion (including 321.4 billion in SNH royalties and 106.8 billion in taxes on oil companies), i.e. an achievement rate of 158.8%. This good mobilisation is attributable to effective average crude oil prices (USD 41.3/barrel) that are relatively higher than those used in the rectifying finance law (USD 35.6/barrel). Compared with 2019, oil revenue is down by USD 156.3 billion (-26.7%). The weight of oil revenue in domestic revenue is 13.5% in 2020 compared with 16.6% in 2019.

Non-oil revenue

Collected to the tune of 2 749.3 billion, the rate of realisation of non-oil revenue is 106.6% in 2020. However, this revenue is down by 183.4 billion (-6.3%) compared to 2019.

Tax revenues were collected to the tune of 2 560.6 billion at the end of December 2020, exceeding the downwardly revised target of 2 374.8 billion to take account of the effects of Covid-19 by 185.8 billion. Compared to the achievement of the same period in 2019, tax revenue is down by 207.7 billion. This is mainly attributable to lower VAT receipts (-194.4 billion) and customs import duties (-44.2 billion).

With regard to taxes and duties, they were collected to the tune of 1 852.8 billion, against a forecast of 1 724.8 billion in the LFR, i.e. an achievement rate of 107.4%. This result is mainly linked to the performance recorded in the collection of:

1) the tax on non-oil companies, which was collected to the tune of 352.3 billion against 330.1 billion forecast, i.e. a positive difference of 22.2 billion. This result is linked to the payment of this tax on time by several companies, despite the moratorium granted by the State;
2) excise duties, which amounted to 283.9 billion, i.e. a difference of 60.1 billion compared to the revised forecast of 223.8 billion;
3) the Special Tax on Petroleum Products, which was collected to the tune of 135.7 billion, against a revised forecast of 112.8 billion. This performance is mainly due to higher than projected volumes released for consumption.

With regard to customs revenue, the level of mobilisation of customs revenue was 707.8 billion against a revised forecast of 650.0 billion, i.e. an achievement rate of 108.9%. This performance was possible thanks to a number of factors, including

- The expansion of activity at the Port of Kribi, which enabled the mobilisation of customs revenue of 67.6 billion in 2020 against 23.4 billion in 2019, an increase of 188.9%;

- The new measures of the 2020 Financial Law, particularly those related to forestry taxation, which increased exit duties by 1.0 billion;

- The recovery of liquidations from years prior to 2020, which generated additional revenue of 16.0 billion excluding marketeers;

- The State's tax debt was cleared to the tune of 21.2 billion in 2020 compared with 18.2 billion in 2019;

- Compromised duties of 9.9 billion in 2020 compared to 8.8 billion in 2019 and fines of 12.5 billion compared to 9.4 billion in 2019.

Compared to the sum of CFAF 821.1 billion raised in 2019, customs revenue fell by CFAF 113.3 billion (-13.8%). This decline is attributable to import duties (-12.8%), import VAT (-18.8%) and factual elements, including

- the 18.7% reduction in the value of foreign trade due to the combined action of a 16.3% decrease in imports and a 22.4% decrease in exports

- the fire at SONARA, which prevented this company from honouring its tax obligations in 2020, whereas in 2019 it had cleared its tax debt to the tune of 95.8 billion;

- the decrease in marketers' debt payments by 42.5 billion in 2020;

- the amount of shortfalls related to the EPAs in 2020 of EUR 8.8 billion compared with EUR 7.8 billion in 2019.

Non-tax revenues are made up of income from the state domain (royalties and rents for the use of the state domain, transfers of state real estate), service revenues (proceeds from the sale of goods and services), pension contributions, oil transit duty and other non-tax revenues (dividends paid by companies in which the state is a shareholder, etc.). The performance of these revenues is presented in the table below:

Table 3 : Non-tax revenue achievements.

Headings	2019 Achievements	2020 LFR	2020 Achievements	Variation 2020/2019	Variation 2020/2019 (%)	Implementation rate (%)
Revenue from the estate	4,1	4,2	5,8	1,7	41,5%	138,1%
Income from services	23,6	81,9	16,7	-6,9	-29,2%	20,4%
Pension contributions	48,5	60,0	61,8	13,3	27,4%	103,0%
Oil transit fee	35,0	25,0	43,1	8,1	23,1%	172,4%
Other non-tax revenues	53,2	32,9	61,3	8,1	15,2%	188,4%
Total non-tax revenues	**164,4**	**204,0**	**188,7**	**24,3**	**15,2%**	**92,8%**

Source: MINFI

In 2020, non-tax revenues were mobilised to the tune of 188.7 billion, i.e. a realisation rate of 92.5% compared with the finance law. They are up by 24.3 billion (+14.7%) compared to 2019. This performance is explained, among others, by the following headings, which are on the rise:

- Pension contributions: +13.3 billion;

- Other non-tax revenues: +8.1 billion;

- Oil transit duties: +8.1 billion;

- Domain revenues: +1.7 billion;

Despite this performance, it should be noted that service revenue recorded a counter-performance, falling from 23.6 billion in 2019 to 16.7 billion, i.e. -6.9 billion compared to the 2019 financial year.

I.1.2 Grants

In 2020, drawings on grants are estimated at 34.9 billion (excluding grants of 9.1 billion received within the framework of the SAF COVID19 in the form of funds of assistance) for an annual forecast of 102.0 billion, i.e. an implementation rate of 34.2%. They are divided into 14.4 billion in programme grants and 20.4 billion in project grants.

I.1.3 Financing resources

Financing resources were mobilised to the tune of 1 440.7 billion out of a revised forecast of 1 1595.5 billion, i.e. an implementation rate of 90.3%.

Drawdowns on project loans amounted to 449.6 billion, corresponding to an implementation rate of 68.6%. Compared to the 2019 fiscal year, they decreased by 322.6 billion (-41.8%).

IMF loans amounted to 268.3 billion out of a forecast of 225.6 billion. This overrun is explained by disbursements under the Rapid Credit Facility (RCF) amounting to 223.2 billion, to help Cameroon cope with the constraints resulting from the Covid-19 pandemic.

Other budgetary support was mobilised to the tune of $110.3 billion, mainly by the AfDB. Their implementation rate is 51.3% compared to the revised forecasts of 214.9 billion.

Initially planned at 320.0 billion in the finance law, the amount of public securities issues was raised to 420 billion in the amending finance law. These issues, made up of Treasury bonds and additional Treasury bills, amounted to 386.1 billion and correspond to an execution rate of 91.9%.

Out of a revised forecast of 80 billion, bank loans were mobilised to the tune of 181 billion, i.e. an execution rate of 226.3%. Compared to the 2019 fiscal year, they are up by 111 billion. Other external borrowings amounted to 45.4 billion and concern loans retroceded to certain public enterprises, including SONARA.

Table 4: Cash resources (in billions)

Headings	**2019 Achievements**	**2020**			**Variation 2020/2019 (in bils FCFA)**	**Variation 2020/2019 (%)**	**Implementation rate (%)**
		LFI	**LFR**	**Achievements**			
Project loans	772,2	767,0	655,0	449,6	-322,6	-41,8	68,6
Programme loans	228,0	115,5	440,5	378,6	150,6	66,1	85,9
IMF loans	*44,7*	*44,0*	*225,6*	*268,3*	223,6	500,2	118,9
Other budget support	*183,3*	*71,5*	*214,9*	*110,3*	-73,0	-39,8	51,3
Government securities issues	334,2	320,0	420,0	386,1	51,9	15,5	91,9
Bank loans	70,0	30,0	80,0	181,0	111,0	158,6	226,3
Other external loans	50,8			45,4	-5,4	-10,6	
TOTAL FINANCING (GROSS)	**1 455,2**	**1 232,5**	**1 595,5**	**1 440,7**	**-14,5**	**-1,0**	**90,3**

Source: MINFI

I.2 Implementation of budgetary expenditure

In accordance with the changes made in the Amending Finance Law, the overall expenditure allocation for the 2020 financial year was reduced from 4 951.7 billion to 4 409.0 billion. Expenditure authorised amounted to 4 363.50 billion, i.e. an execution rate of 99%. Compared to the 2019 fiscal year, it is down by 792.3 billion (-15.4%).

Table 5: Overall implementation of expenditure for the year 2020 (in billion)

Headings	Ordo 2019 (b)	LFI 2020	LFR 2020 (a)	Ordo 2020 (c)	Implementation rate (%) (c/a)	Variation (%) (c/b)
A-CURRENT EXPENDITURE (I+II+III)	**2 632,60**	**2 443,50**	**2 241,00**	**2 536,10**	**113,2**	**-3,7**
I - Personnel costs	1013,4	1070,2	1040,1	1052	101,1	3,8
II - Goods and services	894,5	759,4	666,7	876	131,4	-2,1
III - Transfers and subsidies	724,7	613,9	534,2	608,1	113,8	-16,1
B-CAPITAL EXPENDITURE (I+II+III+IV)	**1 486,50**	**1 496,30**	**1 254,30**	**1 061,80**	**84,7**	**-28,6**
I - Capital expenditure from internal resources	650,7	654,4	542,2	566,3	104,4	-13,0
II – Participation	36,1	30	19,3	16,8	87,0	-53,5
III - Rehabilitation / Restructuring	7,2	15,9	8,8	8,7	98,9	20,8
IV - External financing	792,5	796	684	470	68,7	-40,7
C - PUBLIC DEBT (I+II)	**1 036,70**	**1 011,90**	**913,70**	**765,60**	**83,8**	**-26,2**
I - Domestic public debt	536,2	539,7	539,7	412,2	76,4	-23,1
II - External public debt	500,5	472,2	374	353,4	94,5	-29,4
TOTAL (A+B+C)	**5 155,80**	**4 951,70**	**4 409,00**	**4 363,50**	**99,0**	**-15,4**

Source: MINFI/DGB (payment authorization)*

I.2.1 Current expenditures

Current expenditure (excluding interest on the debt) stands at 2 536.10 billion against a forecast of 2 241.0 billion, i.e. an implementation rate of 113.2%. Compared to 2019, it decreases by 96.5 billion in relation to the decrease in transfers and subsidies. This expenditure is made up of personnel expenditure, which amounts to 1 052 billion against a forecast of 1 040.1 billion, i.e. an overrun of 11.9 billion; expenditure on goods and services, which amounts to 876 billion against a revised allocation of 666.7 billion; and transfers and subsidies, which amount to 608.1 billion against a forecast of 534.2 billion, i.e. an implementation rate of 113.8%

I.2.2 Capital expenditure

As for capital expenditure, it was executed to the tune of 1 061.8 billion for an allocation of 1 254.3 billion, i.e. an execution rate of 84.7%. Compared to 2019, capital expenditure is down by 424.7 billion. This change is explained by the emergence of the health crisis, which caused supply disruptions and slowed down several infrastructure projects.

Capital expenditure from own resources executed in 2020 amounted to 566.3 billion out of an allocation of 542.2 billion, i.e. an execution rate of 104.4%. Compared to 2019, they fell by 84.4 billion (-13.0%).

Capital expenditure on external financing amounted to 470.0 billion against a forecast of 684 billion, i.e. an implementation rate of 68.7%. Compared to 2019, it is down by 322.5 billion (-40.7%).

The drop in the level of FINEX disbursements compared to 2019 is explained by: (i) the slowdown of some major infrastructure projects in the context of the health crisis; (ii) the completion of the majority of CAN projects; (iii) an extension of disbursement deadlines by some donors.

I.2.3 Public debt

Debt service was paid to the tune of 765.6 billion, out of a revised forecast of 913.7 billion, i.e. an execution rate of 83.7%. This is broken down into domestic debt for 412.2 billion and external debt for 353.4 billion.

The ratio of debt service to GDP will fall from 4.5% in 2019 to 3.4% in 2020. The drop in this ratio is justified by Cameroon's admission to the G20 Initiative, which suspended debt service payments in response to the Covid-19 pandemic.

Table 6: Public debt implementation for the financial year 2020

Headings	Ordo* 2019	LFI 2020	LFR 2020	Ordo* 2020	Implementation rate (%)	Variation (%) 2020/2019
I - Domestic public debt	**536,2**	**539,7**	**539,7**	**412,2**	**76,4**	**-124**
Principal	415,5	417,8	417,8	259,5	62,1	-156
Interest	54,7	49,9	49,9	73,7	147,7	19
Reimbursement VAT credits	66,0	72,0	72,0	79,0	109,7	13
II - External public debt	**500,5**	**472,2**	**374**	**353,4**	**94,5**	**-147,1**
Principal	327,9	302,2	204	217,9	106,8	-110
Interest	172,6	170	170	135,5	79,7	-37,1
PUBLIC DEBT (I+II)	**1036,7**	**1011,9**	**913,7**	**765,6**	**83,7**	**-26,2**

*Source: MINFI/DGB (*payment orders)*

I.2.3.1 Implementation of the COVID-19 SAF

Implementation of SAF-COVID resources

At the end of the 2020 fiscal year, out of the 180 billion expected from SAF COVID resources, 161.9 billion were mobilised, i.e. a realisation rate of 89.9%. Resources from the general budget were mobilised to the tune of 152.8 billion, i.e. a surplus of 15.8 billion compared to the forecasts. Funds from other sources amounted to 9.1 billion out of a forecast 43 billion, including 3.8 billion in payments from individuals and legal entities, including 0.5 billion from BDEAC, and 5.3 billion from the AFD.

Table 7: Breakdown of SAF-COVID 2020 revenues and expenditures.

HEADINGS	L.F.R. 2020	Jan-Dec 20 Achievement	Gap	Implementation rate (in%)
A- TOTAL REVENUES	***180,0***	***161,9***	***-18,1***	***89,9***
I-General budget	**137,0**	**152,8**	***15,8***	**111,5**
II- Funds for assistance	**43,0**	**9,1**	***-33,9***	**21,2**
1- Loans	22,0	0,0	***-22,0***	0,0
World Bank	**22,0**	**0,0**	***-22,0***	**0,0**
2- Grants	***21,0***	***9,1***	***-11,9***	**43,3**
EU	2,0	0,0	***-2,0***	0,0
AFD	6,5	5,3	***-1,2***	81,5
Global Partnership for Education	9,0	0,0	***-9,0***	0,0
Others	3,5	3,8	***0,3***	108,6
B- TOTAL EXPENDITURES	***180,0***	***161,9***	***-18,1***	***89,9***
I-Current expenditures	**81,9**	**96,7**	***14,8***	**118,1**
1- Goods and services	**52,1**	**73,0**	***20,9***	**140,1**
2- Transfers and subsidies	**29,8**	**23,7**	***-6,1***	**79,5**
II- Capital Expenditure	**48,0**	**15,2**	***-32,8***	**31,**
III- Domestic Debt	**50,0**	**50,0**	***0,0***	**100,0**
1- Principal	25,0	25,0	***0,0***	100,0
2- Repayment of VAT credits	25,0	25,0	***0,0***	100,0

Source: MINFI/DGB

Implementation of SAF COVID-19 expenditure

At the close of the 2020 financial year, the expenditure of the National Solidarity Fund for the fight against the coronavirus was authorised to the tune of 161.9 billion, i.e. an execution rate of 89.9%.

Current expenditure was ordered at 96.7 billion out of a forecast of 81.9 billion, i.e. an overrun of 14.7 billion. Capital expenditure amounted to 15.2 billion out of a forecast of 48 billion. The debt made up of the reimbursement of VAT credits and the clearance of domestic arrears was fully authorised, amounting to 50 billion.

I.3 Budget balance and financing

I.3.1 Budget balance

The table below summarises the budgetary revenues and expenditures in the strict sense and shows the various balances.

Table 8: Summary of budget implementation as at end December 2020 (in billions)

REVENUES	AMOUNT		EXPENDITURES	AMOUNT
I. GENERAL BUDGET				
INTERNAL REVENUE	**3 212,3**		CURRENT EXPENDITURES	**2 706,5**
Gross tax revenue	2 560,5		Interest and commissions	209,2
Of which refund of VAT credits	*79,0*		Interest relief on external debt	
Net tax revenue	***2 481,5***		Personnel expenses	1 050,2
Oil revenue	428,2		Goods and services	821,9
Non-tax revenues	188,7		Current transfers	625,2
Total net internal revenue	***3 098,5***		Of which grants to SACs	
GRANTS	**34,8**		CAPITAL EXPENDITURE	**1 047,3**
Programme grants	14,4		External financing	470,0
Project grants	20,4		Own resources	552,3
EXCEPTIONAL REVENUES	**0,0**		Participation/Restructuring	25,0
Privatisation revenues			OTHER EXPENDITURE	**41,8**
Deductions from revenue for the National Solidarity Fund for the fight against the Coronavirus	152,8		Net loans	41,8
NET REVENUE GENERAL BUDGET	***2 980,4***		GENERAL BUDGET EXPENDITURE	***3 795,6***
II - SPECIAL TREASURY ACCOUNTS				
Trust accounts	**161,9**		Special allocation funds	**161,9**
Of which Special Solidarity Fund for the fight against the coronavirus and its economic and social repercussions	*161,9*		Of which Special solidarity fund for the fight against the coronavirus and its economic and social repercussions	*161,9*
Fonds de concours Covid-19 (Donations)	*9,1*		Fonds de concours Covid-19	*9,1*
Other Special Appropriation Accounts			Other Special Appropriation Accounts	*0,0*
TOTAL NET STATE BUDGETARY REVENUE	**3 142,3**		TOTAL STATE BUDGETARY EXPENDITURE	**3 957,5**
III – BALANCES				
	Amount		% du PIB	
FINANCING CAPACITY/REQUIREMENT	**-773,4**		**-3,4**	
OVERALL BALANCE	**-815,2**		**-3,6**	
NON-OIL PRIMARY BALANCE	**1 043**		**-4,6**	
CEMAC REFERENCE BALANCE	**-831,3**		**-3,1**	

Source: DGB

Overall budget balance

The worsening of the public finance situation was less pronounced in 2020 compared to the predicted budgetary impact of the shock of the coronavirus pandemic. Indeed, initially projected at 4.5% in the budget law, the overall budget deficit was finally established against all expectations at 3.6% of GDP, i.e. a financing requirement of 815.2 billion. Compared to 2019, when it stood at 3.4% of GDP, this deficit increased slightly by 0.2 points of GDP.

This situation is essentially explained by the less pronounced decline in the level of internal revenue mobilisation, given the relative economic resilience observed, as well as the low rate of execution of externally financed investment expenditure (FINEX) provided for in the Finance Act. These factors mitigated the budgetary impact of the increase in expenditure linked to the fight against the pandemic and its consequences.

Non-oil primary balance

The non-oil primary balance is obtained by excluding oil revenues and interest payments on the debt from the calculation. In 2020, this balance was established at 4.6% in 2020 against 5% in 2019. It thus records a reduction of 0.4 points between these two years, reflecting the effort made by the government in 2020 to limit the impact of its budgetary choices on the public debt.

I.3.2 Financing

In addition to the financing requirement of 815.2 billion resulting from budgetary operations, the government faced other financing and cash expenses in 2020 in the amount of 704.6 billion, including debt amortisation of 468.9 billion, the reduction of the stock of arrears of 92.6 billion, and payments to Treasury correspondents of 19.4 billion.

To cover these needs, the state mobilised 1 519.7 billion in financing in 2020, including 449.6 billion in project loans, 386.1 billion in public securities issues, 378.6 billion in budgetary support, 260 billion in bank financing (excluding public securities, including 79 billion in drawings on the VAT escrow account) and 45.5 billion in external loans retroceded to certain public companies, including SONARA.

Table 9 : Presentation of financing expenditure and revenues (in billions)

FINANCING AND CASH FLOW REQUIREMENTS	AMOUNT		FINANCING AND CASH RESOURCES	AMOUNT
Overall budget deficit	815,2		Project loans	449,6
Amortisation Structured debt	468,9		Issuance of public securities	386,1
(excluding correspondents)	*217,9*		Budgetary support	378,6
External debt	*251,0*		Bank financing	260,0
Domestic debt	92,6		VAT escrow account	*79,0*
Outstanding Treasury/unstructured debt CAA	79,0		Other loans	45,4
Repayment of VAT credits	*19,4*			
Net cash outflow to correspondents	*44,7*			
TOTAL	**1 519,7**		**TOTAL**	**1 519,7**

Source: DGB

II. BUDGETARY EXECUTION AT THE END OF APRIL 2021

During the first four months of the 2021 financial year, the State budget was implemented within an international context marked by: (i) the continuation of the pandemic and the acceleration of research on the COVID-19 vaccine; (ii) a contraction of the world economy recorded in 2020, with an estimated rate of -3.3% compared to 3.7% in 2019 mainly due to the COVID-19 pandemic; (iii) a recovery of the world economy in 2021, with a projected growth rate of 6%, due in particular to economic support measures and the hope raised by the COVID-19 vaccines in most of the world's countries; (iv) the failure of negotiations between the European Union and Great Britain to conclude a post-Brexit trade agreement.

At the national level, the budget implementation context is marked by (i) a less marked slowdown in economic activity than expected in 2020, with an estimated growth rate of 0.7% compared with -2.6% projected and 3.7% in 2019, due to the resilience of the Cameroonian economy; (ii) a jump to 3.5% in 2021 in connection with the recovery of global demand for products exported by Cameroon, due to the gradual reopening of several economies and the revival of domestic demand (iii) the holding of the 6th edition of the African Nations Championship (CHAN) from 16 January to 7 February 2021 in Yaoundé; (iv) the year-on-year improvement in world oil prices; (v) the persistence of security problems in the Far North, North West and South West regions; (vi) the operationalization of regional councils; (vii) the negotiation of a partnership agreement with Great Britain.

With regard to the prices of the main export products, cocoa prices fell by 3.9% year-on-year to US$2,557.4 per tonne. The prices of other products increased. The average price of oil is USD 60.3 per barrel, up 19.6% year-on-year. The average price of rubber is 356.1 US cents/kg, up 21%. The average price of raw cotton rose by 21.6% to 90.5 US cents per pound, while the average price of aluminium rose by 23.8% to USD 2,091.7 per tonne. The price of Arabica coffee rose by 14.7% to 127 US cents per pound, while that of Robusta coffee rose by 5.8% to 72.7 US cents per pound. The average price of tropical wood rose by 7.6% to $751.5/M3. The average price of palm oil is $967.2 per tonne, up 52.1% year-on-year.

This context influenced the execution of the state budget, in terms of mobilising budgetary resources and executing budgetary expenditure. In terms of performance analysis, mobilised resources are compared with quarterly targets, while executed expenditure, which does not have quarterly targets, is compared with the forecasts in the Finance Law.

II.1 State budget revenues

The total state budget revenues mobilised during the first four months of the 2021 fiscal year amounted to 1 587.7 billion. They fell by 25.1 billion (-1.6%) compared to the first four months of the 2020 fiscal year. This decrease is solely due to loans and grants. Compared to the 1 644.5 billion target for the period, the realisation of these resources is down by 56.8 billion, i.e. a realisation rate of 96.5%. This performance is attributable to both internal revenue and borrowing and grants.

Internal budgetary revenue was collected to the tune of 1 127.1 billion, an increase of 73.7 billion (+7%) compared to the same period in 2020 when it stood at 1 053.4 billion. This increase can be observed only in oil revenues. The rate of realisation of these revenues is 97.6% compared to the target set at 1 154.4 billion**.**

Oil revenues amounted to 142.5 billion at the end of April 2021, down by 23.7 billion (-14.2%) compared with the end of April 2020, due to the disruption of global economic activity in 2020 caused by COVID-19. They include 121.7 billion in SNH oil royalties and 20.9 billion in oil company tax. They record a realisation rate of 108.8% compared to the 131 billion forecast for the period, due to a higher oil price per barrel than that used in the finance law.

Non-oil revenue rose from 887.2 billion at the end of April 2020 to 984.6 billion at the end of April 2021, an increase of 97.3 billion (+11%) between the two periods. Compared to the forecast of 1 023.4 billion for the period, they are down by 38.8 billion, i.e. an achievement rate of 96.2%. This underperformance is due to the underperformance of tax and non-tax revenues. The evolution and achievements of the main components of these revenues are given below.

Tax revenue collected at the end of April 2021 amounted to 683.8 billion recorded in the Treasury, against 666.6 billion at the end of April 2020, an increase of 17.2 billion (+2.6%). Compared to the 697 billion expected for the period, they are down by 13.2 billion, i.e. a realisation rate of 98.1%. This under-performance is due to the behaviour of VAT, IRPP, registration fees and stamp duties, whose implementation rates are below 100%.

Customs revenue stood at 257.5 billion at the end of April 2021 against 180.5 billion at the end of April 2020, an increase of 77 billion (+42.7%) year-on-year. Compared to the 255.6 billion forecast at the end of April 2021, they were 1.9 billion higher, i.e. a realisation rate of 100.7%. This achievement is linked to the good performance of VAT, whose achievement rate is 102.6%.

Non-tax revenues increased by 3.1 billion (+7.8%) on an annual basis and stood at 43.2 billion at the end of April 2021. Compared to the forecast of 70.7 billion, they are down by 27.5 billion, i.e. an implementation rate of 61.1%.

Disbursed loans and grants amounted to 460.6 billion at the end of April 2021 against 559.4 billion at the end of April 2020, i.e. a drop of 98.8 billion (-17.7%) between the two periods. This decrease is mainly due to budgetary support which fell by 97.8 billion. Borrowing and grants have a realisation rate of 94% compared to 490.1 billion for the period

Table 10 : Mobilisation of budgetary revenues at the end of April 2021 (in billions of CFA francs)

HEADINGS	**L.F.I.**	**Jan-April 21**	**Jan-April 21**	**Jan-April 20**		**Implementation rate**	**Variation**	
	2021 (a)	**Forecasts (b)**	**Achievements (c)**	**Achievements (d)**	**Gap (e)=(c-b)**	**(c/b) (%)**	**(c/d) (abs)**	**(c/d) (%)**
A- INTERNAL REVENUES	***3349,7***	***1154,4***	***1127,1***	***1053,4***	***-27,3***	**97,6**	**73,7**	**7,0**
I-Petroleum revenues	**393,0**	**131,0**	**142,5**	**166,2**	**11,5**	**108,8**	**-23,7**	**-14,2**
1-SNH royalty	336,5	112,2	121,7	121,9	9,5	108,5	-0,3	-0,2
2- Oil IS	56,5	18,8	20,9	44,3	2,0	110,8	-23,4	-52,9
II- Non-oil revenues	**2956,7**	**1023,4**	**984,6**	**887,2**	**-38,8**	**96,2**	**97,3**	**11,0**
1- Fiscal revenues	2744,5	952,7	941,3	847,1	-11,3	98,8	94,2	11,1
a- Tax revenues	**1939,8**	**697,0**	**683,8**	**666,6**	**-13,2**	**98,1**	**17,2**	**2,6**
of which - IRPP	248,0	106,1	102,1	105,9	-4,0	96,2	-3,9	-3,6
- VAT	717,7	222,5	189,6	186,2	-32,9	85,2	3,5	1,9
- Non-oil IS	340,0	182,2	190,8	183,9	8,6	104,7	6,9	3,7
- Excise duties	225,0	76,8	97,8	87,7	21,0	127,3	10,1	11,6
- Registration and stamp duties	115,6	37,4	34,7	33,9	-2,6	93,0	0,8	2,4
- TSPP	132,0	44,7	48,1	49,0	3,3	107,4	-0,9	-1,9

HEADINGS	L.F.I. 2021 (a)	Jan-April 21 Forecasts (b)	Jan-April 21 Achievements (c)	Jan-April 20 Achievements (d)	Gap (e)=(c-b)	Implementation rate (c/b) (%)	Variation (c/d) (abs)	Variation (c/d) (%)
b- Customs revenue	**804,7**	**255,6**	**257,5**	**180,5**	**1,9**	**100,7**	**77,0**	**42,7**
of which - Import customs duty	344,6	109,5	109,5	77,4	0,0	100,0	32,1	41,5
- Import VAT	357,9	113,7	116,6	76,9	3,0	102,6	39,7	51,6
- Import excise duties	50,4	16,0	15,9	11,3	-0,1	99,7	4,6	41,1
- Exit duties	44,8	14,2	13,2	11,6	-1,0	92,8	1,5	13,3
2- Non-fiscal revenues	**212,2**	**70,7**	**43,2**	**40,1**	**-27,5**	**61,1**	**3,1**	**7,8**
B- LOANS AND GRANTS	**1470,3**	**490,1**	**460,6**	**559,4**	**-29,5**	**94,0**	**-98,8**	**-17,7**
- Project loans	703,4	234,5	78,3	156,2	-156,2	33,4	-77,9	-49,9
- Grants	106,9	35,6	90,7	10,6	55,1	254,6	80,1	757,4
- IMF loans	0,0	0,0	0,0	45,1	0,0	#DIV/0!	-45,1	-100,0
- Budgetary support	260,0	86,7	0,0	52,7	-86,7	0,0	-52,7	-100,0
- Government securities issues	350,0	116,7	291,5	243,4	174,9	249,9	48,1	19,8
- Bank loans	50,0	**16,7**	0,0	51,4	-16,7	0,0	-51,4	-100,0
TOTAL BUDGETARY REVENUES	***4820,0***	***1644,5***	***1587,7***	***1612,8***	***-56,8***	***96,5***	***-25,1***	-1,6

Source: MINFI/DF

II.2 State expenditures

Total budgetary expenditure based on ordinances amounted to 1 581 billion at the end of April 2021 against 1 708.9 billion at the end of April 2020, i.e. a decrease of 127 billion (-7.4%) between the two periods. This decrease is observed in current expenditure and public debt servicing. They present an execution rate of 32.8% compared to the 4 820 billion planned in the Finance Act for the year 2021.

Current expenditure fell by 71.1 billion (-8.8%) on an annual basis to stand at 736.1 billion at the end of April 2021. Compared to the 2 335.6 billion planned for the year, it records an implementation rate of 31.5%. The evolution and achievements of the main current expenditure headings are given below.

Personnel expenditure fell by 5 billion (-1.5%) to 338.7 billion at the end of April 2021. Compared to the annual forecast of 1 069.8 billion, their implementation rate is 31.7%.

Expenditure on goods and services fell by 17.4 billion (-7.3%) year-on-year to 221.7 billion at the end of April 2021. The implementation rate of this expenditure is 25.1% compared to the annual target of 883.5 billion.

Expenditure on transfers and pensions amounted to 175.6 billion at the end of the first four months of the 2021 fiscal year, down by 48.7 billion (-81%) compared to the same period of the previous fiscal year. Compared to the 382.3 billion planned for the year, the execution rate of this expenditure is 45.9%.

Capital expenditure amounted to 290.9 billion at the end of April 2021 compared to 282 billion at the end of April 2020. Compared to the annual forecast of 1 352 billion, this expenditure shows an execution rate of 21.5%. The evolution and achievements of the main components of investment expenditure are presented below.

Investment expenditure from own resources amounted to 127.4 billion at the end of April 2021 and grew by 26.2 billion (+25.9%) in annual terms. Compared to the annual forecast of 721 billion, their execution rate was 17.7%.

Investment expenditure on external financing amounted to 160.5 billion at the end of April 2021 and decreased by 4.5 billion (-2.7%). Compared to the 596 billion planned for the year 2021, their implementation rate is 26.9%.

Restructuring expenditure amounted to 3 billion at the end of April 2021 compared to 15.8 billion in the same period of the 2020 fiscal year. This represents an implementation rate of 8.6% compared to the budget law.

Public debt service
Public debt service at the end of the first four months of the 2021 fiscal year amounted to 463.5 billion, down by 80.8 billion (-14.8%) year-on-year. It shows an execution rate of 47.2% compared to the finance law. The effective service of the external debt amounted to 113 billion, while payments for the domestic debt stood at 351.1 billion.

II.3 Budgetary balance

At the end of the first four months of the 2021 fiscal year, reflecting the revenue and grants received, on the basis of the expenditure ordered, the primary balance stands at 42.5 billion and the non-oil primary balance at 17.5 billion. On the basis of the assumption of responsibility, the primary balance is 260.9 billion and the non-oil primary balance is 126.4 billion.

Table 11: Implementation of budgetary expenditure at the end of April 2021 (In billions of CFA francs)

HEADINGS	**L.F.I.**	**Jan-April 21**	**Jan-April 20**	**Implementation rate**	**Variation**	
	2021 (a)	**Achievements (b)**	**Achievements (c)**	**(b/a) (%)**	**(c/b) (abs)**	**(c/b) (%)**
EXPENDITURE						
I-Current expenditure	***2335,6***	***736,1***	***807,2***	**31,5**	**-71,1**	**-8,8**
Personnel expenses	1069,8	338,7	343,7	31,7	-5,0	-1,5
Expenditure on Goods & Services	883,5	221,7	239,1	25,1	-17,4	-7,3
Transfers and pensions	382,3	175,6	224,3	45,9	-48,7	-21,7
II- Capital Expenditure	**1352,0**	**290,9**	**282,0**	**21,5**	**8,9**	**3,2**
From external financing	596,0	160,5	164,9	26,9	-4,5	-2,7
From own resources.	721,0	127,4	101,2	17,7	26,2	25,9
Restructuring expenditure	35,0	3,0	15,8	8,6	-12,8	-81,0
III- Miscellaneous expenditure to be regularised	**0,0**	**90,5**	**74,5**	-	**16,0**	**21,5**
IV- Public debt service	**982,4**	**464,1**	**544,9**	**47,2**	**-80,8**	**-14,8**
External debt	491,0	113,0	162,6	23,0	-49,6	-30,5
Domestic debt	491,4	351,1	382,3	71,4	-31,2	-8,2
of which - Amortisation of principal	287,8	81,8	74,8	28,4	7,0	9,3
- Repayment of VAT credits	72,0	25,0	31,0	34,7	-6,0	-19,4
- Domestic arrears	66,5	12,6	34,7	18,9	-22,2	-63,8
TOTAL BUDGETARY EXPENDITURE	***4820,0***	***1581,5***	***1708,6***	**32,8**	**-127,0**	**-7,4**

Source: MINFI

III. AMENDED FINANCE LAW

On 26 May and 7 June 2021, the PRESIDENT OF THE REPUBLIC signed two orders N°2021/002 and N°2021/003 respectively to amend and supplement certain provisions of Law N°2020/018 of 17 December 2020 to lay down the finance law of the Republic of Cameroon for the financial year 2021, in order to take into account the latest developments in the economic, financial and socio-political environment during the first months of the financial year 2021.

Indeed, recent economic developments indicate that economic growth in 2021 will be 3.4% compared to the initial projection of 3.3% in the budget law. In terms of prices, inflation would be lower than forecast in the Finance Act, with a rate of 2.1% compared with the initial projection of 2.5%. As for the world price of a barrel of oil, it would rise more rapidly to reach US$58.5 against the US$43.8 projected in the initial 2021 Finance Law.

Moreover, the signing of these two orders is taking place in a context marked by the resurgence of the coronavirus pandemic, which will generate new needs, including those related to vaccination, the government's decision to buy back the Eurobonds issued in 2015 on the international market for an amount of 450 billion, and the suspension of the mechanism for the disbursement and reimbursement of C2D funds with France, the clarification, within the framework of the ongoing negotiations of a new programme with the IMF, of the budgetary support actually expected this year, the increase from 100 to 166 billion in the level of relief for Cameroon's external debt vis-à-vis the G20, not forgetting the security situation at the country's borders and within the country, which remains worrying.

In this environment, and in order to guarantee greater sincerity in revenue, expenditure and financing forecasts, the above-mentioned ordinances modify the level of the State budget to **5 480.4 billion**, of which **5 235.2 billion** for the general budget and **245.2 billion** for the Special Allocation Funds, as against **4 865.2 billion** in the initial 2021 budget law; that is to say, an increase of **615.2 billion** in absolute value and **12.6%** in relative value. All this places the overall budget deficit at 3% of GDP in 2021 against an initial target of 2.8%.

III.1 REVENUES

The breakdown of revenue is as follows by major category

- **Oil revenues: 536 billion** against 393 billion in the initial budget, i.e. an increase of 143.3 billion (+36.4%) linked to the increase in oil production and the rise in world oil prices;

- **Tax revenue: 1 938.4 billion** as in the initial budget due to the constraint mentioned above;

- **Customs revenue: 804.7 billion** as in the initial budget due to the constraint mentioned above;

- **Non-tax revenue: 187 billion** against 213.5 billion in the initial budget, down 26.5 billion (-12.4%) for a better sincerity of this revenue item;

- **Grants: 64.7 billion** against 106.9 billion in the initial 2021 budget, i.e. a decrease of 42.2 billion (-39.5%), to take into account the suspension of the mechanism for disbursement and repayment of C2D funds with France, with the related projects planned in the initial budget to continue, however, on own resources.

In total, internal resources increase by 74.3 billion, corresponding to a rate of change of 2.1% compared to the initial 2021 Finance Law.

III.2 EXPENDITURES

The breakdown of expenditure is as follows by major mass:

- Personnel expenditure: 1 069.8 billion as in the initial finance law;

- Expenditure on goods and services: 761.9 billion including the decentralisation of regions against 736.9 billion in the initial finance law, an increase of 25 billion (+3.4%) dedicated to the strengthening of the allocation for direct SNH interventions for security expenditure in Chapter 65 "common expenditure";
- Transfers and subsidies: 628.8 billion against 528.8 billion in the initial budget, an increase of 100 billion (+18.9%). This increase was fully reflected in the budget line dedicated to the compensation of SONARA's and the markers' loss of earnings in the context of petroleum product imports in chapter 60 "subsidies and contributions", taking into account the rise in the world price of a barrel of oil above the threshold of 50 billion (58.5 $US/barrel);
- Capital expenditure from own resources (including rehabilitation and restructuring expenditure): 618.2 billion as in the initial 2021 budget;
- Externally financed capital expenditure: 733.8 billion as in the initial 2021 budget.
- Expenditure from the Local Production Recovery Fund: 30 billion compared to 50 billion in the initial budget law, given the budgetary constraints and the delay in the first half of the year in starting to implement this plan. These funds have been removed from SAF COVID19 within the framework of the present draft ordinance to be included in Chapter 65 'Common expenses'.
- Interest on debt: 190.2 billion compared to 228.7 billion in the initial 2021 Budget Act, taking into account the updated projection of the level of interest on the external debt, in particular by taking into account the increase to 57 billion in the level of interest relief on the external debt of the G20 compared to 33.5 billion in the initial Finance Law.

The budget of the SAF is evaluated in the present draft order at 245.2 billion against 195.2 billion in the initial finance law, i.e. an increase in absolute value of 50 billion. This evolution is explained by the reinforcement of the allocation of the Special National Solidarity Fund for the Fight against the Coronavirus and its economic and social repercussions to take into account the carry-over of the cash balance from 2020 (19 billion) as well as the new health expenses related to vaccination (76 billion), decreased by the allocation for import-substitution of 50 billion initially provided for in the aforementioned SAF in the finance law.

The revised SAF COVID19 revenue is made up of two sources:

- On the one hand, the financial contributions of the TFPs in the form of funds of assistance to the tune of 40 billion, including 15 billion from the BEDEAC and 25 billion from the World Bank. No provision was made for this item in the initial 2021 finance law.

- On the other hand, payments of revenue from the general budget, amounting to 160 billion against 150 billion in the initial 2021 budget law.

As regard SAF COVID19 expenditure, it has been restructured as follows by programme

- Strengthening of the health system: 170 billion compared to 35 billion in the initial 2021 budget;

- Economic and financial resilience: 10 billion compared to 100 billion in the initial 2021 budget;

- Strengthening research and innovation: 5 billion as initially planned;

- Social resilience and strategic supplies: 15 billion compared to 10 billion in the initial 2021 Budget Act.

Moreover, while maintaining them at their respective ceilings set in the 2021 Finance Law, the cash balance for the 2020 financial year of the Water SAF attached to MINEE (61.5 million) and that of the Tourism SAF attached to MINTOUL (123.3 million) have been integrated into the evaluation of the resources of these SAF in the present draft ordinance.

III.3 Financing the budget deficit

The budget deficit resulting from the revision of State revenue and expenditure in 2021 amounts to 753.9 billion against 661.7 billion in the initial finance law, i.e. an increase in the deficit of 92.2 billion.

The other financing and cash expenses, in addition to the budget deficit, are as follows:

- Amortisation of the (structured) debt: 863 billion against 595.3 billion in the initial finance law, i.e. an increase of 267.7 billion (45.0%). This variation takes into account, in particular, the repurchase of Eurobonds for 300 billion and the increase to 109 billion in the level of principal relief on the G20 debt, compared to 66.5 billion in the initial Finance Law;

- Repayment of VAT credits: 72 billion as in the initial 2021 Finance Law;

- Arrears including unstructured CAA debt: 97.5 billion compared with 66.5 billion in the initial 2021 Finance Law, i.e. an increase of 31 billion to support the continued policy of clearing the State's domestic debt;

- Net outflow of funds from correspondents: 20 billion as in the initial finance law.

On this basis, the State budget has a total financing requirement of 1 936.4 billion (excluding the 109 billion in G20 external debt relief). The levers mobilised by the State to ensure the financial balance of these operations are as follows:

- Project loans: 703.4 billion as in the initial 2021 finance law;

- Budgetary support: 230 billion, including 161 billion from the IMF, 53 billion from the World Bank and 16 billion from the European Union, compared with 260 billion in the initial 2021 Finance Law;

- Exceptional financing as part of the fight against the coronavirus (assistance fund): 40 billion, including 15 billion from BDEAC and 25 billion from the World Bank;

- Issues of public securities: 350 billion as in the initial finance law;

- Bank financing: 183 billion, compared with 102 billion in the initial 2021 Finance Law, i.e. an increase of 81 billion made up of 60 billion in withdrawals by the State from the available margin of its statutory advance reserve account at the BEAC and 21 billion in withdrawals from the C2D account.

Table 12: Changes made by budget item between the LFI and the LFR 2021 (in billions)

(En milliards de F.CFA)	LFI 2021	LFR 2021	Ecart	Variation (%)
Total ressources	**4 900,00**	**5 550,30**	650,3	13,3%
Recettes internes et dons	**3 456,50**	**3 530,80**	74,3	2,1%
Recettes pétrolières	393	536	143	36,4%
Recettes non pétrolières	2 956,60	2 930,10	-26,5	-0,9%
Recettes fiscales	2 743,10	2 743,10	0	0,0%
Impôts et taxes	1 938,40	1 938,40	0	0,0%
Recettes douanières	804,7	804,7	0	0,0%
Recettes non fiscales	213,5	187	-26,5	-12,4%
Dons	106,9	64,7	-42,2	-39,5%
Projets	30,4	30,4	0	0,0%
Programme	76,5	34,3	-42,2	-55,2%
Financement Brut	**1 443,40**	**2 019,40**	576	39,9%
Prêts projet	703,4	703,4	0	0,0%
Appui budgétaire (FMI, UE, AFD, BM, BAD)	260	230	-30	-11,5%
Dont FMI		161	161	
UE		16	16	
BM		53	53	
Emission des titres (MLT)	350	350	0	0,0%
Financement bancaire (hors titres pub)	30	80	50	166,7%
Autres emprunts (Eurobonds en 2021)		450	450	
Financement exceptionnel	**100**	**206**	106	106,0%
BM *(Fonds de concours CAS-Covid)*		**25**	25	
BDEAC (Fonds de concours CAS-Covid)		**15**	15	
Allègement dette extérieure	**100**	**166**	66	66,0%
Dépenses totales et prêts nets	**4 900,00**	**5 550,20**	650,2	13,3%
Dépenses courantes	**2 305,60**	**2 435,60**	130	5,6%
Dépenses de personnel	1 069,80	1 069,80	0	0,0%
Achats de biens et services	706,9	736,9	30	4,2%
Transferts et subventions	528,8	628,8	100	18,9%
Dépenses de capital	**1 352,00**	**1 352,00**	0	0,0%
Dépenses s/financemts exter,	733,8	733,8	0	0,0%
Dépenses s/ressources propres	583,2	583,2	0	0,0%
Dépenses de Participation/restructuration	35	35	0	0,0%
Prêts nets	**-20**	**-20**	0	0,0%
Fonds de Financement Covid-19	100	200	100	100,0%
Fonds de relance production locale	50	30	-20	-40,0%
Additif Décentralisation (DGD)	30	30	0	0,0%
Service de la Dette	**1 082,40**	**1 522,70**	440,2	40,7%
Service de la dette extérieure	**591**	**850**	259	43,8%
Principal	394	704	310	78,7%
Dont Rachat Eurobonds 2015		*300*	300	
Intérêts	197	146	-51	-25,9%
Service de la dette intérieure	**491,4**	**672,7**	181,2	36,9%
Principal	287,8	438	150,2	52,2%
Dont ECMR	*91,3*		-91,3	-100,0%
Correspondants	*20*		-20	-100,0%
Accumulation dépôt BEAC		*150*	150	
Réduction encours BTA			0	
Intérêts	65,2	65,2	0	0,0%
Crédits de TVA	72	72	0	0,0%
Reste à payer Trésor/Dette non structurée CAA	66,5	97,5	31	46,6%
Dont Restes à Payer	*50*	81	31	62,0%
Dette non structurée CAA	*16,5*	16,5	0	0,0%
Dette fiscale compensée			0	

CHAPTER III: STRATEGIC GUIDELINES FOR PUBLIC POLICIES

This chapter presents the basic guidelines and objectives of the National Development Strategy (2020-2030) and reviews the state of implementation of the strategy's policies. It also sets out the global and sectoral strategic guidelines that will guide the actions to be implemented over the 2022-2024 period.

I. BRIEF PRESENTATION OF THE NDS30

As part of its long-term development plan, Cameroon adopted a Vision in 2009 that asserts its ambition to become 'an emerging country, democratic and united in its diversity' by 2035. The implementation of this Vision is planned in three phases. The first phase, which covers the period 2010-2019, was implemented through the Growth and Employment Strategy Paper (GESP). Having reached its end on 31 December 2019, the GESP was replaced in 2020 by the National Development Strategy (NDS30), which constitutes the new reference framework for Government and development partners' action for the period 2020-2030, representing the second phase of the Vision 2035.

This section aims to give a brief presentation of the basic guidelines, objectives, structuring reforms and pillars of the NDS30.

I.1 Basic guidelines of the NDS30

The NDS30 sets out three basic guidelines for the drafting and implementation of development policies over the period 2020-2030. They are as follows:

A mix between import/substitution and export promotion. During the GESP period, it was observed that the strong extraversion of our economy, which made recovery policies difficult, did not favour the emergence of our SMEs/SMIs. However, the country cannot envisage its industrialisation by relying solely on its domestic market. Thus, within the framework of the NDS30, the government has opted for a policy of import substitution combined with the promotion of exports based on the comparative advantages of our country;

A strategic and pragmatic State which puts in place the facilities for the emergence of the private sector as the main engine for economic growth and appropriately carries out targeted interventions in highly strategic sectors, via the lever of public order, while encouraging the emergence of national champions in the sectors which are conducive to structural transformation; in particular: agro-industry, digital, textiles/manufacturing/leather, mining/metallurgy/steel, forestry/timber and chemicals/pharmaceuticals.

A combination of mandatory and indicative planning. Through this basic guideline, the aim is to strengthen the prioritisation of development initiatives and make the implementation of planned policies more binding. On the other hand, it is a question of promoting better alignment of the state budget and the interventions of development partners with the strategic orientations of the NDS30.

I.2 Objectives of the NDS30

The overall objective of the NDS30 is to proceed with the structural transformation of the economy by making fundamental changes in the economic and social structures in order to promote endogenous, inclusive development while preserving the opportunities of future generations. The goal is to make the country a Newly Industrialised Country.

To this end, it sets out a framework of strategic objectives consistent with the Sustainable Development Goals (SDGs) as follows:

i) **Create the conditions for a strong and sustainable economic growth and ensure that the necessary structural changes for the industrialisation of the country are achieved.** The aim will be to increase the annual growth rate from 4.5% to 8.1% on average over the 2020-2030 period and in particular to increase growth in the secondary sector (excluding oil) to more than 8% on average.

ii) **Improve the living conditions of the population and their access to basic social services by ensuring a significant reduction in poverty and underemployment.** The main targets are to reduce the poverty rate from 37.5% in 2014 to less than 25% in 2030 and to reduce underemployment from 77% in 2014 to less than 50% in 2030.

iii) **Strengthen climate change adaptation and mitigation measures and environmental management** to ensure sustainable and inclusive economic growth and social development.

iv) **Improve governance to strengthen the performance of public action to achieve development goals.** This will include pursuing the reforms needed to improve the functioning of institutions, and accelerating the implementation of decentralisation.

I.3 Structural reforms of the NDS30

The NDS30 has defined seven priority cross-cutting structural reforms that will have to be implemented by Government in order to build the basis for its harmonious and effective deployment. They are as follows:

i) i) Increase the share of resources transferred to the Regional and Local Authorities to at least 15% of State revenues, in particular by increasing transfers of investment operations and accelerating the establishment of the local civil service.

ii) Raise the share of public orders for goods and services addressed to local industries to at least 60%, including the defence and security forces.

iii) Complete all ongoing projects and finalise all modalities for the full commissioning of infrastructure from first generation major projects through the implementation of their related projects, to enable them to produce the expected economic effects.

iv) Give priority in the implementation of major projects to the Project-Finance and Public-Private Partnership approaches, which will make it possible to adequately involve the private sector and efficiently mobilise investment resources.

v) Finalise land reform in order to facilitate the effective availability of land resources to investors, farmers, property developers, transport infrastructure construction programmes, etc

vi) Promote the emergence and support of national champions in the sectors driving the structural transformation of the economy, notably through the establishment and operation of economic zones and greater fluidity in the implementation of incentives for business development.

vii) Prioritise the maintenance of existing facilities and infrastructure to ensure their sustainability and functionality. This will consolidate the achievements and strengthen the coherence of the programming.

I.4 Pillars of the NDS30

The implementation of the NDS30 is based on four pillars: (i) structural transformation of the economy; (ii) development of human capital and well-being; (iii) promotion of employment and economic integration; and (iv) governance, decentralisation and strategic management of the state.

With regard to the structural transformation of the economy, it provides guidelines and reforms that should make it possible to better structure the country's productive apparatus and make it more effective and efficient. It is based on the following activities: (i) the development of industries and services; (ii) the development of agricultural productivity and production; (iii) the development of productive infrastructure; (iv) regional integration and trade facilitation; (v) the revitalisation of the private sector; (vi) the preservation of the environment and the protection of nature; and (vii) the transformation of the financial system.

As regards the pillar on the development of human capital and well-being, it aims to have healthy, highly qualified human resources capable of supporting strong, sustainable and inclusive growth, particularly in all sectors driving structural transformation. It is based on five main activities, namely: (i) improving education, training and job readiness; (ii) health and nutrition; (iii) promoting access to basic social facilities; (iv) improving social protection; and (v) promoting research, development and innovation.

The Employment and Economic Inclusion Pillar is structured around the following axes: (i) promotion of employment in public investment projects; (ii) improvement of agricultural productivity, employment and income in rural areas; (iii) promotion of migration from the informal to the formal sector; (iv) creation and preservation of decent employment in large companies; (v) matching training to employment and professional integration; and (vi) regulation of the labour market.

As for the pillar on governance, decentralisation and strategic management of the state, the following are the key areas: (i) decentralisation and local development; (ii) strengthening the rule of law and the security of people and property; (ii) improving the state's public service; (iii) economic and financial governance; (iv) regional planning policy; and (v) promoting bilingualism, multiculturalism and citizenship

II. ACTIONS TAKEN IN THE FRAMEWORK OF THE IMPLEMENTATION OF THE NDA 30 AND CHALLENGES TO BE MET

II.1 Actions undertaken

Despite the context marked by the occurrence of the COVID-19 pandemic which affected the productive sector of the national economy as well as the situation of public finances, the operationalisation of the NDS30 was initiated during the 2020 Financial Year. The main actions that have been undertaken are the following:

- ✓ The promulgation of a new law to regulate statistical activity (No. 2020/10 of 20 July 2020). It sets out the basic principles for the production of official statistics, ethical rules, the institutional framework for statistical production and the modalities for the coordination of statistical activity. This law highlights a National Strategy for the

Development of Statistics (NSDS), as a reference framework for the programming of statistical operations and the production of official statistics;

- ✓ ***The elaboration of a preliminary draft law on the modernisation of the economy, which provides programmatic guidance for the NDS30.*** This text aims to make certain elements of the strategy more binding in order to guarantee greater discipline and better coordination in implementation. Once promulgated, this law will give, through its provisions, a legal and enforceable character to the main orientations and priority reforms carried by the NDS30.

- ✓ ***Strengthening the import substitution policy.*** In this regard, the government drafted a plan in 2020 to support the production of consumer goods that are a burden on the balance of trade (rice, fish, corn and milk). The said plan has been allocated CFAF 30 billion for the 2021 Budget year to support the actors and structures involved in the production of the identified goods. In addition, fiscal and customs measures have been taken to promote second-generation agriculture, encourage the construction of agri-food factories, support livestock farming and the national health supply. These measures are mainly related to the total exemption from customs duties and taxes on imported inputs for the pharmaceutical industry and certain equipment for agriculture, livestock and fisheries;

- ✓ ***The alignment of ministerial programmes with the orientations of the NDS30.*** This exercise made it possible to improve the quality of programme formulation in line with international standards in this area, to examine and address all the sectoral issues expressed in the NDS30 and to establish inter-ministerial synergies. The activity also served as a framework for the review and revision of performance measurement indicators for better monitoring and evaluation of the implementation of public policies;

- ✓ ***The implementation plans for the reconstruction of the affected regions.*** In this regard, the Presidential Plan for the Reconstruction and Development of the North-West and South-West Regions (PPRD) has been made operational in 2021 with an allocation of approximately CFAF 10.4 billion. It comprises three components: the promotion of social cohesion (support for community radio stations, setting up of 'Insider Mediators' and a network of 'Influencers for Peace', support for the organisation of socio-cultural events); the rehabilitation of school and health infrastructure affected by the crisis; and the revitalisation of the local economy, where preliminary actions consisted of targeting potential beneficiaries with a view to making support available in the fourth quarter of 2021.) Government is also continuing to formulate the reconstruction plan for the Far North Region, which has an initial allocation of CFAF 5 billion.

- ✓ ***Implementation initiatives to boost agricultural production.*** The government has signed a memorandum of understanding with private structures for the mass production of high-yield seeds and nurseries for both agricultural and forestry crops. To date, the legal and financial arrangements for the effective start of the project are yet to be established.

- ✓ ***The continuation of the implementation of the prerequisites for the deployment of the Universal Health Coverage.*** They include: (i) the construction, rehabilitation and equipment of health facilities, including on-call accommodation for health staff; (ii) the acquisition of tricycles/motorcycles; (iii) the organisation of hospital reform activities as a prelude to the UHC. In addition, an agreement was signed with the private sector for the design of the individual registration system. In addition, the regulatory and legislative texts for the deployment of the UHC are being validated;

- ✓ ***Continued consultations to strengthen the universalisation of basic education.*** The government has continued discussions with the various actors in the education system with a view to establishing the modalities for extending the universalisation of basic education. The aim is to ensure a continuous and uninterrupted eight-year education cycle encompassing the entire primary cycle and the first two years of secondary school, in line with a common minimum base of skills and knowledge;

- ✓ ***The drafting of a Human Capital Development Plan.*** This plan was finalised with the support of the World Bank under the Human Capital Development Initiative (HCDI), which Cameroon joined in 2019. It identifies the main axes that should enable the country to substantially raise its Human Capital Index in accordance with the target set in the NDS30. The plan includes transformative actions, to be implemented by various key stakeholder administrations in the sector;

- ✓ ***The initiation of feasibility and economic profitability studies of major initiatives for the implementation of the NDS30.*** Preliminary studies have been initiated on the following plans in particular: agro-industry, local pharmaceutical industry; construction of all-season communal roads; local production of agricultural inputs; current management of transport infrastructure; modernisation of major cities; and science-technology-engineering-mathematics. They will, among other things, help to better define the objectives of these plans, and to define the modalities and financing mechanisms necessary for their implementation;

- ✓ The definition of a list of goods for the local capture of public orders. Work has been carried out by the Government to identify the products for which the State should prioritise and progressively direct its consumption towards the local production sector. The provisional list of these goods highlights wooden office furniture, beverages and textile industry products.

II.2 Challenges

The challenges to be met concern the measures and reforms necessary to bring about a structural change in the behaviour of the population and the overall functioning of the administration and public institutions. They include:

- **Economic patriotism.** This means taking action to ensure that national preference and local consumption become deeply rooted in the economic, social and cultural habits of all actors in society;
- **Accountability and transparency in management.** The aim is to establish principles to ensure that resources are managed according to the rules of public finance ethics;
- The General Review of Public Policies (RGPP). State intervention in the economic sphere should be concentrated mainly in those sectors where it is most efficient or productive;
- **The strengthening of decentralisation through the effective transfer of competences and associated resources devolved to the RLAs.** All competences and resources devolved to the RLAs must be transferred and implemented in accordance with the aspirations of the grass roots population;

- Improvement of the business climate. Operational measures must be taken to further improve the country's image on the international scene and enhance its attractiveness, particularly in the priority sectors of structural transformation;
- **The modernisation of public administration.** It is a matter of significantly improving the performance of the public administration as well as ethics in the exercise of public service functions;
- **Improving the quality of public investment projects.** The government must, more than in the past, ensure the proper execution, profitability and efficiency of major investment projects by emphasising, in particular, their ability to be self-financing.

III. GLOBAL AND SECTORAL STRATEGIC GUIDELINES

This part defines the strategic guidelines at the global and sectoral levels, from which the public policies that the Government intends to implement between 2022 and 2024 are derived. These guidelines are based on the National Development Strategy 2020-2030 (NDS30).

III.1 Overall strategic guidelines

These are the major strategic orientations that will guide the government's action in order to put the country in a position to achieve its goal of emergence. The overall objective of the NDS30 is to proceed with the structural transformation of the economy by significantly increasing the share of industrial and manufacturing production in the economy. Government will put more emphasis on the import-substitution policy as the main lever to strengthen its economic sovereignty for a more endogenous growth.

To this end, the focus will be on increasing the local supply of mass consumption products and inputs for agro-industries (maize, milk, fish, sorghum, soya, potatoes, cassava, plantain, etc). This increase will be based on a greater use of local production factors and the promotion of the consumption of "made in Cameroon" products on the one hand, and on the support and guidance of local companies in the production of goods and services in strategic sectors on the other hand.

In the implementation of this import-substitution policy, it is envisaged that local production of certain products will increase as follows between 2021 and 2024: paddy rice 108,525 tonnes to 406,899 tonnes

III.2 Strategic sectoral guidelines

These guidelines define the directives on the basis of which the sectoral policies to be implemented during the next three-year period will be developed. They cover the four pillars of the NDS30 which are: structural transformation of the economy; development of human capital and well-being; promotion of employment and economic integration; and governance, decentralisation and strategic management of the state.

III.2.1 Structural transformation

Given the current situation in the field of production and the long-term development objectives in this area, the first challenge is *the commissioning of major projects so that they contribute effectively to the strengthening of the productive apparatus.* The second is *the modernisation of production factors in the rural and agricultural sector. The third is the promotion of research* *and innovation.* Consequently, the strategic guidelines for the next three-year period in the field of production are as follows:

Infrastructure Sector

With regard to infrastructure, the main orientation of public policies for the 2022-2024 period concerns the finalisation and commissioning of major first-generation projects (Lom Pangar dam, Memve'ele hydroelectric dam, drinking water supply project in and around Yaoundé). For second generation projects, priority will be given to: (i) taking into account the coherence and interdependence of projects from the design phase; (ii) improving the determination of infrastructure production costs; (iii) prioritising the construction of public infrastructure; (iv) defining a policy for the maintenance and renovation of public infrastructure, and; (iv) enhancing the value of the Project-Finance approaches in the design of second generation projects.

Rural sector

For this sector, the government's efforts will focus on improving the effectiveness and efficiency of the actions it undertakes to support farmers Thus, a performance contract mechanism will be put in place between the State and the beneficiaries of input support (seeds and fertilisers). Specific support will be provided to medium and large-scale farmers. Particular emphasis will be placed on the production of goods that have the greatest impact on the balance of trade, such as rice, corn, wheat, fish and milk. The provision of agricultural equipment to producers in rural areas will also be a priority. Finally, the state intends to put in place by 2024 an effective mechanism to enable actors in the livestock sector to acquire the materials and equipment necessary for the production of inputs such as feed.

Industry and Services Sector

In this area, the Government will give priority to promoting the "made in Cameroon" label in priority sectors such as agro-industry, wood, textiles, mining and metallurgy, the pharmaceutical and biomedical industries, etc. To achieve this, economic zones will be created and facilities will be granted to local producers, especially national champions. In particular, fiscal and customs incentives will be strengthened in order to encourage imports of production tools and equipment in these sectors, and to facilitate exports of finished products to other countries. The Government will also take care to favour technological catching up, to encourage research and development and innovation, and to promote the definition and respect of standards. Studies for the implementation of agro-industry, energy and digital plans will be conducted.

III.2.2 Human capital development

The issue of human capital is essential for industrial development. It refers to the need for healthy and well-trained men and women to carry out the structural transformation of the economy. Human capital needs to be supported by a social protection system to enable it to cope with the occurrence of socio-economic risks throughout life. To achieve this, the key elements are:

Health and Nutrition Sector

Raising the technical level of hospital structures will continue to be a priority in the health sector between 2022 and 2024, in order to improve the supply and quality of care and reduce infant and maternal mortality in these areas. The intensification of the establishment of hospital structures, as well as the deployment of medical personnel in rural areas and in the northern regions, will continue, in order to improve the health coverage ratios. Finally, the government will work to gradually implement Universal Health Coverage to enable the greatest number of people to benefit from quality health services at a lower cost. With regard to nutrition, a national plan will be put in place to combat malnutrition in pregnant or breastfeeding women and children under 5 years of age, and to improve the price support system for access to nutrients and food for infants.

Education and vocational training sector

In this sector, the improvement of the quality of education will be a priority, through the establishment of basic education following an 8-year cycle, the reform of teaching content, the creation of bridges between the different levels and orders of education, the adaptation of training to the socio-economic environment, the development of the skills-based approach, and the definition of appropriate strategies to bring establishments closer to the population. Particular emphasis will be placed on restructuring the provision of technical education and vocational training at secondary and higher levels. To this end, the government will carry out a reform with a view to regulating the flow of students and gradually changing the structure of training provision in favour of technical and vocational training. The studies for the operationalisation of the capacity building plan for actors in the informal sector, and the Science-Technology-Engineering-Mathematics plan will be completed. The school textbook policy will also be a strategic focus. In addition, scientific research will be stepped up in the fields of construction, agriculture and health, notably with the implementation of the chemistry-pharmacy plan based on the development of the national therapeutic potential.

Social development sector

In the social development sector, incentives for stakeholders to migrate from the informal to the formal sector will continue to be intensified, in order to facilitate the steering of the economy on the one hand, and to improve compliance with regulations on working conditions on the other. **Empowerment measures for socially vulnerable people** (women in distress, people with disabilities, refugees and internally displaced persons) will also be intensified to increase their contribution to national wealth creation.

In addition, non-contributory social security mechanisms will continue to be strengthened, notably through the Social Safety Net Project, which will gradually move towards the **diversification and extension of direct transfers** (cash/in-kind) **and indirect transfers** (targeted subsidies for the poor or vulnerable).

III.2.3 Promotion of employment and socio-economic inclusion

In this area, the overall objective is to promote access to decent employment for as many workers as possible by expanding and enhancing job creation opportunities in the economy. To this end, between 2022 and 2024, the Government will continue to adopt the labour-intensive approach in the implementation of public investment projects. In the same vein, and with regard to subcontracting, it will ensure the strict application of the regulatory provisions in force concerning the involvement of small and medium-sized enterprises in the implementation of large-scale projects.

Government will also support the communes in setting up municipal employment offices and continue actions to strengthen the regulation of the labour market. In addition, attractive incentives will be defined for employers' organisations and business groups to encourage the recruitment of young graduates.

III.2.4 Governance, and strategic management of the State.

In this sector, the main challenges concern the greater involvement of the population in the implementation of public policies and the significant improvement of the business climate. The strategic orientations of the area for the next three-year period are set out below.

Political and administrative governance

To strengthen national unity and consolidate the democratic process, the Government intends to intensify its actions aimed at promoting bilingualism, multiculturalism, the re-appropriation of citizenship and patriotism, and the equitable participation of all social strata in national life. Government is also strengthening and consolidating the decentralisation process. To this end, **the implementing texts of the RLA code promulgated in December 2019 will be finalised.** The local civil service will be set up.

With regard to improving the State's public service, Government intends to continue modernising the management of the administration by strengthening the legitimacy of public action and discipline in the civil service so that public officials are models of patriotism, integrity and probity. There will also be a question of greater decentralization in management. In addition, the legislation on sanctioning the misappropriation of public goods and funds will be strengthened. To this end, the capacities of those responsible for the management of public resources will be gradually strengthened and the mechanisms for the execution of expenditure will be lightened. A public service charge will also be instituted.

Economic and Financial Governance.

A draft law on the modernisation of the economy providing programmatic guidance for the NDS30 will be submitted to parliament for adoption. This law will, among other things, make it possible to increase the coherence of project choices and improve their adequacy to the development objectives pursued.

The evaluation and budgeting of recurrent costs will be improved in order to better anticipate the maintenance of public works and improve their functionality and usefulness. Actions related to this concern will be extended to the RLAs.

Priority will also be given to the implementation of measures to improve the business climate. To this end, actions will be undertaken to reduce the costs and simplify the procedures for setting up businesses and obtaining building permits. The dematerialisation of tax and customs procedures and the rationalisation of the number of taxes will be pursued. Finally, controlling public debt, debt sustainability and the sustainability of public finances will remain priorities.

CHAPTER IV: BUDGETARY PROSPECTS FOR THE TRIENNIUM 2022 - 2024

I. BUDGETARY POLICY OBJECTIVES

Government policy in terms of public finances for the 2022-2024 period continues to be based on a budgetary consolidation effort aimed at ensuring the budgetary sustainability of its financial operations, with a view to avoiding an unsustainable public debt while guaranteeing the proper implementation of the NDS30 in line with the guidelines of the new Economic and Financial Programme currently being negotiated with the International Monetary Fund (IMF).

Thus, the overall budget deficit is expected to be about 2% of GDP in 2022, against 3.1% in 2021. In the medium term, this deficit should decrease to 1.8% in 2023 and 1.3% in 2024. This evolution of the deficit will contribute to maintaining the stock of public debt below 45% of GDP between 2022 and 2024. The budgetary consolidation thus targeted should result, on the one hand, from an additional effort to mobilise non-oil internal revenue, and on the other hand, the continued control of the growth of public expenditure.

Thus, the tax pressure rate will be raised to 12.5% in 2022 against 11.8% in 2021, to reach 13% in 2023 and 13.5% in 2024. As regards expenditure (excluding debt servicing), it will be contained at 15.6% of GDP in 2022 as in 2021, and will increase slightly to 15.8% on average between 2023 and 2024 due to capital expenditure.

Table 13 : Public finance trajectory 2020 - 2024

Budgetary aggregates	2020	2021	2022	2023	2024
Overall balance (% GDP, base ordo., including grants)	-3.6	3.1	-2.0	-1.8	-1.3
CEMAC reference budget balance (% GDP)	-3.1	-3.5	-2.3	-2.1	-1.4
Tax pressure (%GDP)	11.7	11.8	12.5	13.0	13.5
Public expenditure (excluding debt service, %GDP)	15.3	15.6	15.6	15.9	15.7
Sustainability ratio of the wage bill including ADP (% of tax revenue net of VAT credits)	42.3	40.1	37.4	34.8	32.4
Public Debt (%GDP)	43.7	44.0	45.0	45.0	45.0

NB: The level of the 2021 debt stock is at the end of April 2021

The following sections explain the concrete measures envisaged in terms of revenue, expenditure and debt in order to achieve these objectives.

I.1 Non-oil internal revenues

I.1.1 Internal taxation

I.1.1.1 Reference situation

The situation of the Cameroonian tax system can be assessed in terms of the main missions assigned to taxes, namely the optimal mobilisation of resources (financial or budgetary mission) on the one hand, and economic and social promotion on the other (tax as a public policy instrument).

a) Status of non-oil domestic tax revenue mobilisation

Internal tax revenues contributed 39.2% of the state budget in 2020. They thus represent 61.7% of the state's own resources. The table below shows the distribution of budgetary resources by major categories.

Table 14: Contribution of non-oil internal tax revenues to the 2020 state budget

	Resources	Values	Contributions
Own resources	DGI	1,959.8	39.2%
	Others (DGD, SNH, ...)	1,218.3	24.4%
	Subtotal	*3,178.1*	**63.6%**
Loans and Donations	Loans	1,777.9	35.6%
	Donations	43.9	0.9%
	Subtotal	*1,821.8*	**36.4%**
	Total Income	**4,999.9**	**100.0%**

Source: MINFI/DGI

Non-oil domestic tax revenues have increased from **855.7** billion in 2010 to **1 853.0 billion** in 2020, with a peak of **1 947.7 billion** in 2019. These revenues have increased by almost **1 000** billion (+116.5%) over the last eleven (11) years. In relation to this level of tax revenue mobilisation, the tax pressure rate calculated from DGI revenue (excluding PSI), which was **6.3%** in 2010, rose to 8.1% in 2020 after the peak of 8.7% reached in 2018.

In terms of tax structure, non-oil domestic revenue is mainly derived from consumption taxation (**54%**), income taxation (**35%**) and wealth taxation (**11%**). The table below details the distribution of these tax revenues by type of tax for the year 2020.

Table 15: Yield of major taxes of the DGI (in billions)

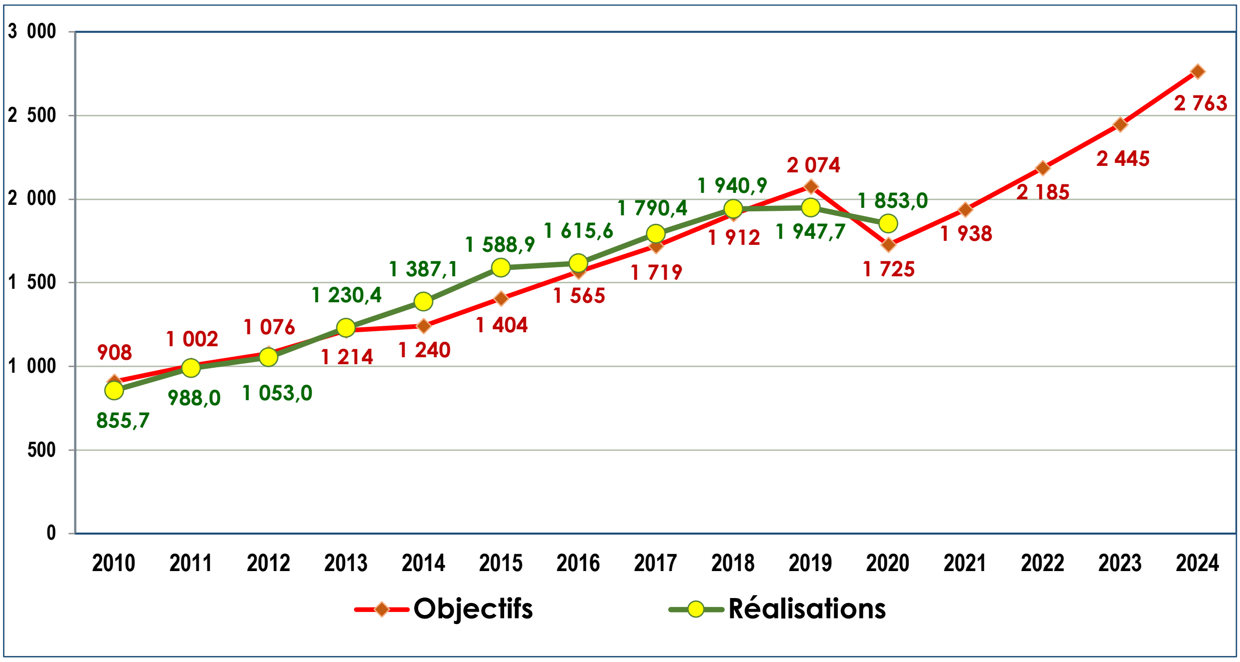
Taxes and levies	Income	Contributions
Value Added Tax (VAT)	616.4	33.3%
Non-oil revenues	352.3	19.0%
Excise duties	245.5	13.2%
I/Wages and Salaries (ITS)	164.3	8.9%
Special Tax on Petroleum Products (TSPP)	135.7	7.3%
Registration and stamp duties	104.6	5.6%
Special Tax on Income (TSR)	85.5	4.6%
I/Moveable Capital Income (IRCM)	54.2	2.9%
Others	94.6	5.1%
Total	1,853.0	100.0%

Source: MINFI/DGI & Balance of the Treasury Accounts

As for the 2020 Fiscal Year, out of a revised non-oil tax revenue target of **1 724.8 billion**, the DGI mobilised **1 852.8 billion**, representing an achievement rate of **107, 4%**.

Although the tax reforms carried out in recent years have made it possible to maintain a yearly upward trend in, this growth momentum is declining in 2020. Thus, compared to non-oil internal tax revenues in 2019, which stood at **1 947.7 billion**, the 2020 realisations are down by **94.7 billion (-4.9%)**, due to the COVID -19 pandemic, which disrupted economic activity and restricted the control and recovery of tax arrears.

Figure 2: Evolution of non-oil tax revenues from 2010 to 2020 (in billions)



Source: MINFI/DGI

Regarding the current 2021 Financial Year, a non-oil tax revenue mobilisation target of **1 938.1** billion is assigned to the DGI. As at 30 Avril 2021, **CFA F 702.3 billion** had been mobilised out of a target of **CFA F 697.0 billion**, representing an achievement rate of **100.8%**. Compared to the achievements of the same period in 2020, which amounted to **CFA F 669.7 billion**, they have increased by **CFA F 32.6 billion** (**+4.9%**).

b) Assessment of the economic and social function of taxation

In addition to its primary mission of financing the state budget, taxation is also used as a powerful lever for economic and social policy. Thus tax policy pays particular attention to economic and social promotion Moreover, taxation has proven to be an indispensable tool for the revival of the economy and for the promotion of the government's import substitution policy.

From the point of view of economic promotion, in addition to the numerous incentive measures already in place, notably until 2020, the Cameroonian tax system has been enriched by the 2021 Finance Law with new measures aimed at meeting the current needs of promoting growth and employment sectors such as:

- The implementation of a proactive tax regime to promote innovative ICT start-ups;
- the reduction from 2% to 1.5% of the rate of the advance payment and the minimum collection of the RIA for the benefit of companies that open their capital on the CEMAC stock market and the perpetuation of the stock market sector promotion regime, in order to encourage taxpayers who have opted for more transparency in the keeping of their accounts by resorting to the financial market;
- the clarification of the VAT territoriality regime on the supply of services in order to preserve the competitiveness of Cameroonian companies;
- the extension for two more years of the period for carrying forward tax deficits for credit institutions and companies in the State's portfolio undergoing restructuring

- raising the threshold for exemption of interest on savings accounts from income tax on movable capital from CFAF 10 million to CFAF 50 million, in order to strengthen the banking sector's capacity to mobilise savings.

With regard to social promotion, the tax system for promoting youth employment was strengthened by extending it to companies benefiting from a special tax system and to those under the simplified tax system that are members of a CGA.

As regards support for economic recovery, several measures were taken through the rectifying 2020 Finance Law and reinforced in the framework of the initial 2021 Finance Law, to deal with the harmful consequences of the COVID-19 health crisis on businesses. These were essentially tax relief measures through exceptional exemptions and dispensations, rebates, the fluidity of VAT credit refunds, the reduction of tax rates for certain sectors of activity, as well as the opening of tax amnesty through the special transaction.

Concerning the promotion of import-substitution, the legislation in force provides for measures to support the agricultural sector, in line with the NDS 30. Thus, the following measures have been adopted

- the strengthening of the fiscal regime for the promotion of the agricultural sector through the inclusion in the list of VAT exemptions of agricultural inputs and equipment that were not previously covered;
- the abolition of excise duties on locally produced cosmetic products in order to enable the local industry to compete with imported products, which remain a factor in the deterioration of our trade balance.

I.1.1.2 Challenges in mobilising non-oil domestic tax revenues

However, the optimal mobilisation of non-oil domestic tax revenues faces several challenges: some are structural, whereas others are cyclical.

a) Structural challenges

At the structural level, the main challenge is to broaden and preserve the tax base while maintaining an economic incentive policy and a social protection policy. These challenges stem in particular from (i) the weight of tax expenditure, (ii) the size of the informal sector, (iii) the low contribution of individuals, as well as (iv) the erosion of the tax base due to international transactions and the increasing digitalisation of the economy.

(i) The burden of tax expenditure

Through the facilities granted to companies and households, tax expenditure deprives the State of significant resources. Hence the question of its relevance, which is increasingly being raised. By way of illustration, overall tax expenditure amounts to **584.7 billion** and represents **21%** of **non-oil tax revenue** for the **2019** Financial Year, which is estimated at **2 784.6 billion.**

In relation to GDP, overall tax expenditure represents **2.6 % in 2019** against **2.5 % of GDP** in **2018**, representing **an increase by 1 point.** The structure of tax expenditure is as follows:

- economic policies **(158.9 billion, that is 27.1 %) ;**
- social policies **(395.1 billion, that is 67.6%) ;**
- economic policies **(14.4 billion, that is 2.5%) ;**
- social policies **(16.1 billion that is 2.7 %) ;**

The reduction in tax expenditure should continue over the next few years by abolishing social exemptions in favour of the introduction of reduced VAT rates, limiting the sectors eligible for private investment incentives and strengthening the monitoring of advantages granted to approved companies.

(ii) The size of the informal sector

The narrowness of the tax base and, consequently, the weakness of the tax burden is largely explained by the considerable weight of the informal sector in the economy (around 45% of GDP for a tax contribution of less than 5%). The constraints on taxation of the informal sector are linked, among other things, to tax evasion and the use of cash transactions carried out outside banking channels.

In order to meet this challenge, the emphasis was first placed on:

- The strengthening of the withholding tax mechanism, which allows for deductions to be made on transactions carried out by informal sector companies with large companies. This mechanism makes it possible to mobilise more than 50 billion each year in advance payments and deposits from taxpayers in the informal sector;
- the reorganisation of the taxpayers' file, making the performance of certain economic transactions (customs operations, public orders, transfer of funds abroad, opening of bank accounts, etc.) conditional on membership of the said file
- Strengthening the traceability of transactions carried out in cash, through the prohibition of the deduction of expenses worth at least 500 000 paid in cash for corporation tax and the prohibition of the deduction of invoices worth at least 100 000 paid in cash for VAT.

All these actions have contributed to the densification of the tax population. This has increased from 89 741 in 2015 to more than 140 000 professional taxpayers to date, representing an evolution rate of 58%.

However, additional measures still need to be considered, given the capacity of the informal sector to reinvent itself. In this respect, it would be appropriate to limit cash transactions by introducing a levy on them, as is the case in many legislations (Nigeria, Morocco, Senegal, Gabon, etc.).

In addition, a specific levy should be imposed on money transfers made by mobile phone operators, as is the case in countries such as Ivory Coast, which applies a rate of 0.5% on transfers, and Kenya, Tanzania and Uganda, which impose a 10% tax on mobile money transaction fees.

Finally, the implementation of the integrated agent paradigm will help to broaden the base and reduce the size of the informal sector, facilitating the taxation of the largest number of operators in these sectors and improving the yield of VAT (exit from safe havens, reclassification and retention).

(iii) The low contribution of individuals to tax revenues

The revenue margins in this area are still significant. By way of comparison, while in developed countries, individuals constitute the most important fringe of the tax population, in developing countries such as Cameroon, their contribution remains marginal. This is particularly true of the property tax, whose revenues represented less than 1% of overall tax revenues in 2020.

In order to reverse this trend, a policy of encouraging tax compliance has been put in place. In this respect, the work undertaken during this fiscal year, as well as the implementation of the renovated Divisional Centres, will allow for the effective implementation of the annual recapitulative declaration of non-professional taxpayers.

(iv) Protecting the tax base

Among the challenges facing the Cameroonian tax system is the control of the tax base in the current context of economic globalisation. This base must be protected against two main threats, namely (I) tax evasion and avoidance, and (ii) the dematerialisation of economic transactions, which makes taxable material less and less sizeable.

a. The intensification of the fight against international tax evasion and avoidance

Recent studies carried out at the African level estimate the annual loss of tax revenue due to international tax evasion at more than 80 billion US dollars. Cameroon, which is home to a large number of subsidiaries of large multinationals, is not immune to this reality. The global volume of illicit financial flows is estimated at 6% of GDP with a consequence in terms of tax revenue losses estimated at 100 billion annually.

To face this threat, the emphasis in recent years has been on strengthening international tax cooperation through the densification of the network of tax treaties, both bilateral and multilateral; membership in the Global Forum on Transparency and Exchange of Information for Tax Purposes; and the use of international expertise through the OECD's Tax Inspector Without Borders Initiative.

In the same vein, Cameroon ratified the OECD Multilateral Instrument (MLI) in December 2020, which offers solutions to the shortcomings of bilateral tax treaties, particularly in the area of dispute resolution.

b. The increasing digitalisation of the economy

Due to the dematerialisation of economic transactions, digitisation leads to losses in tax revenue that are difficult to quantify. Similarly, the non-taxation of e-traders constitutes a distortion of competition that is detrimental to traditional businesses.

To address these concerns, Cameroon, through the 2020 Finance Law, has amended its legislation to strengthen the efficiency of VAT collection on e-commerce operations.

In this regard, the Cameroonian tax administration is working, with the support of international technical partners, to take advantage of new big data technological solutions to meet the challenge of collecting and exploiting the data generated by the digitalisation of transactions.

b) Cyclical challenges

At the economic level, although the persistence of security shocks reduces collection margins, the gradual subsidence of the COVID-19 expected during the 2021 Financial Year could help to kick-start economic recovery.

(i) The socio-political and security crisis in certain regions

The mobilisation of internal tax revenue continues to be affected by the socio-political and security crisis in the North-West and South-West regions. However, there was a slight improvement in the tax yield in these regions at the end of the 2020 Financial Year, with the revenue yield rising from 6.6 billion to 7 billion for the North West region and from 6.9 billion to 7.2 billion for the South West region.

(ii) The COVID-19 health crisis

The impact of the COVID-19 pandemic was felt from April 2020 onwards, with non-oil tax revenue mobilised of 134.4 billion compared to 162.6 billion for the same month in 2019, representing a drop of 28.2 billion (-17.3%).

To maintain an optimal level of revenue mobilisation in this context, the DGI has capitalised on the recently carried out reforms of digitalisation of procedures, thus continuing to offer services in a context of confinement of the population.

(iii) Digital transition

Tax procedures have substantially been fully automated. Despite the merits of digitisation (mobilisation of revenue, improved quality of service), there are some risks that need to be mitigated. These include:

- general connectivity problems (low availability of the Internet network and irregular power supply)
- computer system security with cyber-attacks, and
- difficulties in adapting human resources to the new tax professions (staff dedicated to data analysis in a dematerialised context).

However, measures have been taken to remedy some of these problems. On the technical side, the tax administration has improved the security of its system, which allows it to cope with cyber-attacks.

On the human resources side, staff are being trained in digital tools and in adapting to the new environment. The new training centre should enable these needs to be met more effectively.

I.1.1.3 Prospects for the mobilisation of non-oil internal tax revenues

a) General guideline of domestic fiscal policy for the 2022-2024 triennium

In terms of domestic tax policy, the objective is to build a tax system that is fiscally efficient and fair to taxpayers, with the ambition of promoting a tax system characterised by a broad base, low tax rates and neutrality for economic activity.

Moreover, in a socio-economic context marked by the health crisis and the economic decline, the simplification and facilitation of tax obligations remain a major challenge for revenue mobilisation. From this perspective, the strengthening of the digitalisation of tax procedures is an ideal lever for securing revenue on the one hand (through new payment methods such as remote payment, bank transfer, cash payment at bank counters and mobile payment); and on the other hand, the densification of the file, the improvement of taxpayers' follow-up and the reinforcement of the guarantees and rights recognised to the latter (through online registration, the automation of the delivery of tax documents as well as the follow-up of contentious claims or requests for reimbursement of VAT credits).

In addition, actions to reduce the cost of tax compliance will continue, such as the reduction of bank charges for the payment of taxes.

Fiscal policy for the three-year period 2022-2024 will be geared towards increasing the mobilisation of non-oil domestic tax revenues and improving the fiscal climate for business. With regard to the increase in non-oil tax revenues, the revenue projections for this period are as follows:

Table 16: Projection of non-oil internal revenue over the period

Title / year	2021		2022	2023	2024
	Estimate	Forecast	Projection		
Amount	1,938.4	1,938.4	2,184.8	2,444.6	2,763.4
Growth	+ 4,6 % (2020/21)		+12.7%	+11.9%	+13%

Source: MINFI/DGI

b) Prospects for the year 2022

- In terms of broadening the base and securing revenue, the prospects are centred on :

- reforming local taxation in view of optimising the financing of decentralisation
- Implementing a tax system adapted to individual entrepreneurs
- Continuing the rationalisation of tax expenditure through the elimination of exemptions deemed inefficient or their submission to reduced rates;
- continuing to strengthen environmental taxation, in line with Cameroon's international commitments;
- optimising the taxation of individuals, notably by simplifying and modernising taxation methods;
- continuing to look for innovative sources to broaden the tax base;
- reorganising the tax regime for financial and insurance operations;
- Clarifying the tax regime for fund transfer operations abroad;
- strengthening the system of withholding tax on purchases;
- supervising informal activities through the continued implementation of measures aimed at limiting cash transactions;
- consolidating the reform on the integrated employee, in order to broaden the tax base by facilitating the taxation of the informal sector;

- **In the fight against international tax evasion and avoidance**

- Continuing to bring the domestic system into line with international standards in the fight against tax base erosion and profit transfer practices;
- continuing to tighten the tax regime for the illegal exploitation of natural resources;
- continuing to bring the system into line with international standards of transparency and information exchange.

- **In terms of improving the fiscal climate for business**

- adjusting the system of taxation of public contracts to the TSR;
- Continuing to reduce the tax burden on companies directly affected by the health crisis, through the introduction of an accelerated depreciation rate;
- improving the support system for certain strategic sectors of the economy (tourism, certain agricultural and textile sectors).
- Reducing the cost of fiscal discipline, notably by charging financial costs related to the payment of taxes and duties by electronic means;
- reducing the number of payments of local taxes;

- reducing the taxation requirements for small businesses;
- simplifying taxation of the transport sector;
- continuing to align legislation with the dematerialisation of tax procedures
- clarifying the tax regime for gratuitous transfers, particularly successions and donations;
- promoting tax compliance by taxpayers through the implementation of a voluntary regularisation program.

I.1.2 Customs Duties

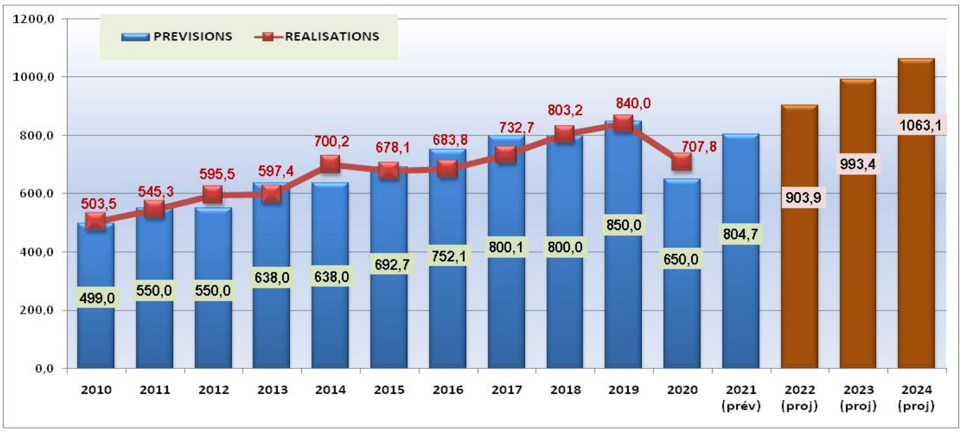
I.1.2.1 Reference situation

For some years now, the Customs Administration has been resolutely committed to a paradigm shift that has led to a gradual shift from the predominance of its fiscal mission to that of the economy.

The global health crisis has reinforced this courageous option because of the confinement and border closure measures it has generated. Consequently, in view of the risks incurred by countries with an extraverted economy or a trade deficit, such as Cameroon, the Customs Administration is at the heart of public policy reforms, of which it has become an essential instrument.

In this new context, one would have expected revenue forecasts to stagnate; however, it must be noted that the increase in the economic mission of the Customs Administration is accompanied by an upward revision of the said revenue mobilisation objectives, all of which calls for the adoption of new guidelines.

Figure 3: Evolution of customs revenue from 2005 to 2021 (in billions of CFAF)



Source: MINFI/DGD

During the 2022-2024 period and despite the constraints linked to the ever-increasing tax expenditure and the current economic situation, Customs authorities intend to take action to adapt to these new challenges.

I.1.2.2 Constraints and difficulties

In order to meet the challenges of the new vision of customs services, which henceforth combines the imperatives of revenue mobilisation with the economic mission assigned to this institution, certain constraints must be taken into consideration. These include:

- the negative impact of the COVID-19 on the overall volume of trade
- the significant increase in certain tax expenditures, particularly the massive exemptions on equipment and materials for companies approved for private investment incentives;
- the tax expenditure resulting from the progressive implementation of bilateral or multilateral trade agreements (EPAs);
- the ban and/or reduction in imports of certain goods, notably concrete iron, cement and sugar
- the drop in revenue following the entry into force of the African Continental Free Trade Area (ACFTA);
- the fluctuating prices of certain raw materials on the international market, such as oil, rubber and bananas, which have a negative impact on expected revenue from imports and exports
- the intensification of commercial fraud and smuggling activities in a context of limited logistical resources
- the completion of certain structural projects that were important sources of customs revenue
- the persistence of insecurity in certain regions of Cameroon, with the corollary of the stagnation of cross-border trade with certain neighbouring countries.

I.1.2.3 Outlook for the 2022-24 period

During the next three-year period, the Customs Administration will have to continue its fiscal, economic and assistance missions to institutional and private actors without faltering, given the benchmark set and the constraints mentioned above.

Regarding the fiscal mission, the Customs Administration is called upon to continue its actions of liquidation, collection and securing of customs duties and taxes. In this regard, the following measures aimed at broadening the tax base and reducing tax expenditure will be implemented:

- the continuation of the policy of subjecting luxury goods or those with negative externalities to excise duty
- the gradual taxation of exports, depending on the evolution of market prices, of cash products valued internationally, particularly wood exported in the form of logs;
- the exploration of new tax niches with a view to increasing the tax base;
- consolidating the process of modernising the customs information system, through the national networking of the Cameroon Customs Information System (CAMCIS) and the development of its complementary modules;
- the systematic audit of the use of customs facilities granted to economic operators, together with the removal of exemptions that have not achieved their initial objective, without prejudice to the recovery of customs duties and taxes evaded in cases of proven customs fraud. Accordingly, a comprehensive audit will be conducted on the exemptions granted under the law of 18 April 2013 on incentives for private investment.

As concerns the economic role, the Customs Administration's action will be deployed through the following four major activities: implementation of the import-substitution policy, contribution to the regulation of the economy, protection of society and improvement of Cameroon's economic competitiveness.

As far as the import-substitution policy in concerned, the actions of the Customs will converge towards:

- the progressive increase of customs duties on certain imported goods in order to discourage their importation and encourage their substitution by local products;
- the continuation of the movement of tax exemption for production factors and equipment goods intended for the development of priority sectors retained in the NDS30 (agro-industry, mining and metallurgy, wood, etc.);
- the maintenance of the exemption from exit duties on local manufactured products in order to encourage their export, in order to earn foreign currency and contribute to the improvement of the balance of trade;
- the total or partial exemption of medical equipment and health software, with a view to encouraging the improvement of the technical platform in hospitals, in order to reduce the number of medical evacuations to foreign countries;
- the total or partial exemption of medicines and equipment intended for the veterinary industry, in order to reduce the cost of animal production and thus the competitiveness of our local products and food self-sufficiency in this area;
- the implementation of administrative measures for the promotion of "made in Cameroon" products.

As for the pillar relating to the regulation of economic activity and border surveillance, the Government will endeavour during this three-year period to:

- draft a bold strategy for implementing the safeguard measures provided for in particular by the WTO agreements in order to protect sectors of activity that suffer from unfair competition from imported products benefiting from subsidies or any other form of export support abroad;
- develop a plea to the CEMAC to revise the common external tariff (CET), whose rates, which date from the 1993 tax and customs reform, are no longer consistent with the industrial configuration of the countries in the sub-region;
- strengthen the surveillance system at land, air and water borders, with a view to improving efficiency in the fight against smuggling, counterfeiting, piracy and other forms of illicit trafficking
- set up an integrated system for the collection and automated cross-referencing of information on financial transactions carried out by economic operators with foreign countries in the context of foreign trade.

In terms of the mission to protect society, the activities of the Customs Services will be realised by implementing the following measures:

- the continuation of systematic seizures and destruction of counterfeit goods both at the borders and in the customs area;

- the reinforcement of seizure-destruction operations of imported products that do not conform to Cameroonian standards and specifications, failing which they will be re-exported under the conditions indicated by the regulations in force;
- the improvement of the mechanism for fighting cross-border crime, particularly with regard to illicit trafficking in goods, precious stones, money transfers and currencies, in relation with other competent administrations and organisations.

With respect to the pillar relating to the improvement of economic competitiveness, the Customs will implement the following actions:

- the continuation, in liaison with other competent bodies and the National Committee for Trade Facilitation (CONAFE), of the reform relating to the reduction of time and costs of the passage of goods;
- support for "citizen" economic operators, in particular through the granting of appropriate economic customs regimes
- support for the recovery of fees, charges, taxes and duties due to administrations not present at the border (FEICOM, MINEPIA, MINADER, etc.).

I.1.3 Non-tax revenues

Non-tax revenues represent all revenues that are not linked to a tax or a levy. In the State's budgetary nomenclature, they are divided into eight (8) categories: fees and administrative expenses, sales and accessories of goods, sales of services, rents of buildings and revenues from estates, revenues of public enterprises in the oil sector (pipeline rights of way), financial products receivable (dividends and similar revenues), contributions to retirement and social protection funds of civil servants and similar persons under the authority of the UPAs, fines, pecuniary sentences and other miscellaneous products and profits.

I.1.3.1 Reference situation

For the year 2020, out of a target of 204 billion provided for in the Finance Law, the overall performance recorded in the execution of these revenues is 189.4 billion, representing a realisation rate of 92.8%. This situation, although below the expected performance, is better than that obtained in 2019, when the level of collection amounted to 164.4 billion against a target of 200 billion.

Table 17: Non-tax revenue situation in 2020

Type of non-tax revenue	Amount Finance Bill 2020	Implementation 2020	Implementation gap	Achievement rate
Fees and administrative costs	60.18	6.43	-53.75	10.69%
Incidental sales of goods	0.08	0.06	-0.02	73.24%
Sale of services	21.62	10.16	-11.46	46.99%
Rent from buildings and estate income	4.20	5.84	1.64	138.94%
Income from state-owned oil companies	17.00	43.15	26.15	253.80%
Financial income receivable	39.50	36.19	-3.31	91.61%
Contributions to pension and social security funds of civil servants and related persons under the authority of public administrations	60.00	61.79	1.79	102.98%
Fines, penalties and other miscellaneous income and profits	1.42	25.80	24.38	1817.13%
Total	**204.00**	**189.4**	**-14.59**	**92.85%**

Source: MINFI/DGB

In the first quarter of 2021, non-tax revenues collected and paid to the Treasury amounted to 30.6 billion, representing a coverage rate of 14.3% in relation to the annual target of 213.6 billion set by the initial 2021 Finance Law. This is a slight decrease compared to the performance observed in 2020 during the same period, when it stood at 32.8 billion, corresponding to a collection rate of 16.1% in the first quarter of 2020 for a collection target of 204 billion.

In addition, in the first quarter of 2021 some non-tax revenues such as those from sales of services were adversely affected by the COVID-19 pandemic.

The outlook for collections in 2021 remains largely dependent on the uncertainties inherent in the scale and evolution of the COVID-19 pandemic and the expected impact of the government's economic support measures. Thus, the government has set a revised non-tax revenue collection target of 187.4 billion in 2021, given the persistence of the COVID-19 pandemic.

Table 18: Cumulative evolution of non-tax revenues between 2018 and 2020 and outlook in 2021

	January	February	March	April	May	June	July	August	September	October	November	December
2018	9.2	20.7	39.6	54.2	62.8	78.6	87.5	104.6	146.8	156.0	165.6	191.5
2019	14.0	24.0	33.9	44.5	50.5	70.5	81.3	92.1	101.7	114.2	124.6	164.4
2020	8.1	13.4	32.8	48.4	64.9	79.1	103.4	145.9	159.2	174.3	175.7	189.4
2021	8.5	20.3	30.6	43.4*	52.3*	64.4*	107.7*	121.8*	150.3*	159.9*	172.6*	187.4*

*Source: MINFI, (*projections)*

I.1.3.2 Context and constraints of mobilisation

The major concern facing the mobilisation of non-tax revenues in Cameroon is the lack of security in the issuance and collection process in most sectoral administrations. This situation is justified in particular by the poor control of the process of ordering the said revenues by the actors and their lack of knowledge of the concepts related to non-tax revenues.

Indeed, following a number of consultations *(special conferences on the budgeting of non-tax revenues and missions to monitor and control these revenues in the sectoral administrations)* between the Ministry of Finance and the administrations issuing non-tax revenues, it was noted that the system for issuing and collecting the above-mentioned revenues is not secure and has many shortcomings and irregularities, particularly in relation to:

(i) *non-secure models, formats and supports with which the issuance of the said revenue is carried out* (issuance on loose A4 formats, without stubs for some administrations, for others, with non-secure issuance bulletins, software packages developed internally without MINFI's knowledge and, more seriously, the actors in charge of issuance and collection in some administrations are not clearly identified) **;**

(ii) flagrant violations of the principle of separation between the authorising officer and the public accountant and a dilution of the responsibilities of those involved in the collection of revenues issued and

(iii) *the multiple reluctance of the issuing structures to provide or transmit to the Ministry of Finance exhaustive data on the issuance of the said revenue; all this* in ***a total absence of archiving and statistical data.***

I.1.3.3 Objectives

In order to remedy the above-mentioned shortcomings, the government is firmly committed to **formalising the process of authorising and securing non-tax revenue** through the production of harmonised issue bulletins, summary sheets of issues and collection of non-tax revenue, on the one hand, and on the other hand, the establishment of a mechanism for the transmission of this information from the sectoral administrations to the Directorate General of the Budget in charge of monitoring the said revenue.

The models of the said documents and of the information feedback mechanism were adopted and validated by the administrations in February 2021.

I.1.3.4 2022-2024 Outlook

In order to improve the appropriation and dissemination of these tools among the user structures, the following actions will be implemented during the 2022-2024 period:

- The inventory of operational revenue registers and the actors in charge of these registers;
- Capacity building of actors in charge of monitoring non-tax revenues in the various sectoral administrations, particularly in collection, monitoring and security techniques;
- updating and adapting the texts constituting the legal basis for collection;
- the dematerialisation of collection procedures;
- Supporting sectoral administrations and security programmes in the use of harmonised issue bulletins, as well as in the appropriation of the procedures for reporting the related information;
- harmonising and integrating the codification of these revenues into the budgetary nomenclature
- strengthening regulation in each sector of national economic activity, by introducing dissuasive fines in view of the multiplicity and seriousness of infringements of the regulations in force
- setting up platforms between the Ministry of Finance and the sectoral administrations, responsible for detecting non-tax revenue niches and including these revenues in the 2022 Finance Law.

I.2. Expenditure

Controlling public spending will remain the major objective during the next three-year period, because of the strong pressure that the budget continues to be under due to the management of a still unfavourable socio-economic context.

Expenses relating to the fight against the COVID-19 pandemic will remain important, in consideration of the new imperatives linked to the management of vaccination and the reinforcement of the technical platforms of the health facilities.

Security expenditure is still important, given the situation in theatres of operation, which still requires a massive presence of troops.

The signing of contracts for temporary staff in service in various administrations, the gradual assumption of the salary debt and the financial effects of the increase in the retirement age require an even greater effort in terms of permanent staff expenditure.

In spite of the efforts made to curb it, a large slate of floating debt and outstanding payments (466.79 billion at the end of 2020) still exists and constitutes a real threat to the balance of the treasury and the very survival of several local companies and SMEs.

The continuation of certain major first and second generation projects raises the question of the assumption of responsibility for both the breakdown of related work and compensation, for which the arrears slate at the end of 2020 represents approximately 150 billion.

In addition to these incompressible costs, which are already weighing on the state's bill, there is the prospect of a rapid increase in fuel subsidies over the next three years, given the gradual rise in the price of a barrel of oil.

It should be noted that this context, marked by the incompressibility of public spending, is met with uncertainty in the mobilisation of internal revenue due to the possibility of a new wave of contamination linked to the pandemic. This uncertainty is reinforced by the drop in business activity at the domestic level, trade at the door and a lack of clarity on budgetary support, in the current state of negotiations with our technical and financial partners on the signing of a new economic and financial programme.

The forecasts anticipate a reduction in the budget deficit from 3.5% in 2020 to 3.1% in 2021. This forecast is thus higher than the 2.8% projected in the initial finance law. With such a perspective, action in terms of public expenditure management during the next three-year period will continue to be based on the search for greater control of expenditure items that can strengthen budgetary consolidation and make savings in resources. It will also be a question of improving the performance of the State's action, in order to create, at moderate cost, a more favourable framework for private investment.

I.1.4 Permanent personnel costs

In view of the persistence of current socio-economic constraints and given the weight of salaries in the State budget, which amounts to 21.6% in the 2021 Finance Act, the sustainability of the wage bill remains one of the priority issues in the objective of rationalising public spending. It makes it possible to address both the issue of the quality of human resources and the underlying wage bill, which is necessary to support the implementation of the national development strategy of our country. Despite a 3.1% increase in the number of staff on the State payroll in 2020, due to a large volume of new employees, strong measures have made it possible to contain salary expenditure, which nevertheless reached 978.4 billion, i.e. a 1.9% increase compared to the level achieved in 2019.

I.1.4.1 Reference situation

The main performance indicator for the effort to rationalise wage expenditure is the wage bill sustainability ratio. It is defined by taking into account both the level of wage expenditure implemented and the tax revenue mobilised. The level of the sustainability ratio assessed as at 31 December 2020 is 41%, above the 35% threshold set by the CEMAC standard in the framework of multilateral surveillance.

A few major factors have contributed to the evolution of the volume of salary expenditure in recent months, notably the completion of the discharge of the debt of teachers in 2020, the massive exceptional payments to traditional chiefs and university teachers, the harmonisation of the retirement age of government workers, and the temporary staff who have been signed formal contracts.

Furthermore, the evaluation of the state's salary debt has made it possible to identify the sources of the salary debt in an exhaustive manner and to know the level of the debt, which amounts to

368 billion. This debt is essentially attributable to the updating of the careers of active public servants, to the reminders owed to retirees relating to the delay in updating their careers during their period of activity, which are still unpaid, to the financial management of newly recruited staff, and to the reminders owed to retirees. In view of the massive and sustained recruitment recorded over the last 15 years, the main factor in the accumulation of this debt remains the relatively long delays between the events generating salary entitlements and their actual payment. These delays are due in particular to administrative delays in the process of drawing up recruitment and career acts, as well as to the constraints on the financial management of these acts linked to the State's cash flow. This evaluation will thus make it possible, starting in 2022, to address the issue of budgeting for these outstanding arrears in order to ensure a better settlement of the salary debt and to implement mechanisms to reduce its accumulation.

The information system for monitoring and managing public servants in terms of deaths or abandonment of post is still embryonic and has a negative impact on the quality of salary expenditure. By way of illustration, an audit of the accounts of deceased public servants and retirees, which began in 2020, has made it possible to recover nearly 11 billion euros from banks and micro-finance institutions for the benefit of the Treasury. The main cause of these unduly paid salaries and pensions is the weakness of the current information system, which should ensure the systematic updating of the presence of each public servant at his or her workstation.

Table 19: Breakdown of payroll and workforce by sector

Sectors	Staff in May 2021	Total payroll (Jan-May 2021)	Weight of staff	Weight of payroll
Culture, Sports and Leisure	6,733	8,828,486,995	2.0%	2,1%
Social Development and Employment	5,746	5,808,798,882	1.7%	1.4%
Education	157,961	212,974,466,659	45.8%	51.6%
Health	17,447	18,369,510,247	5.1%	4.5%
Industries and Services	3,551	3,410,940,775	1.0%	0.8%
Rural Sector	10,829	10,786,902,440	3.1%	2.6%
Productive Infrastructure	7,016	7,072,525,654	2.0%	1.7%
General and Financial Administration	32,639	22,840,535,448	9.5%	5.5%
Defence and Security	89,022	101,442,533,466	25.8%	24.6%
Governance	10,596	12,719,931,948	3.1%	3.1%
Sovereignty	3,442	8,297,232,126	1.0%	2.0%
Overall total	**344,982**	**412,551,864,641**	**100.0%**	**100.0%**

Source: MINFI/DGB

I.1.4.2 Constraints

It is worth recalling that the main constraint on staff expenditure lies in the control of staff numbers and the quality of recruitment. The level of control of staffing levels in the administrations by the structures in charge of human resources management is still approximate, in order to truly address both the issue of real deficits and the priorities concerning the profiles of public agents to be recruited. This has a considerable impact on recruitment plans which should be closely linked to the development objectives contained in the National Development Strategy. In addition, there are other dysfunctions such as the misallocation of existing human resources, job drop-outs and undeclared deaths which alter the quality of salary expenditure. In addition, the HRM computer system (the coupled SIGIPES/ANTILOPE system) is no longer sufficient to ensure secure management of state personnel.

I.1.4.3 Outlook for 2022-2024

The priorities in terms of personnel expenditure over the next three years will mainly concern the continued cleaning up of the State's pay file, reform of the recruitment and management process for State personnel, clearance of the salary debt, the effective implementation of the new personnel and pay management system (SIGIPES II), as well as the organisation of the local public service.

The actions retained in the framework of the budgetary orientation relating to personnel expenditure include:

- strengthening control mechanisms and continuing to clean up the state's payroll to further improve the quality of spending on salaries and pensions borne by the state budget to enable the treasury to make budget savings;
- reforming the recruitment and management process for state human resources, with a view to ensuring consistency between the quality of recruitment and the staffing needs that are essential for boosting the priority sectors in line with the NDS30. This reform should also make it possible to guarantee the control of staff and the rational management of the state's human resources;
- the gradual settlement of the wage debt and the establishment of mechanisms to reduce its accumulation;
- establishing a local civil service, in order to provide the CTDs with quality human resources for better management of skills and transferred resources;;
- accelerating the conditions for the effective implementation of the new personnel and pay management system, notably SIGIPES II;;
- finalising the investigation of disciplinary cases of public servants suspended as part of the COPPE 2018 operation, by the Civil Service Disciplinary Council in accordance with the administrative procedures in force.

I.1.5 Other current expenditure

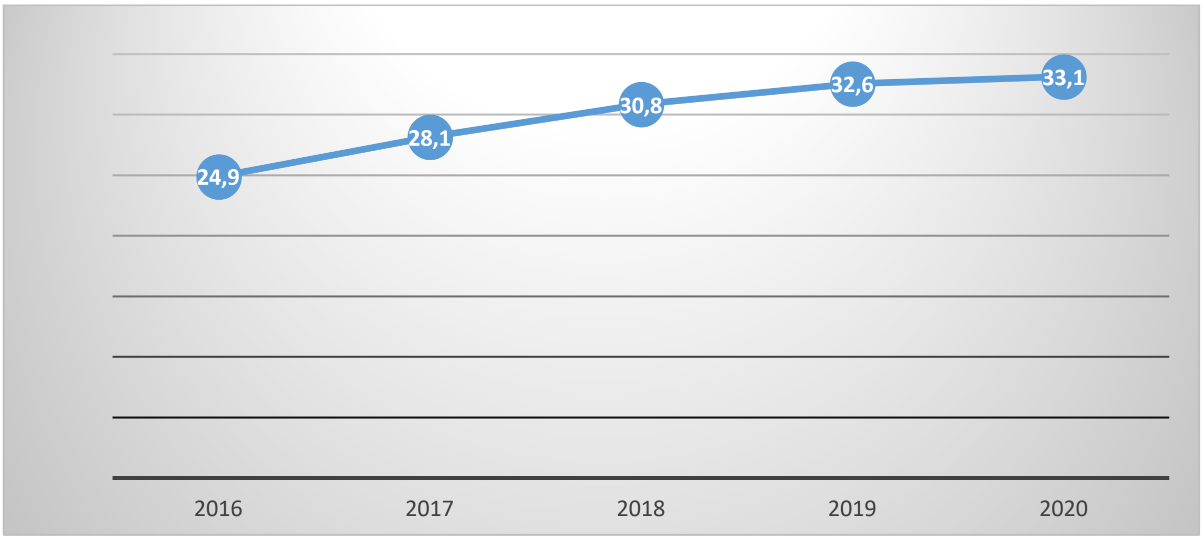
I.1.5.1 Reference situation

To control public expenditure and thus contribute to the objective of budgetary consolidation, various actions have been undertaken in recent years, both in terms of programming and budget execution. The table and graph below show that these efforts are yet to reduce the proportion of current expenditure in the total budget, which has continued to increase over the years.

Table 20: Evolution of current expenditure categories

Category	2016	2017	2018	2019	2020
Current expenditure	2045.3	2152,7	2379	2,656.2	2,482.2
salaries	937.3	924,6	956	966.05	990.3
Current expenditure (excluding salaries)	1,108.0	1,228.1	1,423.0	1,690.2	1,491.9
Total budgetary expenditure	4,451.5	4,363.8	4,614.5	5.189.5	4,501.3
Proportion of current expenditure (excluding salaries)	**24.9**	**28.1**	**30.8**	**32.6**	**33.1**

Figure 4: Proportion of current expenditure in total government budget expenditure



Source: MINFI/DGB

It is therefore important to continue to optimise specific expenditure items to achieve greater budgetary savings, which will create even greater margins to support public investment. The observations made in 2020 and in the current financial year show that there are still many shortcomings for which there is room for improvement.

Expenditure on goods and services is tending to soar again. Indeed, after having been controlled at around 17% on average over the last three years, its weight in total expenditure has risen rapidly from 17.2% in 2019 to 21.0% in 2020, exceeding the forecast by CFAF 278.4 billion. This rapid increase, partly attributable to expenses related to the fight against COVID-19, calls for a closer examination of this type of expenditure, particularly those executed in common chapters and in allocations.

Expenditure on personnel, excluding salaries, is struggling to decrease despite the efforts made to control it. After stagnating at 1.1%, this type of expenditure rose by half a point in 2020 to reach CFAF 68 billion in 2020, an increase of CFAF 03 billion compared to 2019**.**

The volume of expenditure on derogatory procedures is still difficult to reduce. Expenditure on personnel, excluding salaries, is struggling to decrease despite the efforts made to control it. After stagnating at 1.1%, this type of expenditure rose by half a point in 2020 to reach CFAF 68 billion in 2020, an increase of CFAF 03 billion compared to 2019.

The volume of expenditure on derogatory procedures is still difficult to reduce. The volume of expenditure carried out by means of derogatory procedures rose from 282.1 billion in 2019 to 348.09 billion in 2020, i.e. 10.8% of total expenditure (excluding external financing and debt servicing), compared with 8.2% in 2019, a long way from the 5% ceiling set in the last Economic and Financial Programme. After 2018, they will again pose the problem of their full budgetary coverage in 2020, with CFAF 1.17 billion remaining to be regularised. While this sharp increase in 2020 could be explained by the urgent need to mobilise resources for health and security needs, appropriate actions should be envisaged to limit them to the strict minimum, in consideration of the difficulties that they pose in terms of accounting and cash management.

A significant floating debt of the state, estimated at around 600 billion by the end of 2020. This is due to unpaid debts arising from the contractual commitments of public administrations, current consumption, rents, compensated tax debts, salary debts (promotions, reclassifications and others), compensation in relation to the implementation of major projects, as well as SONARA's shortfalls in relation to the subsidy of fuel prices at the pump. In addition to the state's own arrears, the arrears of local and regional authorities and public establishments related to their commitments beyond the budget forecasts, or to the benefits of the managers and staff of these entities, must be added. This debt, the total volume of which will be revealed at the end of the current audit, poses a problem of accounting accuracy, efficiency in cash management and carries a significant risk to the budget balance and the credibility of the State's signature.

Subsidies to public institutions are increasingly under control at the budgeting stage, but show significant deviations at the execution stage. Efforts to reduce the subsidy envelope for public institutions are continuing. The amount allocated in 2020 for grants in relation to the total expenditure envelope is still contained at around 0.2%. However, this proportion will continue to be exceeded during implementation, due to additional requests from these public institutions.

Management of the portfolio of companies presents numerous budgetary risks for the State. Public enterprises are confronted with several cyclical and structural difficulties, which are at the origin of a profitability that remains low overall. All these difficulties are certainly linked in part to a sometimes unfavourable socio-economic environment, but the management of these entities could still be improved. The commitments made by these entities exceed their financial possibilities, the opacity of certain extra-budgetary operations carried out on behalf of the State, the insufficient maturation of the projects undertaken and the lack of rigorous accounting lead to a permanent imbalance in their cash flow and consequently to a significant debt (more than 15% of GDP). In this context, instead of bringing the expected surplus resources in terms of dividends to the state budget, the need to ensure the survival of these entities (sometimes due to their economic, social and strategic importance) rather increases the budgetary risk, due to the significant support they request during each budget year.

I.1.5.2 Challenges to be met

Over the three-year period 2022-2024, the state will have to meet several budgetary challenges to achieve the objectives it has set for itself at the end of the first phase of the implementation of the NDS30. These include:

The imperative to make increasingly important, but unpredictable, resources available in time to support both **the effort required to provide total and complete security in the conflict zones**, particularly in the North-West, South-West, Far-North and East regions, and the enormous needs linked to the reconstruction of these regions.

The financing of the fight against COVID-19, which requires the programming of resources for vaccination operations, the maintenance of a quality service at the level of the target population and the assumption of the expenses necessary for the introduction of working and learning methods, guaranteeing distancing within public structures, in anticipation of the numerous mutations of the virus which could cause new waves of contamination, while waiting for a collective immunisation of the population

The implementation of Universal Health Coverage, the bill of which has already been sent to parliament for examination and which calls for the reinforcement and greater motivation of staff within health facilities, the raising of technical platforms, the deployment of the related computer system throughout the national territory and the assumption of the rent of the service provider chosen for a large part of the initial investments as well as the management of the system within the framework of the Public Private Partnership considered by the Government.

The strengthening of the decentralisation process, through the effective transfer of competences and associated resources to local and regional authorities.

Increasing the subsidy to support the fuel price at the pump, with the gradual recovery of the oil price after its collapse due to the COVID-19 pandemic. The subsidy is expected to rise from 100 billion in 2021 to 120 billion between 2022 and 2024. This will represent a significant burden for the state budget.

A growing amount of interest on the public debt. Despite the drop from CFAF 182 billion to CFAF 125 billion in the interest burden on the external debt in 2021, due to the moratorium granted under the G20 initiative to support African countries in order to strengthen their resilience to the effects of COVID-19 on their economies, the pressure due to interest payments on the public debt will rise from CFAF 190.2 billion in 2021 to CFAF 241.6 billion in 2022, to an average of CFAF 221.8 billion between 2023 and 2024.

Another important challenge for the state over the next three years will certainly be **to make available the statistical information needed to measure performance in the implementation of programmes and in the implementation of gender budgeting**. In addition to mobilising the resources needed to conduct the various surveys and studies within these frameworks, gender mainstreaming in administrations will in some cases require additional budgetary resources to better reflect gender equity and equity between social groups.

In view of the conclusion of a new economic and financial programme with the IMF, **social expenditure should once again be the subject of special monitoring** to safeguard the living conditions of the disadvantaged. The challenge is to release additional budgetary resources over the duration of the programme, beyond a floor agreed with the technical and financial partners, for specific efficient and judicious expenditure by social administrations.

Finally, the state will have **to meet the challenge of organising the 2021 African Cup of Nations** football tournament in January 2022, in a difficult health and security context.

I.1.5.3 Current expenditure policy objectives

To ensure more effective management of the public policies needed to achieve the objectives targeted at the end of the first phase of implementation of the NDS30, it is important to rationalise public spending, by ensuring the quality of current spending and its capacity to support the proper implementation of the major projects identified and programmed. It will be necessary to take measures to ensure that expenditure is fair and efficient.

The objective should be to reduce the State's bill and to release a surplus of resources to be devoted to the desired structural transformation of the economy, the effects of which would guarantee a more stable balance of our public finances, through a sufficiently controlled budget deficit, ensuring the viability of the public debt and the balance of external accounts in the long term. The measures recommended below would make it possible to achieve these budget consolidation objectives.

I.1.5.4 Fiscal policy measures for current expenditure (excluding wages) over the period 2022-2024

One of the first actions to be taken in the next three-year period will be to strengthen expenditure management to avoid the accumulation of new arrears. With the results of the ongoing independent audit, the government is considering the full clearance of these arrears through a combination of cash payments, securitisation with staggered payment, transfer/sale to banks or discounting. A more rigorous monitoring mechanism of the items generating these arrears will be developed, in order to have a good control of them and to ensure their systematic registration in the respective budgets of the administrations having generated them or in the common chapters for the other cases, while respecting the economic nature of the said operations. At the level of the LRAs and PIs, it will be a matter of ensuring that realistic and sincere budgets are voted, but above all balanced. It will also be necessary to strengthen the monitoring of the management of these entities, through the appointment of more competent representatives of the financial supervisory authority within their governing bodies.

The reduction of expenditure carried out under derogatory procedures will remain an important objective for optimising expenditure, to improve the management of the State's treasury and accounts. The aim will be to restrict this procedure to expenditure that cannot be executed under the normal procedure. To this end, clearer indications will be given in the circular on the execution of the State budget concerning the nature of such expenditure.

Rationalisation of expenditure on legal costs. Although the actions undertaken over the past two years were limited to setting quotas for this expenditure by jurisdiction, in order to stop it from exploding during the financial year beyond the budgetary entries, it is important to have a better understanding of it, to achieve greater control of its generators. This control will be based on an improvement in their legal and administrative framework and on a stronger monitoring of the management of this expenditure.

A reduction in personnel expenditure excluding salaries. Indeed, the proportion of this expenditure tends to increase over the years and to create a significant disparity in income between public officials, with the members of the committees and working groups which generate it belonging, for the vast majority of them, to the highest categories of the administration. To reverse this trend, the government will endeavour to control the development of this item of expenditure over the next three years by reducing the number of committees and working groups and restricting the number of their members to those who are absolutely necessary. It will also be necessary to manage their operation, by ensuring that their deadlines are respected and that the number of their sessions is kept under control.

Greater rationalisation of Cameroon's contributions to international organisations is necessary, in order to limit this expenditure to those organisations which present a favourable cost-benefit analysis for Cameroon. The capacities of personnel in charge of examining requests to take charge of the said contributions will thus be strengthened on the basis of such analyses, so that they are capable of making proposals to the competent authorities, aimed at initiating the gradual withdrawal of our country from conventions, the membership of which is no longer of real interest to our country.

It will also be necessary **to contribute to improving the profitability of companies and the management of public institutions**. After the complete adaptation of these entities to the standards provided for by the laws on their general status and promulgated in 2017, the Government will conduct, in accordance with the very high prescriptions of the President of the Republic, a general review of public policies, in order to adapt their portfolio to the real needs of the country, in an economic and social context marked by the imperatives of the harmonious and effective implementation of the National Development Strategy 2020-2030.

Ongoing efforts to control public consumption (water, electricity, telephone, internet, etc.) will continue. In addition to the effective application of the procedure for handling this expenditure currently in force, based on the accountability of each authorising officer concerned in the monitoring of consumption, with the prospect of gains or losses of budgetary credits within the framework of a bonus for budgetary performance, sanctioning management efficiency, the State will set telephone consumption quotas by administration and by official. The use of energy-efficient equipment will also be tested for all new public service acquisitions, such as low-pressure LED lamps to replace high-pressure sodium lamps.

Carrying out a fair assessment and reduction of wastage in current expenditure excluding salaries. To this end, budgetary entries will be made on the basis of objective standards and criteria. Efforts will be made to limit these entries to absolutely necessary expenditure and to reduce the sometimes large margins still offered by the State's price list. The quest for greater efficiency in the management of current expenditure also strengthens the State in the current exercise of rationalising activities, which should lead to a benchmark that allows better comparison and further reduction of the costs of public policies. The number of authorising officers within the public administrations will also be reduced and priority will be given to grouped orders to achieve economies of scale throughout the budget.

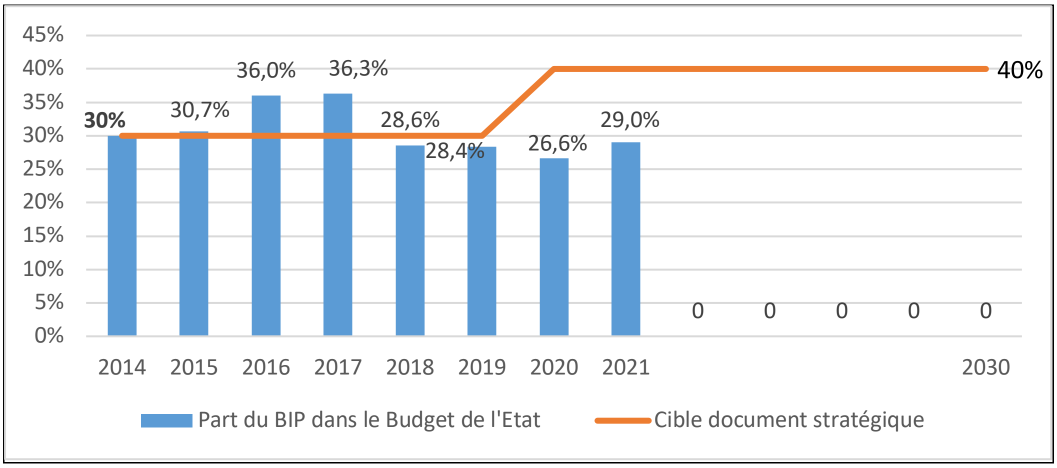
I.1.6 Public investment expenditure

I.1.6.1 Reference situation

(i) Investment expenditure as part of total State expenditure

The National Development Strategy 2020-2030 (NDS30) aims at increasing the level of public investment to 40% of total State expenditure by 2030. This objective, which stems from the results obtained during the first phase of Vision 2035, where the aim was to increase investment spending to 30% of the state budget by 2020, is expected to meet the government's major ongoing commitments, as well as the current unfavourable context. Indeed, while this DSCE target was achieved between 2014-2017, it has fallen short of this target since 2018. The reasons for this setback are, in particular, the requirements linked to the control of the budget deficit within the framework of the 2017-2019 economic and financial programme with the IMF, the preponderance of debt servicing, the repercussions of the security crises, as well as the impact of Covid-19 on the national economy. These factors, which are still relevant, but at different levels, can greatly influence the achievement of the NDS30 objective.

Graph 5 : Proportion of the PIB in the overall State budget



Source: MINEPAT data (2014-2021 (excluding the budget collective)

Notwithstanding these constraints, preserving the level of public investment expenditure remains a priority, both at the level of the central administration and the Local and Regional Authorities (LRAs), so as not to stray from the development objectives set.

(ii) Investment transfers to Local and Regional Authorities

As part of the strengthening of the decentralisation process, the financing of decentralisation in order to provide the LRAs with the necessary means to enable them to fully implement public policies at the local level, is a government priority.

Indeed, the investment resources transferred to the Communes, which are constantly evolving, currently represent 17.7% of internal resources allocated to investment expenditure. If the resources made available to the Regions for the year 2021 are included, the transferred investment resources would increase by 35% and would represent 22% of the internal resources of the PIB.

The flexibility granted to the LRAs on the choice of projects to be carried out and the dynamics of increasing the volume of resources transferred to them are essential ways of accelerating local development. However, this ambition could not be achieved without increasing the capacities of the LRAs to ensure the consumption of the resources transferred to them and the implementation of the prerequisites necessary for the exercise of all the transferred competences.

(iii) Implementation of public investment projects

Within the framework of the NDS30, particular emphasis was placed on the completion of projects currently being implemented, as well as on the commissioning of first generation projects. The state of implementation of major first generation projects is shown in table 18 below.

Table 21: Status of major projects

No.	Project title	State of progress	Residual activities for the execution of project works
1	**Yaoundé-Douala Highway Construction Project (Phase I)**	The physical implementation rate is **97.5%** for a financial consumption of 91.7%. To date, significant progress has been made in the following areas **Between PK0-Pk40**: Continuation of the construction of guardrails and safety grids at PK0-PK 40; **Between KP 40 and KP 60**: Completion of earthworks and hydraulic structures and continuation of construction work on the 60-metre bridge over the Manyai River, overpasses and asphalt paving. **The estimated completion date for Phase I of the project is 31/12/2021.**	**For the current section between KP 40 and KP 60:** - Finalisation of signalling and embankment protection works; - Finalisation of the construction of the 60ml bridge over the MANYAI river - Laying of pavement layers. **For the connecting roads:** **-** Finalisation of the studies for the connection of phase 1 by Nkolbison from PK0 and by the RN3 from PK60; - - Laying of the various pavement layers (Foundation, base and BB)

No.	Project title	State of progress	Residual activities for the execution of project works
2	**Construction of the Kribi-Lolabe motorway**	The physical completion rate is **91.16%** with a financial consumption of **88.8%.** To date, significant progress has been made in the following areas Earthworks: 95.18%; Pavement works: 93.58%; Longitudinal sanitation works: 88.84%; Structures: 97.50%; Toll plaza: 26.96%; Guardrail: 56, 95% Signage and safety equipment: 55.48%. **The estimated completion date of the project is December 30, 2021.**	Completion of works in progress, including earthworks, pavement, longitudinal drainage, engineering structures, toll plazas, guardrails, signalling and safety equipment;
3	**Construction of the Yaounde-Nsimalen highway, open country section**	The physical completion rate is **94.81%** for the basic contract and **51.41%** for the supplementary contract. To date, significant progress has been made on the earthworks from PK0-060 to PK8+200, the construction of the Meyo interchange and the bridge over the Mefou River, and the paving of the current section. **The estimated completion date of the project is December 31, 2021.**	Still to be completed are - works on the Ahala interchange; - the surface course works on the road body; - the public lighting signalling works; - construction of the central reservation;
4	**Rehabilitation of the Douala Eastern Penetration, Phase II, Second Bridge over the Dibamba and Related Works**	The physical implementation rate is **9.1%** for a financial consumption of 13.42. To date, significant progress has been made in the following areas Works already carried out by the MAGIL Company covering in particular: the development of alternative roads; the carrying out of emergency works; earthworks on the right-hand side of the existing road (in the direction 1 from Douala to the Dibamba); the construction of 9 gutters; the relocation of electricity poles on the right-hand side of the existing road; - the drawing up of the environmental and social management plan; - the carrying out of the APD studies. **Estimated completion date of the project end of 2022 (excluding the second bridge over the Dibamba)**	This project is still in its start-up phase
5	**Construction of the second phase of the Kribi deep sea port**	The physical implementation rate is 27.7% for a financial consumption of 7.6%. To date, significant progress has been made in the following areas Dredging and rock removal work carried out at 96%; Preparatory work for the construction of the breakwater; Work on dike 2, in particular the dismantling of the navigation lighthouse at the dike of Phase 1 and the prefabrication and laying of paving stones and chinesepodes; Earthworks carried out at 14%; Backfilling work on the medians carried out at 13%; Earthworks for the truck parking area **Estimated completion date: 01/11/2023**	Completion of works in progress
6	**Drinking water supply project for the city of Yaoundé and its surroundings from the Sanaga river (PAEPYS).**	The physical implementation rate is **74%** for a financial consumption of **78%**. To date, significant progress has been made in the following areas The Nachtigal raw water catchment and pumping station: 85.7%; The Emana-Batchenga water treatment plant: 90.10%; The Nkometou III treated water pumping station: 80.50%; The Nyom treated water pumping station: 32%; The Nkometou III 90Kv/30 kV electrical transformer station: 89. The Ndindan drinking water reservoir in Yaoundé:	Construction of the Ndindan drinking water reservoir and construction of the electric power transmission lines.

No.	Project title	State of progress	Residual activities for the execution of project works
		5.1%; The electric power transmission lines: 0%; The laying of pipes from the Nachtigal water catchment station to the Ndindan reservoir and then to the Etoudi reservoir and the Grand Mosque: 10.2%. **The estimated date of completion is July 22, 2022**	
7	**Mekin Hydroelectric Dam Project.**	1. The construction of the 15 MW hydroelectric dam is fully completed. 2. The physical completion rate of the construction of a 110 KV power line is 45%. Part of the convention signed in 2019. For Mbalmayo - Mekin, part of the financing is in place. Probable completion date 2023. 3. Construction of a 110 KV/30 KV transformer station	The HYDROMEKIN company must mobilise the remaining 10% of the basic amount of the CNEEC company's contract, estimated at 2.6 billion, given that the company's loan is coming to an end.
8	**Energy evacuation line for the MEMVE'ELE hydroelectric dam**	The physical implementation rate is **91.30%** for a financial consumption of **77%.** To date, significant advances include: - The section of the 225 kV Memve'ele (Nyabizan) - Djop line in Ebolowa completed and operational; - The 225/90 kV substation from Djop to Ebolowa completed and operational; - The section of the 225 kV line from Djop to Ebolowa - Ahala - NkolNkumu completed at 89.79%;; - The 225/90 kV substation at Ahala is 84.90% complete; the 225 kV substation at NkolNkumu is 75% complete. **The estimated completion date is December 2021.**	225 kV Djop to Ebolowa - Ahala - NkolNkumu line: ▪ 43 pylons remaining to be erected out of a total of 391 pylons; ▪ 26 km of lines remaining to be laid out of a total of 154 km; ▪ compensation of the population on the remaining 5 km; 2) Ahala 225/90 kV substation : ▪ Communication and electrical control system still to be finalised 3) 225 kV substation of NkolNkumu ▪ Connection works to a 15 kV line to be carried out ▪ Rerouting works of the 225 kV Mangombe - Oyomabang line to be carried out
9	**Programme Lom Pangar hydroelectric scheme (30 MW foot plant, power evacuation lines)**	The reservoir dam is fully completed. The physical implementation rate of the footprint plant is **45%** for a financial consumption of **32.73 %.** To date, significant advances include: - Development of a 30 MW hydroelectric dam (overall progress rate: 44.22%); - Construction of 305 km of 90 kV lines and HV/MV substations: 45.67%;; - Electrification of the Eastern Region (Construction of MV/LV distribution networks and public lighting in the Bertoua area, Lot 1: 16.7%); - Construction of MV/LV distribution networks and public lighting Bertoua zone Lot 2: 16.7%; - Construction of MV/LV distribution networks and public lighting in the Batouri and Abong-Mbang zones: the overall progress rate is 17,15%. **Estimated completion date of the project: 31/12/2023**	Construction and commissioning of the base plant and evacuation station; Construction of HV lines and substations; Construction of MV/LV network for the electrification of the eastern localities.

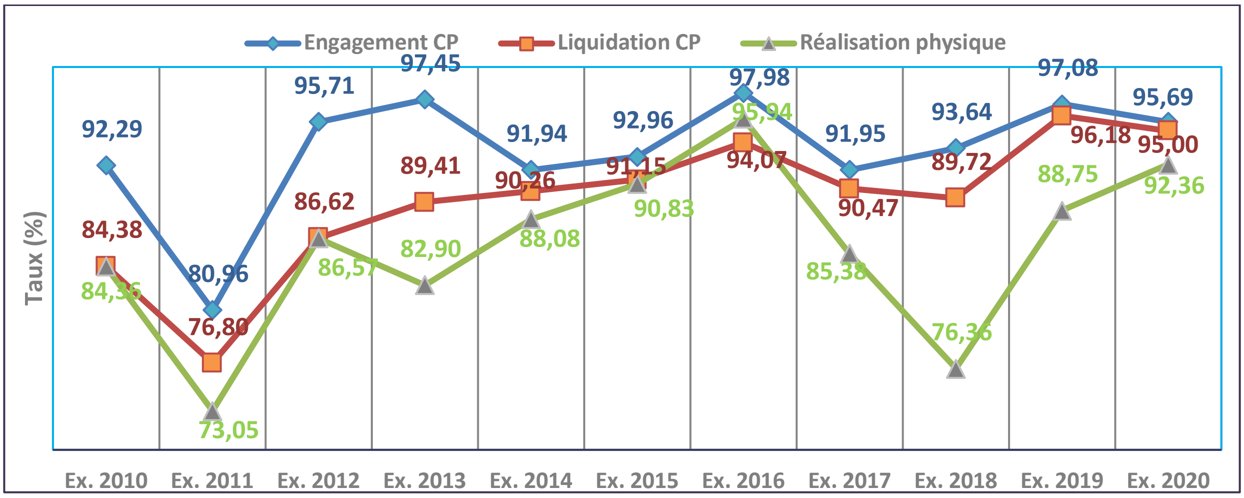
No.	Project title	State of progress	Residual activities for the execution of project works
10	**Bini a Warak hydroelectric dam (75 Mw)**	The physical completion rate is 7%. To date, significant progress has been made in the following areas preparatory work on the project site, which has been completed the execution studies for the first phase, which have also been completed;	Project in progress
11	**Construction of the Natchigal dam and hydroelectric plant (Upstream)**	The physical implementation rate is 35% for the construction of the 420 MW Nachtigal Upstream hydroelectric power plant. **Estimated completion date: March 2023**	Project in progress

Source: MINEPAT

Overall, the physical and financial execution levels of the PIB have improved in recent years, despite the difficulties associated with:

- non-compliance with contractualization procedures;
- insufficient maturation of projects registered with the PIB;
- the abandonment of certain projects due to the insufficient capacities of the co-contractors of the administration and/or the delays observed in the settlement of the payment certifacates of the service providers;
- the security crisis in certain regions.

Graph 6: Profile of the execution of the BIP over the period 2010-2020



Source: MINEPAT Data

This increase in the PIB implementation rate should not obviate current concerns about the effectiveness and efficiency of public investment management. The challenges to be met include:

- **the maturity of projects**: the shortcomings noted on the maturation of projects led the Prime Minister, Head of Government, to sign Decree No. 2018/4992/PM of 21 June 2018 laying down the rules governing the maturation process of investment projects. The mechanism put in place by this Decree is now fully operational, which ensures that from now on, only those projects for which all the due diligences relating to their preparation are completed will enter into execution.

- **the prioritisation of projects**: the multiplicity of projects, out of step with the Medium Term Budgetary Framework, led to a proliferation of projects in progress, without sufficient budgetary coverage, thus leading to the inefficiency of public investment;
- **the low quality of certain investments made, combined with insufficient consideration of the recurrent costs of maintaining and operating existing infrastructure**, leading to a rapid deterioration of the state's assets, together with the heavy costs of rehabilitation**;**
- **the weak technical and financial capacities of the service providers selected to carry out public investment projects** led to the abandonment of certain projects by the companies awarded contracts, due in particular to delays in the payment of invoices**.**

(iv) Taking into account the recurrent costs associated with investment projects

The upkeep and maintenance of public infrastructure and equipment is one of the key considerations of the NDS30, to ensure the efficiency, sustainability and socio-economic profitability of these investments.

The use of new construction was favoured over the maintenance of existing facilities. This increase in infrastructure supply observed over the last few years occurred without any real strategy for evaluating, controlling costs and financing the resulting recurrent costs being put in place in the process of drawing up the State budget.

(v) Recovery of the North West, South West and Far North Regions

The reconstruction plan for the North-West and South-West Regions, the first phase of which is estimated at about 90 billion, is being implemented with the technical and financial support of the United Nations Development Programme (UNDP) and other development partners. The Prime Minister, Head of Government, also met with the private sector, with a view to obtaining their contribution to the satisfactory implementation of the plan. As regards the reconstruction plan for the Far North Region, it is being validated and the maturation operations of the related projects are being financed by the State budget for satisfactory implementation.

I.1.6.2 Main constraints in the management of public investment

The programming of public investment for the period 2021-2023 takes into account the following main constraints:

- *the continuous increase in debt servicing,* which has contributed to the reduction of the state's room for manoeuvre in financing other expenditure items, including the mobilisation of counterpart funds for projects financed jointly with technical and financial partners;

- *the need to maintain the budget deficit at a sustainable level* will continue during the three-year period to contain the overall level of the PIB;

- *the respect of commitments made in the framework of the preparations for the 2021 African Cup of Nations,* to which are associated the budgetary coverage of ongoing projects and the financing of special investment programmes (PLANUT, PTSJ) whose initial deadlines have expired;

- *the commissioning of major first-generation projects,* in particular by (i) identifying the obstacles to these projects, notably problems with the release of rights of way, (ii) and the finalisation of all related infrastructure;

- *the situation of delays in the payment of bills to the public treasury*, which makes public procurement less attractive and leads to the suspension of work, with the corollary of increasing project costs through multiple amendments;

- *the large number of externally financed projects* which will continue to generate disbursement needs and counterpart funds beyond budgetary possibilities during the period. It will be necessary to deal jointly with the reduction of the Undisbursed Committed Balance (UCS), the respect of the budget deficit which limits the level of disbursements of external financing and the contraction of the internal resources necessary for the mobilisation of the State's contribution;

- The implementation of the Law on the General Code of Local and Regional Authorities will put pressure on the allocation of resources to the PIB. The desire to increase the resources transferred to the LRAs, with the establishment of the Regions, will lead to a slowdown in the financing of the Government's major projects;

- the continued implementation of reconstruction plans for the North-West, South-West and Far-North regions, particularly with regard to Cameroon's contribution and the expected contributions of technical and financial partners.

I.1.6.3 Public investment prospects for 2022-2024

The objective assigned to investment management during this period is based mainly on two (02) aspects:

- improving the quality of public expenditure by prioritising and controlling the costs of public investment projects on the one hand, and setting up a rigorous planning of the means deployed for the operation and maintenance of public investments already made, on the other hand

- the development of innovative financing of public investments. The budgetary constraints mentioned above, coupled with the requirements linked to the control of the budgetary deficit within the framework of the economic and financial programme with the IMF, make it necessary to think of alternative models of financing public investments, such as recourse to Public-Private Partnerships (PPP) or to Project Finance, to achieve the development objectives set by the NDS 30.

At the *global level,* it will be necessary to maintain the average share of investment in the state budget at least 30% over the period 2022-2024, to reach the target of 40% by the end of the NDS30, with a view to financing the vast development programme envisaged by the strategy. For efficiency in budgetary choices, the profile of investments over the next three years will pay greater attention to the production and social sectors, to rapidly drive the desired economic transformation and the improvement of the living conditions of the population. These areas will absorb almost 70% of the overall PIB forecast over the period 2022-2024.

As part of *the preparation of public investment projects*, the provisions of Decree No. 2018/4992/PM of 21 June 2018 laying down the rules governing the process of maturing investment projects will be scrupulously respected. In addition, a support fund for the maturation of projects will be set up to address the problem of insufficient funding for the conduct of maturation studies and the release of rights of way.

With regard to project selection:

- The margins of manoeuvre for the implementation of new projects are sufficiently limited. To this end, to ensure the respect of the State's commitments and the efficiency of public investment, resources will be allocated as a priority to the completion of projects under implementation;

- In the event that opportunities arise, the budgetary space identified will be allocated mainly to major projects that meet all the conditions of maturity, to avoid scattering. In this sense, the said projects will come from the Government's Priority Investment Programme (PIP).

Concerning the control of project costs

The studies in progress, relating to the evaluation of the reference costs of the projects, in particular in the BTP, would make it possible to bring an answer to this problem. Similarly, the disparate evaluation by the LRAs of the costs of projects to be financed by the transferred resources is inadequate. To this end, references on the costs of projects in the field of transferred competences will be developed for the benefit of the LRAs.

With regard to externally funded projects, priority will be given to projects that demonstrate a proven absorption capacity, and whose implementation is compatible with the Government's priorities and the commitments made with technical and financial partners. The contracting of new commitments on external financing will be limited and directed essentially towards projects with a major socio-economic impact, having the visa of maturity and appearing in the debt plan validated by the Government. The projects to be selected should also be those for which the Government has the necessary margins to honour the mobilisation of counterpart funds expected from the State, in order to enable their timely completion.

With regard to decentralisation, the process of transferring competences and resources to the LRAs will continue, with the establishment of the Regions, in accordance with the regulations in force and the budgetary constraints that will be imposed. Similarly, concerns about equity in the distribution of transferred resources will be addressed, in collaboration with the administrations concerned.

In addition, the government intends to complete the implementation of the necessary preconditions for the exercise of all the competences transferred to the LRAs and to continue to support them by strengthening their capacities and putting in place the necessary tools to enable them to improve the efficiency of their spending for the benefit of the beneficiary populations. To this end, the revision of the budgeting procedure for the transferred resources and the cost benchmarks for projects to be carried out within the framework of the transferred competences will be widely shared.

Besides, the government intends to put in place a specific legal framework for the maturation of projects prepared by the LRAs.

With regard to the reconstruction of the North-West, South-West and Far-North Regions, the implementation of the reconstruction plans for these Regions defined by the Head of State will continue. During this period, their implementation will be accelerated to enable the expected changes to be visible in the near future.

With regard to the consideration and financing of recurrent maintenance and operating costs associated with public investments, the operationalisation of the public investment observatory will have to continue to take stock of the State's real estate assets and be exhaustive about the real need for rehabilitation and maintenance. A methodology for estimating these costs will also be put in place for completed infrastructures. For projects under preparation, the Government will ensure the strict implementation of the provisions of the Decree on maturation relating to the assessment of needs for the operation and maintenance of future infrastructure. A good estimate of the costs will facilitate rigorous medium-term budgetary planning of these costs and will allow information on the future repercussions of recurrent costs to help the authorities make choices about the nature and appropriateness of the implementation of new projects. To this end, a financing mechanism for these costs will be proposed, to ensure the sustainability of investments already made.

As for alternative models for financing public investments, the government will have to complete the process of reviewing the legal frameworks for PPPs. Also, the work undertaken to define the modalities of project implementation according to the project-finance approach should continue.

I.2 Financing policy

I.2.1.1 Reference situation: recent evolution of the public debt

As at 31 December 2020, Cameroon's outstanding public and publicly guaranteed debt was estimated at 10 367 billion, compared with 9, 817 billion in 2019, i.e. a nominal variation of 5.6%. In relative terms and in relation to GDP, this debt rose from 34.4% in 2019 to 43.7% in 2020.

The public sector debt at the end of 2020 is made up of 91.1% of direct debt and guaranteed by the Central Administration on the one hand, and 8.9% of debt of public establishments and companies on the other.

This outstanding debt is estimated at CFAF 10, 546 billion on 30 April 2021 and represents 44% of GDP. Year-on-year, it grew at a nominal rate of 5%; this growth was 1.7% in relation to December 2020.

Table 21: Public sector debt outstanding

Rubriques	30 Avril 2020 **	31 Décembre 2020 **	31 Jan 2021 ***	28 Fév 2021 ***	31 Mars 2021 ***	30 Avril 2021 **
	Montant en Milliards de FCFA					
1. Dette extérieure	**6 649**	**6 736**	**6 744**	**6 777**	**6 866**	**6 785**
Multilatérale	2 523	2 754	2 784	2 809	2 845	2 825
dont appuis budgétaires	*852*	*1 103*	*1 106*	*1 108*	*1 115*	*1 106*
Bilatérale	3 152	3 069	3 048	3 059	3 119	3 064
dont appuis budgétaires	*197*	*197*	*197*	*197*	*197*	*197*
Commerciale	974	913	912	908	901	896
2. Dette intérieure	**2 463**	**2 680**	**2 700**	**2 723**	**2 793**	**2 810**
2.1. Dette intérieure (hors Restes à Payper)	**2 167**	**2 493**	**2 513**	**2 537**	**2 606**	**2 623**
Titres publics	817	1 013	1 023	1 063	1 132	1 162
Emprunt consolidé BEAC	577	577	577	577	577	577
Dette structurée	700	835	845	829	829	817
Dette non structurée	73	68	68	68	68	67
2.2. Restes à payer de plus de 3 mois	**296**	**187**	**187**	**187**	**187**	**187**
3. Dette Directe de l'Administration Centrale	**9 112**	**9 416**	**9 444**	**9 500**	**9 659**	**9 595**
4. Dette avalisée	**36**	**28**	**27**	**27**	**27**	**27**
5. Dette Directe et Garantie par l'Administration Centrale	**9 148**	**9 444**	**9 471**	**9 527**	**9 686**	**9 622**
dont appuis budgétaires total	*1049*	*1300*	*1302*	*1305*	*1312*	*1303*
6. Dette des Entreprises publiques	**895**	**922**	**924**	**925**	**932**	**924**
Dette extérieure directe non avalisée par l'Etat	451	453	454	455	462	455
Dette intérieure auprès du système bancaire	444	470	470	469	469	469
7. Total Dette Publique (Secteur Public)	**10 043**	**10 367**	**10 395**	**10 452**	**10 617**	**10 546**

* données définitives ** données semi-définitives *** données provisoires

As regards the direct debt of the Central Government, as at 31 December 2020, its outstanding amount is estimated at CFAF 9, 416 billion (39.7% of GDP) and is made up of 71.5% external debt and 28.5% domestic debt.

At the end of April 2021, the outstanding direct debt of the central government is estimated at CFAF 9, 595 billion (40% of GDP). This stock is growing by 5.3% year-on-year and by 1.9% compared with the assessment made on 31 December 2020. In terms of composition, 70.7% of this outstanding debt is external debt and 29.3% is domestic debt, including outstanding debts of more than three months.

As for the debt guaranteed by the central government, it is estimated at the end of 2020 at CFAF 28 billion (0.1% of GDP) and recorded a year-on-year decrease of 24.5% and 67.8% compared to 31 December 2015.

As at 30 April 2021, the debt endorsed by the State is estimated at CFAF 27 billion, or 0.1% of GDP. The debt endorsed by the State fell by 23.9% year-on-year.

The external debt of the central government was estimated at CFAF 6, 736 billion as at 31 December 2020, or 39.7% of GDP: (i) 45.6% of bilateral debt;(ii) 40.9% of multilateral debt;(iii) and 13.6% of commercial debt.

As at 30 April 2021, the outstanding external debt of the central government was estimated at CFAF 6,785 billion, or 28.3% of GDP. It recorded an increase of 2.1% year-on-year and 1.5% compared with the end of December 2020. This outstanding debt is made up of (i) 45.1% of debt with bilateral partners; (ii) 41.6% of multilateral debt; (iii) and 13.2% of debt with commercial creditors.

Table 22: External debt stock

Rubriques	30 Avril 2020 **	31 Décembre 2020 **	31 Jan 2021 ***	28 Fév 2021 ***	31 Mars 2021 ***	30 Avril 2021 **
	Montant en Milliards de FCFA					
Multilatéral	**2 523**	**2 754**	**2 784**	**2 809**	**2 845**	**2 825**
BAD	373,7	456,2	459,4	463,6	466,3	472,2
dont appuis budgétaires PEF	*269,2*	*326,9*	*326,9*	*326,9*	*326,9*	*326,9*
BADEA	37,2	24,4	24,6	24,7	25,0	24,2
BDEAC	31,5	26,8	26,8	26,8	26,8	26,8
BID	168,7	206,9	222,0	233,9	240,1	243,8
BIRD	266,9	154,5	154,6	154,8	155,1	155,1
dont appuis budgétaires PEF	*112,8*	*112,8*	*112,8*	*112,8*	*112,8*	*112,8*
FAD	390,0	369,5	371,2	373,2	378,0	371,6
FIDA	49,2	49,0	49,2	49,1	49,6	48,7
FMI	352,5	545,5	548,0	550,4	557,9	548,4
dont appuis budgétaires PEF	331,6	331,6	331,6	331,6	331,6	331,6
appuis budgétaires COVID-19	213,9	213,9	213,9	213,9	213,9	213,9
FSOPEP	15,2	12,2	12,4	12,3	12,7	12,4
IDA	796,6	874,7	881,0	886,3	900,2	888,3
dont appuis budgétaires PEF	117,7	117,7	117,7	117,7	117,7	117,7
UE	41,8	34,6	34,5	34,4	33,8	33,5
Bilatéral	**3 152**	**3 069**	**3 048**	**3 059**	**3 119**	**3 064**
ALLEMAGNE	17,1	17,5	17,5	17,5	17,5	17,5
Belgique	8,9	8,2	8,2	8,2	8,2	8,2
Espagne	3,2	3,2	3,2	3,2	3,2	3,2
FRANCE	814,2	874,7	875,7	878,8	882,9	886,6
dont appuis budgétaires PEF	*196,8*	*196,8*	*196,8*	*196,8*	*196,8*	*199,8*
dont C2D	*194,4*	*143,2*	*143,2*	*143,2*	*143,2*	*143,2*
Japon	56,0	50,6	50,5	54,2	54,1	53,5
Norvège (EKSPORTKREDITT NORGE SA)	35,0	30,6	30,6	30,6	30,6	30,6
SUISSE	0,7	0,8	0,8	0,8	0,8	0,8
ARABIE SAOUDITE	6,1	5,5	5,5	5,5	5,7	5,5
Chine	13,7	3,1	3,1	3,1	3,2	3,1
Corée du Sud	33,8	33,9	33,8	34,5	35,4	34,7
EXIMBANK DE CHINE	2 006,7	1 892,3	1 870,3	1 877,2	1 928,0	1 874,9
EXIMBANK TURQUE	108,2	91,1	91,8	87,2	89,8	87,0
INDE	36,3	45,8	46,1	46,8	48,2	46,8
KOWEÏT	12,5	11,3	11,3	11,4	11,8	11,5
Commercial	**974**	**913**	**912**	**908**	**901**	**896**
Bank of China	150,2	130,4	131,3	127,8	128,9	125,0
Belfius	62,5	58,0	57,9	57,6	55,9	55,9
BMCE Bank	17,5	15,3	15,3	15,3	13,1	13,1
Comercial-eurobond	450,4	450,4	450,4	450,4	450,4	450,4
Commez bank Allemagne	8,5	13,0	13,1	13,2	13,6	13,1
Deutsche banque Espagne	42,1	35,0	32,8	32,8	32,8	32,8
INTESA SANPAOLO SPA	111,6	104,2	104,2	104,2	100,8	100,8
NR_ECMR	12,4	6,2	6,2	6,2	6,2	6,2
Raiffeisen Bank Inter AG	5,9	5,9	5,9	5,9	5,9	5,9
SOCIETE GENERALE NEW YORK - EXIM BANK US	42,7	33,8	34,0	34,1	33,2	32,5
Standard Chartered Londres	69,9	60,7	60,7	60,7	60,2	60,2
Total Général	**6 649**	**6 736**	**6 744**	**6 777**	**6 866**	**6 785**

* données définitives ** données semi-définitives *** données provisoires

Source: CAA

The main cost and risk indicators for the public debt, excluding outstanding debts of less than three months as at 30 April 2021, are as follows:

- The weighted average cost of debt is stable compared to the previous month and to the end of 2020, and stands at 2.6%, i.e. 2.5% for external debt and 3.0% for domestic debt;

- To refinance the current debt portfolio, it will take on average 8 years, i.e. 9.1 years for external debt and 3.9 years for domestic debt. This risk level is maintained compared to 31 December 2020;

- The interest rate risk has deteriorated slightly compared to the situation at the end of 2020. It is reflected in the exposure of approximately 20.3% of the total debt (debt with variable interest rates) to interest rate fluctuations, compared to 20.5% in March 2021 and 19.1% at the end of 2020;

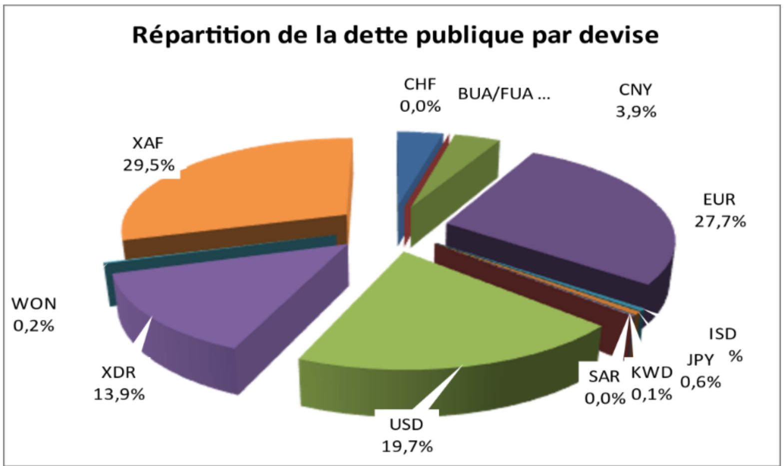
- The level of exchange rate risk has improved compared to the situation at the end of 2020. The share of debt denominated in currencies other than the CFAF is estimated at 70.3% of the overall portfolio, i.e. an effective exposure of 42.6% of the portfolio to foreign exchange risk, considering the fixed parity between the CFAF and the euro.

Table 23: Cost and risk indicators for the public debt portfolio

Indicateurs de coûts et risques		Dette extérieure	Dette intérieure	Dette totale*
Dette nominale en milliards de FCFA		6 749	2 845	9 595
Dette nominale (% du PIB)		28,2	11,9	40,1
Coût de la dette	Paiement d'intérêt en % du PIB	0,7	0,3	1,0
	Taux d´intérêt moyen pondéré (%)	2,5	3,0	2,6
Risque de refinancement	Durée moyenne d´échéance (ans) (ATM)	9,1	3,9	8,0
	Dette à amortir durant l´année prochaine (% du total)	5,3	19,2	9,4
	Dette à amortir durant l´année prochaine (% du PIB)	1,5	2,3	3,8
Risque de taux d´intérêt	Durée moyenne à refixer (ans) (ATR)	7,9	3,5	7,0
	Dette refixée durant l´année prochaine (% du total)	22,6	24,5	24,9
	Dette à taux d´intérêt fixe (% du total)	75,2	85,5	79,7
Risque de change	Dette en devises (% du total)			70,3
	Amortissement en devise durant l´année prochaine (en % du stock brut de réserves de change brutes détenues par la BEAC)			16,5

In terms of composition, the public debt portfolio is made up of the following main currencies: XAF for 29.5%, Euro for 27.7%, US Dollar for 19.7% and XDR (SDR) for 13.9%.

Graph 7: Distribution of public debt by currency

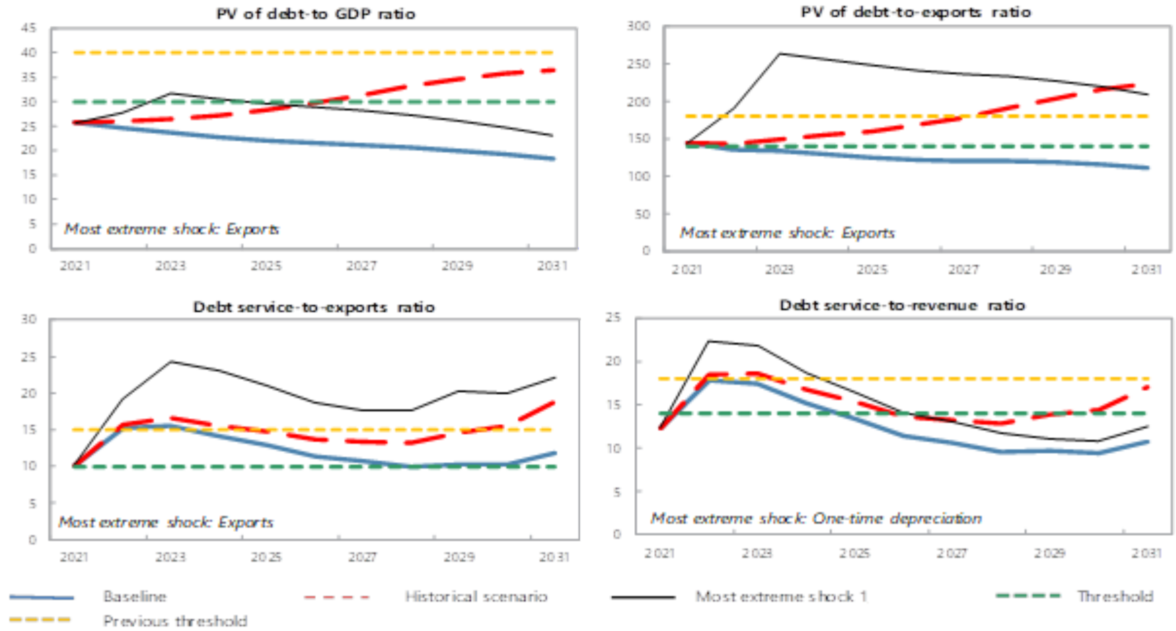


I.2.1.2 Debt sustainability and various debt constraints

The preliminary results of Cameroon's DSA as at 31 December 2020 show that Cameroon's external debt remains sustainable. Nevertheless, it presents a high risk of debt distress, due to the thresholds of debt service ratios on exports and budgetary revenues being exceeded over the periods 2020-2025 and 2021-2025 respectively.

However, according to preliminary work on the current end-December 2020 DSA, Cameroon is expected to move from medium to low debt capacity. This downgrading is mainly due to the economic consequences of the global health crisis linked to the COVID 19 pandemic. The debt thresholds applicable to Cameroon will therefore be revised downwards.

Graph 8: Public and publicly guaranteed debt indicators under the different DSA 2021-2031 scenarios.



To contain this vulnerability, it is necessary to strengthen fiscal and budgetary policies with a view to improving the level of revenue, on the one hand, and the diversification of basic export products and the promotion of local processing industries for the export of goods and services, on the other.

I.2.1.3 Financing/debt policy objective

The orientations of the public debt management policy are included, among others, in the document of the National Development Strategy for 2020-2030 (NDS30).

The financing and debt policy is expected to be ambitious, but prudent. With the development of the domestic market, the debt policy should aim to mobilise national savings and borrowing on national and regional markets. As regards external debt, the principle of prudence calls for the search for much more concessional financing.

Thus, in line with the CEMAC sub-region's multilateral convergence programme, the targets for the end of the period (2022-2024) are:

- a public and publicly guaranteed debt ratio of no more than 45% of GDP
- a debt portfolio composition of 75% external debt (denominated in foreign currencies, including 25% in US dollars) and 25% domestic debt (denominated in CFAF);
- a share of short-term domestic debt of less than 10%;
- a share of debt at variable interest rates of less than 20% of the total public debt portfolio (taking into account the disbursements of the SENDs);
- an average maturity of the public debt portfolio of at least 12 years, including 5 years for domestic debt with an average interest rate of less than 2.5%.

I.2.1.4 Outlook for the period 2022-2024

The outlook for the period 2022-2024 can be broken down into three major areas:

At the institutional level: the Government will continue to implement the CEMAC Regulation, which sets out the reference framework for public debt policy and management, notably by

- Consolidating the role of the CNDP (systematic and compulsory referral to the Committee) for all requests for external and internal financing;
- The effective application of the public debt management procedures manual for a better definition and coordination of the roles and missions of the different actors on the one hand, and a coherent, coordinated and efficient management of public debt on the other hand;
- Strengthening the capacities of the actors involved in the public debt and state treasury management chain.

At the strategic level: the government should continue to seek optimal financing to cover the state's financing needs while optimising costs and risks, and promote the development of the domestic financial and monetary market. This should be done:

- For the external debt, by : (i) priority mobilisation of concessional financing and recourse to non-concessional financing in the event of non-availability of concessional resources, for the realisation of projects with proven financial and socio-economic profitability, and (ii) optimal allocation of borrowing resources to beneficiary projects and programmes;

- For domestic debt, by (i) implementing a prudent public securities issuance policy; (ii) developing the secondary market to build the yield curve, with the support of the BEAC, which will serve as a benchmark for domestic borrowing; and (iii) continuing to make judicious use of the two financing mechanisms (auction and syndication) The government reserves the right to buy back certain categories of debt, if it deems this necessary.

At the operational level: Emphasis will be placed, on the one hand, on the settlement of debt service on time and the clearance of all domestic arrears (outstanding debts, floating debts, unstructured debts, etc.) during the period, and, on the other hand, on the efficient mobilisation of resources through the optimal programming of external drawings and public securities issues. To achieve this, the following measures are necessary:

- The elaboration of a reliable debt service forecast, to be updated regularly taking into Signing of contracts and effective monitoring of new guaranteed loans (including PPPs) within the limits predefined in the debt strategy, to ensure debt sustainability, and after systematic referral to the CNDP;
- Compliance with the debt ceilings set per debt instrument defined in the debt strategy;
- Programming and prioritisation of new commitments (FINEX) to be included exhaustively in an annual debt plan
- The assessment of the various risks related to the debt portfolio and the identification of mitigating measures. If necessary and in the absence of alternative solutions, the use of instruments to hedge the risks inherent in the money and financial markets, as well as the implementation of active cash management, could be envisaged and, depending on the availability of capacity

- The reduction of the level of the so-called problematic Undisbursed Commitment Balances (UCBs), through the implementation of strong measures for the acceleration of disbursements, the reallocation or cancellation of committed resources when necessary;
- Continuous, regular and transparent information of the various actors in the debt chain and the general public on public debt management.

II. BUDGETARY FRAMEWORK 2022-2024

This section presents, on the basis of the macroeconomic outlook, the budgetary projections for total state resources and expenditure, the resulting budget deficit and the constraints linked to its financing over the period 2022-2024. The resulting sectoral allocations are indicative and take into account the strategic priorities formulated above. They are therefore subject to change in the light of developments in both the economic environment and the strategic guidelines.

II.1 Reminder of macroeconomic assumptions

The budgetary projections for the period 2022-2024 are based on prudent, realistic and feasible macroeconomic assumptions. Indeed, economic growth is projected at 4.4% in 2022 with an inflation rate of 2%, a world oil price of US$54.8 per barrel and a US$ exchange rate of CFAF 575.5.

Between 2023 and 2024, economic activity would remain dynamic at an average rate of 5%. The oil sector is expected to experience a revival of activity with an average growth rate of 1.4%. Inflation would be stable at 2% and there would be a fall in the world price of oil to an average of USD 51 per barrel, with an average USD exchange rate of CFAF 570.1.

Table 24: Key macroeconomic assumptions for the period 2021-2024

	2021	2022	2023	2024
Nominal GDP (in billions)	24,231	25,749	27,514	29.445
Growth rate (%)	3.4	4.4	5.0	5.1
GDP deflator (%)	3	1.9	1.9	1.9
Inflation (%)	2.1	2.0	2.0	2.0
Oil production (million barrels)	26.6	26.0	22.2	21.1
World oil price (US$)	58.5	54.8	51.3	50.7
Exchange rate US$/FCFA	579.8	575.5	572.2	568.0

Source: Framing Committee

II.2 Budget revenue projections

On the basis of macroeconomic assumptions and the efforts envisaged in terms of fiscal policy, as well as the potential financing (domestic and external) that the State of Cameroon can expect, the projections of total State resources in 2022 are 5 649.7 billion, an increase of 68.4 billion in absolute value and 1.2% in relative value compared to 2021. In the medium term, these resources will amount to 5 983.2 billion between 2023 and 2024, an increase of 333.5 billion (+5.9%) compared to 2022.

Specifically, the state's resources are broken down as follows:

Oil revenues are projected at 538 billion in 2022, a decrease of 2 billion (0.4%) compared to 2021. In the medium term, these revenues are expected to reach 516 billion between 2023 and 2024, a decrease of 22 billion (-4.1%), in line with the fall in world prices observed.

Non-oil revenue is forecast at EUR 3 293.9 billion in 2022, an increase of EUR 363.7 billion (+12.4%) compared with 2021. This increase is essentially justified by the increase in tax revenue (345.6 billion) in line with the dynamics of economic activity and with the additional effort to mobilise this revenue of 0.5% of GDP projected in 2022. Between 2023 and 2024, non-oil revenue is projected at 3 859.2 billion on average, an increase of 565.3 billion (+17.2%) compared with 2022, essentially in relation to the dynamics of the activity and the continuation of efforts to optimise the mobilisation of non-oil domestic revenue.

Grants are divided into project grants and programme grants. They are projected at EUR 141.3 billion in 2022, up EUR 76 billion from 2021 due to the resumption of the repayment and disbursement mechanism for C2D funds, which was temporarily suspended in 2021 in connection with the G20 debt relief initiative. In the medium term, these grants are projected at 92.9 billion between 2023 and 2024, a decrease of 48.4 billion (-34.3%) compared with 2022.

The state's financing resources are essentially made up of project loans, public security issues and budgetary support. These resources aim to compensate for the financing gap resulting from the budget deficit and the payment of financing and cash flow charges. For the 2022 fiscal year, the state's financing resources will amount to 1 676.5 billion, including the special drawdown of IMF SDRs to the tune of 200 billion and budgetary support of 259 billion linked to the implementation of the new economic and financial programme (EFP) with the IMF, i.e. a decrease of 376.9 billion (-18.2%) compared to 2021. This decrease is justified by the withdrawal in 2022 of exceptional financing from technical and financial partners, particularly support for the fight against COVID19 and for G20 debt relief, as well as the issue of Eurobonds on the international market.

In the medium term, the financing resources that the state could expect are estimated at 1 515.2 billion between 2023 and 2024, a drop of 161.3 billion (-9.6%) compared to 2022. This difference is mainly due to the drop in budgetary support from the PEF (-99.5 billion) and the withdrawal of special SDR financing.

Table 25: Projection of state resources for the period 2022-2024

(In billions CFAF)	2021 LFR	2022 Proj.	2023 Proj.	2024 Proj.
Total ressources	**5,581.3**	**5,,649.7**	**5,832.2**	**6,134.3**
Internal revenues and grants	**3,530.8**	**3,973.2**	**4,270.4**	**4,665.7**
Oil revenues	536.0	538.0	523.0	509.0
Non-oil revenues	2,930.1	3,293.9	3,657.3	4,061.2
Fiscal revenues	2,743.1	3,088.7	3,438.0	3,826.6
Taxes and duties	1,938.4	2,184.8	2,444.6	2,763.4
Customs revenue	804.7	903.9	993.4	1,063.1
Non-tax revenues	187.0	205.2	219.2	234.6
Grants	64.7	141.3	90.1	95.6
Projects	30.4	32.3	34.5	36.9
Programme	34.3	109.0	55.6	58.7
Gross funding	**2,050.4**	**1,676.5**	**1,561.8**	**1,468.6**
Project loans	703.4	747.5	908.8	972.6
Budget support (IMF, EU, AFD, WB, ADB)	230.0	259.0	223.0	96.0
Including IMF	161.0	85.0	86.0	43.0
EU	16.0			
WB	53.0			
Others		174.0	137.0	53.0
Securities issuance (MLT)	350.0	350.0	350.0	350.0
Bank financing (excluding public securities)	111.0	120.0	80.0	50.0
Other loans (Eurobonds in 2021)	450.0			
SDR IMF		200.0		
Financement exceptionnel	**206.0**			

Source: MINFI/DGB

II.3 Budget expenditure projections 2022-2024

Taking into account the evolution of resources presented above, the projected deficit target as well as the current level of government commitments, total expenditure and expenses are projected at 5, 649.7 billion in 2022, including the COVID-19 fund allocation of 70 billion, i.e. an increase of 68.5 billion in absolute value and 1.2% in relative value compared to 2021. Between 2023 and 2024, these expenditures and charges would be 5 983.2 billion, an increase of 333.5 billion (+5.9%) compared to 2022. In particular:

- Personnel expenditure increases by 55 billion (5.1%) in 2022, from 1069.8 billion to 1124.8 billion. This expenditure is expected to reach 1 129.4 billion in the medium term between 2023 and 2024, i.e. an increase of 64.6 billion (5.7%) compared to 2022.

- Expenditure on goods and services increases from 761.9 billion in 2021 to 798 billion in 2022, including the general decentralisation allowance for the regions which stands at 30 billion, i.e. an increase of 36.1 billion in absolute value and 4.7% in relative value. This increase is aimed in particular at making a provision for the organisation of the 2021 African Cup of Nations, as well as reinforcing security spending. In the medium term, this expenditure will be 820.9 billion between 2023 and 2024, an increase of 53 billion (6.9%) compared to 2022.

- Transfers and subsidies increase by 19.4 billion from 628.8 billion to 648.2 billion between 2021 and 2022. This increase is mainly attributable to the strengthening of the allocation dedicated to supporting the fuel price at the pump, which increases from 100 billion in 2021 to 117 billion in 2022. In the medium term, this expenditure will amount to 716.9 billion between 2023 and 2024, an increase of 68.7 billion (10.6%) to take into account the dynamics of pensions.

- Interest on the public debt is projected at 257 billion in 2022, compared with 190 billion in 2021, an increase of 67 billion (-35.3%), due to Cameroon's exit from the G20 external debt relief initiative.

- Capital expenditure increases by 126 billion (9.3%) between 2021 and 2022, from 1352 billion to 1478 billion. Specifically, capital expenditure on own resources increases by 70 billion to 653.3 billion in 2022 against 583.2 billion in 2021. In the medium term, capital expenditure is projected at 1, 772.9 billion on average between 2023 and 2024, an increase of 294.9 billion (+14.2%) compared to 2022 to support the effective implementation of the development policy based on the NDS30.

As already mentioned above, a provision of 70 billion was programmed in 2022 for the final instalment of the implementation of the government's response and economic and social support strategy to the coronavirus pandemic.

The provision dedicated to the implementation of import substitution is maintained at 30 billion in 2022 as in 2021, and projected to average 60 billion over the 2023-2024 period.

Table 26: State expenditure forecasts for the 2022-2024 period

(In billions of CFA francs)	2021 AFL	2022 Proj.	2023 Proj.	2024 Proj.
Total expenditure and net loans	**5 581,2**	**5 649,7**	**5 832,1**	**6 134,3**
Current expenditure	**2 430,6**	**2 541,0**	**2 652,8**	**2 801,7**
Personnel expenses	1 069,8	1 124,8	1 167,0	1 211,7
Purchases of goods and services	731,9	768,0	793,1	848,8
Transfers and subsidies	628,8	648,2	692,6	741,2
Capital expenditure	**1 352,0**	**1 478,0**	**1 712,8**	**1 833,0**
Expenditure on external financing	733,8	779,8	943,3	1 009,5
Expenditure on own resources	583,2	653,3	736,4	788,1
Expenditure on participation/restructuring	35,0	45,0	33,0	35,4
Net loans	**-20,0**			
Covid-19 Financing Fund	200,0	70,0		
Local Production Revival Fund	30,0	30,0	60,0	60,0
Decentralisation Addendum (DGD)	30,0	30,0	30,0	30,0

Source: MINFI/DGB

II.4 Evolution of the budget deficit and financing analysis

By comparing the state's own revenue with its expenditure as projected above, an overall budget deficit of 516.8 billion is expected in 2022, compared with 753.9 billion in 2021, i.e. a reduction of 237 billion in the state's financing requirement. During the period 2023-2024, the budget deficit should continue its downward trend in line with the objective of consolidating fiscal policy, with the state's financing requirement averaging 444.4 billion.

Table 27 : Evolution of the public deficit over the period 2022-2024

	2021	2022	2023	2024
Non-oil primary balance (including grants)	**-1 100,0**	**-798,0**	**-792,0**	**-652,0**
Overall balance (ordo basis, including grants)	-753,9	-516,8	-500,9	-387,9
	-3,1	**-2,0**	**-1,8**	**-1,3**
CEMAC reference budget balance	*-852,7*	*-598,2*	*-570,3*	*-409,9*
	-3,5	**-2,3**	**-2,1**	**-1,4**

Source: MINFI/DGB

In addition to financing its budget deficit, the government must also meet other financing and cash flow requirements, notably the servicing of external and internal debt, including the payment of arrears, net cash outflows from correspondents and the repayment of VAT credits. In 2022, these needs are estimated at 1 243.7 billion against 1 311.5 billion in 2021, i.e. a decrease of 67.8 billion (-5.2%) compared to 2021. This need would be established at 1 154.8 billion on average between 2023 and 2024.

II.5 Budgetary constraints and risks 2022-2024

The budget projections for the period 2022-2024 remain sensitive to various sources of risk that could jeopardise the budgetary and financial balance established by these projections. These risks relate as much to the assumptions underlying the macroeconomic projections as to the revenues, particularly oil revenues, and expenditures themselves, as well as the financing expected from our partners.

From a macroeconomic point of view, any ineffectiveness of the macroeconomic policies supporting the medium-term growth projections could lead to a lower level of growth than projected and, consequently, to a lower level of tax and customs revenue than expected. Similarly, any limited impact of the fiscal measures aimed at the additional effort of 0.5% of GDP per year incorporated in the tax revenue projections constitutes a budgetary risk for these revenues in the medium term. Also, the world oil price would pose a big risk to the 2022 and subsequent budgets if the world oil price used in the projections or the announced oil production does not materialise.

Moreover, if the announcements of financing from partners in the form of budgetary support in the context of the implementation of the new economic and financial programme currently being negotiated with the IMF do not materialise, the projections of the 2022-2024 framework would be profoundly imbalanced.

The lack of clarity on the conditions for drawing down the IMF's SDRs, projected at 200 billion in the 2022 budget framework, is also a vulnerability that should be included in the risk analysis.

The 2022-2024 budget framework projects a drawdown of 50 billion per year from the Eurobond escrow account, which should be replenished in 2021 to the tune of 150 billion. This amount represents the remainder of the current 450 billion issue, after the redemption of 300 billion of the securities issued in 2015. Any underperformance on this Eurobond issue would undermine the fiscal and financial balance over the period 2022-2024.

Similarly, if financial conditions prove unfavourable on the market regarding the mobilisation of public securities for which an amount of 350 billion is expected each year over the period 2022-2024, the balance of the framework would be seriously compromised.

The security risk remains and continues to weigh on the state budget, particularly through direct SNH interventions, the level of which remains high. Furthermore, the cost of health expenditure in the context of the fight against the coronavirus could, if the health crisis continues beyond 2022, also constitute a major risk to the budgetary sustainability of all state operations over the period 2022-2024.

The growing weight of the state's existing commitments, linked in particular to the intertwining of reforms and the implementation of the various plans, and to traditional financial obligations relating to the payment of salaries and pensions as well as debt servicing and domestic arrears, creates a high degree of budgetary rigidity that is detrimental to the balance of public finances in the event of a shock to the state's resources.

Furthermore, the continued high level of recruitment of civil servants constitutes a major risk to be taken into account for the balance of the budgetary framework for the period 2022-2024.

Finally, the deterioration of the financial situation of certain public and semi-public sector companies could continue to require significant financial support from the state budget, which could lead to a de-capping of projected expenditure.

III. DETERMINANTS OF EXPENDITURE FOR THE THREE-YEAR PERIOD 2022-2024

This part presents the main projects and activities that the Government will carry out during the period 2022-2024, in order to operationalize the strategic and sectoral orientations set out in the National Development Strategy (NDS 30). It also presents a summary of the State's Priority Investment Programme for the period 2022-2024.

III.1 Structural transformation of the economy

The structure of state expenditure remains the same as in the previous three-year period, notably

- Current expenditure (on average 46% of the overall budget per year);
- Capital expenditure (on average 29% of the budget);
- Debt service payments (on average 24% of the budget).

As concerns current expenditure, it is still driven by personnel expenditure, which accounts for almost 20% (over 1,100 billion) of the overall budget on average per year.

Public debt servicing is programmed at an average of 1429 billion CFA francs per year over the three-year period 2022-2024, of which 1500.7 billion in 2022. The assumption of the domestic debt amounts to nearly CFAF 798 billion in 2022.

Capital expenditure is programmed on average for the three-year period at CFAF 1,674 billion, i.e. a total of CFAF 5022 billion. They are still driven by disbursements from external financing, with an average value of CFAF 910 billion over the three-year period 2022-2024. In accordance with the key considerations of the NDS30, the said expenditure will be allocated mainly to the completion of ongoing projects and the finalisation of the modalities for the full commissioning of infrastructure resulting from the major first-generation projects.

The acceleration of decentralisation, the revival of local production and the fight against COVID-19 will also be priority expenditure items for the government over the 2022-2024 triennium. Special allocations of nearly CFAF 150 billion on average have been earmarked for these expenditure items.

III.2 At sector level

The Production and Social Development sectors, respectively, benefit from an average allocation of CFAF 1,066.8 billion and CFAF 1,160.5 billion per year, in line with the inclusive growth objectives pursued by the Government. In this regard, most of the activities undertaken during the previous budgetary years, and specified in the 2021-2023 DPEB, will continue.

III.2.1 Structural transformation of the economy

In the area of production, the three major challenges remain: (i) the commissioning of major projects, so that they contribute effectively to the strengthening of the productive apparatus; (ii) the modernisation of production factors in the rural and agricultural sector in line with the import-substitution objectives set out in the NDS30; (iii) the promotion of research and innovation.

In the Infrastructure Sector

A budgetary allocation of CFAF 3185.75 billion is allocated to this sector for the three-year period 2022-2024, of which CFAF 882.52 billion in 2022, for expenditure mainly directed towards

Development of transport infrastructure

- The commissioning of the Yaoundé-Nsimalen motorway and the preparation of the second phases of the Yaounde-Douala and Kribi-Lolabe motorways;
- the completion of construction and rehabilitation work on national and regional roads already underway (Yaounde-Babadjou-Bamenda, Olama-Kribi, Batchenga-Tibati, Sangmélima-Ouesso, Kumba-Mamfé, Mengong-Sangmelima, Nkolessong-Nding, Maroua-Bogo-Pouss, Ketta-Djoum, the eastern entrance to Douala, the Logone bridge, the opening up of the western agricultural basin, etc.)
- the start and continuation of construction and rehabilitation work on certain priority roads (Ring-road, Ebolowa-Akom II-Kribi, Ngaoundéré-Garoua, Olounou-Oveng, Lolabé-Campo, etc.);
- The rehabilitation of the Belabo-Ngaoundéré railway, and the completion of studies for the construction of new tracks (Cameroon-Chad, Limbé-Douala, Douala-Ngaoundéré, Kribi-Edéa);
- The renewal of CAMRAIL's fleet with the acquisition of 25 passenger cars;
- The complete operationalization of the Kribi port platform and the extension/start of construction works of new platforms (Limbe-Ngueme, Kribi 2);
- The preparation of the launching of the construction works of the Port of Limbé.

Increasing the supply of electricity and drinking water

- the commissioning and optimisation of the operation of all the dam projects under construction (Bini in Warak, Lom Pangar foot plant, Mekin);
- The finalisation of the preparation and launch of new dam projects by favouring the Public Private Partnership mode (Grand-Eweng 1800 MW, Menchum 72 MW, Mouila-Mogue 420 MW, Katsina-Ala 485 MW, Cholet 600 MW, etc);
- Densification of transmission line networks and interconnection of North-South networks (Memve'ele-Kribi 225KV, Mekin-Mbalmayo 30KV, Ngaoundéré-Tibati 225KV, Tibati-Gaoundal 30KV, Bertoua-Garoua Boulai-Meiganga-Ngaoundéré 225KV, Yaoundé-Abong-mbang 225KV, Nkongsamba-Bafoussam 225KV, Ngaoundéré-Djamena 225KV, Nachtigal-Bafoussam 400KV; the Chad-Cameroon Interconnection and the RIS-RIN Interconnection);
- The implementation of rural electrification projects (rural electrification project for access to electricity in under-served areas (PERACE));
- Densification of the drinking water supply network (PAEPYS project from the Sanaga, Emergency programme for the city of Yaoundé, the South-West, West, North-West, Centre regions, etc.).

Development of social housing, digital technology and modernisation of the land register

- Continuation of the Government's social housing construction programme (in Yaoundé and Douala, Meyomessala, Nkondom, Kribi, Bertoua, etc.), and the acceleration of work to ensure the habitability of housing already built;
- The finalisation of the Regional Capitals Development programme: Bafoussam, Bertoua, Garoua;
- The finalisation of the project for the Development of Inclusive and Resilient Cities;
- The reinforcement of land tenure security through the computerisation of land registries (62 land registries to be computerised) and the acceleration of the geodesic network project;
- The commissioning of broadband telecommunications infrastructure within the framework of the National Fibre Optic Backbone Extension Project (Phase IV) and the establishment of the Central African Backbone.

In the Rural Sector

The budgetary envelope of CFAF 545.99 billion planned for this sector over the three-year period 2022-2024, including CFAF 149.81 billion in 2022, will allow for:

- The effective completion of the General Census of Agriculture and Livestock (RGAE);
- The optimisation of support mechanisms for producers in terms of agricultural and plant materials;
- The continuation of the development of production basins, and the modernisation of infrastructure and equipment for the production, processing and marketing of agricultural products;
- Continuation of the programme for the development of hydro-agricultural areas in the far north and the leasing of these areas;
- The continuation of support to large production units (CDC, PAMOL, SEMRY, SODECOTON);

- The construction, rehabilitation and equipment of units for the marketing and processing of cattle products (project for the development of cattle marketing and breeding infrastructures, PRODEL project, acquisition of equipment for the operation of milk centres, construction of slaughter areas in the communes with resources transferred to the LRAs);
- The continuation of the construction, rehabilitation and equipment of fishing infrastructures (project to improve the landing stage and the fish market at Youpwe in the city of Douala, etc.)).

In the Industries and Services Sector

A budgetary envelope of CFAF 107.8 billion is planned for the three-year period 2022-2024, including CFAF 31.37 billion in 2022. This allocation is mainly directed towards

- The operationalization of the Master Plan for Industrialisation (PDI);
- The promotion of the label "made in Cameroon" through the construction of a metrology laboratory, the support of the structures for the supervision of craftsmen, the promotion of local crafts and the establishment of business incubators (Edea);
- Strengthening the governance of craft production units and the verification and control of standards on imported and local products;
- The continuation of the development of priority tourist sites (launch of the Mingoa Valley in Yaoundé, etc.);
- The setting up of the Ouassa-Baboute agro-industrial technopole;
- Supporting actors in the artisanal mining sector in the production and marketing of mineral substances through the channelling of gold;
- The completion and operationalization of the first priority economic zones (Douala, Kribi, Limbe, and Maroua).

III.2.2 Human capital development

The main challenge is to have healthy and well-trained men and women capable of driving strong and sustainable growth. Similarly, there is a need to modernise the social security and welfare system. More concretely:

In the Health and Nutrition Sector

The general allocation for the three-year period 2022-2024 amounts to CFAF 620.67 billion, including CFAF 203.23 billion in 2022. Expenditure in this sector will be mainly for:

- Taking charge of the activities of the response plan against COVID-19;
- Continuing to put in place the prerequisites for the deployment of Universal Health Coverage (UHC) through (i) the construction, rehabilitation and equipment of health facilities, including on-call accommodation for health staff; (ii) the acquisition of tricycles/motorcycles; (iii) the organisation of hospital reform activities as a prelude to UHC;
- The construction, rehabilitation and upgrading of the technical facilities of the 4th to 6th category health facilities (CSI, CMA, HD);
- The support of 4th category health facilities with control, measurement and testing equipment for the maintenance of biomedical equipment;
- Equipping district hospitals with medical imaging equipment;

- Completion of regional hospital construction projects undertaken within the framework of the PLANUT.

In the Education and Vocational Training Sector

In this sector, an allocation of CFAF 2241.76 billion is projected for the three-year period 2022-2024, including CFAF 718.82 billion in 2022. These resources are mainly intended for:

- The extension of preschool coverage in rural areas through the construction of classrooms in preschools and on-call housing for teachers in rural areas;
- The construction and equipment of vocational high schools (Ekounou/Yaoundé, Douala) and the generalisation of digital technology in secondary education;
- The granting of subsidies to private nursery schools and private secondary schools;
- The facilitation of the provision of textbooks to learners through the granting of minimum packages;
- The continuation of the implementation of the "school book policy" through the PAREC project;
- The reinforcement of vocational training (Project for the transfer of skills in the field of vocational training with TIKA).

At the level of the Social Development Sector

In this sector, the focus will be on

- The start of rehabilitation work on the Cardinal Paul Emile Leger National Centre for the Disabled in Yaoundé;
- Continuing the implementation of the government's policy of supporting the poorest and most vulnerable people through the "social nets" project;
- The continuation of the restoration and development of cultural heritage (construction of the House of Culture of NTUI, Baham, Mora, construction of a building r+2 of the national archaeological reserve of Ekounou);
- The extension of the social security system to workers (in the informal sector) who are not taken into account and the strengthening of women's economic capacities;
- taking care of refugees and displaced persons in the areas of security tension (Grand Nord, South West, North West and East);
- the continuation of the Social Nets Project, targeting households severely affected by COVID-19.

III.2.3 Promotion of employment and socio-economic inclusion

In this area, the overall objective is to promote and facilitate access to decent employment for a large number of workers. This is achieved through the expansion and enhancement of job creation opportunities in the economy, through:

- Support for micro-projects pending at PIAASI, in particular
- The organisation and reintegration into self-employment of Cameroonian migrants returning from the Mediterranean coast;
- The granting of investment subsidies (to the Support Programme for the Creation and Development of SMEs, the TRANSFAGRI programme);
- Support for incubation initiatives in universities and colleges;

- The structuring and installation in independent employment of informal actors in the digital economy sector;
- The financing of youth projects within the framework of the "Special Three-Year Plan for Youths".

III.2.4 Governance, decentralisation and the strategic management of the state

In the area of governance, the main challenges concern the greater involvement of the population in the implementation of public policies and the significant improvement of the business climate. The allocation in this area for the three-year period 2022-2024 is CFAF 2554.61 billion, of which CFAF 797.35 billion in 2022.

In terms of political governance and decentralisation, the aim is to carry out actions relating to

- Continuing the operationalisation of the General Code of Regional and Local Authorities (RLA), particularly the full exercise of the powers transferred to the Regional Councils and Communes;
- The continuation of the rehabilitation of the NASLA in Buea, with a view to the establishment of a local civil service;
- Continued implementation of the Participatory Development Programme (PNDP);
- The operationalisation of the Economic and Social Development Programme for Secondary Cities exposed to instability factors (PRODESV);
- The operationalisation of the national plan and the finalisation of the recently drawn up regional land use plans;
- The effective conduct of the 4th general population census;

In terms of administrative and financial governance, this involves carrying out actions relating to

- Continuing the implementation of the global plan for public finance reforms for the period 2022-2024;
- The continuation of construction work on the National Assembly headquarters building and the completion of the equipment of the new ESC headquarters building;
- The finalisation of the programme for the construction of courthouses (Douala, Edea, Ngoma, etc.);
- The development of a master plan for budgetary reforms, public procurement and decentralisation in Cameroon's public administration;

In the area of security

- The continuation of construction for the installation of the new military units created and the equipment of troops;
- The reinforcement of automatic security units by extending the intelligent urban video surveillance system to the national level;
- The densification of the presence of the forces of order in the national territory;

In terms of ethics

- Continued support for the national civic service agency for participation in development;
- Prevention of attacks on public property through the organisation of training courses.

III.3 The priority investment programme

The Priority Investment Programme (PIP) is the tool for selecting and programming the Government's priority investment projects over a three-year period.

The 2022-2024 PIP is being developed in an environment marked by (i) the end of the DSCE and the preparation of the implementation of policies set out in the SND30 from 2022; (ii) a budgetary space strongly constrained by the large volume of ongoing commitments; (iii) significant debt constraints; (iv) the implementation of a new Economic and Financial Programme with the IMF; (v) lessons learned from project management.

Based on this context, the government's budgetary programming priorities for investment for the period 2022-2024 are as follows

- Complete and commission major first generation projects;
- Complete the residual projects of the African Cup of Nations (CAN);
- Complete the Three-Year Emergency Plan for Growth Acceleration (PLANUT);
- Rationalise the allocation of counterpart funds;
- Include the Triennial Special Youth Plan (PTSJ) in a completion perspective;
- Pay particular attention to the allocations of the LRAs;
- Provide allocations for the reconstruction plans for the North West & South West and the Far North;
- Limit the registration of new projects;
- Continue the steps taken within the framework of the Economic and Financial Programme with the IMF to rationalise new commitments from external resources;
- Strengthen the monitoring of the performance of externally financed projects;

The PIP 202-2024, a reference document for the commitment of new major investment projects, is part of the framework of expenditure drivers for the three-year period. It allows to:

- improve the impact of public investment

- strengthen the preparation and prioritisation of projects within the administrations

- limit the practice of spreading projects too thinly, given the multiplicity of projects and programmes that are often juxtaposed, making the projects implemented ineffective;

- strengthen the coherence of the Government's portfolio of public investment projects, in relation to the National Development Strategy;

- organise the breakdown of the National Development Strategy into coherent and mutually integrated operational projects, by year of implementation.

In addition, this framework pays particular attention to monitoring the implementation of the projects selected, both:

- in budgetary terms, through optimal and prioritised allocation of resources for their effective implementation;
- in terms of close monitoring of implementation to ensure the effectiveness of achievements, and to correct obstacles to the proper implementation of the projects selected.

The main objective of the 2022-2024 PIP is to implement the key consideration of the NDS30 relating to "the completion of all ongoing projects and the finalisation of all modalities for the full commissioning of infrastructure resulting from major first generation projects".

The selection and programming of projects according to these considerations are presented in the appendix

CONCLUSION

The (2022-2024) EBPP is the document produced with a view to organizing the budgetary orientation debate within the framework of the preparation of the finance bill (FB) for the 2022 fiscal year. This document enables Parliament to have a better readability on the macroeconomic and budgetary assumptions as well as the orientations of the economic policy which support the 2022 finance bill being drawn up. The EBPP also draws up the state of execution of the budget for the 2020 fiscal year.

In summary, with regard to the macroeconomic situation, it should be noted that after the sharp slowdown to 0.7% observed in 2020, growth should pick up to 3.5% in 2021 and then to 4.4% in 2022. With regard to the management of public finances, in accordance with the changes made in the amending finance law, the overall expenditure allocation for the 2020 fiscal year has dropped from 4,951.7 billion to 4,409.0 billion, showing a decrease of 847.8 billion (-16.3%) compared to the 2019 fiscal year. Executed expenditure amounted to 4 341.8 billion, representing an execution rate of 98.5%.

As for the strategic orientations of public policies for the 2022-2024 period, the various challenges relate to the commissioning of major projects, the modernization of production factors in the rural and agricultural sector, the pursuit of the overall health response strategy in the face of Covid-19 in particular through the strengthening of the health surveillance system and the continuation of the vaccination deployment strategy. In addition, the Government intends that during this triennium, actions will be carried out to strengthen and consolidate the decentralization process.

With regard to the Government's public finance policy over the next triennium, it will continue to be based on a budgetary consolidation effort aimed at ensuring the sustainability of the budget deficit, with a view to avoiding unsustainable public indebtedness while at the same time guaranteeing the proper implementation of the NDS30 in line with the orientations of the new Economic and Financial Programme recently negotiated with the International Monetary Fund (IMF).

Thus, on the basis of the macroeconomic assumptions and the efforts envisaged in terms of fiscal policy, as well as the potential financing (internal and external) that the State of Cameroon can expect, the projections of the total resources of the State in 2022 are 5 649.7 billion, up by 68.4 billion in absolute value and 1.2% in relative value compared to 2021. In the medium term, these resources would stand at 5,983.2 billion between 2023 and 2024; representing an increase of 333.5 billion (+5.9%) compared to 2022.

Regarding expenditure, the budgetary outlook for the 2022-2024 triennium provides for projections of 2541 billion, 2652.8 billion and 2801.7 billion for the operating component and of 1478 billion, 1712.8 billion and 1833 billion for investment.

By relating the State’s own revenue and its expenditure as projected above, there emerges an overall budget deficit of 516.8 billion in 2022 against 753.9 billion in 2021; that is a reduction of 237 billion in the financing need for the said deficit. Over the 2023-2024 period, the budget deficit is expected to continue its downward trend in line with the objective of budgetary policy consolidation to an average 444.4 billion. Thus, the overall budget deficit should stand at 2% of GDP in 2022 against 3.1% in 2021. In the medium term, this deficit should decline to stand at 1.8% in 2023 and 1.3% in 2024.

To deal with this deficit, the financing and indebtedness policy should be ambitious, but cautious. It should aim at mobilizing national savings and borrowing on national and regional markets. In terms of external indebtedness, the principle of caution calls for the search for much more concessional financing.

APPENDIX 1: TFOS 2022-2024

(En milliards de F.CFA)	2020 LFR	2020 Réal	2021 LFI	2021 FMI	2021 LFR	2022 Proj.	2023 Proj.	2024 Proj.
Total ressources	**4 707,0**	**4 662,0**	**4 900,0**	**5 491,8**	**5 581,3**	**5 649,7**	**5 832,2**	**6 134,3**
Recettes internes et dons	**2 950,5**	**3 212,3**	**3 456,5**	**3 665,0**	**3 530,8**	**3 973,2**	**4 270,4**	**4 665,7**
Recettes pétrolières	269,7	428,2	393,0	536,0	536,0	538,0	523,0	509,0
Recettes non pétrolières	2 578,8	2 749,2	2 956,6	3 022,0	2 930,1	3 293,9	3 657,3	4 061,2
Recettes fiscales	2 374,8	2 560,5	2 743,1	2 821,0	2 743,1	3 088,7	3 438,0	3 826,6
Impôts et taxes	1 724,8	1 852,8	1 938,4	1 993,4	1 938,4	2 184,8	2 444,6	2 763,4
Recettes douanières	650,0	707,8	804,7	827,6	804,7	903,9	993,4	1 063,1
Recettes non fiscales	204,0	188,7	213,5	201,0	187,0	205,2	219,2	234,6
Dons	102,0	34,8	106,9	107,0	64,7	141,3	90,1	95,6
Projets	29,0	20,4	30,4	30,0	30,4	32,3	34,5	36,9
Programme	73,0	14,4	76,5	77,0	34,3	109,0	55,6	58,7
Financement Brut	**1 756,5**	**1 449,8**	**1 443,4**	**1 826,8**	**2 050,4**	**1 676,5**	**1 561,8**	**1 468,6**
Prêts projet	655,0	449,6	703,4	703,8	703,4	747,5	908,8	972,6
Appui budgétaire (FMI, UE, AFD, BM, BAD)	214,5	97,8	260,0	247,0	230,0	259,0	223,0	96,0
Dont FMI	90,0	45,1		161,0	161,0	85,0	86,0	43,0
UE	16,0				16,0			
AFD	0,0				0,0			
BM	55,5				53,0			
BAD	53,0	52,7						
Autres				86,0		174,0	137,0	53,0
Emission des titres (MLT)	420,0	386,1	350,0	230,0	350,0	350,0	350,0	350,0
Financement bancaire (hors titres pub)	80,0	181,0	30,0	30,0	111,0	120,0	80,0	50,0
Autres emprunts (Eurobonds en 2021)	0,0	45,4		450,0	450,0			
DTS FMI						200,0		
Financement exceptionnel	**387,0**	**289,9**	**100,0**	**166,0**	**206,0**			
Dont FMI	**135,6**	**223,2**						
UE *(Fonds de concours CAS-Covid)*	**2,0**							
AFD *(Fonds de concours CAS-Covid)*	**6,5**	**5,3**						
BM *(Fonds de concours CAS-Covid)*	**22,0**							
BAD	**70,4**	**57,6**						
BDEAC	**20,0**	**0,5**						
PME (*) *(Fonds de concours CAS-Covid)*	**9,0**							
Allegement dette extériuere	**118,0**		**100,0**	**166,0**	**166,0**			
Autres financements *(Fonds de concours CAS-Covid)*	**3,5**	**3,3**			**40,0**			
Dépenses totales et prêts nets	**4 707,0**	**4 617,4**	**4 900,0**	**5 420,0**	**5 581,2**	**5 649,7**	**5 832,1**	**6 134,3**
Dépenses courantes	**2 241,0**	**2 497,3**	**2 305,6**	**2 403,0**	**2 430,6**	**2 541,0**	**2 652,8**	**2 801,7**
Dépenses de personnel	1 040,1	1 050,2	1 069,8	1 070,0	1 069,8	1 124,8	1 167,0	1 211,7
Achats de biens et services	663,3	821,9	706,9	707,0	731,9	768,0	793,1	848,8
Transferts et subventions	537,6	625,2	528,8	626,0	628,8	648,2	692,6	741,2
Dépenses de capital	**1 254,3**	**1 047,3**	**1 352,0**	**1 384,8**	**1 352,0**	**1 478,0**	**1 712,8**	**1 833,0**
Dépenses s/financemts exter,	684,0	470,0	733,8	733,8	733,8	779,8	943,3	1 009,5
Dépenses s/ressources propres	542,2	552,3	583,2	616,0	583,2	653,3	736,4	788,1
Dépenses de Participation/restructuration	28,1	25,0	35,0	35,0	35,0	45,0	33,0	35,4
Prêts nets		**41,8**	**-20,0**	**-20,0**	**-20,0**			
Fonds de Financement Covid-19	**180,0**	161,9	100,0	195,0	200,0	70,0		
Fonds de relance production locale			50,0	50,0	30,0	30,0	60,0	60,0
Additif Décentralisation (DGD)			30,0	30,0	30,0	30,0	30,0	30,0
Service de la Dette	**1 031,7**	**869,1**	**1 082,4**	**1 377,2**	**1 558,7**	**1 500,7**	**1 376,6**	**1 409,6**
Service de la dette extérieure	**492,0**	**353,4**	**591,0**	**850,0**	**886,0**	**702,4**	**761,0**	**778,0**
Principal	339,6	217,9	394,0	704,0	704,0	528,0	595,0	605,0
Dont Rachat Eurobonds 2015					*300,0*			
Intérêts	152,4	135,5	197,0	146,0	182,0	174,4	166,0	173,0
Service de la dette intérieure	**539,7**	**515,7**	**491,4**	**527,2**	**672,7**	**798,3**	**615,6**	**631,6**
Principal	345,8	270,4	287,8	288,0	438,0	531,7	387,0	367,5
Dont ECMR	*0,0*		*91,3*			*50,0*	*50,0*	
Correspondants		*19,4*	*20,0*			*30,0*	*50,0*	*50,0*
Accumulation dépôt BEAC/Remboursement avances statutaires					*150,0*	*58,0*	*58,0*	*58,0*
Réduction encours BTA						*0,0*	*0,0*	*0,0*
Intérêts	49,9	73,7	65,2	65,2	65,2	82,6	65,7	71,9
Crédits de TVA	72,0	79,0	72,0	**72,0**	72,0	84,0	84,0	84,0
Reste à payer Trésor/Dette non structurée CAA	72,0	92,6	66,5	102,0	97,5	100,0	78,9	108,2
Dont Restes à Payer	*52,0*	*80,9*	*50,0*	50,0	81,0	*85,0*	*63,9*	*93,2*
Dette non structurée CAA	*20,0*	*11,7*	*16,5*	*52,0*	16,5	*15,0*	*15,0*	*15,0*
Dette fiscale compensée	*0,0*							
Capacité (+)/Besoin de financement (-)	**0,0**	**44,7**	**0,0**	**71,8**	**0,0**	**0,0**	**0,0**	**0,0**
Solde primaire non pétrolier (dons compris)	**-1 066**	**-1 043**	**-826**	**-986**	**-1 100**	**-798**	**-792**	**-652**
Solde global (base ordo, dons compris)	-986,6	-815,2	-661,7	-661,0	-753,9	-516,8	-500,9	-387,9
Solde global ***(% PIB, base ordo, dons compris)***	**-4,5**	**-3,6**	**-2,8**	**-2,7**	**-3,1**	**-2,0**	**-1,8**	**-1,3**
Solde budgétaire de référence CEMAC	**-3,9**	**-3,6**	**-2,8**	**-3,1**	**-3,5**	**-2,3**	**-2,1**	**-1,4**
Recettes non pétrolières nettes des remboursements des crédits de TVA	2 507	2 670,2	2 884,6	2 950,0	2 858,1	3 210	3 573	3 977
Pression fiscale	**11,4%**	**11,7%**	**12,3%**	**12,2%**	**11,8%**	**12,5%**	**13,0%**	**13,5%**
Soutenabilité Dép. personnel	**45,2%**	**42,3%**	**40,1%**	**38,9%**	**40,1%**	**37,4%**	**34,8%**	**32,4%**
PIB nominal	22 037	22 776	23 448,0	24 169,0	24 231	25 749	27 514	29 445
Taux croissance (%)	-1,1	0,7	3,3	3,6	3,4	4,4	5,0	5,1
Déflateur du PIB	-1,3	-1,0	1,9	2,0	3,0	1,9	1,9	1,9

APPENDIX 2: TFOS 2022-2024 (% of GDP)

	2020		2021			2022	2023	2024
(En % du PIB)	LFR 2020	Réal.	LFI	FMI	LFR	Proj.	Proj.	
Total ressources	**21,4**	**20,5**	**20,9**	**22,7**	**23,0**	**21,2**	**21,2**	**20,8**
Recettes internes et dons	**13,4**	**14,1**	**14,7**	**15,2**	**14,6**	**15,4**	**15,5**	**15,8**
Recettes pétrolières	1,2	1,9	1,7	2,2	2,2	2,1	1,9	1,7
Recettes non pétrolières	11,7	12,1	12,6	12,5	12,1	12,8	13,3	13,8
Recettes fiscales	10,8	11,2	11,7	11,7	11,3	12,0	12,5	13,0
Impôts et taxes	7,8	8,1	8,3	8,2	8,0	8,5	8,9	9,4
Recettes douanières	2,9	3,1	3,4	3,4	3,3	3,5	3,6	3,6
Recettes non fiscales	0,9	0,8	0,9	0,8	0,8	0,8	0,8	0,8
Dons	0,5	0,2	0,5	0,4	0,3	0,5	0,3	0,3
Projets	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Autres	0,3	0,1	0,3	0,3	0,1	0,4	0,2	0,2
Financement Brut	**8,0**	**6,4**	**6,2**	**7,6**	**8,5**	**5,7**	**5,7**	**5,0**
Prêts projet	3,0	2,0	3,0	2,9	2,9	2,9	3,3	3,3
Appui budgétaire (FMI, UE, AFD, BM, BAD)	1,0	0,4	1,1	1,0	0,9	1,0	0,8	0,3
Emission des titres	1,9	1,7	1,5	1,0	1,4	1,4	1,3	1,2
Financement bancaire	0,4	0,8	0,1	0,1	0,5	0,5	0,3	0,2
Autres emprunts	0,0	0,2	0,0	1,9	1,9	0,0	0,0	0,0
Financements exceptionnels	1,8	1,3	0,4	0,7	0,9	0,0	0,0	0,0
Dépenses totales	**20,5**	**19,4**	**20,2**	**21,4**	**22,0**	**21,4**	**20,9**	**20,5**
Dépenses courantes	**10,2**	**11,0**	**9,8**	**9,9**	**10,0**	**9,9**	**9,6**	**9,5**
Dépenses de personnel	4,7	4,6	4,6	4,4	4,4	4,4	4,2	4,1
Achats de biens et services	3,0	3,6	3,0	2,9	3,0	3,0	2,9	2,9
Transferts et subventions	2,4	2,7	2,3	2,6	2,6	2,5	2,5	2,5
Dépenses de capital	**5,7**	**4,6**	**5,8**	**5,7**	**5,6**	**5,7**	**6,2**	**6,2**
Dépenses s/financemt exter.	3,1	2,1	3,1	3,0	3,0	3,0	3,4	3,4
Dépenses s/ressources propres	2,5	2,4	2,5	2,5	2,4	2,5	2,7	2,7
Dépenses de Participation/restructuration	0,1	0,1	0,1	0,1	0,1	0,2	0,1	0,1
Prêt nets	0,0	0,2	-0,1	-0,1	-0,1	0,0	0,0	0,0
Financement Fonds Covid-19	0,8	0,7	0,4	0,8	0,8	0,3	0,0	0,0
Fonds de relance production locale			0,2	0,2	0,1	0,1	0,2	0,2
Additif Décentralisation (DGD)			0,1	0,1	0,1	0,1	0,1	0,1
Service de la Dette	**4,7**	**3,8**	**4,6**	**5,7**	**6,4**	**5,8**	**5,0**	**4,8**
Service de la dette extérieure	**2,2**	**1,6**	**2,5**	**3,5**	**3,7**	**2,7**	**2,8**	**2,6**
Principal	1,5	1,0	1,7	2,9	2,9	2,1	2,2	2,1
Intérêts	0,7	0,6	0,8	0,6	0,8	0,7	0,6	0,6
Service de la dette intérieure	**2,4**	**2,3**	**2,1**	**2,2**	**2,8**	**3,1**	**2,2**	**2,1**
Principal	1,6	1,2	1,2	1,2	1,8	2,1	1,4	1,2
Intérêts	0,2	0,3	0,3	0,3	0,3	0,3	0,2	0,2
Crédits de TVA	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3
Restes à payer/Arriérés intérieurs (y compris Remboursememnt dette marketteurs)	0,3	0,4	0,3	0,4	0,4	0,4	0,3	0,4

APPENDIX 3 : Breakdown of payroll

Table 28: Breakdown of payroll and workforce by sector group

Sector group	Workforce	Payroll from Jan. - May 2021	Weight of the workforce	Weight of the payroll
Social sectors	187 887	245 981 262 783	54,5%	59,6%
Production and trade	14 380	14 197 843 215	4,2%	3,4%
Productive infrastructure	7 016	7 072 525 654	2,0%	1,7%
General and financial administration	32 639	22 840 535 448	9,5%	5,5%
Defence and Security	89 022	101 442 533 466	25,8%	24,6%
Sovereignty and Governance	14 039	21 017 164 075	4,1%	5,1%
Grand total	**344 982**	**412 551 864 641**	**100,00%**	**100,00%**

Source: MINFI/DPEP

Table 29: Breakdown of payroll and workforce per administration in May 2021

Budget Head	Administration	Workforce	Weight of the workforce	Weight of the payroll
1	Presidency of the Republic	1 497	0,43%	0,30%
2	Services attached to the Presidency of the Republic	15	0,00%	0,01%
4	Prime Minister's Office	441	0,13%	0,12%
6	Ministry of External Relations	1 489	0,43%	1,58%
7	Ministry of Territorial Administration	16 267	4,72%	1,80%
8	Ministry of Justice	10 253	2,97%	2,95%
9	Supreme Court	24	0,01%	0,03%
10	Ministry of Public Contracts	1 261	0,37%	0,38%
11	Ministry in charge of Supreme State Audit Office	320	0,09%	0,10%
12	General Delegation for National Security	24 003	6,96%	6,99%
13	Ministry of National Defence	65 019	18,85%	17,60%
14	Ministry of Culture	443	0,13%	0,12%
15	Ministry of Basic Education	57 911	16,79%	15,70%
16	Ministry of Sports and Physical Education	2 826	0,82%	1,01%
17	Ministry of Communication	380	0,11%	0,11%
18	Ministry of Higher Education	6 294	1,82%	3,61%
19	Ministry of Scientific Research and Innovation	1 183	0,34%	0,46%
20	Ministry of Finance	11 351	3,29%	2,39%
21	Ministry of Commerce	1 593	0,46%	0,33%
22	Ministry of the Economy, Planning and Regional Development	1 468	0,43%	0,42%
23	Ministry of Tourism and Leisure	621	0,18%	0,14%
25	Ministry of Secondary Education	92 573	26,83%	31,86%
26	Ministry of Youth and Civic Education	3 084	0,89%	0,91%
27	Ministry of Decentralization and Local Development	345	0,10%	0,12%
28	Ministry of the Environment, Nature Protection and Sustainable Development	556	0,16%	0,13%
29	Ministry of Industry, Mines and Technological Development	770	0,22%	0,20%
30	Ministry of Agriculture and Rural Development	3 885	1,13%	1,00%

Budget Head	Administration	Workforce	Weight of the workforce	Weight of the payroll
31	Ministry of Livestock, Fisheries and Animal Industries	3 323	0,96%	0,81%
32	Ministry of Energy and Water	909	0,26%	0,21%
33	Ministry of Forestry and Wildlife	3 064	0,89%	0,67%
35	Ministry of Employment and Vocational Training	2 970	0,86%	0,77%
36	Ministry of Public Works	1 805	0,52%	0,45%
37	Ministry of Urban Development and Housing	718	0,21%	0,19%
38	Ministry of State Property, Surveys and Land Tenure	1 531	0,44%	0,36%
39	Ministry of Small and Medium Enterprises, Social Economy and Handicrafts	567	0,16%	0,16%
40	Minister of Public Health	17 447	5,06%	4,45%
41	Ministry of Labour and Social Security	582	0,17%	0,14%
42	Ministry of Social Affairs	1 386	0,40%	0,31%
43	Ministry for Women Empowerment and the Family	808	0,23%	0,18%
45	Ministry of Posts and Telecommunications	1 110	0,32%	0,29%
46	Ministry of Transportation	943	0,27%	0,22%
50	Ministry of Public Service and Administrative Reform	1 947	0,56%	0,43%
	CUMULATIVE	**344 982**	**100,0%**	**100.0%**

Source: MINFI/DPEP

APPENDIX 4: *The Government's Priority Investment Programme (PIP) for the 2022-2024 period*

No.	Projects	Total cost (in billions)	Year it started	Project owner
Areas of intervention	**Strengthening the rule of law and security of persons and property**			
strategic objective	In order to improve political and institutional governance, priority will be given over the next ten years to (i) strengthening the rule of law and the protection of human rights; (ii) completing the reform of the justice system with a view to consolidating the judiciary; (iii) stepping up the fight against insecurity, crime and terrorism; (iv) strengthening crisis prevention and management; and (v) improving institutional communication.			
No.	**Projects**	**Total cost (in billions)**	**Year it started**	**Project owner**
01	Project for the Construction of the New National Assembly Building	60	ONGOING	NA
02	Project for the national extension of the intelligent urban video surveillance system	108	ONGOING	DGSN
Areas of intervention	**Development of productivity and agropastoral production**			
strategic objective	In terms of agropastoral production, the aim will be to stimulate the development of large and medium-sized farms in order to increase the productivity, production and competitiveness of agro-sylvo-pastoral and fishery products, based on (i) the promotion of a commodity chain approach structured around agro-pastoral and fisheries value chains, while taking into account the specificities linked to the different agro-ecological zones; (ii) support for access to inputs; (iii) the promotion of the most efficient technologies; and (iv) the popularisation of research results.			
No.	**Projects**	**Total cost (in billions)**	**Year it started**	**Project owner**
01	Young People's Agropastoral Entrepreneurship Promotion Programme (Pea-Jeunes)	42	ONGOING	MINADER
02	Agricultural Value Chain Development Project: PD-CVA	75	ONGOING	MINADER
03	Support Project for the Development of the Agricultural Sector (PADFA II)	27	ONGOING	MINADER
04	Livestock Marketing and Infrastructure Development Project (Pd-Cobie)	27	ONGOING	MINEPIA
05	Livestock Development Project (Prodel)	65	ONGOING	MINEPIA
06	Livestock And Fisheries Development Project, North West Region (Lifidep)	58	ONGOING	MINEPIA

No.	Projects	Total cost (in billions)	Year it started	Project owner
07	Livestock and Fisheries Value Chain Development Project	54	ONGOING	MINEPIA
08	Rice Value Chain Development	110	2023	MINADER
09	Development of 15280ha of Hydro-Agricultural Perimeter in Adamaoua	19	2023	MINEPIA
10	Phase II Planut "Fisheries and Livestock" Component	32	2023	MINEPIA

Areas of intervention	Development of productive infrastructure/Energy infrastructure
strategic objective	Increase the installed capacity of electricity production to 5000Mw by 2030. To achieve this, the government will pursue its policy of developing an energy mix based on: (i) hydroelectric energy; (ii) photovoltaic energy; (iii) gas-based thermal energy; and (iv) energy from biomass. With regard specifically to hydroelectric energy, the government will continue to develop production facilities through the implementation of projects that favour the Public-Private Partnership approach and independent electricity production. On the other hand, in order to guarantee access to water and sanitation for all and ensure sustainable management of water resources, the government will continue to rehabilitate, extend and build production, transport and distribution infrastructures for drinking water.

No.	Projects	Total cost (in billion)	Year it started	Project Owner
01	Components of Lom Pangar Reservoir Dam (6 billion m3) + Pied Plant (30mw)	73	ONGOING	MINEE
02	Drinking Water Supply To Yaounde City From The Sanaga River (Paepys)	410	ONGOING	MINEE
03	Natchigal Dam Construction Project	400	ONGOING	MINEE
04	Cameroon and Chad Electricity Interconnection Project and Interconnection of RIS and RIN Networks (ADB and BBM)	319	ONGOING	MINEE
05	Construction of the 225 kv Yaounde-Abong Mbang and 225 kv Nkongsamba-Bafoussam lines	65	ONGOING	MINEE
06	Project for the upgrading of electricity transmission networks and sector reform (PRRTERS)	221	ONGOING	MINEE
07	Construction of the Bini Hydro-Electric Dam in Warak	213	ONGOING	MINEE
08	Rural Electrification and Energy Access in Under-served Areas Project (PERACE)	85	ONGOING	MINEE
09	Construction of the 225 kv Ebolowa-Kribi and 90 Kv Mbalmayo-Mekin transmission lines and their associated works (Phase 2 completion)	51	2021	MINEE
10	Solar Photovoltaic Electrification Project. Phase III completion: 200 Localities	96	2021	MINEE
11	Construction of a gas-fired power plant in Limbé and the associated transmission line	25	2022	MINEE
12	Nachtigal Power Line Component: 400 Kv Nachtigal-Bafoussam Transmission Line and Associated Works	167	2022	MINEE
13	Construction of the Japoma drinking water supply station in Douala	49	2023	MINEE
14	Project for the rehabilitation and extension of the water treatment and distribution system for the towns of Buea, Tiko and Mutengene	68	2023	MINEE
15	Construction of Colomines and Ndokayo mini hydroelectric power stations in the Eastern Region	70	2023	MINEE
16	Project to rehabilitate 350 SCANWATER stations throughout the country	75	2023	MINEE
17	Project to improve drinking water supply in 20 secondary centres	33	2024	MINEE
18	Ngoyla Hydroelectric Development Project	200	2024	MINEE
19	Menchum Hydroelectric Project	165	2024	MINEE

Areas of intervention	Development of productive infrastructure/Telecommunication infrastructure.
strategic objective	The aim is to facilitate access to ICTs for as many people as possible by ensuring an efficient and secure digital space with an average access index of over 0.4. More specifically, the aim is to develop a state-of-the-art digital ecosystem ecosystem through the completion of work in progress

N°	Projects	Total cost (in billions)	Year it started	Project Owner
01	National Emergency Telecommunications Network: Telecommunications System	93	ONGOING	MINPOSTEL
02	Central African Optical Fibre Backbone Project (Cab)	30	ONGOING	MINPOSTEL
03	Cameroon Digital Transformation Acceleration Project	58	2022	MINPOSTEL
04	Cameroon ICT Project	56	2023	MINPOSTEL

No.	Projects	Total cost (in billions)	Year it started	Project owner
Areas of intervention	Health			
strategic objective	the authorities intend to guarantee all sections of the population equitable and universal access to basic health services and care and to priority specialised quality care, with the full participation of the community. three (03) fundamental principles will guide the Government's interventions, in particular: the improvement of the governance of the health system, the reinforcement of the technical platform of the central and referral hospitals, and the enhancement of the local therapeutic potential.			
N°	Projects	Total cost (in billion)	Year it started	Project Owner
01	Universal Health Coverage CSU (Basic Infrastructure)	69	ONGOING	MINSANTE
02	Renovation project of the national centre for the rehabilitation of disabled people Cardinal Paul Émile Leger (CNRPH)	25	ONGOING	MINAS
03	Covid19 response plan	180	ONGOING	MINSANTE
Areas of intervention	Sports infrastructure development			
strategic objective	The Government intends to set up a strategy around the sports economy, notably through the organisation of mass and elite sports, the promotion of cultural activities and the permanent organisation of competitions at all levels (national, regional and communal) in various disciplines.			
N°	Projects	Total cost (in billion)	Year it started	Project Owner
01	Construction Of The Olembe Sports Complex	166	ONGOING	MINSEP
02	Construction of the Japoma Sports Complex in Douala	112	ONGOING	MINSEP
Areas of intervention	Infrastructure and transport /Rail and maritime transport			
Strategic objective	With the support of private partners, the railway network will be increased to 5,500 km by 2030, with the construction of 1,500 km of additional railways, the implementation of the port master plan will be pursued			
N°	Projects	Total cost (in billion)	Year it started	Project Owner
01	Carrying out the extension works of the Kribi Deep Water Port (phase 2)	448	ONGOING	
02	CAMRAIL fleet renewal project: 25 passenger cars component	13	2021	MINT
03	Development of the industrial port complex of Kribi: component development of the logistics zone of the port	10	2021	MINT
04	Development of the Kribi industrial-port complex: construction component of the 225 kv electric power transmission line	36	2021	MINT
05	Regional project to improve the performance of the Douala-Ndjamena rail/road corridor	110	2022	MINT
06	Douala International Airport Rehabilitation Project: Terminal Building Component	10	2023	MINT
07	Belabo-Ngaoundéré Railway Line Renewal Project	43	2023	MINT
Areas of intervention	infrastructure and transport/roads			
strategic objective	The aim is to increase the density to 0.38 km and the percentage of asphalted network to 50% respectively. This will be achieved through the construction or asphalting of at least 1,626 km of new roads (with priority given to national roads still in the ground), the completion of ongoing projects, but also the rehabilitation of 2,200 km of asphalted roads and the construction of more than 1,600 ml of engineering structures.			
N°	Projects	Total cost (in billion)	Year it started	Project Owner
01	Construction works of the Yaounde-Douala highway (Phase 1)	438	ONGOING	MINTP
02	Construction of the Olama-Bingambo - Granzambi -Kribi Road Section	192	ONGOING	MINTP
03	Rehabilitation of the Mora - Dabanga - Kousseri Road	65	ONGOING	MINTP
04	Opening Up of the Western Agricultural Basin	210	ONGOING	MINTP
05	Construction of Acrow Bridges	56	ONGOING	MINTP
06	Construction of Djoum - Mintom Road	60	ONGOING	MINTP
07	Construction Of The Ring Road	167	ONGOING	MINTP
08	Babadjou - Bamenda Road Rehabilitation Works (52,00 Km)	121	ONGOING	MINTP

No.	Projects	Total cost (in billions)	Year it started	Project owner
09	Construction of the Edea-Kribi Highway (Lot 1), Deep Water Port Lolabé - Kribi City	267	ONGOING	MINTP
10	Asphalting of Batchenga - Ntui - Yoko - Lena - Sengbe - Tibati Road (N15), including the construction of a bridge over the Sanaga River at Natigal (N15).	254	ONGOING	MINTP
11	Construction of the Sangmélima-Djoum-Mintom-Congo Border Road	100	ONGOING	MINTP
12	Rehabilitation of the Maroua - Mora Road (Multimodal Transport Programme)	38	ONGOING	MINTP
13	Construction of a bridge over the Logone River	36	ONGOING	MINTP
14	Development of the Eastern Entrance to Douala (Phase II)	88	ONGOING	MINTP
15	Asphalting of the Kumba - Mamfe road (lot 2: Nfaitock - Mamfe)	71	ONGOING	MINTP
16	Construction of the Douala-Yaoundé-Gabon Border corridor: Olounou-Oveng-Gabon Border section (N17b) with construction of a bridge over the Kom River	85	2021	MINTP
17	Kribi Industrial-Port Complex: Construction of access roads: Ebolowa-Akom II-Kribi section	157	2021	MINTP
18	Edea-Kribi Road Rehabilitation Project (110km): Edéa-Kribi-Campo section including the bridge over the Ntem River	102	2021	MINTP
19	Rehabilitation Of The Rn1: Maroua-Moutouroua-Magada-Guidiguis	111	2021	MINTP
20	Acquisition of hydraulic and civil engineering equipment for FEICOM	54	2021	MINDDVEL
21	Rehabilitation of the National Road N°1: Ngaoundéré-Garoua	166	2023	MINTP
22	Multimodal Transport Project (PTM) - Additional Financing	40	2024	MINTP
23	Rehabilitation of the Mbalmayo-Sangmélima road	29	2023	MINTP
24	Rehabilitation works of the road n°3 Yaounde -douala (section 1: yaounde - bridge of Ndoupe; section 2: bridge of ndoupe - bridge of dibamba)	295	2023	MINTP
Areas of intervention	**Infrastructure development / Urban modernisation**			
strategic objective	the Government intends to set up an Urban Renewal Programme to develop connected, inclusive and resilient cities, facilitate access to land and property ownership, promote social housing programmes throughout the country, and ensure compliance with urban planning tools (urbanisation plan, land use plan, sector plan, etc.).			
N°	**Projects**	**Total cost (in billion)**	**Year it started**	**Project Owner**
01	Yaounde-Nsimalen Highway Construction Project	284	ONGOING	MINHDU
02	C2d Regional Capital Development Programme: Bafoussam, Bertoua, Garoua	42	ONGOING	MINHDU
03	Design and construction of 10,000 housing units in Yaoundé and its surroundings - phase 1	128	ONGOING	MINHDU
04	Project for the Development of Inclusive and Resilient Cities (PDVIR)	70	ONGOING	MINHDU
05	Urban mobility project in the city of Douala	137	2021	MINHDU
Areas of intervention	**Education and Training**			
strategic objective	The strategic objectives pursued are: (i) guarantee access to primary education for all school-age children; (ii) achieve a 100% completion rate at primary level; (iii) reduce regional disparities in terms of school infrastructure and teaching staff; and (iv) increase the supply of vocational and technical training from 10 to 25% at secondary level and from 18% to 35% at higher level.			
N°	**Projects**	**Total cost (in billion)**	**Year it started**	**Project Owner**
01	NASLA Rehabilitation Project for the Provision of Quality Human Resources to LRAs	10	2021	MINDDEVEL
02	Project to Support the Development of Skills for Growth	70	2023	MINESEC
03	Construction And Equipment Of 6 Vocational Training Centres	81	2023	MINEFOP
sector	**Development of productive infrastructure**			
strategic objective	it will be a matter of : (i) finalise as a priority the implementation of major first generation projects; (ii) ensure the optimal functionality of existing infrastructure; (iii) rehabilitate public facilities that have been destroyed or rendered obsolete due to their disuse; (iv) rationalise the initiation of new projects by respecting project preparation standards; (v) formulate projects in an integrated manner to optimise their impact on the economy; (vi) systematise counter-expertise for the evaluation of the costs of major infrastructure; (vii) establish a cost benchmark; and (viii) strengthen the process of prioritisation and selection of projects.			
N°	**Projects**	**Total cost (in billion)**	**Year it started**	**Project Owner**

No.	Projects	Total cost (in billions)	Year it started	Project owner
01	Presidential plan for the reconstruction of the North West and South West Regions	3 500	ONGOING	MINEPAT
02	Presidential plan for the reconstruction of the Far North Region	1 816	ONGOING	MINEPAT
02	Prolac project (Lake Chad)	33	ONGOING	MINEPAT
03	Benue Valley Infrastructure Development Project	80	2021	MINEPAT
04	Project for the development of infrastructures in the Logone Valley	95	2022	MINEPAT
05	Development Of 10,000 Hectares Of Hydro-Agricultural Zones In The Logone Bimi Locality	130	2023	MINADER

Source: MINEPAT/DGEPIP

APPENDIX 5: Evolution of the sector by sector allocations of the State Budget

Table 30: Evolution of the profile of sector by sector allocations of the State budget over the period 2022-2024 (As a percentage of the overall budget)

Budgetary Heads				2022			2023			2024		
		Invest	Total	Recu.	Invest	Total	Recu.	Invest	Total	Recu.	Invest	Total
I. Social sectors	35,4	12,6	20,8	33,1	11,7	18,4	32,6	12,0	18,7	31,9	9,8	17,8
Education	27,4	3,4	14,3	25,9	3,6	13,0	25,6	3,6	13,0	25,1	3,5	12,7
Health	4,9	6,2	4,1	4,3	6,3	3,7	4,2	6,4	3,8	4,0	4,5	3,2
Social Development and Employment	1,4	0,8	0,9	1,3	1,1	0,9	1,3	1,3	1,0	1,2	1,0	0,9
Culture, sports and leisure	1,8	2,3	1,5	1,6	0,7	0,9	1,6	0,7	0,9	1,6	0,8	1,0
II. Production and Trade	3,2	8,3	3,9	2,7	7,6	3,3	2,6	9,3	4,0	2,5	9,3	4,0
Rural sector	2,2	7,3	3,1	1,8	7,0	2,7	1,8	8,4	3,3	1,7	8,5	3,4
Industry and Services	0,9	1,0	0,7	0,9	0,6	0,6	0,8	1,0	0,7	0,8	0,8	0,6
Productive Infrastructure	4,4	58,9	18,7	4,0	59,7	17,7	3,9	58,6	19,2	3,7	43,8	14,9
IV. General and financial administration	5,4	6,8	4,6	4,8	6,4	3,9	4,7	7,1	4,3	4,6	7,3	4,3
V. Defence and Security	13,9	0,7	6,9	13,1	0,5	6,2	12,9	0,6	6,2	12,6	0,8	6,1
VI. Sovereignty and Governance	8,3	2,7	4,8	7,7	2,6	4,3	7,4	3,0	4,3	7,1	3,6	4,4
Sovereignty	3,5	1,1	2,0	3,2	1,1	1,8	3,1	1,2	1,8	3,0	1,2	1,7
Governance	4,8	1,5	2,7	4,4	1,5	2,5	4,3	1,8	2,5	4,1	2,5	2,7
Total Ministries	70,6	90,0	59,6	65,3	88,5	53,8	64,2	90,6	56,7	62,4	74,6	51,6
COMMON CHAPTERS	29,4	10,0	17,1	33,8	9,8	18,3	34,9	8,0	18,6	36,7	7,6	19,4
BUDGETARY AREA	0,0	0,0	0,0	0,0	1,7	0,5	0,0	1,5	0,4	0,0	17,8	5,4
TOTAL BUDGET EXCLUDING DEBT	**100,0**	**100,0**	**76,7**	**100,0**	**100,0**	**73,0**	**100,0**	**100,0**	**76,2**	**100,0**	**100,0**	**76,8**
EXTERNAL PUBLIC DEBT	0,0	0,0	12,3	0,0	0,0	12,7	0,0	0,0	13,2	0,0	0,0	12,8
DOMESTIC PUBLIC DEBT	0,0	0,0	11,0	0,0	0,0	14,4	0,0	0,0	10,7	0,0	0,0	10,4
TOTAL BUDGET	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

Source: MINFI-DGB/MINEPAT-DPPS

Table 31: Evolution of sector by sector allocations of the State budget over the period 2022-2024 (in billions of CFAF))

Budgetary Heads	2021 FL			2022			2023			2024		
	Recu.	Invest	Total	Recu.	Invest	Total	Recu.	Invest	Total	Recu.	Invest	Total
I. Social sectors	827,35	170,51	997,86	850,31	173,40	1023,71	875,66	204,90	1080,56	902,20	179,28	1081,48
Education	640,13	45,80	685,93	665,27	53,55	718,82	687,26	61,77	749,03	710,19	63,71	773,91
Health	113,48	83,64	197,12	109,79	93,43	203,23	111,66	109,32	220,98	113,69	82,76	196,46
Social Development and Employment	32,59	10,31	42,91	33,05	16,03	49,07	33,64	22,11	55,75	34,28	17,46	51,73
Culture, sports and leisure	41,14	30,76	71,90	42,20	10,39	52,58	43,09	11,70	54,80	44,04	15,34	59,38
II. Production and Trade	73,90	112,82	186,72	69,10	112,08	181,18	70,60	159,94	230,54	72,20	169,87	242,07
Rural sector	51,99	98,83	150,83	46,91	102,90	149,81	48,05	143,63	191,68	49,25	155,25	204,50
Industry and Services	21,90	13,99	35,89	22,20	9,18	31,37	22,56	16,31	38,86	22,96	14,62	37,57
Productive Infrastructure	102,61	796,76	899,37	102,55	882,52	985,07	103,29	1003,74	1107,04	104,10	803,21	907,31
IV. General and financial administration	126,94	91,95	218,88	124,16	94,23	218,39	126,48	121,06	247,54	129,15	133,94	263,09
V. Defence and Security	324,09	9,00	333,09	335,89	7,20	343,09	346,41	10,09	356,50	357,44	13,93	371,37
VI. Sovereignty and Governance	192,97	35,87	228,84	197,42	38,45	235,87	199,21	51,41	250,63	201,24	66,89	268,13
Sovereignty	81,10	15,50	96,60	83,36	15,70	99,06	83,89	21,00	104,88	84,55	21,68	106,23
Governance	111,87	20,37	132,24	114,06	22,75	136,81	115,33	30,42	145,74	116,69	45,21	161,90
Total Ministries	**1647,85**	**1216,91**	**2864,76**	**1679,44**	**1307,87**	**2987,31**	**1721,66**	**1551,14**	**3272,80**	**1766,33**	**1367,13**	**3133,46**
COMMON HEADS	**687,72**	**135,09**	**822,81**	**869,63**	**145,13**	**1014,75**	**936,12**	**136,60**	**1072,72**	**1040,39**	**139,40**	**1179,79**
BUDGETARY AREA	***0,00***	***0,00***	**0,00**	***0,00***	***25,00***	**25,00**	***0,00***	***25,00***	**25,00**	***0,00***	***326,50***	**326,50**
TOTAL BUDGET EXCLUDING DEBT	***2335,57***	***1352,00***	***3687,57***	***2571,00***	***1478,00***	***4049,00***	***2682,78***	***1712,74***	***4395,52***	***2831,72***	***1833,03***	***4664,75***
EXTERNAL PUBLIC DEBT	0,00	0,00	591,00	0,00	0,00	702,40	0,00	0,00	761,00	0,00	0,00	778,00
DOMESTIC PUBLIC DEBT	0,00	0,00	530,39	0,00	0,00	798,30	0,00	0,00	615,60	0,00	0,00	631,60
TOTAL BUDGET	**2335,57**	**1352,00**	**4808,96**	**2571,00**	**1478,00**	**5549,70**	**2682,78**	**1712,74**	**5772,12**	**2831,72**	**1833,03**	**6074,35**

Source: MINFI-DGB/MINEPAT-DPPS