REPUBLIQUE DU CAMEROUN **PEACE-WORK-FATHERLAND**

CIRCULAR No 001 **OF** 18 JUIL 2025

on the preparation of the State budget for the 2026 fiscal year.

THE PRESIDENT OF THE REPUBLIC,

TO

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

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1. This circular concerns the preparation of the State budget for 2026.
2. It presents the macroeconomic context, sets out the priority objectives for public action, the guidelines for overall budgetary policy and the practical provisions for preparing the State budget for the 2026 financial year.
3. The preparation of the State budget for 2026, while taking into account the global and national macroeconomic context, is part of the continued implementation of the nation's economic, social and cultural development policy, underpinned by the 2020-2030 National Development Strategy (NDS30).
4. The preparation of this **budget** will continue to focus on **socio-economic stimulus**. In this respect, the Government's choices will be directed primarily towards continuing to:

(i) strengthening the energy supply and restoring the financial equilibrium of the electricity sector; (ii) developing transport infrastructure; (iii) implementing the Integrated Plan for Agropastoral and Fisheries Import-Substitution (PIISAH); (iv) implementing the Initial Impetus Programme (2IP); (v) putting in place effective mechanisms for social protection and promoting youth employment; (vi) strengthening social cohesion and the decentralisation process; (vii) monitoring security throughout the country; and (viii) implementing the National Development Plan; (vi) strengthening social cohesion and the decentralisation process; (vii) monitoring security throughout

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the country and implementing the Presidential Plan for the reconstruction and development of regions affected by security crises, in particular the North-West, South-West and Far-North; and (viii) consolidating strategic public enterprises.

5. The preparation of the 2026 Budget should also continue to implement the actions of the Strategic Plan for Public Finance Management Reforms (PSRGFP) in order to strengthen the use of the programme budget in its preparation, presentation, execution and monitoring-evaluation.

I. THE MACROECONOMIC CONTEXT

6. **Internationally**, the preparation of the State budget for the 2026 financial year takes place in an economic context characterised by a moderate recovery and persistent uncertainties linked mainly to:
(i) the continuing conflicts in Ukraine and the Middle East, which continue to disrupt global supply chains and affect energy and commodity markets; (ii) the maintenance of restrictive financial conditions by central banks, with interest rates continuing to be high in many advanced economies; (iii) increased geo-economic fragmentation, marked by a rise in protectionist measures and trade tensions, particularly in the United States, resulting in restrictions on international trade and investment flows; and (iv) worsening climatic conditions, with an increased frequency of extreme weather events, and negative consequences for agricultural yields and food security, particularly in developing countries.

7. **According to the IMF's World Economic Outlook published in April 2025**, global growth is expected to continue to slow in 2025, reflecting the high level of uncertainty in the global economic environment. The world economy is projected to grow by 2.8% in 2025, after recording growth of 3.3% in 2024 and 3.5% in 2023. This slowdown will also be seen in all the world's major economic groups. In the **group of advanced economies**, growth is projected to slow from 1.8% in 2024 to 1.4% in 2025. In **the group of emerging and developing countries**, the growth rate is expected to fall from 4.3% in 2024 to 3.7% in 2025.

8. **In sub-Saharan Africa in particular,** economic activity is also expected to slow slightly in 2025, with a projected growth rate of 3.8%, compared with 4.0% in 2024. This slowdown can be explained by the slowdown in global demand, persistent geopolitical tensions and increased climatic vulnerabilities, following a revival in 2024, underpinned by buoyant agricultural commodity prices and strong domestic demand. This downturn is expected to affect Nigeria in particular, with growth falling from 3.4% to 3.0%, Ethiopia from 8.1% to 6.6%, and Angola from 4.5% to 2.4%. **In the CEMAC zone**, the trend is likely to be similar, with economic growth projected at 2.4% in 2025, compared with 2.9% in 2024, due to the impact of lower hydrocarbon prices, political instability and climatic hazards.

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9. **With regard to prices**, inflationary pressures are easing sharply from the historic levels seen in recent years. As a result, global inflation has been set at 5.7% in 2024, after 6.7% in 2023 and 8.7% in 2022. It is projected at 4.3% in 2025 and 3.6% in 2026, reflecting the expected effects of the restrictive monetary policy implemented by central banks. The advanced economies will return to their target levels more quickly than the emerging and developing countries. Indeed, inflation is projected at 2.2% in advanced economies and 4.6% in emerging and developing countries by 2026. In the CEMAC zone, inflationary pressures should also ease, with the inflation rate falling from 3.9% in 2024 to 3.2% in 2025.

10. In 2026, the IMF forecasts a moderate recovery in global economic activity, with an estimated growth rate of 3.0%, including 1.5% in advanced economies and 3.9% in emerging and developing countries. In sub-Saharan Africa, growth is projected at 4.2%, with a rate of 3.2% in the CEMAC zone. Inflation is forecast at 3.6% for the global economy, 2.2% in advanced countries, and 4.6% in emerging and developing countries. In sub-Saharan Africa, inflation is expected to be higher, at around 12.9%, while in the CEMAC zone it will be around 3%.

11. Furthermore, the fall in crude oil prices is set to continue in 2025, with an estimated annual average of $66.94 a barrel, compared with $79.17 in 2024. This decline reflects moderate global demand and relatively stable supply. In addition, non-fuel commodity prices are expected to rise by 2.5% in 2025, due to upward revisions in the prices of agricultural products and metals.

12. **At the national level**, **the Cameroon economy** is expected to consolidate in 2025, with real GDP growth projected at 3.9%, up from 3.5% in 2024. This improvement would be driven by the non-oil sector (+4.1%), thanks to a recovery in public and private investment and a stabilisation of inflation at around 3.8%. The oil sector would continue to decline (-4.3%), but this contraction would be much less marked than in 2024. On the fiscal and external fronts, deficits should remain under control, with an overall budget balance of -0.8% of GDP and a current account deficit of 3.2% of GDP, against a backdrop of consolidation of macroeconomic balances.

13. **With regard to prices**, inflation remained high in 2024 (4.5%), due to the adjustment of fuel prices at the filling station and their indirect effects on other everyday consumer goods. For 2025, projections indicate a continuation of the downward trend in inflation, with a forecast rate of 3.8%. This moderation would be underpinned by the delayed effects of the restrictive monetary policies implemented by the BEAC, the stabilisation of world commodity prices, and by the impact of national measures to combat the high cost of living, including tighter price controls on consumer goods, targeted tax relief on certain essential goods and support for local production.

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II. PUBLIC ACTION OBJECTIVES

14. In 2026, the overall objective of public policy remains the reinforcement of the economic growth dynamic, as well as its inclusive character, notably through the industrial transformation of our productive fabric and an improvement in the living conditions of the population. To this end, the following action levers should be implemented as a matter of priority.

15. In terms of security, this will essentially involve:

- continuing to monitor security, both at borders and in urban areas;
- continuing the disarmament, demobilisation and reintegration process.

16. On the economic front, the government will work to implement measures aimed at accelerating the process of structural transformation of the economy. To this end, it will:

- continue to implement the Initial Impetus Programme (P2I) in order to strengthen the structural transformation of the economy;
- accelerate the implementation of the Integrated Agropastoral and Fisheries Import-Substitution Plan (PIISAH);
- facilitate access to agricultural and agropastoral inputs by putting in place mechanisms to improve their availability and accessibility;
- promote the development of the pharmaceutical industry by encouraging investment and partnerships to strengthen local production of medicines and by improving its access to public procurement;
- strengthen the energy supply through the completion of the commissioning of the Nachtigal dam and the start of construction of the Kikot hydroelectric dam;
- strengthen the transmission and distribution capacity of the available electrical energy, in order to meet the needs of industry and households, in particular through the completion of the project to upgrade the electricity transmission networks and reform the sector;
- develop other sources of renewable energy by investing in solar, wind and biomass projects to diversify the energy mix;
- continue the construction of drinking water supply points to extend access to drinking water, particularly in rural and peri-urban areas;
- continue the construction of social housing to reduce the shortage of affordable housing for people on modest incomes;
- ensure that the financial equilibrium of the electricity sector is restored through the implementation of the reforms initiated to ensure the financial viability of companies in the sector and the purchase of ACTIS shares from ENEO;

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- strengthen support for companies in the priority sectors of the SND30 by offering technical and financial support to companies operating in the key sectors identified;
- develop transport infrastructure and open up production basins by improving roads, railways and port facilities to make it easier to transport products to markets;
- promote economic patriotism by giving priority to directing public orders for goods and services towards local supply to stimulate national production;
- facilitate access to land for second-generation agriculture by simplifying procedures for acquiring and securing agricultural land;
- pursue actions aimed at seizing the opportunities offered by the African Continental Free Trade Area (AfCFTA) by building the capacities of local businesses so that they can take advantage of the opening up of African markets;
- ensure the rehabilitation and maintenance of existing economic and social infrastructures to guarantee their proper functioning through regular maintenance programmes;
- continue the reconstruction of the North-West, South-West and Far-North regions by implementing development projects to restore stability and encourage the return of displaced populations;
- continue the development of the digital economy by increasing the density of the telecommunications network and infrastructure to improve access to the Internet and digital services;
- strengthen the supervision of activities linked to cryptocurrencies by developing a regulatory framework to supervise the use of digital assets and prevent the associated risks;
- monitor actions under Cameroon's National Determined Contribution (NDC) by ensuring compliance with international commitments on climate change;
- extend the list of species banned from export in log form by preparing the economy for the entry into force of the decision banning the export of timber in log form set for 2028 in the CEMAC sub-region;
- continue work to exploit iron ore by ensuring the supply of sufficient raw materials to the metallurgy and steel industries.

17. In terms of domestic taxation, and in line with the national policy of consolidating the foundations of growth, public action will continue to strengthen taxpayer and investor confidence. To this end, efforts already underway will be intensified, focusing on the following priorities:

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- strengthening taxpayer rights and guarantees, with a view to building a relationship based on transparency, accountability, and mutual trust between the administration and users;

- developing tax communication and education, to promote a better understanding of tax obligations and voluntary compliance with the rules in force;

- continuing the reform of the annual summary declaration for individuals, with a view to simplifying procedures and securing tax information;

- finalizing the codification process for the law reforming local taxation, to ensure its consistency, clarity, and sustainability; - the gradual alignment of national legislation with the new CEMAC community directives, both in terms of income and profit taxation and tax procedures, with a view to regional harmonization and tax competitiveness;

- the continued strengthening of environmental taxation, in line with Cameroon's international commitments.

18. **With regard to gateway taxation**, the aim will be to align with the rationalization process of the CEMAC/ECCAS regional economic communities and to pursue measures aimed at contributing to national security, regulating flows, supporting the economy, and improving the business climate.

In this regard, priority actions will focus on:

- the national transposition of customs instruments from the rationalization process of the CEMAC/ECCAS economic communities;

- the increased use of modern means of controlling people and goods at borders and in traffic;

- strengthening controls on financial flows in foreign trade, in connection with money laundering and organized crime;

- popularizing economic customs regimes and continuing the implementation of a customs policy that encourages investment and industrialization, to support economic recovery;

- defining customs policies in line with the implementation of the Integrated Plan for Import Substitution of Agropastoral and Fisheries (PIISAH);

- consolidating the partnership approach and reducing the costs and time taken for the transit of goods, in line with the implementation of the Authorized Economic Operator status.

19. On the social level, this will involve:

- strengthening the inclusive nature of economic growth, particularly through the promotion of labour-intensive approaches in the design of investment projects;

- intensifying the policy of aligning technical and vocational training with the needs of the local market;

- Continue to improve the technical capabilities of hospital facilities;

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- Continue health monitoring to protect against epidemics and pandemics;

- Continue to implement the unified social registry and intensify the Social Safety Nets project by expanding the number of beneficiaries;

- Continue actions aimed at preserving the purchasing power of vulnerable households;

- Increase the provision of school infrastructure at the local level;

- Strengthen infrastructure at new universities;

- Continue to operationalize the National Policy on Books, Textbooks, and Other Teaching Materials through the elaboration and implementation of the implementing texts for Law No. 2021/024 of 16 December 2021, on the organization and promotion of the book industry;

- Continue to implement the commitments contained in the National Gender Policy and its extension to other socially vulnerable people (people with disabilities and economically vulnerable people); - continue the necessary actions to reduce food insecurity in rural areas;

- establish a national solidarity fund to better support vulnerable groups.

20. In terms of governance, the efforts already undertaken must be strengthened. To this end, improving transparency and improving the ongoing management of public finances must be continued through the following measures:

- implementing the law on local taxation to provide regional and local authorities with the resources necessary to provide quality local public goods;

- continuing the decentralization process by systematizing the transfer of resources related to the powers assigned to regional and local authorities (RLAs);

- strengthening the capacities of municipalities and regions in public policy planning, programming, and budgeting, and supporting them in the systematic development of strategic and spatial planning tools, aligned with the National Development Strategy (NDS30);

- continuing to align municipal and regional planning and programming documents with the national reference framework, on the one hand, and sector by sector planning, on the other;

- the implementation of a performance-based operating and investment subsidy allocation strategy, through the signing of performance contracts with public establishments;

- the implementation, within the framework of performance contracts with public enterprises, of actions likely to ensure greater socioeconomic profitability and financial viability, in order to avoid systematic recourse to State subsidies;

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- the continuation of the process of listing public enterprises on the stock market in order to promote new financing opportunities offered by this market and to ensure greater transparency in the management of these entities;

- the acceleration of the general review of public policies in order to streamline State interventions, including adapting the portfolio of public establishments and enterprises to the country's real needs.

21. In this context, the 2026 budget will be prepared based on the following assumptions:

- a real GDP growth rate of 4.2%;

- an inflation rate of 3.5%;

- an overall budget deficit (including donations) of 0.2% of GDP;

- a current account deficit of 2.5% of GDP.

III. GENERAL GUIDELINES OF BUDGETARY POLICY

22. The Government's overall budgetary policy remains focused on consolidating public finances in order to maintain the indebtedness level on a sustainable path, consistent with the CEMAC Sub-Region Convergence Pact, while ensuring the effective implementation of the 2020-2030 National Development Strategy (NDS30).

23. With regard to revenue, the objective is to ensure optimal mobilization of domestic non-oil revenues, while respecting the sustainability of economic activity. Thus, new measures to optimize revenue mobilization must ensure that they do not create economic distortions that are detrimental to business development and competitiveness.

24. Regarding the mobilization of tax revenues, the guidelines adopted for the 2026 fiscal year are structured around four major areas: broadening the tax base, securing revenues, strengthening the fight against tax fraud and evasion, and enhancing the efficiency of the tax administration. Achieving these objectives relies on the implementation of targeted actions aimed at:

a. With regard to broadening the tax base

- continued streamlining of tax expenditures, notably through the transposition of the CEMAC VAT Directive (establishment of reduced rates on certain essential goods);

- the establishment of a mechanism to tax the income of foreign digital companies based on their actual economic activities in Cameroon, even without a physical presence (principle of significant economic presence);

- continued strengthening of environmental taxation, notably through the increase in taxation of polluting activities;

- Strengthening the contribution of land to tax revenues.

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b. Regarding revenue security

- Consolidating and extending the implementation of the real-time taxation reform to operations other than port transactions;

- Consolidating the electronic invoicing system.

c. Regarding monitoring and combating international tax fraud and evasion

- Continuing to implement a system for collecting and using data for tax purposes;

- Continuing to strengthen the supervision of informal activities;

- Strengthening declaring and documentary requirements for better supervision of restructuring and other intra-group transactions;

- Continuing the process of implementing the automatic exchange of information at the international level.

d. Regarding strengthening the efficiency of the tax administration

- Operationalizing the Local Taxation and Individual Monitoring Centres; - the creation of an intermediary structure between the Large Taxpayers' Office (LTO) and the Medium-Sized Enterprise Tax Centres;

- the widespread automation of the registration procedure for all transactions.

25. As for customs revenue, their optimal mobilization must continue, with particular emphasis on:

- the continuous improvement of the tax yield of customs operations;

- the identification of niches for broadening the tax base;

- the efficient monitoring and collection of revenue resulting from public procurement and the importation of hydrocarbons;

- the revitalization and optimization of post-clearance customs inspections;

- the expansion of the territory and the strengthening of actions to combat fraud and smuggling;

- the rationalization of tax expenditures, in line with public policy objectives;

the revitalization of the risk management system, the handling of goods and the tax bases, in connection with the strengthening of data intelligence.

26. With regard to non-tax revenues, Government's actions shall focus on standardising, securing and strengthening the monitoring the collection of these revenues, through:

- supporting sectoral administrations in setting up operational mechanisms for the effective mobilisation of new revenues;
- identifying and nurturing new revenue opportunities;

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- stepping up awareness-raising among stakeholders and publicising the new measures relating to non-tax revenues set out in the Finance Law;
- setting up compliance checks and the effectiveness of the collection of non-tax revenues;
- the exhaustive recording in the performance allocated to non-tax revenue of non-tax revenue lodged in deposit accounts;
- stepping up of mechanisms for monitoring the collection of earmarked revenue, dividends and other receivable financial income;
- [the inclusion of para-fiscal surpluses repaid to the State in the form of non-tax revenue;]
- accelerating the dematerialisation of procedures for issuing and collecting non-tax revenues;
- continuing work relating to the drafting of the general code for non-tax revenues;
- supervising the use of quotas granted to departments as part of improving the collection of non-tax revenues.

27. **Talking about expenditures**, rationalisation will equally continue in order to reduce primary expenditure.
These efforts will cover all expenditure headings, both current and capital.

28. Particular emphasis will be laid on the effective cancellation of common heads from 2026, to make way for allocations for accidental and unforeseeable expenditure capped at 10% of State budget appropriations excluding debt servicing.

29. Furthermore, the 2026 Budget Law will include a multiyear projection of all strategic and other expenditures, previously financed by the direct interventions of the SNH, and the SNH will transfer to the public treasury all revenue derived from the sale of hydrocarbons, after deducting production costs, but without deducting transfers and payments owed by government to the SNH.

30. As far as capital expenditure is concerned, it will continue to be directed exclusively towards that which leads to gross fixed capital formation, in order to eventually have the stock of fixed assets required to achieve the objectives set by the NDS30.

31. In addition, the strengthening of public investment responsibilities will have to continue, while ensuring that environmental, climate and gender aspects are taken into account.

To this end, harmonised frameworks for managing public investment that is sensitive to the environment, climate and gender will have to be finalised.

32. In line with the National Climate Change Adaptation Plan (PNACC), government expenditure is expected to contribute to the fight against climate change. To this

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end, administrations will have to make sure their expenditures are climate sensitive.

33. Within the framework of the drive to improve performance, administrations must draw up performance contracts for active development projects and programmes. Similarly, they will have to ensure that remuneration aspects are included in current contracts for development projects and programmes, according to their category.

34. In order to have the resources required to finance investment operations as defined in the NDS30, the elements of the National Integrated Financing Framework (NIFF) must be finalised, as well as the identification of mechanisms for setting up investment funds to implement major transformation projects.

35. New public investment issues, such as recurrent costs and PPP contract rents, must continuously be taken into account, and the related expenditure included in the budgets of administrations implementing the projects.

36. New commitments must only be contracted for projects that have been approved as mature by the competent bodies and that comply with the regulations in force. In addition to this approval, the beneficiary projects implemented using joint financing must have a substantial programme of Counterpart Funds necessary for their proper implementation.

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

37. A provision representing 2% of the amount of capital expenditure from ordinary internal resources for the year 2025 will have to be set aside in Head 95 "Carry-over of appropriations", in order to take charge in 2026 of committed expenditure not authorised for the year 2025 and, thus guarantee the continued harmonious execution of the projects concerned.

38. In order to reduce the State's domestic arrears, priority must be given to budgeting for previous years. Regional and Local Authorities (RLAs) are also required to prioritise budgeting and to clear their outstanding payments from previous years using their own resources and earmarked allocations.

A detailed clearance plan, integrated into their budget documents, will be required and rigorously monitored. To this end, a fraction of the budget allocated to each public administration must be devoted to the budgeting of the said bodies.

39. With particular reference to the recent operation to identify and audit the floating debt of the State and its ramifications, the Minister of Finance must continue to clear the validated stock in accordance with the established clearance programme. Autonomous public debtor entities must include in their budget the 30% share of the commercial debt as their contribution to this clearance.

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40. With regard to operating expenditure, efforts to reduce the State's cost of living must continue

To this end, special measures must be taken to ensure the rational budgeting of certain categories of expenditure dedicated to administrative operations.

41. With regard to personnel expenditure and pensions, measures to improve the management of the State's human resources and to streamline the payroll and personnel must be continued in order to guarantee high-quality salary expenditure. This involves:

- the ""Forecasting Management of Workforce, Jobs and Skills (FMWJS)" to ensure better control of staff numbers in terms of both quality and quantity, with a view to better express needs relating to personnel;
- control recruitment, staff numbers, as well as staff mobility within administrations and activation of redeployment within Cameroon's public administration in order to adjust the size of structures and guarantee budgetary sustainability;
- Completing the Physical Headcount of State Employees (COPPE 2018), with the complete exclusion from the State payroll of all public employees recognised as absent or suspended;
- continuing to streamline the State's Payroll and Personnel card index by excluding public employees who have either resigned or are absent from their workstations, by stopping unduly received salary or pension and finalising staff registration in the Workstation Mapping application;
- checking family allowances paid to public employees and pensioners;
- continuing the operationalisation of the "Computer Application for Logical Management of State Personnel and Payroll (AIGLES)";
- validating, through the National Application for the Computerised Management of Civil Servants on Secondment (ANGIFODE), of the social debt arising from the non-payment of retirement benefits to civil servants on secondment to Public Administrative Establishments or Public Enterprises;
- a significant reduction in the salary debt owed to government employees by clearing this debt..

42. As far as the purchase of goods and services is concerned, efforts will be made to limit their inclusion to strictly necessary operating expenses, while taking into account the recurring costs that are essential both for following-up the implementation of public investments and for their operationalisation and maintenance.

43. Budgeting electricity, water, telephone and internet services must be carried out appropriately so as not to compromise the financial balance of the companies producing these services.

44. With regard to the operating subsidy granted to public establishments, it will have to be judiciously evaluated, taking into account historical absorption capacities as

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well as real needs defined according to the performance objectives assigned to them.

45. For Public Establishments benefiting from a budgetary revenue, a threshold compatible with the real level of their relevant expenditure will have to be set in order to encourage optimum use of available public resources.

46. With regards to the Special Appropriation Accounts, the intensification of the collection of their own revenues will have to continue. In addition, the threshold of resources allocated to the Special Appropriation Accounts will be determined on the basis of the revenue potential of these accounts and the relevance and maturity of the activities programmed for implementation in 2025.

47. The national debt policy will remain cautious. Debt decisions will have to be consistent with the 2026-2028 National Medium-Term Debt Strategy and the 2026 Annual Financing Plan, in a bid to guarantee the viability of public debt and the sustainability of public finances.

48. This policy will be implemented in accordance with other budgetary policies, especially tax and expenditure policies, in order to guarantee the overall effectiveness of these policies in achieving the various objectives set out in the NDS30.

49. For all new financing relating to domestic and external borrowing, including bond issues and innovative financing (green bonds, Islamic financing, climate financing) to be contracted directly by the State or its constituent parts (including Councils and Regions, public enterprises and public establishments), the related offers or requests must be subject to the opinion of the National Public Debt Committee (NPDC). The same goes for requests for guarantees or financing retrocession through Public-Private Partnerships. This requirement also applies to all debt restructuring operations (renegotiation, reduction, re-profiling, repurchase, swap and debt assignment).

50. With regard to the State's interventions on the international financial markets, this strategy must diversify sources of financing by providing better access to a wide range of international investors, thereby increasing sources of financing, including new financing methods, and reducing borrowing costs and the associated risks. This policy will be pursued in addition with intervention in the domestic debt market.

51. For the purposes of transparency and monitoring, all external and domestic debt data and operations, as well as endorsed debt (outstanding amounts, drawings and debt servicing) and explicit contingent liabilities (PPP), will be subject to continuous reporting and dissemination on a sub-annual and annual basis. Financing agreements in the form of grants, for which commitments are made directly at the level of the sectoral ministries and other State branches, must be transmitted for monitoring and consolidation by the Autonomous Sinking Fund on behalf of the National Public Debt Committee.

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52. In a bid to optimise the performance of resources contracted from donors, loan agreements with abnormally long or exceeded deadlines and which are experiencing implementation difficulties must be renegotiated and/or cancelled where appropriate.

Undisbursed committed balances (SEND's), and in particular those with problems (according to criteria clearly defined by the NPDC), must be subject to special monitoring in order to propose solutions for rapid absorption or cancellation where need arises.

53. The Treasury will continue to intervene on the debt market by issuing government securities.
The strategy adopted, which will form part of the medium-term debt strategy, shall aim, among other things, at:

- actively managing Treasury securities issued on these markets by preventing any risk of default and improving the Government's reimbursement capacity in order to create favourable conditions for the issuance of new debt;
- expanding primary and secondary markets by diversifying the investor base through enhanced communication efforts targeting both resident and non-resident investors;
- elaborating an issuance schedule consistent with the Government's financing plan under the medium-term debt strategy, favouring the use of long-term bonds, while safeguarding the government's interests, in particular by balancing the costs and risks associated with different sources of financing;
- prioritising bond issues for budget financing in order to minimise the interest rate and refinancing risks associated with Assimilated Treasury Bills (BTA);
- prudent managing of BTA issuance for cash flow purposes, coupled with reducing outstanding amounts that pose significant refinancing risks;
- developing financial products tailored to market needs, in particular the use of swaps to attract international investors who are not particularly interested in investing in local currency.

54. In terms of cash management, the aim shall be to ensure that the State has the necessary liquidity to honour all its current and investment operations, including those of its correspondents. Cash management shall be essential to ensuring the State's financial stability, in particular by reducing outstanding payments and payment delays and keeping risks, particularly market risks, at a sustainable level. This approach should also facilitate accurate forecasting of cash flow needs through reliable projections.

55. The Ministry of Finance shall ensure operational traceability by separating correspondents that generate their own funds from those that receive State budgetary support. To achieve this, auxiliary accounting systems should be established to ensure operational transparency and debt management.

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III. PRACTICAL PROVISIONS FOR THE PREPARATION OF THE STATE BUDGET

56. The State budget for the 2026 fiscal year shall be prepared in line with the principles outlined in Law No. 2018/012 of 11 July 2018 on the Fiscal Regime of the State and Other Public Entities and in accordance with the provisions of Decree No. 2019/281 of 31 May 2019 setting the State budgetary calendar. To achieve this, the programme-based budgeting approach should be sustained and reinforced **through the formulation of annual performance plans for government ministries by programme and the completion of the internalisation of CEMAC community standards in accordance with the decree on the State Budgetary Nomenclature**, thereby facilitating enhanced transparency and effective allocation of public resources. With this in mind:

- **the budgets of constitutional bodies shall be prepared, presented and executed on an accrual basis;**
- budgetary programmes, to which performance targets and results indicators shall be assigned, shall be derived from the Strategic Performance Frameworks (SPFs) based on the NDS30 and shall take into account the conclusions of the proceedings of the Interministerial Programmes Review Committee for (IPRC);
- programme-based budgeting approach shall be fully implemented and consolidated at the level of Local Authorities for the 2026 fiscal year. Their programmes and sub-programmes shall be directly linked to their Local Development Plans and the objectives of the NDS30, with clear and measurable performance indicators. Strategic Performance Framework (SPF) models adapted to Local Authorities shall be elaborated and made available;
- expenditure pursuing the same objective shall be grouped together within the same programme. As such, each programme shall be accompanied by a chain of anticipated results, which establishes a close relationship between the resources allocated and the expected results;
- budgetary choices shall be geared towards activities that contribute to the achievement of the expected results.
- programme costs shall be rigorously assessed and broken down within the Medium-Term Expenditure Frameworks (MTEFs) down to the activity level. A clear distinction should be made between expenditures related to existing reference lines and those related to new initiatives;
- appropriations are specialised per programme and allocation. Each new operation to be included in the State budget for the 2026 fiscal year shall be budgeted as a Commitment Authorization (CA), broken down into Payment Appropriations (PAs), considering the multiannual nature of the law on the Fiscal Regime of the State and Other Public Entities.

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57. **Regarding co-financed investment projects**, to guarantee their effective execution, the relevant authorities, in coordination with the ministries in charge of finance and investment, will ensure that adequate attention is paid to the counterpart funding requirements for these projects.

58. Furthermore, the budgeting of counterpart funds shall be carried out in accordance with the provisions of Decree No. 02021/ 7341/PM of 13 October 2021 governing the creation, organisation and operation of development programmes and projects, and Decree No. 0110/CAB/PM of 6 October 2023 establishing the categorisation, remuneration and benefits for staff of Development Programme and Project Management Units.

59. **New projects** may be programmed within the budgetary space available in the administration's Commitment Authorisations (CA) and Payment Appropriations (PA), after taking into account ongoing projects in accordance with the work schedule and payment deadlines. In addition, new projects shall be registered in accordance with the prioritisation and selection criteria set out in the selection manual elaborated to ensure the effectiveness of investments.

60. Opening of new multi-year commitment authorizations (MCAs) should be implemented within the limits of the multi-year commitment ceiling communicated by the Prime Minister, Head of Government. This ceiling shall take into account the sustainability of the medium-term budgetary framework of the administration concerned and the overall level of that administration's previous commitments. Requests to open new MCAs shall be accompanied by an up-to-date account of the level of past commitments.

61. The initial budgets provided for budget discussions remain provisional and are liable to upward or downward revision, contingent upon the pertinence of the projects in meeting the Programme objectives and their level of maturity. Furthermore, in order to control the overall level of Government commitments, the budgets notified by the Prime Minister, Head of Government, will be capped in terms of commitment authorisations (CAs) and payment appropriations (PAs).

62. **Furthermore, in accordance with the directives of the National Strategy for Climate, the National Plan for Adaptation to Climate Change (PNACC), and the Nationally Determined Contribution, government agencies will ensure that projects are resilient and eligible for green financing. Administrations will label all expenditure, both operational and investment, according to six markers: climate change adaptation, climate change mitigation, biodiversity protection, pollution control, sustainable waste management and sustainable water management. Eighteen (18) pilot administrations will be monitored.**

63. With respect to public enterprises and establishments eligible for rehabilitation, priority should be accorded to those whose enhanced production facilities will enable them to achieve financial balance and whose activities align with the

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implementation of the NDS30 directives in accordance with the performance contract signed with the State. Additionally, entities that have received restructuring support will undergo audits before receiving further budget allocations or being considered for rehabilitation again.

64. The inclusion of investment subsidy appropriations and counterpart funds in actual expenditure shall be subject to the condition of presenting evidence of the maturity of the investment operations to be undertaken and the existence of a valid financing agreement.

65. The prioritisation of projects should follow the planning, preparation, programming and budgeting approach recommended in the project selection manual elaborated for this purpose.

66. The registration of externally financed public investment projects shall comply with the principles of planning, maturation, programming and budgeting. **Information related to these various processes shall be documented in the project database in accordance with the requirements specified in the project data sheet.**

67. Disbursement plans for externally financed projects shall be compatible with the Medium-Term Budgetary Framework (MTBF) available for the three-year period concerned and take into account the absorption capacity of the projects.

68. Ministerial allocations conveyed through the MTBF will consider the actual requirements stemming from realistic disbursement plans for FINEX projects.

69. To ensure control of medium-term budgetary expenditure and public investment performance, multiannual commitment authorizations (MCAs) shall consider budgetary sustainability. In addition, the level of an CA shall correspond to the functional tranche of the project concerned, so as to guarantee its operation at the end of the CA's consumption.

70. The balance between operating and investment expenditure shall be ensured in the medium-term expenditure frameworks (MTEFs). To achieve this, the recurring costs generated by capital expenditures shall be evaluated, planned for, and budgeted.

71. Projects included in the first year of the medium-term financial plans of public administrations and establishments, and subsequently transferred to the draft finance bill, shall initially be registered in the Public Investment Project Bank **with all pertinent information** and possess a maturity visa.

72. Ministries and other public administrations shall submit their C2D-financed investment expenditures, together with the chain of projected results, to the Ministry in charge of investments for inclusion in the 2026 finance bill. The related appropriations shall be broken down by programme, action, project and task, together with geographical locations.

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73. The State's commitments under PPPs in respect of investment rents must be rigorously assessed and included in the budget of each ministry concerned.

74. In terms of resources transferred to regional and local authorities, it is essential to reduce disparities in the allocation of resources to regional and local authorities. To strengthen existing mechanisms for correcting territorial inequalities and support the balanced development of RLAs, decentralisation equalisation funds could be further consolidated or specifically dedicated, with sufficient resources. To this end:

- The relevant central government departments must include in their Medium-Term Expenditure Framework (MTEF) the resources needed to fully and effectively finance the exercise of the powers transferred to municipalities and regions, clearly distinguishing between investment expenditure and current expenditure. This planning must be carried out in collaboration with the RLAs;

- Sectoral ministries, in conjunction with the ministers in charge of investment, finance and decentralisation, must monitor and evaluate the exercise of transferred powers by defining and implementing an effective mechanism for tracking information.;

- Resources transferred to regional and local authorities (RLA) must be systematically integrated and detailed in the Medium-Term Budgetary Framework (MTBF), with allocations broken down by type of expenditure, in order to ensure their visibility and facilitate their programming and budgeting.

- Specific conferences on decentralisation, under the joint auspices of the Ministries of Finance, Public Investment and Decentralisation, will be organised annually before the budget arbitration phase. Their objective will be to critically examine the fairness and relevance of the distribution of resources allocated to RLAs, with the participation of local elected officials. ;

- Efforts to improve the financing of skills and equity in the distribution of resources to regional and local authorities must continue. The specific guide elaborated for this purpose should be strictly adhered to by the administrations concerned, with the support of the ministries in charge of investment, finance and decentralisation.

- The criteria for allocating resources to regional and local authorities (RLAs) must be harmonised and finalised for the 2026 fiscal year. These criteria must promote equity, performance and incentives to mobilise own revenues.

75. As for **operating expenditures**, the payroll must be prepared in such a way as to ensure the regular payment of salaries and the gradual clearance of the related debt, including the cost of planned recruitment

76. With regard to pensions, the dedicated provision must take into account the deferred impact of the total liquidation of pensioners' rights upon retirement.

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77. The operating expenses of ministerial, regional and divisional public tenders boards shall be borne directly by the budgets of the entities to which those tenders boards are attached. The same applies to expenses relating to the functioning of special public-private partnership contract tenders boards.

78. Priority must be given to taking into account the actual level of contract regulation fees and expert fees owed to the Council for the Support of Partnership Contracts (CARPA) by each administration in the breakdown of the operating budget.

79. In order to ensure rational treatment of public service rental expenses, only current rents will be included in the budgets of the Ministry in charge of State property and the Ministry in charge of defence. The settlement of arrears will be dealt with separately by the competent administrations.

80. The requirements related to the operation of the Commissions for the Assessment and Evaluation of Expropriations for Public Utility and the payment of compensation shall be budgeted by the administrations concerned by the said operation.

81. Expenses related to legal costs will be directly covered by the budgets of the relevant administrations, namely the Ministry of Justice and the Ministry of Defence. Furthermore, in order to ensure their rational processing, these expenses will be made, in accordance with the relevant appropriation limits, within the prescribed quotas so as to ensure their regular payment and progressive adjustment.

82. With regard to **gender empowerment**, the integration of gender-responsive budgeting should be a priority in all sectors of national development.

83. Administrations must implement their commitments to promoting equality, made within the framework of the National Development Strategy and the National Gender Policy and set out in the Strategic Performance Frameworks. Gender mainstreaming must be reflected in the budgets of sector administrations and in the objectives and indicators adopted.

84. All specific expenditures and measures planned to promote gender equality and equity must be clearly identified in the ministerial documents to be submitted in the formats prescribed by the Minister of Finance and reviewed at the various budgetary conferences (MTEF, PPA, APR). These expenditures (programmes, actions, activities and tasks) must be identified and tracked using markers to serve as advocacy tools for the allocation of budgetary resources.

85. Under the supervision of the support team (NIS, MINFI, MINEPAT and MINPROFF), administrations will be required to conduct a sector-by-sector gender situation analysis, presenting gender issues in the sector, accompanied by recommendations identifying budgetary levers to effectively meet the specific and differentiated needs of women/girls and men/boys.

86. **The common heads (60, 65, 92, 93, 94 and 95) should be transferred to allocations for incidental and unforeseeable expenses capped at 10% of total expenditure excluding debt service. Efforts should therefore be made to**

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allocate certain foreseeable expenses previously included in these heads to the budgets of the beneficiary ministries.

87. At the end of the State budget preparation process, all authorising officers must ensure that a provisional commitment plan is presented for all expenditure included in the draft finance law, on which the State's cash flow plan will be based.

88. These are the broad guidelines that should guide the preparation of the draft finance law for the 2026 fiscal year, with a view to enabling our country to achieve its objectives of inclusive and sustainable growth and development.

89. The Prime Minister, Head of Government, the Minister of Finance and the Minister of Economy, Planning and Regional Development shall ensure, each in their respective spheres of influence, the rigorous application of these directives.

I attach the utmost importance to the application of these guidelines. /

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Yaoundé, on the 16 JUIL 2025

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

PAUL BIYA
PRESIDENT OF THE REPUBLIC

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