

CIRCULAR No. 001 /CAB/PRC OF 23 AOUT 2022  
relating to the preparation of the State budget for the 2023  
financial year

THE PRESIDENT OF THE REPUBLIC,

TO

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

1. This circular concerns the preparation of the State budget for the 2023 financial year.
2. It presents the macroeconomic context, defines the objectives of public action, lays down general budget policy orientations as well as practical measures for preparing the State budget for the 2023 financial year.
3. While taking into account the global and local macroeconomic context, the preparation of the State budget for the 2023 financial year fall within the framework of the implementation of the Nation's economic, social and cultural development policy, underpinned by the 2020-2030 National Development Strategy (SND30) which operationalizes the second phase of Vision 2035. It also takes into account efforts to combat the negative effects induced by the war in Ukraine on the national economy and the continuation of the implementation of the post-COVID-19 economic recovery plan, as well as the prior measures and structural benchmarks of the new Economic and Financial Programme concluded with the International Monetary Fund (IMF).
4. Specifically, it lays special emphasis on: (i) finalization and commissioning of the remaining major first-generation projects; (ii) continuation of the preparation of major second-generation projects; (iii) strengthening of social cohesion and decentralization; (iv) continuation of the implementation of the import substitution policy through the actions aimed at boosting local production and reducing dependence on imports; (v) continuation of the reconstruction of crisis-affected regions, particularly the North-West; South-West and Far-North; and (vi) maintaining security and health monitoring.



5. The preparation of the budget for the 2023 financial year should build on the activities contained in the Comprehensive Public Finance Management Reform Plan in order to reinforce the use, preparation, presentation, execution, monitoring and evaluation of the programme budget.

## **I. MACROECONOMIC CONTEXT**

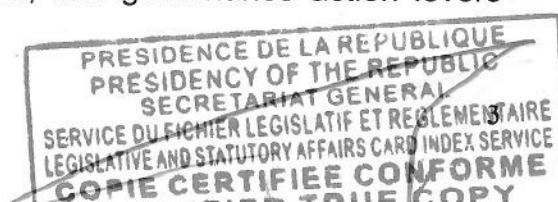
6. The State budget for the 2023 financial year is being prepared amid an international environment marked by a slowdown in the global economy as a result of the Russia-Ukraine conflict, with negative consequences for market supply and an increase in product prices.
7. According to the International Monetary Fund (IMF), the global economy will grow by 3.6% in 2022, compared with 6.1% in 2021. Growth in advanced economies is expected to slow to 3.3% in 2022, down from 5.2% in 2021, due to higher energy prices, unfavourable financial conditions and supply chain disruptions. This trend will also be visible in the group of emerging and developing countries where growth is expected to decrease from 6.8% in 2021 to 3.8% in 2022.
8. An additional obstacle in sub-Saharan Africa is the decline in demand from major trading partners due to the global slowdown. Furthermore, security threats are putting a number of countries in the region in a vulnerable position. Economic growth in the region is expected to fall from 4.5% in 2021 to 3.5% in 2022. According to BEAC, economic growth in the CEMAC zone will be 3% in 2022, up from 1.9% in 2021. This trend will be sustained primarily by non-oil activities, fuelled by policies aimed at diversifying and improving local production in the zone.
9. Inflation is expected to be significantly higher in 2022 than initially projected. It is driven not only by the pressures induced by the consequences of the conflict in Ukraine, but also by the slow pace of adaptation of supply to the post-COVI-19 global demand pick-up. It is therefore expected to be 7.4%, compared with 4.7% globally in 2021. It would be 5.7% in advanced countries, compared with 3% in 2021, 8.7% in emerging and developing countries, as against 6% in 2021, and 12% in sub-Saharan Africa, compared with 11% in 2021. Inflation in the CEMAC zone is projected to be 3.6%.
10. According to IMF projections, economic activity in 2023 will at least be the same as in 2022, with a global economic growth rate of 3.6%. This trend would be a result of the contraction of the international capital market and the continuance of counter-cyclical policies in advanced countries in order to contain inflation whose effect would be cushioned by the gradual waning of the pandemic in developing economies, particularly China. The consequences of the conflict in Ukraine are expected to subside by 2023.

11. Based on this assumption, the group of advanced countries is expected to achieve a 2.4% growth in 2023, including 2.3% in the United States and 2.3% in the Euro zone. In the group of emerging and developing countries, growth is expected to be 4.4%, driven by China (5.1%) and India (6.9%). Growth is expected to reach 4.0% in sub-Saharan Africa and 2.6% in the CEMAC zone.
12. Oil prices on the international market are expected to fall to 90 dollars per barrel in 2023, from an average of 102 dollars per barrel in 2022.
13. **At the national level**, growth projections have been revised to 4% in 2022, down from 4.2% initially due to the deterioration of the global economic outlook. On the supply side, the oil sector is expected to contract by 2.3% due to gradual depletion of oil fields. This should be offset in part by gas production. Non-oil sector growth is expected to be 4.2% in 2022, driven primarily by the buoyancy of agri-food industries and the continuation of major development projects.
14. On the demand side, household consumption and investment will continue to sustain growth. Final household consumption, which represents 70% of GDP, would increase by an average of 5.2%, contributing 3.8 percentage points to economic growth. Private investment is expected to experience a more robust growth of 6.7% owing to the measures implemented by the Government in order to promote access to credit by enterprises. The same will also be true for public investment sustained by the implementation of post-COVID recovery measures and SND30 projects and programmes, as well as the increase in budget revenue due to the resumption of economic activity.
15. Regarding prices, inflation would be kept below 3% in 2022 thanks to the ongoing implementation of measures to combat high cost of living, despite rising import product and ex-factory prices.
16. Based on the assumption that the effects of the Ukraine crisis will be reduced, projections show that the Cameroonian economy will grow by 4.6% in 2023, with the non-oil sector growing by 4.8% and the oil sector by 0.5%. Growth in the non-oil sector will be primarily driven by domestic production, thanks to the continued implementation of the import substitution policy. Inflation should remain below the CEMAC zone's 3% target.

## **II. PUBLIC POLICY OBJECTIVES**

17. In 2023, the objective will still be to consolidate economic recovery and accelerate structural transformation, while strengthening inclusive growth in order to steer the country back to the path of emergence.

As a result, security, economic, fiscal, social, and governance action levers should be prioritized.



**18. In terms of security, the priority will be to:**

- maintain security monitoring;
- strengthen the disarmament, demobilization and reintegration process.

**19. On the economic front, the Government will undertake to:**

- pursue the reconstruction of the North-West, South-West and Far-North Regions;
- complete the commissioning of major first-generation projects;
- ensure the rehabilitation and maintenance of existing infrastructure;
- orient public procurement of goods and services toward local production, particularly the "wood" sub-sector, by purchasing a significant amount of furniture fittings for government services from local production entities;
- strengthen support for enterprises investing in SND30 priority sectors, particularly agri-food;
- accelerate the implementation of the import substitution policy, particularly through the implementation of the support plan for the production and processing of the main import products (rice, corn, wheat, soybean, millet, sorghum, fish, milk, and pharmaceutical products);
- facilitate access to land in order to promote the implementation of second-generation agriculture;
- strengthen energy infrastructure to meet the needs of industry and the population, particularly by operationalizing hydroelectric dams and solar power plants;
- implement the actions of the SND30 Initial Stimulus Plan (P21) in a coordinated manner by ensuring greater processing of local raw materials and continuing the maturation of SND30 sector development plans;
- promote regional integration, free movement of goods and people, intra-zone trade, and optimize new market opportunities in CEMAC, ECCAS and AfCFTA;
- develop transport infrastructure and open up production basins in order to facilitate trade and market supply under the best possible conditions;
- continue to develop the digital economy by strengthening the telecommunications network and infrastructure;
- identify measures to control cryptocurrency-related activities;
- enhance the competitiveness of the Cameroonian economy by reducing the cost of factors of production (transport, energy, etc.);

- accelerate the policy of national champions while promoting the values of economic patriotism;
- implement mechanisms for promoting climate finance in Cameroon as part of efforts to develop carbon finance and achieve eligibility for the Green Fund;
- continue inflation control by:
  - o increasing the local supply of goods and food products;
  - o strengthening food storage, packaging and distribution channels;
  - o making agricultural inputs and high-yielding seeds available to producers and facilitating access to agricultural equipment.

**20. Regarding internal taxation**, new measures adopted for the 2023 financial year should, in addition to optimizing internal non-oil revenue, promote a tax environment conducive to business development, **by streamlining procedures and tracking taxpayers**, notably:

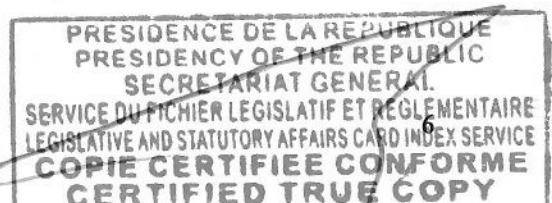
- establishing an appropriate tax regime for small- and medium-size enterprises, particularly with regard to individual entrepreneurs;
- continuing to strengthen environmental taxation, in line with the international commitments made by our country;
- **pursuing the import substitution policy by increasing tax incentives for investments in the production and processing of local raw materials;**
- **supporting the financing of the economy by clarifying the tax regime for releasing transactions and factoring;**
- **supporting the financing of the economy by clarifying the tax regime for leasing and factoring;**
- **clarifying the tax regime for business restructuring;**
- **enhancing VAT neutrality;**
- continuing to align legislation with the dematerialization of tax procedures.

**21. Concerning import taxation**, the Customs Administration will strive to effectively implement actions that contribute to achieving its economic, fiscal and assistance missions with respect to institutional and private actors. Priorities in this regard will include:

- pursuing the implementation of the import substitution policy, particularly by reducing the tax burden on imported capital and production goods that do not have a local equivalent to develop priority primary and tertiary sub-

- sectors, and readjusting customs duties and taxes on some imported goods to encourage their gradual replacement with locally manufactured products.
- implementing, in collaboration with the General Directorate of Taxation and the relevant government services, a tax incentive policy that promotes the use of local raw materials and inputs at the expense of imported raw materials and inputs;
  - implementing an export tax policy that takes into account the actual level of processing of goods so as to further encourage exports of "Made in Cameroon" finished products to the detriment of those exported in crude state;
  - implementing solutions to clear the tax and customs exemptions previously granted within the framework of the implementation of some major projects;
  - eliminating import exemptions for products manufactured locally or with local substitutes, as well as those that hinder the development of some sectors in order to boost local production and competitiveness;
  - continuing the implementation of a plan for ensuring land, air, and water border surveillance, which includes the acquisition and use of modern surveillance means (drones, cameras, dogs, scanners, etc.), as well as combating smuggling, forgery, piracy and other forms of illicit trafficking in order to promote the integration of Cameroon Customs into the National Defence and Security Community;
  - implementing the safeguard measures and the customs and economic regimes provided for by the new CEMAC Customs Code to protect sectors facing unfair competition from imported products that benefit from subsidies or other forms of support in their country of export in order to make local enterprises more competitive;
  - continuing advocacy with CEMAC to adapt the Common External Tariff rates to the new industrial configuration of member countries, and with ECCAS to accelerate the establishment of a Customs Union conducive to increased trade between this Community's eleven member countries;
  - continuing efforts to facilitate goods clearance, particularly by establishing and coordinating single control points integrating all services in charge of goods control in order to significantly reduce border crossing costs and delays, in collaboration with other competent bodies, the National Trade Facilitation Committee (CONAFE) and the Cameroon Business Forum (CBF);
  - establishing, in accordance with relevant international instruments, a legal framework for the seizure of prohibited goods.

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



- reinforce the inclusiveness of economic growth, particularly by giving greater consideration to labour-intensive (HIMO) approaches and local content in investment project design;
- continue to strengthen the Social Safety Nets project by broadening the scope of its beneficiaries and diversifying the type of direct support provided (monetary/in kind);
- continue to operationalize the National Book and Textbook Policy by drafting and applying the implementing instruments of Law No. 2021/24 of 16 December 2021 to organize and promote the book sector in Cameroon;
- step up the implementation of the policy of matching technical and vocational training to local market needs according to socio-economic realities;
- continue to implement universal health coverage with focus on disease management, particularly among pregnant women and under-five children;
- continue to ensure health monitoring in the context of the fight against epidemics and pandemics, particularly COVID-19;
- set up the single social register by merging the various systems for identifying needy people;
- continue to fulfil commitments contained in the National Gender Policy (NGP) and extend such policy to other vulnerable people (persons with disabilities and economically fragile persons).

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

- continue the drafting of the implementing instruments of the General Code of Regional and Local Authorities and establishment of a local public service;
- complete the operationalization of regions and build their public policy planning, programming and budgeting capacity;
- reinforce land governance promotion and supervision incentive measures to enable the emergence of second-generation agriculture;
- continue to implement the comprehensive public finance management plan;
- as part of performance contracts, implement actions to ensure greater socio-economic profitability to avoid the systematic use of State subsidies;
- carry out an overall review of public policies in order to streamline State intervention, including the alignment of the portfolios of public establishments and corporations with the country's actual needs;

- as part of government communication, validate and implement the preliminary draft inter-ministerial plan to raise awareness on , monitor and repress hate speech, as well as promote living together and citizenship;
- in pursuance of the provisions of law of 24 December 2019 on the promotion of official languages, plan and budget new activities to promote the national bilingualism policy;

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

- a 4.6% real GDP growth;
- a 1.6 GDP deflator
- an overall budget deficit, including grants, of 1.2% of GDP.
- a current account deficit of about 2.5% of GDP.

### III. GENERAL BUDGET POLICY GUIDELINES

25. The budget policy objective of the 2023 financial year is to continue fiscal consolidation with a view to providing the State with a healthy medium-term fiscal space to ensure debt sustainability and the financial viability of its expenditure programmed backed by NDS30. To this end, emphasis will be on increasing mobilization of non-oil revenue, as well as controlling and improving public spending efficiency.

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

**(a) Concerning the broadening of the tax base**

- pursuing the streamlining of tax expenditure by abolishing ineffective exemptions or applying reduced rates;
- strengthening environmental taxation through optimal taxation of illegal exploitation of natural resources, in line with Cameroon's international commitments;
- continuing to seek innovative sources to broaden the tax base;
- consolidating the integrated tax partner reform in order to broaden the tax base by facilitating informal sector taxation;
- regulating the taxation of informal activities through measures to limit cash transaction.

**(b) Regarding the promotion of tax compliance and monitoring of taxpayers**



- continuing to simplify the taxation of individuals in order to encourage greater tax compliance by this category of taxpayers;
- promoting taxpayer compliance by instituting a voluntary regularization programme;
- extending the scope of the tax clearance certificate to transactions not yet concerned by this requirement;
- generalizing the tax identifier requirement to all economic transactions in order to ensure better data collection;
- continuing the automation of tax procedure monitoring;
- pursuing the reorganization of services to ensure more efficient management of tax risks.

**(c) With respect to local taxation**

- establishing a reformed local taxation mechanism to ensure optimal financing of decentralization.

**(d) Concerning revenue protection**

- generalizing e-payment to all enterprises;
- establishing an electronic mechanism for monitoring economic transactions to improve consumer tax yield;
- finalizing the automation of the monitoring of the collection of some taxes, such motor vehicle stamp duty.

**(e) Regarding the control of and fight against fraud**

- continuing to align the domestic mechanism with international standards for fighting against tax base erosion and profit shifting practices;
- strengthening the mechanism for collecting, processing and developing data for tax purposes;
- resorting to external (international and local) tax audit expertise.

27. The optimization of customs revenue should result in the following actions:

- improved quality of goods handling, taxation bases (value, origin, tariff type), payment of customs duties and taxes, collection and protection of customs duties and taxes, especially on procurement-related imports;
- continued application of excise duties on luxury goods, products with negative externalities for the environment and health, as well as goods for which Cameroon has comparative advantages;
- continued implementation of the adapted taxation policy for import goods, depending on their local processing level, their domestic production volume

and their price trends on the international market, in order Cameroon to get the best of its soil and subsoil wealth;

- broadening of the taxable base through better taxation of tax niches, in particular by implementing new digital mechanisms for collecting customs duties and taxes on imported telephones and terminals;
  - modernization of the CAMCIS customs information system by finalizing the development of its additional modules in order to optimize external trade procedures, the handling of goods, risk analysis, litigation management as well as the control of service delivery and automated data cross-referencing as part of a data center warehouse;
  - control of the privileged use of customs facilities granted to economic operators prior to any renewal;
  - the requisite streamlining of tax expenditure with a view to abolishing irrelevant exemptions in the light of current public policy trends.
28. The mobilization of non-tax revenue should be pursued through improved service revenue collection, the broadening of the tax base, the protection of revenue collection procedures, the establishment of collected revenue information feedback mechanisms, enhanced stakeholder transparency and accountability, stricter regulation and modernization of government services and improved quality of service rendered to users. To this end, the following measures shall be taken:
- updating and adapting of the instruments that constitute the legal basis for non-tax revenue collection in sector government services;
  - support to sector government services in detecting potential non-tax revenue niches;
  - fast-tracking the dematerialization of non-tax revenue processing channels in sector government services;
  - improvement of the information feedback mechanisms and establishment of a data consolidation and pooling tool in the ministry in charge of finance;
  - intensification of awareness-raising about compliance with procedures and the systematic use of harmonized and secure non-tax revenue collections mediums;
  - enhanced monitoring and establishment of internal control mechanisms for controlling the various risks;
  - streamlining of the map of revenue collection agencies;
  - preparation of more efficient tools for issuing, collecting and protecting non-tax revenue such as those developed tax revenue mobilization;

- preparation of a general non-tax revenue code to lay down and harmonize all non-tax revenue processing procedures such as the mechanism established for tax revenue.
29. With respect to expenditure, emphasis will be placed on real and true budget forecasts. As such, priority in including appropriations will be given to current State commitments over allocation of resources to new measures.
30. In order to reduce State domestic arrears, outstanding debts for previous financial years should be budgeted. This option also applies to the other public entities, in particular public establishments and regional and local authorities in the breakdown of their equity as well as allocated resources.
31. To that end, a portion of budgetary appropriations from the overall package allocated to each government service should be devoted to the budgeting of their outstanding commitments. Similarly, in order to limit increase in domestic debt, priority will be given to the constitution of substantial provisions to settle outstanding payments, arrears and pending commitments from previous financial years at the Treasury.
32. Efforts to reduce government spending should be pursued. To this end, special measures must be taken to streamline the budgeting of some expenditure categories.
33. With regard to personnel expenditure, there is need to increase efforts to clean up the salary, personnel and pensions database through:
- controlled recruitments and streamlined mobility within government services to ensure wage bill sustainability;
  - continued actions to ensure forecast management of the workforce and competences;
  - the control and protection of the rightful claimant database and consolidation of payroll social benefits;
  - continuation of the operation to identify and suspend from the payroll State employees who are unduly receiving salaries;
  - continued payment of the State's payroll debt;
  - finalization of the Physical Head Count of State Personnel (COPPE 2018) operation by ensuring the final removal from the State payroll of all State employees definitively found to absent and suspended for that reason, based on decisions signed by the relevant authorities;
  - continued implementation of the SIGIPES 2 software package through electronic data management, in order to encourage the dematerialization of procedures, the optimal management of personnel, payroll and the mapping of workstations;

- continued streamlining of committees, commissions and working groups.
34. Efforts will be made to limit inclusion of purchase of goods and services to strictly required operating expenditure, while taking into account recurrent costs indispensable for making, operationalizing and maintaining public expenditure.
  35. Operating subsidies granted to public establishments should be judiciously assessed, taking into account their real needs and the history of execution of their previous budgets.
  36. For public bodies receiving budget revenue allocation, a ceiling compatible with the actual level of their relevant expenditure should be set in order to encourage optimal use of available public resources.
  37. As regards special appropriation accounts, the search for new niches and the collection of equity revenue should be continued. In addition, the amounts of the budgets of special appropriation accounts will result from an alignment of the revenue potential of these accounts and the relevant activities scheduled for implementation in 2023.
  38. To determine the actual level of public expenditure in the State budget, operating expenditure underlying public expenditure on external financing should be removed from the investment budget. This approach should be extended to counterpart contributions of projects concerned by this expenditure category.
  39. Government services must ensure that priorities falling within their competence are fully taken into account, in order to limit any use of common heads, which are reserved for unforeseen State interventions.
  40. Recurrent costs inherent in operating and maintaining the level of public investments, as well as their specificities should be taken into account in the budgets of government services.
  41. A provision representing 2% of the amount of capital expenditure on ordinary internal resources for 2022 should be set aside in Head 95 "Carry-over of Appropriations", to cover, in 2023, expenditure committed but not ordered in 2022, and thus guarantee proper implementation of the relevant projects.
  42. Regarding financing, debt decisions must be consistent with the National Debt Strategy and the annual financing plan, in order to guarantee public debt sustainability and public financial viability.
  43. **Concerning debt management**, all the loan files of the State and its agencies, including RLAs, those of the entire public sector and the private sector guaranteed by the State or its agencies, as well as requests for

guarantees and retrocessions submitted to the State, and all PPP-financed projects, must be submitted for approval by the National Public Debt Committee (NPDC).

44. Similarly, for the purposes of transparency and monitoring, all external and domestic debt aggregates and transactions as well as guaranteed debts (outstanding amounts, drawings and debt service) of the said entities (the State and its branches) should be disclosed on an infra-annual and annual basis, and consolidated by the minister in charge of finance.
45. New commitments should be only for projects on the list of Government priority projects for the financial year, while ensuring the availability of Counterpart Funds (CFs). Non-concessional loans will be contracted only for high financial and socio-economic profitability projects for which concessional financing is not available.
46. Agreements for projects whose execution deadlines are abnormally long or exceeded and which experience implementation difficulties should be terminated.
47. **The development of the domestic debt market** should continue with the issuance of public securities, through:
  - the practice of a debt policy consistent with the State financing plan and the medium-term debt strategy, giving preference to the use of this method of borrowing while safeguarding the interests of the State, in particular by arbitration between the costs of the various sources of financing;
  - the prioritization of bond issues to finance the budget in order to minimize interest rate and refinancing risks;
  - the prudent issuance of BTAs as part of cash management operations and reduction of their outstanding payments when they present a high refinancing risk.
48. Finalize the strategy for clearing domestic arrears through the establishment of a mechanism allowing their gradual assumption while limiting their accumulation.

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

49. The State budget for the 2023 fiscal year will be prepared in accordance with the principles laid down by Law No. 2018/012 of 11 July 2018 on the Fiscal Regime of the State and Other Public Entities and in accordance with Decree No. 2019/281 of 31 May 2019 to establish the State budget calendar. To this end, the programme budgeting approach should be continued and

consolidated, to enhance transparency and efficient allocation of public resources. In this light:

- the programme budgets to which economic and social development objectives will be assigned, together with performance indicators, should derive from sector strategies backed by the National Development Strategy (NDS30);
  - the Strategic performance frameworks of public establishments must be scrupulously aligned with the strategic guidelines of their technical supervisory authorities to improve the effectiveness of public policies;
  - as appropriations are specialized per programme, expenditure with the same objective should be grouped within the same programme. As such, all programmes should include the earnings forecast chain which establishes a close link between the resources allocated and the expected results;
  - budgetary options should be directed towards activities that contribute to achieving expected results;
  - programme costs should be rigorously evaluated and broken down within the medium-term expenditure frameworks (MTEF), up to the level of activities. Efforts should be made at this level to distinguish expenditure falling within the reference budgetary lines from that inherent in the new measures;
  - each new operation to be entered in the State budget for the 2023 financial year should be budgeted in Commitment Authorization (CA), broken down into Payment Appropriation (PA), taking into account the multi-annual programming enshrined in the Law relating to the fiscal regime of the state and other public entities.
- 50. Regarding co-funded investment projects**, the relevant government services should, in collaboration with the ministers in charge of finance and investment, ensure adequate consolidation of counterpart funds for such projects to guarantee their smooth implementation.
- 51. New projects** could be programmed in the available budgetary space in CA and PA of the administration, taking into account ongoing projects and payment procedures. To this end, investment resources should be devoted primarily to the completion of ongoing operations.
- 52. New multi-year commitment authorizations (MCAs)** should be opened on the basis of the ceiling for the multi-year commitments notified by the Prime Minister, Head of Government. The ceiling should take into account the

sustainability of the medium-term budgetary framework of the issuing administration and the overall previous commitments of the said administration. Any accounting based on the effective date of settlement of the said commitments should also be attached to the request for the opening of new MCAs.

53. The basic packages disclosed for budgetary discussions are indicative and subject to upward or downward adjustments, depending on the relevance and maturity of projects. Accordingly, to control the level of overall State commitment, the packages notified by the Prime Minister, Head of Government, will be capped in commitment authorizations (CAs) and payment appropriations (PAs).
54. Regarding public enterprises and establishments to be rehabilitated, priority should be given to those that can restore financial equilibrium after the improvement of production facilities and whose activities contribute to implementing the NDS30 guidelines. Therefore, those that have benefited from restructuring resources will be subject to an audit prior to any new budgetary entry or rehabilitation.
55. The entry of appropriations in investment grants and counterpart funds in actual expenditure should be subject to the presentation of the elements of maturity of the investment operations to be carried out.
56. Externally funded public investment projects should be entered in compliance with the principles of planning, maturation, programming and budgeting.
57. The disbursement plan for externally funded projects should be compatible with the Medium-Term Budgetary Framework (MTBF) available over the three-year period concerned.
58. The ministerial allocations communicated through the MTBF should, as much as possible, take into account the actual needs resulting from realistic FINEX projects disbursement plans.
59. To ensure control of medium-term budgetary costs and the performance of public investment, the functional tranches of multi-year commitment authorizations (CAs) must take into account budgetary sustainability. In addition, the level of CAs must be determined in such a way as to ensure the functionality of the planned project after consumption of the CA.
60. Operating and investment expenditures should be matched in the MTEFs. Similarly, the recurrent costs generated by capital expenditure should be assessed, programmed and budgeted.

61. Projects entered in the first year of the MTEFs of government services and institutions, and then in the finance bill, should first appear in the Public Investment Projects Bank and have a maturity visa.
62. In accordance with the new Budgetary Nomenclature, each externally funded project should be categorized to ensure its classification under the corresponding titles.
63. Ongoing projects requiring allocations over the next few years should be listed and marked to ensure their prioritization during programming and budgeting.
64. **Concerning recurrent expenditure**, the payroll should be prepared taking into account only the staff actually in service.
65. The financing of State employee training should be primarily intended for capacity building sessions provided by the public entities responsible for the training and retraining of State employees.
66. The recurrent expenditure of ministerial, regional and divisional tenders boards will be directly charged to the budgets of the entities in which the said boards have been set up. The same shall apply to the functioning of the special tenders boards for public-private partnership contracts, as well as the payment of regulation charges.
67. Each government service should consider the actual level of market regulation charges and expert fees owed the Partnership Contracts Implementation Support Board (CARPA) by each government service in the breakdown of the recurrent budget.
68. Ministries and other government services will forward their C2D-funded recurrent expenditure, together with the provisional results chain, to the Ministry of Finance, for inclusion in the 2023 finance bill. The related appropriations should be broken down by programmes, actions, projects and tasks with geographical locations.
69. To ensure a rational treatment of the rental expenses of government services, only current rents will be included in the budgets of the ministry in charge of State property and the ministry in charge of defence. Payment of arrears should be handled separately by the competent government service at the end of the ongoing audit.
70. Regard pensions, the relevant provision should take into account the deferred impact of the total liquidation of pensioners' dues upon retirement.
71. The expenses relating to the functioning of the Commissions for the Observation and Evaluation of Expropriations for public purposes and the



payment of compensation should be budgeted by the government service concerned by the said operation.

- 72. Regarding gender promotion**, gender-sensitive planning and budgeting should be prioritized in all national development sectors.
- 73.** Government service should execute their commitments contained in the matrix for monitoring the implementation of the national gender policy through the strategic performance frameworks. Gender issues should be mainstreamed in the programmes, actions, activities and budgets of sector ministries. This should help to prepare the gender-sensitive budget document appended to the finance bill.
- 74.** All of the specific actions and measures aimed at promoting gender equality and equity should be clearly stated in the ministerial documents to be examined during the various budgetary conferences. The programmes and actions designed and budgeted from a gender perspective will serve as elements to lobby for the allocation of budget resources.
- 75.** During the 2023 financial year, gender-sensitive budgetary documents should, on a preliminary basis, concern the ministries in charge of finance, the economy, agriculture, livestock, decentralization, basic education, secondary education, health, social affairs and women's empowerment.
- 76. Regarding the acceleration of decentralization**, efforts should be made to reduce the disparities observed in the allocation of resources to local authorities to promote harmonious and balanced development at local level. To this end:
- government services should programme in their MTEFs the resources necessary for the medium-term financing of the powers devolved upon RLAs;
  - the programming of resources transferred to RLAs should distinguish those under investment expenditure from those provided for recurrent expenditure;
  - the ministers in charge of investments, finance, decentralization and local development should respect equity in the consolidation of the resources transferred by government services to RLAs.
- 77.** Notifications of budget allocations to government services should indicate the overall budget amount with respect to the resources transferred. The amount of resources transferred should reflect the level of powers to be exercised by councils and regions.
- 78.** At the end of the State budget preparation process, all the authorizing officers must should present, for all the expenditure entered in the draft finance bill, a

provisional commitment plan to serve as basis for preparation of State cash flow plan.

79. Such are the major guidelines for the preparation of the finance bill for the 2023 financial year, to enable our country to achieve its growth and inclusive and sustainable development objectives.
80. The Prime Minister, Head of Government, the Minister of Finance and the Minister of Economy, Planning and Regional Development are responsible, each in his own sphere, for the strict implementation of these directives to which I attach the utmost importance.

PRESIDENCE DE LA REPUBLIQUE  
PRESIDENCY OF THE REPUBLIC  
SECRETARIAT GENERAL  
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE  
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE  
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Yaounde, 23 AOUT 2022



**PAUL BIYA**  
**PRESIDENT OF THE REPUBLIC**

WWW.P...