



**Performance Assessment of Public Financial
Management in Cameroon
according to the PEFA 2016 methodological framework**

PEFA CAMEROON 2023

Final Report





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The PEFA Secretariat confirms that this report meets all the requirements of PEFA quality assurance and is therefore marked "**PEFA CHECK**".

PEFA Secretariat, 19 September 2023

PREFACE

This report, financed by the European Development Fund, was prepared by a team of independent experts at the request of the Government of Cameroon. It does not necessarily reflect the views of the Government of Cameroon or the European Commission.

The evaluation team would like to thank all those who assisted it during this mission. In particular, we would like to thank

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LIST OF ACRONYMS

Acronyme	Libellé
ADC	Cameroon Airports Authority
AE	Commitment authorisation
AE/CP	Commitment authorisation - Payment appropriations
AFD	French Development Agency
AG	General Assembly
AR	Regulatory Authority
ARMP	Public Contracts Regulatory Authority
BAD	African Development Bank
BC	Central Bank
BDEAC	Development Bank of Central African States
BIP	Public Investment Budget
BL	Liquidation Bulletin
BM	World Bank
CAA	Autonomous Amortization Fund
CAS	Special Appropriation Accounts
CBMT	Medium-Term Budgetary Framework
CDC	Audit Bench
MTEF	Medium Term Expenditure Framework (MTEF)
CFC	Cameroon Land credit
CICAM	Cameroon Industrial Coton Company
CIEP	Interministerial Programme Review Committee
CNCC	Cameroon National Chamber of Commerce
CNDP	National Public Debt Committee
CNIC	National Investment Commission of Cameroon
CNPS	National Social Insurance Fund
COTIE	Interministerial Technical Committee of Experts
CRCT	Textile Research and Conservation Centre
CRTV	Cameroon Radio Television
CS	Supreme Court
CSP	Strategic Performance Framework
CTR	Technical Commission for Rehabilitation
CUD	Douala City Urban
DAU	Single Administrative Document
DCF	Financial Control Department
DG	Directorate General
DGB	Directorate General of Budget
DGD	Directorate General of Customs
DGI	General Directorate of Taxation
DGPAT	Directorate General of Regional Planning and Development
DGT	Directorate General of the Treasury
DGTCP	Directorate General of the Treasury, Public Accounting and Public Credit
DGTCFM	Directorate General of Treasury, Monetary and Financial Cooperation

Acronyme	Libellé
DI	Tax Department
DNCM	Department of Standardisation and Stores Accounting
DP	Forecast Division
DPC	Division of Participation and Contributions
DPEB	Economic and Budgetary Programming Document
DREF	Division of Public Reforms
DRH	Human Resources Department
DRMS	Computer application for debt management
DTCPM	Department of Transport and Control of Maritime Services
DU	University Diploma
EDC	Electricity Development Corporation
ENEO	Eneo Cameroon S.A.
EP	Public Establishment
EPA	Public Administrative Establishment
FINEX	External financing
GFS	Financial and Accounting Management
GICAM	Inter-Patronal Group of Cameroon
GIZ	Gesellschaft für Internationale Zusammenarbeit (German International Cooperation)
GPS	Global Positioning System.
INS	National Institute of Statistics
IPSAS	International Public Sector Accounting Standards
ISC	Higher Institute of Trade
ISSAI	International Standards of Supreme Audit Institutions
JDM	Public Contracts Journal
LC	Jobbing Order
LDF	Finance Law
LF	Finance Law
LFI	Initial Finance Law
LFR	Amending Finance Law
LOB	Budget Orientation Law
LRFE	Law on State Finances
MAGZI	Mission for the Development and Management of Industrial Zones
MINEE	Ministry of Water and Energy
MINFI	Ministry of Finance
MINTP	Ministry of Public Works
MSFP	Public Finance Statistics Manual
NA	Not Applicable
NBE	State budget nomenclature
ND	Not Available
ODD	Sustainable Development Goals
OTA	African Transport Organisation
OTP	Cameroon Transport Office
PAD	Douala Port Authority

Acronyme	Libellé
PAP	Priority Action Plan
PIMA	Evaluation of public investment management
PIP	Public Investment Programme
PLF	Finance Bill
PLR	Draft Amending Law
PM	Prime Minister
PME	Small and Medium-sized Enterprises
PNG	Government Net Position
PNUD	United Nations Development Programme
PPBS	Planning, Programming, Budgeting and Monitoring
PPP	Public-Private Partnership
PSRD	Customs Revenue Security Programme
RAP	Annual Performance Report
RC	Trade Regime
RELF	Report on the Execution of Finance Laws
RGCP	General Regulations on Public Accounting
RI	Internal Regulations
RIB	Bank Account Statement
RVC	Report on Value and Classification
SCDP	Cameroonian Oil Deposit Company
SDMT	Medium Term Debt Strategy
SEM	Mixed Economy Company
SFP	Vocational Training Strategy
SG	Secretary General
SGS	General Surveillance Company
SHNC	North Cameroon Hotel Company
SIC	Real Estate Company of Cameroon
SIGED	Geographic Information System for Education
SIPAE	Information System for Architectural and Environmental Heritage
SMO	Reforms Implementation Structures
SNH	National Hydrocarbon Company
SNI	National Investment Company
SROT	Summary of Treasury Operations
SYGMA	Large Automated Amounts System
SYSTAC	Central African Teleclearing System
TOFE	Table of State Financial Operations
TVA	Value Added Tax
UE	European Union
UEAC	Economic Union of Central African States
US	United States
UTAVA	Agricultural Treatment Unit by Air

EXECUTIVE SUMMARY

The PEFA assessment of public financial management in Cameroon, based on 31 indicators spread over seven pillars, covering the years 2019 to 2021, was carried out in parallel with PEFA Gender and PEFA Climate assessments, culminating in a final report presented in September 2023.

The assessment of Cameroon's public financial management, based on the Public Expenditure and Financial Accountability (PEFA) Secretariat guidelines, covered the years 2019, 2020 and 2021, with additional information from 2022. It used 31 PEFA indicators spread across seven pillars of public financial management, aggregating scores using two different methods (M1 or M2). This evaluation was carried out in parallel with the PEFA Gender and PEFA Climate evaluations, financed by the European Union, and resulted in a final report presented at a feedback workshop in September 2023 in Yaoundé.

Training for staff from the Ministry of Finance, certain institutions (National Assembly, Audit Bench and CONSUPE) and sectoral ministries took place in December 2022, and the field mission took place between February and March 2023. The provisional results were presented in March 2023, with a deadline for transmission of the information set at 31 March 2023. The final evaluation report was presented at a face-to-face feedback workshop with the entire evaluation team and representatives of the government, the Audit Bench, Parliament, public enterprises and civil society on 27 September 2023 in Yaoundé.

Impact of the PFM system on the achievement of budget targets

The performance indicator scores for the indicators and components applying the PEFA 2016 Framework are presented in the figure below. A summary table of scores for all dimensions is presented in Appendix 1.

1. Overall budgetary discipline

The assessment of Cameroon's overall budgetary discipline highlights significant deviations in resources and expenditure, shortcomings in the communication of budget amounts, a focus on cash management, and concerns about budget transparency.

The evaluation shows that, overall, revenue and expenditure were fairly close to the amounts initially forecast, but that there were significant deviations at a disaggregated level. Some of the resources and expenditure of public bodies are not included in the central government's annual financial statements and many bodies do not submit their management accounts on time.

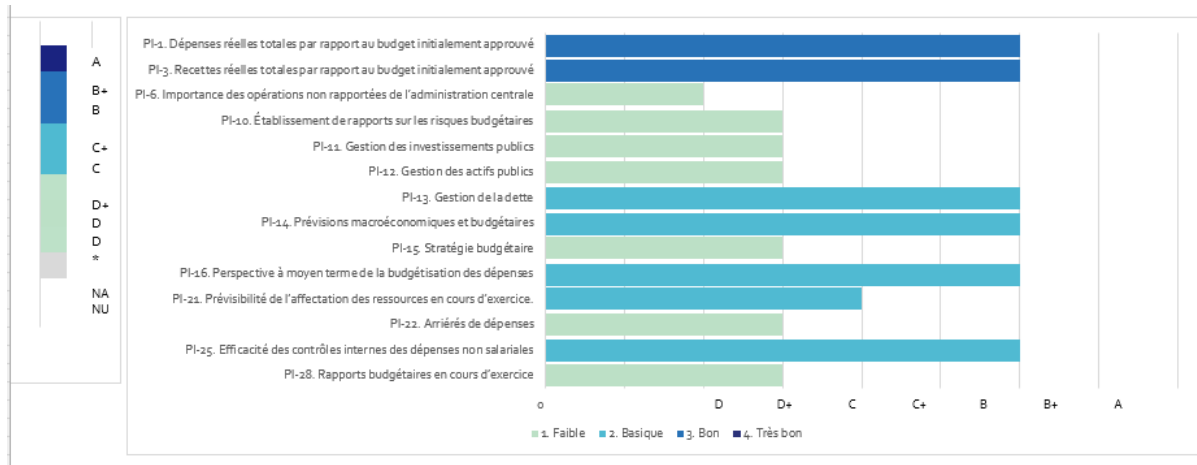
Although medium-term macroeconomic forecasts are drawn up and the fiscal impact of major changes is estimated, there are still shortcomings in the communication to the Legislative Assembly; for example, the amounts entered in the budget are only aligned with the sectoral strategies for the first year.

Budget implementation is still mainly focused on cash management, and the reallocation of budget allocations is not yet regulated in a sufficiently transparent manner. A proportion of common expenditure and capital expenditure is used to deal with unforeseen circumstances and transfers of appropriations are frequent, while cash advances and expenditure without prior

authorisation account for a large proportion of total expenditure. Control of expenditure commitments is not totally effective because of cash flow pressures and the resulting interventions by the Ministry of Finance, but the amount of payment arrears represents a relatively small proportion of total expenditure.

In terms of transparency, budget execution is presented every six months in budget reports, but some information is omitted, raising concerns about its accuracy.

Figure 1 : Impact of the PFM system on the achievement of overall budgetary discipline



2. Strategic allocation of resources

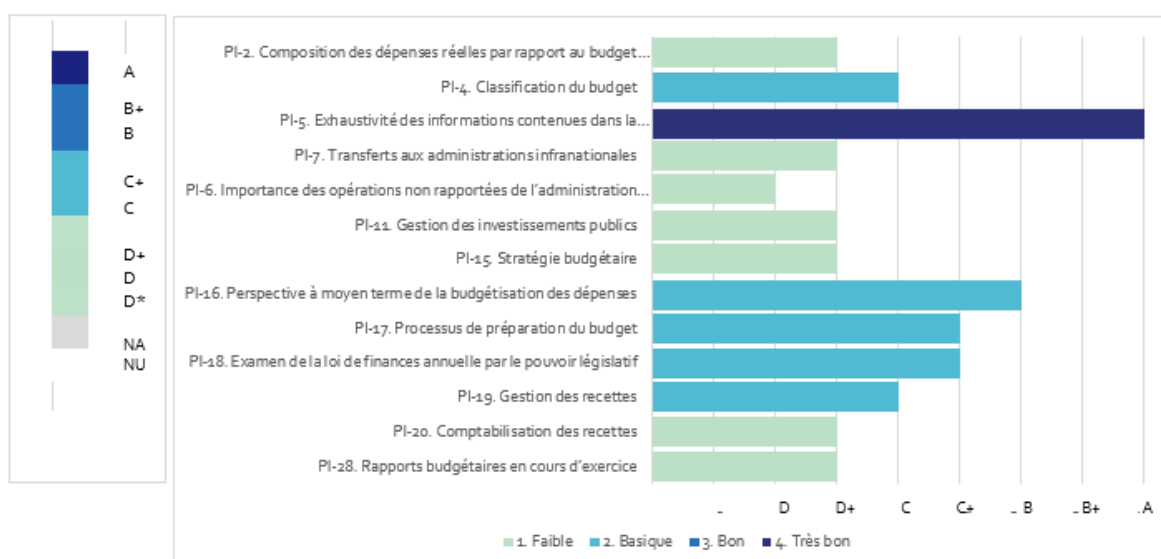
The strategic allocation of resources in Cameroon is affected by significant variations in the composition of expenditure, shortcomings in the reporting of transfers to decentralised local authorities, a failure to align budget proposals with strategic plans beyond the first year, and concerns about the accuracy of budget data due to derogatory expenditure and incomplete recording of expenditure.

Significant variations in the composition of expenditure have a negative impact on the strategic allocation of resources. In addition, the transfers to the local authorities relating to taxation are not known when the budget is drawn up; the budget implementation monitoring reports do not present expenditure according to functional classification and do not include the resources and expenditure of public establishments.

With regard to budget preparation, the Ministry of Finance estimates the fiscal impact of the major changes proposed, but the sector strategies do not present a complete costing and the budget proposals are not aligned with the strategic plans beyond the first year. Projections of the total cost of investment are not presented and budget documents do not explain changes in spending estimates.

The annual budget is approved quickly, but there are concerns about the accuracy of the information in the implementation reports due to overriding expenditure and incomplete recording of expenditure.

Figure 2 : Impact of the PFM system on the achievement of strategic resource allocation



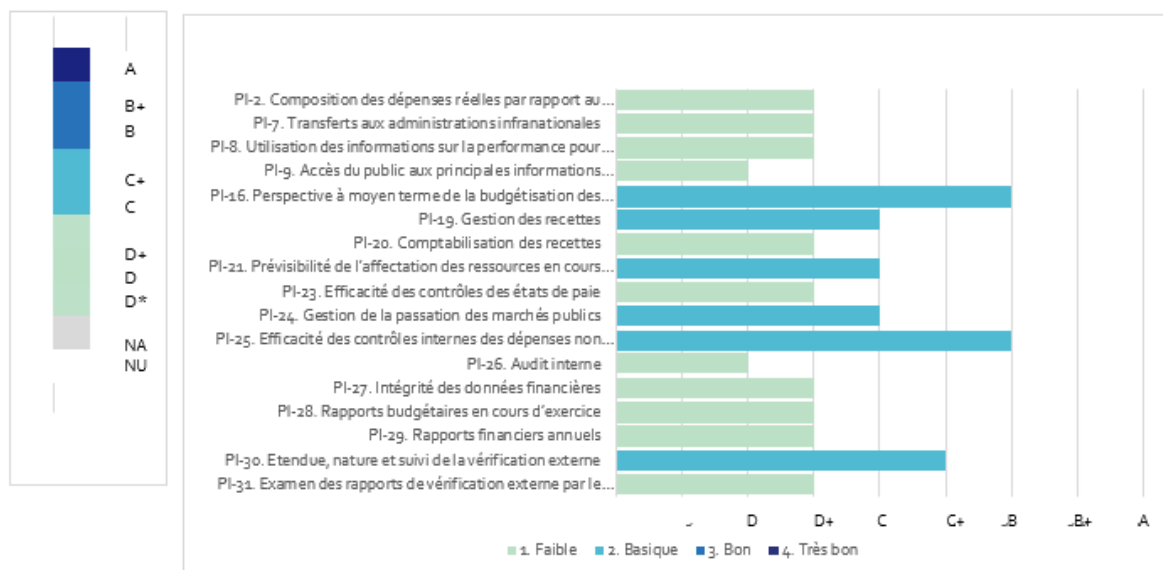
3. The efficient use of resources in the delivery of services

Significant variation in expenditure, lack of visibility on resources transferred to local authorities, weaknesses in audit procedures, unreliable information in biannual budget reports and lack of Performance assessment of service delivery functions have a negative impact on the efficiency of the use of resources for service delivery in Cameroon.

Access to information to assess this efficiency is limited, partly due to connectivity issues that may arise in some regions. Half-yearly budget reports present inaccurate information, and the government's management account is not yet produced in accordance with international standards.

Finally, the performance of the service delivery functions and the resources received by the service delivery units have not been evaluated, particularly by the Audit Bench, as the reports on the use of COVID-19 funds do not correspond to this type of evaluation. Furthermore, no information on the findings of audits and the recommendations of Parliament, one of whose roles is to assess the effectiveness of the use of resources for service delivery purposes, is made available to the public..

Figure 3 : Impact of the PFM system on the efficiency of service provision



Main changes in performance since the previous assessment

The assessment of public financial management in Cameroon showed improvements in the Scores of 17 indicators and 38 components compared with the previous assessment, particularly in the pillars of asset and liability management, budget strategy and budget preparation.

However, there has been a deterioration in the Score of 4 indicators and 12 components, indicating declines in performance in some specific areas, although this has not led to a decline in performance at the level of the overall pillars. In addition, 3 indicators and 3 components are not comparable.

Figure 4 : change in Scores compared with the previous assessment Indicators

Improvements:

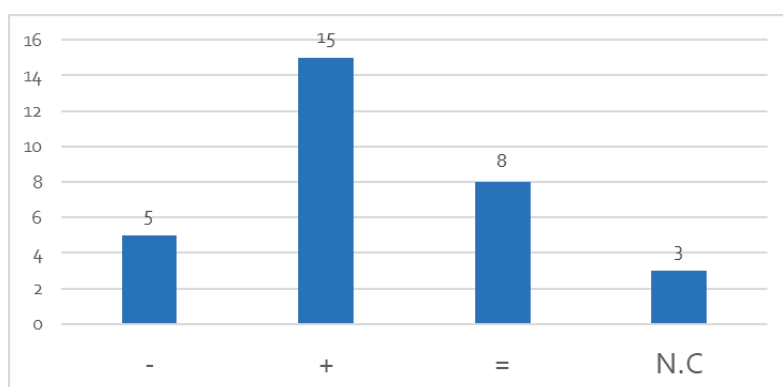
Number of indicators improved: 15
Number of components improved: 30

Deteriorations :

Number of indicators deteriorated: 5
Number of deteriorated components: 10

Stability :

Number of stable indicators: 8
Number of stable components: 51



Components

Non comparability :

Number of non-comparable indicators: 3
 Number of non-comparable components: 3

Figure 5 : change in indicator scores

Indicator	2017	2023
A	1	1
B+	1	0
B	1	6
C+	5	3
C	4	4
D+	8	14
D	11	3
NU	0	0
NA	0	0
Total	31	31

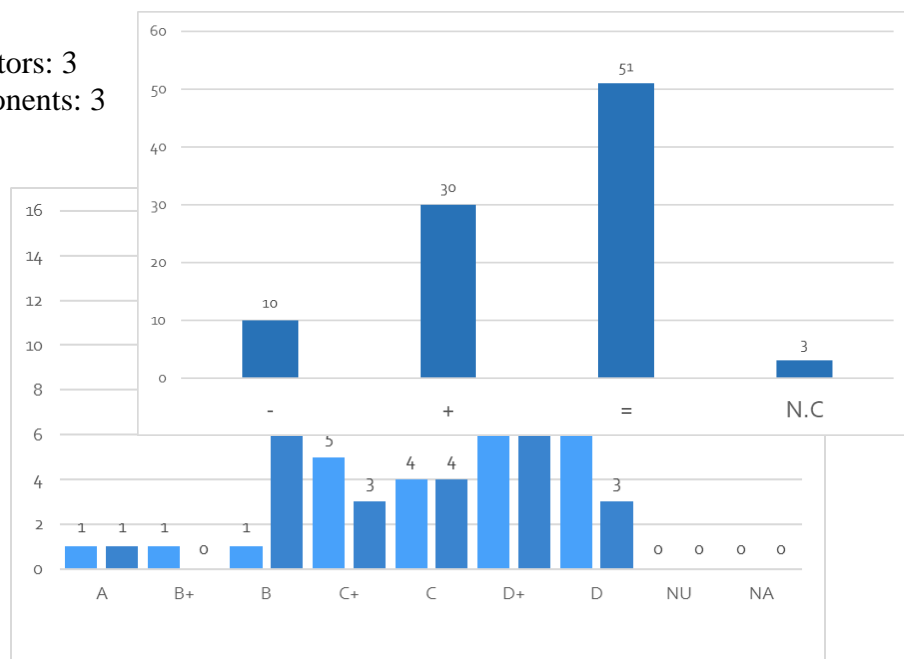
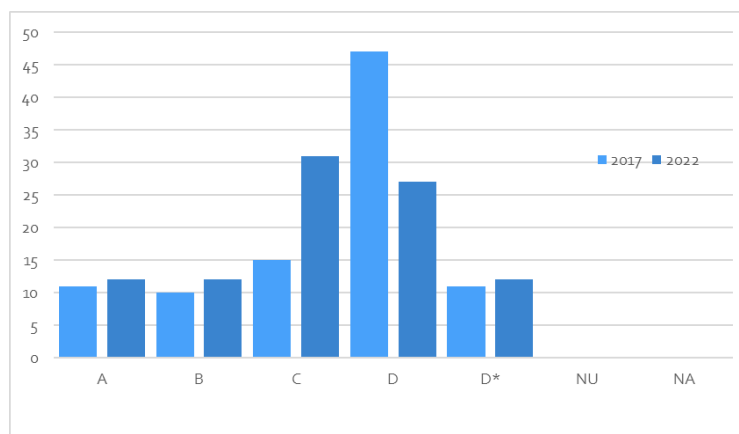


Figure 6 : change in component scores

Component	2017	2022
A	11	12
B	10	12
C	15	31
D	47	27
D*	11	12
NU	0	0
NA	0	0
Total	94	94



With regard to the three budgetary objectives, the main changes in Cameroon's PFM performance since the previous evaluation are as follows:

In terms of budget credibility, the evaluation shows improvements in revenue collection, but challenges remain in terms of budget execution to respect the initial allocations voted by Parliament.

This situation highlights the need for continued attention to improve transparency and make financial management more effective.

In terms of the strategic allocation of resources, improvements have been scored in budget documentation, the budget preparation process, macroeconomic and budget forecasts, the medium-term budget strategy, ministerial performance plans, and the introduction of Gender Responsive Budgeting (GRB). However, weaknesses persist, particularly with

regard to transfers to local authorities, the late presentation of the budget to the legislature, and budgetary consistency with previous estimates.

Improvements have been observed in budget documentation, notably with the development of the transparency guide and the addition of supplementary elements transmitted to Parliament.

The budget preparation process has also improved. A budget timetable has been defined and adhered to, enabling ministries to prepare their estimates on time. Clear guidelines for budget preparation have been issued, including detailed ceilings by economic category and programme.

Macroeconomic and budget forecasts have been strengthened, with medium-term estimates of key budget indicators included in documents submitted to the legislature. In addition, a medium-term budget strategy was drawn up and presented with detailed guidelines for the following year.

Performance plans have been drawn up, providing targets and performance indicators for most ministries. The introduction of Gender Responsive Budgeting (GRB) into the budget process from 2021 and the production of the gender responsive budget document will improve budgeting tools by providing an option for implementing the national gender policy through the budget vehicle.

Examination of the annual finance law by the legislature has been improved, with an examination covering macroeconomic aggregates, detailed expenditure and revenue items, and examination procedures defined and applied.

Despite these improvements, weaknesses remain. Transfers to decentralised local authorities are only assisted by transparent rules for certain types of transfer.

The budget is presented to the legislature late, barely a month before the end of the financial year. In addition, more attention needs to be paid to ensuring that annual budgets are consistent with estimates for the previous year, through projections in the MTBF and macro-budget sensitivity analysis.

In terms of efficiency of service delivery, although improvements have been observed in various areas, including revenue risk management, predictability of expenditure execution, debt management, consolidation of cash balances, and reduction of expenditure arrears, problems remain such as the increase in unrecorded expenditure and revenue, lack of transparency in budgetary operations, insufficient Performance assessment of service delivery functions, incomplete monitoring of sub-national administrations, and management of the State's non-financial assets. In addition, competition between the Audit Bench and CONSUPE in the area of external audit poses problems of coordination and follow-up of recommendations.

Improvements have been observed in the management of revenue risks, the preparation of commitment plans in terms of predictability of expenditure execution - although this exercise needs to be improved and supported by cash flow forecasts, in the management of assets and liabilities - particularly in debt management - and in the consolidation of cash balances. Public companies have also begun to submit their audited financial statements within shorter deadlines, enabling the publication of a consolidated report.

Expenditure arrears have been reduced, personnel management has improved, and the effectiveness of internal controls over non-salary expenditure and public procurement has been strengthened.

However, problems remain. Unrecorded expenditure in central government financial statements has increased, as has unrecorded revenue. Transparency of operations and public access to budget information remain limited. In addition, Performance assessment of service delivery functions and communication of the results achieved remain inadequate.

Monitoring of sub-national administrations, such as municipalities, remains incomplete, with delays in finalising, consolidating and publishing financial results. The management of the State's non-financial assets still requires improvement, as registers are not kept exhaustively and information on their use and age is not collected, and debt management is still poorly aligned with the objectives set out in the strategy. It should be scored, however, that with the adoption in 2020 of the directive on material accounting, Cameroon has begun this reform. A draft transposition of this directive is now available, as are the rules and tools for developing this new material accounting system.

Furthermore, while the management of budgetary risks associated with expenditure is the subject of a consolidated report appended to the budget, internal audit, which is a key element of public financial management (PFM), has not improved significantly. This is due, on the one hand, to the lack of resources or skills needed to carry out effective internal audits and, on the other hand, to institutional or organisational problems, despite the introduction of management controllers attached to each programme.

The predictability of resource allocation during the financial year has been improved, with the preparation of a monthly cash flow plan updated each month on the basis of actual income and expenditure, even though the implementation of this plan has not yet made the Ministry of Finance's cash management effective. As regards payroll management, monthly reconciliations are carried out between the personnel file and payroll statements, and checks are performed to ensure the integrity of payroll information.

Finally, the status of external auditing in Cameroon remains problematic, which undermines the effectiveness of the services provided by the administration. Progress has been made on the rules and functioning of the Audit Bench (CdC) and in the transparency of the processes for examining financial reports. The external audit functions of the Audit Bench have been extended and the CdC regularly examines the financial reports of the State and certain extra-budgetary entities. However, there is still a situation of competition between the Audit Bench and CONSUPE when it comes to external audit. The texts do not explicitly entrust CONSUPE with competence in matters of internal control, while it officially has the status of SAI, although since 2018 it no longer has competence in matters of external audit.

As a result, the Audit Bench often repeats the same recommendations, and there is no formal framework for following them up. Its representatives are not invited to give explanations before Parliament, and the plenary sessions devoted to examining the settlement law are not accompanied by the publication of the reports of the parliamentary committees or other equivalent reports.

Main reforms implemented

Since the last PEFA assessment in 2018, Cameroon has implemented several reforms aimed at improving public finance management, including the transposition of CEMAC directives into national law, the adoption of laws and decrees to regulate public finances, efforts to improve budget preparation, the introduction of results-based and gender-responsive budgeting, measures to strengthen revenue mobilisation, reforms of financial management systems, better supervision of public enterprises, extension of the Audit Bench's prerogatives, reduction of payment arrears, and transition to asset accounting in line with international standards.

The main reforms implemented since 2018 are as follows:

Transposition of all CEMAC directives into Cameroonian law. Several decrees have improved public financial management since the last PEFA assessment, including: Law No. 2018/012 of 11 July 2018 on the Fiscal regime of the State and Other Public Entities, the Code of Transparency and Good Governance (11 July 2018), the State Accounting Plan (11 September 2019), the State Budget Nomenclature and Tables of State Financial Operations (09 September 2019) and Decree No. 2020/375 on the General Regulations of Public Accounting (7 July 2020).

Major effort to improve budget preparation: The government has adopted a medium-term budget strategy, including quantitative and qualitative budget targets, prepared medium-term forecasts for the main budget indicators, and initiated a budget orientation debate organised by the two parliamentary chambers, with the 2020-2022 medium-term economic and budget programming document as the basis for discussion. It has also institutionalised the capping of Commitment Authorisations (CA) and Payment Appropriations (PA) to ensure greater sustainability of the State's commitments.

Implementation of results-based budgeting: Cameroon has implemented results-based budgeting (RBM), which aims to link budget allocation to measurable results, as well as gender-responsive budgeting (GRB), with a performance framework based on RBM. Annual information on the services provided by the ministries is published and included in the annual performance plans (PAP), which are the subject of reports (RAP) annexed to the PLR.

Improving revenue mobilisation: Cameroon has taken steps to improve its revenue mobilisation efforts. These measures include the introduction of new taxes and the enforcement of tax laws to increase tax compliance.

Strengthening financial management systems: These measures include introducing a new public procurement code, developing a new public accounting system and improving the audit system. For example, in 2020, Cameroon signed a loan agreement with the World Bank to support public financial management reforms, including the development of a comprehensive financial management information system. As part of this, Cameroon has been working to digitise its public finance management processes. This includes the introduction of electronic tax systems, online payment platforms and the development of an electronic procurement system.

Better supervision of public enterprises: Three decrees relating to public enterprises and establishments were signed in June 2019 and better monitoring is being carried out in the financial management of public enterprises, under the supervision of the CTR.

Extension of the prerogatives of the **Audit Bench**: Since 2018, the Audit Bench has "controlled the financial legality and budgetary conformity of all expenditure and revenue operations" and "assessed the economy, effectiveness and efficiency of the use of public funds". However, as has already been pointed out, the extension of its prerogatives does not yet translate into a strengthening of its independence with regard to the principles of INTOSAI.

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Reduction in payment arrears. They represented less than 3% of total expenditure in 2021, but the information on arrears of more than one year was not communicated, which does not allow a complete analysis to be made.

Evolution of financial statements towards accrual accounting: Cameroon has gradually taken steps to strengthen its accounting and move closer to international standards, such as the International Public Sector Accounting Standards (IPSAS). This has resulted in the implementation of a plan for the transition to accrual accounting and the introduction of the opening balance sheet scheduled for 2025, with a focus on the measurement and presentation of the State's assets, including its assets, liabilities and equity, the development of accounting procedures manuals and the improvement of financial information systems.

Table 1 : summary table of indicator scores.

Indicators / Dimensions	1	2	3	4	
I. Budget credibility					
PI-1. Total actual expenditure compared with the budget initially approved	B				B
PI-2. Composition of actual expenditure compared with the budget initially approved	C	D	D		D+
PI-3. Total actual revenue compared with the budget initially approved	A	C			B
II. Transparency and completeness of the budget					
PI-4. Budget classification	C				C
PI-5. Completeness of information contained in budget documentation	A				A
PI-6. Importance of unreported central government operations	D	D	D*		D
PI-7. Transfers to Sub-national Administrations	C	D			D+
PI-8. Use of performance information to deliver services.	C	C	D	D	D+
PI-9. Public Access to Key Budget Information	D				D
III. Asset and liability management					
PI-10. Budget Risk Reporting	D*	D	B		D+
PI-11. Public Investment Management	C	D*	C	C	D+
PI-12. Management of Public Assets	B	D	D		D+
PI-13. Debt Management	C	B	B		B
IV. Budget strategy and preparation					
PI-14. Macroeconomic and Budget Forecasts	B	A	D		B
PI-15. Budget Strategy	C	C	D		D+
PI-16. Medium-term perspective on expenditure budgeting	A	A	C	D	B
PI-17. Budget preparation process	D*	A	C		C+
PI-18. Examination of the Annual Finance Bill by the Legislature	B	B	A	C	C+
V. Predictability and Control					
PI-19. Revenue Management	B	C	C	D	C
PI-20. Revenue Accounting	C	D	A		D+
PI-21. Predictability of resource allocation during the financial year.	D*	A	D	C	C
PI-22. Arrears of Expenditure	D*	C			D+
PI-23. Effectiveness of payroll controls	C	D	C	C	D+
PI-24. Management of public procurement	B	D	D	B	C

Indicators / Dimensions	1	2	3	4	
PI-25. Effectiveness of internal controls over non-salary expenditure	A	C	C		B
PI-26. Internal Audit		D	D*	D*	D
VI. Accounting and Reporting					
PI-27. Integrity of Financial Data	D*	D	D*	B	D+
PI-28. Budgetary reporting during the financial year	C	D	D		D+
PI-29. Annual Financial Reports	C	D	C		D+
VII. External Review and Audit					
PI-30. Scope, nature and follow-up of the external audit	C	A	C	C	C+
PI-31. Examination of external audit reports by the legislature	A	D*	D*	D	D+

The PEFA evaluation scores can be viewed at the following link :

<https://public.Table.com/app/profile/pefa.cameroun>

1 INTRODUCTION

1.1 Background and objective

The objective of the PEFA 2022 assessment of Cameroon was to analyse the performance of the public financial management (PFM) system using the PEFA 2016 methodology and methodological frameworks related to gender and climate, in order to establish a reference situation for the future. This assessment should also make it possible to measure changes in performance compared with the previous assessment (PEFA 2017), in order to help improve the overall performance of our public finance management system and better plan reforms and identify prospects for more efficient public finance management in Cameroon.

This report presents only the results of the PEFA assessment in the modules PEFA Classic Public Finance Management, PEFA Gender and PEFA Climate. Following the results of this evaluation, an action programme should be drawn up. The gender action programme should make it possible to strengthen the national gender policy; and the climate action plan should make it possible to create a strategy for combating climate change and to introduce framework legislation on climate change at national level. These will also outline a plan for PFM reform from 2024, also taking into account the results of the sub-national PEFA which was conducted in 2022. All these results should also strengthen the National Strategic Development Plan 2020-2030 (SND-2020-2030).

1.2 Assessment management and quality assurance

The terms of reference for the PEFA 2022 evaluation provide for the preparation of an initial draft report, followed by a revised draft report based on the comments received. The final draft report will be submitted to the PEFA quality review process (PEFA check), involving various responsible structures, including the government, the PEFA secretariat, the PEFA steering committee, the European Union Delegation and other technical and financial partners..

Organisation of PEFA assessment management

Supervision team

Supervision team :

- Ministry of Finance; Budget Reform Division (DREF)
- European Union Delegation ;
- World Bank ;
- IMF ;
- AFDB ;
- German Cooperation (GIZ)

Main focal points (persons responsible for coordinating the work of the various focal points, having the report(s) prepared and submitting them to the supervisory committee for review) :

Evaluation focal points :

Paulin MENDO (MINEPAT), Patrick MZOGANG (MINEPAT), Pierre NGUETSE TEGOUM (MINEPAT), Guy NKOU (MINEPAT), Ariane SIEWE (MINEPAT), Sophie BOUMSONG (MINFI), Judith MENGUELE (MINFI), Augusta TABENYANG (MINFI), Armand MBIENA (MINFI), Jean-Louis MANGA NDI Jean Louis (MINFI), P. KOUMPO TANEKOU (MINFI), Désiré KONGO ELANGA Désiré (MINFI), Tite ETOUNDI ABOAH (MINFI), Ibrahim MIMCHE (MINFI), Térance TOCKE (MINFI), René BOYA (MINFI), Gabriel NGAKOUMDA (MINFI), Achille BASAHAG (MINFI), Rod-Charly NWATCHOK (MINFI),

Pierre MBA (MINFI), Robert SIMO KEGNE (MINFI), Edgard NDONGO ETEME (AN), Patrick OMGBA FOE (ARMP), Ananie TABI (MINFOPRA), Olivier EDOU (MINDDEVEL), Epse HAOUA SAID (MINDDEVEL), Martine ONGOLA (MINPROFF), Joseph NGORO (MINPROFF), Albertine DILI (MINEPDED), Aristide NYONGORO (MINMAP), Guillaume SIEWE (CAA), Melissa ALEME MELOM (CAA), Marcel MBELLA (CARPA), Elie NDJOM NACK (CdC), Matip YEBOA (CdC), Lionel GUESSELE ISSEME (CTR), Adolf AGBOR (CONSUPE), Sanda MODOU (INS), Elie-Victor ESSOMBA TSOUNGUI (SENAT), Christine ANDELA (OSC), Frederic ONDOA (MINFI), Félicité MEKIA (MINFI), Marc BEKONO (MINFI), Mirabeau ABE (MINFI), Koné ALIMA DAHIROU (MINFI), Sebastian SCHABER (UE), Patrick ILLING (UE), Jules KEMBOU (UE).

Coordination Team:

Institutional coordination: DUE, FMI, GIZ, BAD, BM

Peer reviewers: DUE, GIZ, and BM.

Evaluation team :

Pillar 1 : Jean-Marc PHILIP (Team leader and PEFA expert)

Pillar 2 : Jean-Marc PHILIP (Team leader and PEFA expert)

Pillar 3 : Sylvie ZAITRA (PEFA Expert)

Pillar 4 : Sylvie ZAITRA (PEFA Expert)

Pillar 5 : Eugene MAMPASSI NSIKA (PEFA Expert)

Pillar 6 : Jean-Marc PHILIP (Team leader and PEFA expert)

Pillar 7 : Eugene MAMPASSI NSIKA (PEFA Expert)

PEFA Climate : Elena MORACHIELLO (PEFA Expert), Luis MAXIMIANO (PEFA Expert)

PEFA Gender : Elena MORACHIELLO (PEFA Expert).

International experts : Yves DAMBAKLI (technical assistance provided at the first workshop)

Public administration officials (responsible for collecting information and accompanying international experts to meetings): Sophie BOUMSONG, Marc Désiré BEKONO Bekono, MIRABEAU Abe, Felicite Linda MEKIA, Chanel Arnould ABOSSOLO, Youssoufou HAMIDOU.

1.3 Evaluation methodology

This evaluation fully followed the guidelines published by the Public Expenditure and Financial Accountability (PEFA) Secretariat. The evaluation team used all the methodological guidelines and tools developed by the PEFA Secretariat, including manuals and user guides.

Each dimension of the indicators was measured on a four-point ordinal scale from "A" to "D". The specific scores for each dimension were aggregated to obtain an overall score for each indicator. To do this, an appropriate method was used, based on the specificity of the link between the individual dimensions (M1 or M2 methods).

Type of assessment

This evaluation is the third national evaluation of PEFA in Cameroon. It was carried out at the same time as the PEFA Gender and PEFA Climate evaluations (see Annexes 4 and 5) and was financed by the European Union Delegation (DUE) in Cameroon, which played the role of lead partner.

The PEFA Gender and PEFA Climate assessments were the first to be carried out in Cameroon, while the public financial management system had already been assessed according to the PEFA framework in 2008 and 2017 based on different methodologies. The 2008 PEFA evaluation was carried out using the 2005 evaluation framework, and the 2017 evaluation was carried out using the draft 2016 evaluation framework. In addition, several evaluations have been undertaken at sub-national level: Douala (2012 and 2018) and 12 sub-national entities (ongoing).

Number of indicators

The 31 PEFA indicators, divided into the seven pillars of PFM, were used for the assessment.

Evaluation calendar

Prior to the start of the evaluation, a training workshop was held on 19 and 20 December at the United Hotel, Mbankomo, Cameroon. During this workshop, the administrative staff in charge of the evaluation received hybrid training (on site and at a distance) provided by the team of international experts on the PEFA methodological framework. The additional "PEFA Climate" and "PEFA Gender" modules were also presented during the workshop.

An initial request for preliminary information was sent to the various departments in December 2022 on the pefa-cameroun.com platform, which was set up for this purpose.

The field mission took place between 26 February and 12 March 2023, during which an official launch ceremony and presentation of the provisional results took place on 8 March 2023 at the Yaoundé Hilton Hotel.

At the end of the field mission phase, the Cameroonian administration still had the opportunity to send information by email or on the pefa-cameroun.com platform until 31 March 2023, and additional interviews were held by videoconference.

Years covered

The assessment covered the years 2019, 2020 and 2021. This period applies to indicators covering the "last three completed financial years", and 2021 is the "last completed financial

year" for those dimensions for which information was available. For some indicators, the information was obtained "at the time of the evaluation", i.e. 2022..

Deadline

The deadline for submitting information for the evaluation was 31 March 2023..

Table 2 : Different stages of PEFA assessment

Aspect	Dates
Data collection work (carried out remotely on the pefa-cameroun.com platform) :	December 2022 to March 2023
Country's financial year:	1 January to 31 December
Last three financial years closed:	Financial years 2019, 2020 and 2021
Last financial year ended:	2021
At time of evaluation:	2022
At the time of the assessment, relating to the previous financial year:	2021
Most recent budget presented to Parliament:	2023
Evaluation period (deadline for obtaining information):	31 March 2023

Coverage

This assessment covers central government, including transfers to devolved local authorities (DLAs). Other central government entities covered by the assessment include social security bodies and extra-budgetary units (EBUs), also for a number of indicators.

The evaluation also covers sub-national administrations and public companies as regards the assessment of budgetary risks arising from operations carried out by these entities..

Sources of information

The main sources of information for the evaluation were: (i) data collected on the <https://pefa-cameroun.com> platform or transmitted by email; (ii) information from interviews with relevant government officials; and (iii) review and analysis of additional documents, such as government reports, analytical data and any other documents prepared by the government that were relevant to the evaluation of the PEFA indicators.

The evaluation team also attended relevant meetings and consulted diagnostic and analytical reports produced by non-governmental stakeholders, including international organisations and donors. A full list of meetings with institutions and individuals, as well as the documents and reports used, can be found in Annex 3 of this report..

Fiscal year of the country:

From 1st January to 31st December.

Monetary equivalence

1 Currency: CFA Franc BEAC (CFA) 1 Euro = 655.957 CFA (fixed parity).

2 GENERAL INFORMATION ABOUT THE COUNTRY

Cameroon is a country with a surface area of 475442 km² and a current population estimated at 26.5 million in 2020, with an almost equal gender distribution (49.98% women). It is the largest economy in the Central African Economic and Monetary Community (CEMAC).

The government of Cameroon adopted a development framework in 2009 with the aim of achieving upper-middle income status by 2035.

After a first phase 2009-2019 aimed at implementing the guidelines of the Growth and Employment Strategy Paper (GESP), a new reference framework - the National Development Strategy (NDS 2030) - was adopted for the period 2020-2030. It is based on four pillars: (i) the structural transformation of the national economy; (ii) the development of human capital and well-being; (iii) the promotion of employment and economic integration; and (iv) governance, decentralisation and strategic management of the State.

2.1 The country's economic situation

Cameroon's economy has weathered the effects of the COVID-19 pandemic with relative resilience. Thanks to a flexible containment strategy and moderate support for households and the private sector, the government has managed to maintain a degree of economic stability. Economic diversification and a resilient secondary sector have contributed to this stability. Real GDP grew by 0.5% in 2020 and 3.5% in 2021.

The third half of 2021 showed a rebound in non-oil activity, with sectors such as services, agri-food, agriculture and forestry on the rise. The government expects the economic recovery to accelerate to 4.5% in 2022, partly thanks to the positive impact of the organisation of the African Cup of Nations (CAN 2021) in Cameroon.

However, there are risks for the Cameroonian economy due to a poor agricultural season in the north of the country and inflationary pressures linked to the war in Ukraine. The balance of payments current account deficit widened slightly between 2020 and 2021, from -4.0% of GDP to -3.7%.

Table 1 : Selection of economic indicators

	2019	2020	2021
Real sector			
GDP at current prices (FCFA billion)	22 854.7	22 775.0	24 231.0
Oil GDP	1 064.0	673.0	999.0
Non-oil GDP	21 791.0	22 102.0	23 232.0
GDP at constant prices	16 869.0	16 981.0	17 563.0
Oil GDP	893.0	920.0	931.0
Non-oil GDP	15 976.0	16 061.0	16 632.0
GDP at constant prices	3.7	0.7	3.4
Oil GDP	8.5	1.3	1.2
Non-oil GDP	3.5	0.6	3.6
Price indices			
GDP deflator	2.6	-0.5	3.0
Oil GDP deflator	-2.0	-30.3	46.6
Non-oil GDP deflator	2.8	0.9	1.5
Consumer prices	2.5	2.5	2.1
Export prices	-0.4	-14.3	20.8
of which Cameroonian oil prices	-5.0	-32.5	42.7
Import prices	-0.8	0.8	0.4
Terms of trade	0.5	-15.1	20.5
Sectoral breakdown			
Primary sector	2.8	0.6	3.8
Secondary sector	4.9	2.8	3.3
of which oil	8.5	1.3	0.9
Tertiary sector	3.0	-0.4	3.7
Demand components (as % of GDP)			
Consumption	81.8	80.6	79.1
Private	71.0	70.0	68.6
Public	10.9	10.6	10.5
GFCF	22.6	23.5	24.4
Private	18.5	19.9	20.7
Public	4.0	3.6	3.7
G&S exports	20.2	16.2	18.3
G&S imports	24.7	20.3	21.8

Source : Reports DOB 2020 to 2022

2.2 Financial and budgetary trends

Cameroon's budget deficit has fallen slightly, from 3.3% of GDP in 2020 to 3.2% in 2021. In 2022, it is forecast to fall to 2.0% of GDP, but this could be slowed by inflationary pressures and continued state subsidies, particularly for fuel. Following the war in Ukraine, international oil prices have risen, which is having an impact on government revenues and subsidies at the pump.

As far as debt is concerned, the risk of overloading the overall public debt remains high, mainly due to debt servicing. However, the situation is considered sustainable. The stock of public debt increased by 5.6% of GDP between 2019 and 2021, reaching 47.2% of GDP, of which 33.9% is external debt. Cameroon has successfully managed its debt by refinancing part of the 2015 Eurobond and participating in the debt service suspension initiative. The country also made progress in restructuring the debt of National Oil Refinery Company (SONARA).

The IMF has approved four disbursements under the Rapid Credit Facility (RCF) since the start of the COVID-19 pandemic. A new three-year arrangement (2021-2024) has been signed with the IMF under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) to help maintain external viability and implement an ambitious reform programme. The first review of this agreement was approved in February 2022, with mixed results.

Table 2 : Overall budgetary information included in the IFL (as a percentage of GDP)

	IFL 2019	IFL 2020	IFL 2021
Total resources	21.2%	21.7%	20.2%
Internal revenues and donations	15.8%	16.3%	14.3%
<i>Oil revenues</i>	<i>2.0%</i>	<i>1.9%</i>	<i>1.6%</i>
<i>Non-oil revenue</i>	<i>13.5%</i>	<i>13.9%</i>	<i>12.2%</i>
<i>Tax revenue</i>	<i>12.7%</i>	<i>13.0%</i>	<i>11.3%</i>
<i>Taxes and duties</i>	<i>9.0%</i>	<i>9.2%</i>	<i>8.0%</i>
<i>Customs revenue</i>	<i>3.7%</i>	<i>3.8%</i>	<i>3.3%</i>
Non-tax revenues	0.8%	0.9%	0.9%
Donations	0.3%	0.4%	0.4%
Projects	0.1%	0.1%	0.1%
Other	0.2%	0.3%	0.3%
Gross financing	5.4%	5.4%	6.0%
Project loans	2.6%	3.4%	2.9%
Budget support (IMF, EU, AFD, WB, ADB)	1.4%	0.5%	1.1%
Securities issue	1.1%	1.4%	1.4%
Bank financing	0.3%	0.1%	0.1%
Foreign debt relief	0.0%	0.0%	0.4%
Total expenditure and net loans	21.2%	21.7%	20.2%
Operating expenditure	10.8%	10.7%	9.5%
Personnel expenditure	4.6%	4.7%	4.4%
Purchases of goods and services	3.9%	3.4%	2.9%
Transfers and subsidies	2.2%	2.6%	2.2%
Capital expenditure	5.8%	6.6%	5.6%
Expenditure on external financing	2.7%	3.5%	3.0%

	IFL 2019	IFL 2020	IFL 2021
Expenditure on own resources	2.9%	2.9%	2.4%
Expenditure on participation/restructuring	0.2%	0.2%	0.1%
Net loans	0.0%	0.0%	-0.1%
COVID-19 Financing Fund	0.0%	0.0%	0.4%
Local production stimulus fund	0.0%	0.0%	0.2%
Decentralisation addendum (DGD)	0.0%	0.0%	0.1%
Debt service	4.6%	4.4%	4.5%
External debt service	2.0%	2.1%	2.4%
Principal	1.4%	1.3%	1.6%
Interest	0.7%	0.7%	0.8%
Domestic debt service	2.6%	2.4%	2.0%
Principal	1.2%	1.5%	1.2%
Interest	0.2%	0.2%	0.3%
VAT credits	0.4%	0.3%	0.3%
Remainder to be paid/Domestic arrears including repayment of marketers' debt	0.8%	0.3%	0.3%
Net lending (+) / Net borrowing (-)	0.0%	0.0%	0.0%
GDP at current prices (FCFA billion)	22 854.70	22 775.00	24 231.00

Source : Reports DOB 2020 to 2022

In terms of budget allocations by economic classification, personnel expenditure increased slightly between 2020 and 2021 (from 21.3% to 22.0% of GDP), while the goods and services category fell steadily from 2019 to 2021. Transfers and subsidies show a small increase between 2019 and 2020, followed by a slight decrease in 2021.

Interest and commission costs have risen each year, reaching 5.4% of GDP in 2021. Amortisation of external debt rises between 2019 and 2021, while amortisation of domestic debt falls over the same period.

Expenditure on external financing increased in 2020 before stabilising in 2021.

It should also be noted that the special solidarity fund against the coronavirus and the assistance fund, which did not exist in 2019 and 2020, represented 3.1% of GDP in 2021, in response to the COVID-19 pandemic.

Table 2 : Budget allocations by economic classification (as a percentage of GDP)

Economic chapter	2019	2020	2021
Operating expenditure			
Staff costs	21.8%	21.3%	22.0%
Goods and services	18.5%	15.6%	15.1%
Transfers and subsidies	10.6%	12.0%	10.9%
Interest and commission	4.1%	4.4%	5.4%
Capital expenditure	0.0%	0.0%	0.0%
Expenditure on Internal Resources (IR)	13.8%	13.1%	12.0%

Economic chapter	2019	2020	2021
Participation/restructuring/rehabilitation	0.8%	0.9%	0.7%
Expenditure on external financing	12.7%	15.9%	15.1%
Special appropriation accounts	0.0%	0.0%	0.0%
Special solidarity fund against the coronavirus / Assistance funds	0.0%	0.0%	3.1%
Other SAA	0.0%	0.9%	0.9%
Public debt	0.0%	0.0%	0.0%
Amortisation of foreign	0.0%	0.0%	0.0%
- external	6.4%	6.0%	8.1%
- domestic debt	9.3%	8.4%	5.2%
Repayment of VAT credits	2.1%	1.4%	1.5%
Total expenditure	100.0%	100.0%	100.0%

Sources : FL et FB 2019 to 2021

In terms of budget allocations by function, the table below shows that Cameroon has increased its spending on education, defence and economic affairs, while allocations for housing and public facilities, leisure, culture and religion, and environmental protection have decreased over the last three financial years.

Table 3 : Budget allocations by function for the 20 largest ministries (as a percentage of the total)

Function	2019	2020	2021
Economic Affairs	8.97%	8.71%	9.82%
Defence	9.42%	9.77%	11.00%
Education	27.05%	29.16%	32.18%
Housing and public facilities	27.86%	27.86%	23.90%
Leisure, culture and religion	4.10%	3.66%	0.90%
Public order and safety	4.34%	4.13%	3.90%
Environmental protection	5.69%	4.41%	3.89%
Health	8.32%	8.15%	8.77%
General public services	4.25%	4.14%	5.63%
Total	100%	100%	100%

Sources : FL et FB 2019 to 2021 and mission calculations

2.3 Legal framework for public finance managements

The legal framework for public finance management in Cameroon is draws its strength from Law No. 96/06 of 18 January 1996, which revised the Constitution of 2 June 1972. The current Constitution was adopted after wide consultation with the various strata of Cameroonian society. The 1996 Constitution transformed the country into a decentralised unitary state, but decentralisation and the transfer of powers are making slow progress.

The other main texts governing the management of public finances in Cameroon are the organic law on finance laws, Law No. 2018/012 of 11 July 2018 on the fiscal regime of the State and other public entities, Law No. 2018/011 of 11 July 2018 on the code of transparency and good

governance in the management of public finances in Cameroon, the codes relating to taxes, customs and public procurement, and finally regulatory acts (decrees, orders, circulars and instructions).

2.4 Institutional framework for PFM

The institutional framework for public finance management is based on the separation of legislative, executive and judicial powers.

Cameroon's Constitution, in force since 18 January 1996, establishes the country as a decentralised, secular, democratic and social unitary state. Cameroon is a multicultural and multilingual state, with English and French as its official languages.

Executive power

➤ *Executive bodies*

Executive power is exercised by the President of the Republic, who is the guarantor of national independence and territorial integrity. As Head of the Executive, he defines the Nation's policy. The President is elected by direct universal suffrage for a seven-year renewable term. The government prepares and implements the Finance Law and the State budget, under the direction of the President. The main ministries and institutions are

- Ministry of Finance (MINFI);
- Ministry of the Economy, Planning and Regional Development (MINEPAT);
- Ministry of Public Procurement (MINMAP);
- Ministry of Decentralisation and Local Development (MINDDEVEL);
- The technical ministries concerned: MINPROFF, MINEPDED, MINFOF, MINTP, MINEE, MINHDU, MINADER, MINEDUB, MINSANTE)

Control bodies

In Cameroon, the specific institutional framework for control is made up of different bodies, each with their own powers and responsibilities.

Internal control: At the level of the Ministry of Finance, the Inspectorate General and the Inspectorates of the financial administrations (DGB, DGI, DGD, DGTCFM) were set up by Decree 2013/066 of 28 February 2013 to ensure the control of public finances.

The mission of MINFI's Inspectorate General is limited to auditing the departments of the Ministry of Finance. It is not a general inspectorate of finance and does not have a cross-cutting role like the DGB brigade.

The 2013 decree states, among other things, that the Inspectorate General is responsible in its area of competence for:

- monitoring and evaluating the performance of departments in relation to the objectives set in liaison with the Secretary General
- internal control and evaluation of the operation of central and decentralised departments, establishments and bodies under its supervision, as well as related projects.

With regard to public procurement, Decree 2018/366 of 20 June 2018 on the Public Procurement Code and its subsequent texts updated Decree No. 2012-075 of 08 March 2012 on the

organisation of the Ministry of Public Procurement and Decree No. 2012-074 of 08 March 2012 on the creation, organisation and operation of public procurement commissions, and amended or supplemented certain provisions of Decree 2001/048 of 23 February 2001 on the creation, organisation and operation of the Public Contracts Regulatory Agency (ARMP) in Cameroon..

External control :

The Audit Bench of the Supreme Court

The Constitution of 18 January 1996 of the Republic of Cameroon (Law no. 96/06 of 18 January 1996 revising the Constitution of 2 June 1972) stipulates that the Supreme Court is the highest court in judicial, administrative and auditing matters. It provides for the existence of an audit Bench within this court. Under article 41 of the Constitution, "the Audit Bench is competent to audit and rule on public accounts and those of public and semi-public companies. It has sovereign jurisdiction over the final decisions of the lower courts of audit.

Organised by law no. 2003/005 of 21 April 2003, the Audit Bench of the Supreme Court began its activities following the appointment of its President in April 2004 and the swearing-in of its new magistrates in December 2005. The year 2004 also saw the launch of the activities of the financial jurisdiction of the Audit Bench, which is organised into sections. It is made up of a President¹, section presidents, councillors and auditors².

The legal framework of the Audit Bench was established by the law of 21 April 2003 relating to the powers, organisation and operation of the Audit Bench of the Supreme Court, which also set up the office of the Audit Bench. Article 39 (c) of Law no. 2006/016 of 29 December 2006 setting out the organisation and operation of the Supreme Court also states that: "the Audit Bench is competent to give its opinion on the draft settlement laws presented to Parliament³".

Since the promulgation of the new State fiscal regime in 2018, in particular Law No. 2018/012 of 11 July 2018 on the fiscal regime of the State and other public entities and Law No. 2018/011 of 11 July 2018 on the code of transparency and good governance in the management of public finances, the Audit Office, which has been given new powers, has the remit of a Supreme Audit Institution (ISCFP) in charge of the external audit of public finances.

It is now responsible for

- control of the financial legality and budgetary conformity of all State revenue and expenditure operations,
- judging authorising officers, financial controllers and public accountants, and sanctioning mismanagement by public officials,
- assessing the economy, effectiveness and efficiency of the use of public funds,

¹ Following decrees n°2004/81 and decree n°2004/82 of 13 April 2004 respectively appoint the President of the Audit Bench and two Councillors)

² Decrees no. 2005/391 and 2005/392 of 25 October 2005 appointed sixteen (16) postulants to the Judiciary, in addition to appointing Section Presidents, Super Councillors and Referendary Councillors. Magistrates are appointed by decree of the President of the Republic.

³ The Audit Bench reports on INTOSAI and IPSAS certifications. Since 2022, observations have been made. For the time being, it is difficult to obtain the administrative accounts of the authorising officers (ministries): the Chamber therefore only assesses compliance with the rules governing the execution of the State Budget

- and to certify the regularity, sincerity and fairness of the State's general accounts, in addition to assisting Parliament in auditing the implementation of the Finance Acts and the State Budget settlement, which positions it as an SAI by international standards.

In addition to producing a series of reports (reports on the implementation of the Finance Act, audit reports, annual public reports, certification reports, public reports, thematic reports and other reports), the Audit Office submits an annual report to the President of the Republic, the President of the National Assembly and the President of the Senate setting out the general results of its work and observations with a view to reforming and improving the keeping of accounts and the discipline of accountants.

The President of the Audit Bench is appointed by the Higher Judicial Council, which is chaired by the President of the Republic. The Audit Bench has also published a methodological guide to management review and has drawn up its first strategic and operational plan covering the period 2019-2023.

The Supreme State Audit (CONSUPE)

In Cameroon, the supreme audit institution of the administrative order is the Superior State Audit (CONSUPE), created by Decree No. 2013/287 of 04 September 2013 and attached to the Presidency of the Republic.

The CONSUPE (Supreme State Audit), has taken over Cameroon's representation in two major international bodies: the INTOSAI (International Organisation of Supreme Audit Institutions) and the AFROSAI (African Organisation of Supreme Audit Institutions), which brings together SAIs, although it does not meet the conditions of independence (its structure reports to the executive and it is headed by a minister) and publicity of its work. It also continues to convene the Superior Council of Budgetary and Financial Discipline, whose powers have nonetheless been transferred to the Audit Bench by Articles 87 and 88 of Law No. 2018/012 of 11 July 2018.

In practice, Cameroon therefore has two SAIs, the Audit Bench and the CONSUPE. The incomplete status of the Audit Bench, which is not a true Court of Audit in its own right, is therefore still a major obstacle to its effectiveness and independence. This situation hampers its ability to fulfil its public finance audit and control functions and weakens the CdC institutionally, as it deprives it of international recognition and visibility and leads to a confusion of roles and responsibilities.

To be in line with the PEFA methodology, CONSUPE's missions have been considered from an internal audit perspective, while the Audit Bench' activities have been examined from an external audit perspective.

➤ *The judiciary*

The Constitution of Cameroon provides that the Supreme Court is the highest jurisdiction in judicial, administrative and audit matters. It provides for the existence of an Audit Bench within this court. The Audit Bench is responsible for auditing and ruling on public accounts and those of public and semi-public companies.

Created by law no. 96/06 of 18 January 1996, the legal framework of the Audit Bench of the Supreme Court was established by the law of 21 April 2003 and the Bench began its activities after the appointment of its President and the swearing-in of its new magistrates in 2005. Since 2020, the President of the Audit Bench has been appointed by the Supreme Council of the Judiciary, which is chaired by the President of the Republic.

The financial jurisdiction of the Audit Bench is organised into sections and comprises a President, section presidents, advisers and auditors. The Public Prosecutor is represented by the Attorney General. In February 2023, the Audit Bench published a methodological guide to the management review and drew up its strategic and operational plan covering the period 2019-2023.

Legislative power

The National Assembly has 180 members elected by direct universal suffrage for a renewable five-year term. One of its main responsibilities is to vote on the Finance Acts.

The Senate has 100 members, i.e. 10 members per region. Of these 10 members, 3 are appointed by the President of the Republic, while the other 7 are elected indirectly by a regional electoral college. The Senate was established in 2013, creating a bicameral system in Cameroon.

➤ Public establishment and public enterprises

In Cameroon, public establishments and enterprises (EEPs) play an important role in the implementation of public policies, the provision of services and economic dynamics. EEPs are often active in key sectors of the economy, such as infrastructure (transport, electricity, water), telecommunications, finance and agriculture. They thus make a significant contribution to the country's economic growth, notably National Hydrocarbons Company (SNH), which is Cameroon's national entity responsible for managing and exploiting the country's hydrocarbon resources. It plays a central role in Cameroon's oil sector and has several main responsibilities, including representing the State, exploration and production in partnership with international companies, marketing the State's share of hydrocarbons, and promoting Cameroon as an investment destination for oil and gas companies. In addition, the revenues generated by SNH from its commercial and production activities make up a significant proportion of Cameroon's state revenue.

At 31 December 2021, the sector comprised 132 companies. At 31 December 2020, the scope of holdings held directly by the State and valued in its accounts comprised 48 entities, of which 36 are controlled and 12 are not controlled. They are, in accordance with the provisions of Article 12 of Law N°2017/011 of 12 July 2017 to lay down the General rules and regulations governing Public Enterprises, held by the Minister in charge of Finance, who represents the State as shareholder. In accordance with Standard No. 5 of the Compendium of State Accounting Standards, the State's holdings are classified according to the control criterion into two main categories which are (1) holdings in controlled entities and (2) holdings in non-controlled entities.

The performance of state-owned companies is reflected in the State budget through:

- 1) payments of subsidies by the State to public companies in the event of insufficient profitability for public companies that call on the State to ensure their operating equilibrium; or in the event of a need to modernise the production tool; or for the performance of public service missions by certain public companies in place of the State.

This category includes: CDC, PAMOL, SOPECAM, SODECAO, SEMRY, SODECOTON, SODEPA; and the State's practice of approving prices for products from the operations of certain public enterprises, which hampers their operations and hence their profitability. This category includes companies producing palm oil (CDC, PAMOL Plantations), cotton (SODECOTON), rice (SEMRY, UNVDA), and service and development companies (CAMPOST, SIC, MAETUR, SODEPA).

Given the proportion of public companies in a situation of bankruptcy or deterioration of shareholders' equity recorded over the period 2019-2021, and the problems inherent in price approval practices and the performance of public service missions, the occurrence of risk related to the payment of subsidies to public companies remains high.

- 2) tax revenues (taxes and duties) and the dividends they pay out. Between 2018 and 2020⁴, public entities will contribute 55.7 billion to the State budget in 2018, 77.8 billion in 2019 and 75.1 billion in 2020. These amounts correspond respectively to 1.15%, 1.60% and 1.52% of the State budget for these years. With revenues from state-owned enterprises on the decline, the risk of a downward variation in these revenues in the state budget is relatively high.

MINFI has taken several initiatives to mitigate the budgetary risks associated with the indebtedness of state-owned enterprises since 2017. These include ⁵ :

- Instruction N°003105/MINFI/CNDP/CT/SP of 06 June 2017 relating to prior and compulsory referral to the CNDP with a view to guaranteeing the sustainability of the indebtedness of the dismemberments of the State;
- Order No. 00000224/MINFI of 07 April 2014 setting the terms and conditions for referral to and the procedure before the National Public Debt Committee;
- the inventory of reciprocal debts between the State and Public Enterprises, and Public Enterprises among themselves, as well as a plan to clear said debts;
- carrying out a diagnostic study of the approved or administered prices of the products of public enterprises and public establishments;
- carrying out a diagnostic study on the evaluation of public service missions;
- the generalisation of the practice of performance contracts to all public companies through circular N° 00004918/MINFI of 06 July 2022 governing performance contracts between the State and public companies and establishments;
- the introduction of a circular making it compulsory for public companies to publish their certified financial statements on the website;
- the systematic completion of strategic diagnostic studies for loss-making public companies;
- the drafting of a State shareholding policy which defines the Government's strategic framework for defining the long-term vision of the State as shareholder, the overall objectives of State shareholding, its role in the governance of public companies, and the way in which it intends to implement its shareholding strategy;

⁴ PEFA Latest figures available at the time of the PEFA evaluation mission..

⁵ Appendix on the State's shareholdings in the PLR 2022

- the preparation of a study on the development of a computerised system for monitoring public companies, with a view to improving the monitoring of public companies;
- the recapitalisation of bankrupt public companies;
- transforming public companies whose public service missions take precedence over their commercial activities into public establishments.

Table 3: Structure of the public sector (number of entities and amount of expenditure in billions of CFA francs - Year 2022)

	Gouvernement				Social Security		Public entreprises	
	Budgetary units		Extra-budgetary units					
	Num	Expenditure	Num	Expenditure	Num	Expenditure	Nbre	Dépenses
Central government	38	4 790	90 (EPA)	667	3	217	132	ND
RLA	428 ^{1/}	707.1	-	-	-	-	-	-
Total	466	5 497	ND	ND	ND	ND	ND	

1/ 10 regions, 58 divisions, 360 councils

Source : DGB

2.5 Other key elements of PFM and its institutional environment

The decentralisation framework

Cameroon is divided into 10 regions, 58 departments, 14 urban communes and 360 arrondissements/communes, each under the authority of a governor, prefect and sub-prefect.

Each region is placed under the authority of a governor and a regional council. The governor is the representative of the President of the Republic, of the government and of each of the ministers, and as such is the representative of the authority of the State in the region. Regional councils constitute the executive body of the region. They are made up of departmental delegates elected by indirect universal suffrage, and representatives of the traditional command elected by their peers.

Cameroon's 1996 Constitution establishes a decentralised unitary state, which means that the country is administered according to two organisational models: centralisation, with the deconcentration of power, and decentralisation. Decentralisation involves the transfer by the

State of specific powers and resources to decentralised local authorities, i.e. the regions and communes. The management of local affairs is entrusted to local elected representatives, under the supervision of the State, who exercise control as defined by law. The principles underlying this system include the free administration of decentralised local authorities, State supervision, concomitance, balance between powers and resources transferred, subsidiarity and complementarity, the exclusive exercise of powers and citizen participation.

In recent years, Cameroon has embarked on a decentralisation process aimed at turning decentralised local authorities into growth poles and strengthening decentralisation as a public policy guideline. This has resulted in the adoption of Law No. 2019/024 of 24 December 2019 on the General Code of Regional and Local Authorities, which introduces significant institutional and financial innovations. This law established a specific fiscal regime for local authorities and promoted performance-based budget management and asset-based accounting.

The aim of this reform was to modernise the decentralisation system, to make the budgetary process of local authorities clearer, more rational and more efficient, and to strengthen transparency and good governance in their management. Important steps have been taken, in particular the drafting of implementing financial texts, such as the Local Government Accounting Plan, the Local Government Budget Nomenclature, the Local Government Budget Calendar and instructions on keeping budgetary and general accounts..

Civil society organisations (CSOs)

Despite the challenges it faces, Cameroonian civil society continues to play a vital role in promoting democracy, sustainable development and human rights in the country. For the first time, the AfD's CSO Initiatives programme has been entrusted with the management of funds delegated by the European Union to finance two projects designed to respond to the worsening food insecurity in northern Cameroon.

During the field mission, the evaluation team met with several CSOs, including Planoscam, Cosader and Save Africa.

3 EVALUATION OF PFM PERFORMANCE

PILLAR I: Budget reliability

Pillar I is used to establish whether the national budget is realistic and executed as planned. The assessment is carried out by comparing the revenue and expenditure implemented (immediate results obtained thanks to the PFM system) with the budget initially approved..

PI-1 Total expenditure incurred

This indicator measures the extent to which total expenditure implemented corresponds to the amount initially approved, as indicated in State budget documents and budget reports. This indicator comprises a single component.

Scope: Central budgetary administration

Period: Last three financial years

Indicator and component scores and analysis

Indicators/ components	Performance Assessment	Score 2017	Score 2023
PI-1 Total expenditure incurred (M1)		A	B
1.1 Total expenditure incurred	The total actual expenditure allocated to each of the financial years 2019 to 2021 represented 106.3%, 91.4% and 108.4% respectively of the expenditure entered in the budgets entered in the initial Finance Acts.	A	B

1.1 Total expenditure incurred

Current situation

Based on the information presented in the initial finance laws, the 2019 and 2020 settlement laws and the 2021 settlement bills, it can be seen that total executed expenditure has represented between 90% and 110% of the total amount of approved expenditure entered in the budget over at least two of the last three financial years (in 2019 and 2021).

The COVID-19 pandemic has had a significant impact on the global economy, and many countries, including Cameroon, have felt the effects on their public finances. Public revenues, mainly from taxes and duties, have fallen as a result of reduced economic activity. The unprecedented and critical nature of this situation has led virtually all countries to make substantial budgetary adjustments. This observation is also justified by the significant discrepancies recorded in a large number of countries between the forecasts in the initial finance acts and those in the amending finance acts for 2020, 2021 and even 2022.

However, it is important to score that while revenues may be affected, spending need not necessarily be affected to the same extent, especially if the government has financing mechanisms at its disposal, such as issuing Treasury bills. If a government is able to issue these bonds and there is sufficient demand for them on the market, it can raise the funds needed to finance its spending, despite a drop in revenue. Cameroon has also been able to benefit from exceptional support from its Technical and Financial Partners (TFPs), in particular by contributing to the COVID-19 fund.

Thus, even in the face of a drop in revenue due to the pandemic, if a government can issue treasury bills and benefit from external financing, it should be able to maintain, or even increase, its expenditure in relation to the initial allocations, and in particular to continue to finance essential programmes, support the economy and respond to the urgent needs caused by the pandemic.

The following table shows actual expenditure compared with the approved budget over the last three financial years.

Table 1-1 : Total expenditure (in billions of CFA francs and as a %)

Year	Forecast	Realisation	Execution rate
2019	4 850.5	5 156.0	106%
2020	4 995.4	4 563.7	91%
2021	4 865.2	5 275.7	108%

Data source: IFL, LdR and PLR

Appendix 3 contains tables showing the initial budgets approved by the legislature and the actual expenditure incurred. The tables also show changes in the composition of the budget classified according to administrative and economic classifications..

PEFA Score : B

Changes since the previous assessment.

The Score deteriorated slightly from A to B, but this does not allow any conclusions to be drawn. The COVID-19 period led to a significant underspend in 2020, which partly explains why the budget was overspent in 2021. However, the grade could have been maintained at A if the 2021 budget had been implemented in line with expenditure forecasts, which was not the case.

PI-2. Breakdown of expenditure incurred

This indicator assesses the extent to which reallocations between the main budget headings during the implementation phase have contributed to a change in the composition of expenditure compared with the initially approved budget.

Scope: Central budgetary administration

Period: The last three financial years

Indicator and component scores and analysis

Indicators/ components	Performance assessment	Score 2017	Score 2023
PI-2 Composition des dépenses exécutées (M1)		D+	D+
2.1 Composition of actual expenditure by administrative classification	The composition of expenditure by administrative classification deviated from the initial forecasts by more than 10%, but by less than 15% in 2019 and 2021.	C	C
2.2 Composition of actual expenditure by economic category.	The composition of expenditure by economic classification deviated by more than 15% in 2020 and 2021.	D	D

Indicators/ components	Performance assessment	Score 2017	Score 2023
PI-2 Composition des dépenses exécutées (M1)		D+	D+
2.3 Expenditure funded from contingency reserves.	Expenditure charged to contingency reserves represented on average more than 10% of State budget expenditure during the period under review.	A	D

2.1. Breakdown of actual expenditure by administrative classification

Current Situation

The composition of expenditure by administrative classification differed from the initial forecasts by 27.0% in 2019, 25% in 2020 and 26.0% in 2021..

Table 4 : Breakdown of actual expenditure by administrative classification

Exercice	Expenditure execution	Breakdown of variation
2019	106%	14%
2020	91%	17%
2021	108%	10%

PEFA Score : C

Changes since the previous assessment.

The situation remained unchanged in 2019, deteriorated in 2020 due to the health crisis, and improved in 2021. At the time of the previous assessment, the composition of expenditure according to the same classification differed from the initial forecasts by 14.0% in 2014, 13.9% in 2015 and 13.0% in 2016.

2.2. Breakdown of actual expenditure by economic category

Current Situation

The composition of expenditure according to the economic classification has deviated by more than 15% in two of the last three financial years. It deviated from the initial forecasts by 14% in 2019, 28% in 2020 and 26% in 2021. It is at the level of economic classification that the adjustments have been the most significant, particularly in terms of expenditure on goods and services, transfers and subsidies, interest and commissions, capital expenditure on Internal Resources (IR), expenditure on participation/restructuring/rehabilitation and expenditure on external financing.

Table 5 : Breakdown of change by economic classification

Exercice	Expenditure execution	Breakdown of variation
2019	106%	14%

2020	91%	28%
2021	108%	26%

PEFA Score : D

Changes since the previous assessment.

The situation has not changed in terms of the Score, but has deteriorated in terms of the variances. At the time of the previous assessment, the composition of expenditure by economic classification differed from the initial forecasts by 16.4% in 2014, 16.3% in 2015 and 9.3% in 2016.

2.3. Expenditure funded from contingency reserves

Current Situation

For the purposes of this assessment, the expenditure considered as "contingency expenditure" is that included in Chapters 65 (common expenditure) and 94 (investment intervention) of the State budget, excluding other common chapters.

In order not to distort the budgetary profile of the beneficiary ministerial departments or institutions, the Government has opted to enter, in chapters 94 and 65, budgetary appropriations for the assumption of responsibility for State missions that are certainly foreseeable, but cyclical. For example

- the organisation of the 2019 African Cup of Nations for the Ministry of Sport and Physical Education (MINSEP);
- the transfer of funds dedicated to decentralisation through the General Allocation for Decentralisation;
- the Ministry of Defence (MINDEF) to ensure the security of areas affected by separatist tensions.

However, the fact that this expenditure is included in chapters 94 and 65, corresponding to unallocated expenditure, creates confusion about the responsibilities of the budget units responsible for implementing these budgets and greatly impairs the readability of budget reports and the State's financial statements.

The Citizens' Budget states that "the continued improvement in the management of public spending has resulted in a 333.3 billion reduction in the budget for unallocated activities by function. More specifically, common expenditure fell by 25.6% to €268.9 billion. The same applies to State interventions, which fell by 8.9% to 267.2 billion in 2020⁶. While the fall in this unallocated expenditure is effective at the level of budget allocations, as can be seen in the table below, actual expenditure on this item far exceeded forecasts, especially in 2020. In actual terms, this expenditure represented an average of 14.6%, or more than 10% of State budget expenditure during the period under review.

Table 6 : Forecast and actual unallocated expenditure (in billions of CFA francs and as a %)

⁶ Source : Budget des citoyens 2020

Exercice	Budget	Realisations	Ecart en %	En % des dépenses
2019	478.1	593.6	24.2%	11.5%
2020	365.1	704.4	93.0%	16.1%
2021	453.5	815.0	79.7%	15.8%

PEFA Score : D

Changes since the previous assessment.

The "common expenditure" and "capital intervention expenditure" budget lines had not been considered as contingency expenditure. The previous evaluation had judged that expenditure charged to the provisional reserves had represented an average of 0.8% of State budget expenditure during the period under review, as the "common expenditure" and "investment intervention expenditure" budget lines had not been considered as such. However, MINFI was already using these budget lines to meet operating and investment expenditure that had not been provided for in the budget.

PI-3. Revenue executed

This indicator measures the difference between actual revenue and the initially approved budget.

Scope: Central budgetary administration

Period: The last three financial years

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-3 Revenue generated (M2)		C+	B
3.1 Total revenue generated	Total revenue realised was between 97% and 106% of total revenue forecast in the initial Finance Law in 2019 and 2021.	B	A
3.2 Composition of revenue	The difference between the revenue mix forecast in the initial Finance Law was more than 10%, but less than 15% in 2019 and 2021.	C	C

3.1. Total actual revenue

Current Situation

In Cameroon, government revenue comes from a variety of sources, which can be grouped into the following categories.

Tax revenue: direct taxes (personal income tax (IRPP) and corporate income tax (IS) and indirect taxes, including value added tax (VAT) and customs duties).

Non-tax revenue: mainly mining royalties, dividends from state-owned companies, fines and penalties.

Borrowing revenue: this may take the form of government bonds, treasury bills or loans from international organisations.

Aid and donations: This revenue comes from development partners, such as bilateral and multilateral agencies and international financial institutions, in the form of donations or planned aid.

The General Directorate of Taxation (DGI) and the General Directorate of Customs (DGD) are mainly responsible for forecasting tax revenues, in collaboration with the Ministry of Finance. The forecasts undergo a process of review and validation before being incorporated into the Finance Bill, which is then submitted to the National Assembly for approval.

Over the last 3 financial years, for the years 2019 to 2021 respectively, total revenue achieved represented 98.5%, 93.9% and 97.7% of the total revenue forecast in the initial Finance Law. Revenue execution was slightly below the initial forecasts, but the rate was above 97% in 2019 and 2021, enabling an A grade to be awarded. The larger drop in revenue in 2020 is mainly due to the health crisis linked to the COVID-19 pandemic, while the increase in revenue in 2021 is mainly due to the post-COVID-19 economic recovery.

Table 7: Total revenue forecasts and actual figures (in millions of CFA francs and as a %)

Exercice	IFL	Execution	Execution rate
2019	3 937 500	3 878 572	98.5%
2020	3 834 700	3 602 614	93.9%
2021	3 716 600	3 619 717	97.4%

Source des données : PLF et PLR 2019, 2020 et 2021

PEFA Score : A

Changes since the previous assessment.

Revenue execution was closer to the initial forecast in the period assessed in 2023 than in the period assessed in 2017, which is an unexpected result given the period assessed. In the previous assessment, total revenue realised for the years 2014 to 2016 represented 108.2%, 99.4% and 96.2% respectively of the total revenue forecast in the initial Finance Law.

It can also be concluded that, on the expenditure side, the deterioration in performance was not caused by the COVID-19 pandemic, but rather by a lack of rigour in the management of expenditure during the execution of the budget.

3.2. Composition of actual revenue

Current Situation

Tax revenues, which represent the largest share of total revenues, were lower than forecast in 2019 and especially 2020, due to the health crisis, before slightly exceeding forecasts in 2021, thanks to the economic recovery following COVID-19. The other economic chapters showed variable results from one year to the next, with significant variations and achievements that were sometimes higher or lower than forecast.

In particular, the "Donations, subsidies and legacies" economic chapter showed higher than forecast achievements in 2019 and 2021, but lower in 2020. In 2019, outturn was 68.7% higher

than forecast, while in 2020 it was 64.7% lower. In 2021, outturns were 47.5% lower than forecast.

The "Other revenue" economic chapter showed very significant variations, with higher-than-expected outturns in 2019, but lower outturns in 2020 and 2021. In 2019, outturns were 24.0% higher than forecast, while in 2020 they were 6.1% lower. In 2021, outturns were 9.8% lower than forecast.

Lastly, the "Donations" economic chapter saw lower-than-expected outturns in 2019 and 2021, but higher outturns in 2020. In 2019, outturns were 30.7% lower than forecast, while in 2020 they were 237.1% higher. In 2021, outturn was 76.3% lower than forecast.

More detailed information on revenue forecasts and actual figures is provided in the table below.

Table 8: Total revenue forecasts and actual figures (in billions of CFA francs and as a %)

Exercice	2019			2020			2021		
Economic chapter	Expected	Realized	Ecart en %	Expected	Realized	Ecart en %	Expected	Realized	Ecart en %
Tax revenue	2 899.5	2 768.3	95.5%	2 962.2	2 563.0	86.5%	2 743.1	2 846.3	103.8%
Donations Assistance funds and legacies	79.0	133.3	168.7%	102.0	36.0	35.3%	106.9	56.1	52.5%
Social security contributions	65.0	48.5	74.6%	60.0	55.3	92.2%	60.0	55.4	92.3%
Other revenue	565.0	700.4	124.0%	595.0	558.9	93.9%	546.6	600.3	109.8%
Donations	329.0	228.1	69.3%	115.5	389.3	337.1%	260.0	61.6	23.7%
Total income	3 937.5	3 878.6	98.5%	3 834.7	3 602.6	93.9%	3 716.6	3 619.7	97.4%

Table 9 : Matrice des résultats des recettes exécutées par rapport aux Amounts inscrits dans les IFL (écarts en %)

Year	Execution of revenue	Breakdown of variation
2019	98.5%	10.3%
2020	93.9%	15.6%
2021	97.4%	13.4%

Source : calculations of the mission

PEFA Score : C

Changes since the previous assessment

The difference between the revenue mix forecast in the initial Finance Law and the actual mix was 9.9%, 15.1% and 10.4% respectively in 2014, 2015 and 2016. For each year, the information shows a wide dispersion in the implementation rates for each category of revenue. They also showed wide variations in these rates from one year to the next.

PILLAR II: Transparency in public finances

Pillar II seeks to determine whether information on public financial management is complete, consistent and accessible to users. This requires full budget classification, transparency of all public revenue and expenditure, including intergovernmental transfers, publication of information on the performance of public services and direct access to financial and budgetary documents.

PI-4. Budget classification

This indicator assesses the extent to which the State budget and the classification of accounts comply with international standards. It includes a component.

Scope: Central budgetary administration

Period: Last financial year ended

Indicator and component scores and analysis

Indicators/ Components	Justification	Score 2017	Score 2023
PI-4. Budget classification		C	C
4.1 Budget classification	The formulation and execution of the budget uses an administrative and economic classification that enables documents to be drawn up that are consistent with the GFS standard. Budget reports use an economic classification at a relatively aggregated level. Functional classification is not used.	C	C

Legal framework

The main legal texts relating to this indicator are as follows:

- Law n°2018/011 of 11 July 2018 on the Code of Transparency and Good Governance in the Management of Public Finances in Cameroon;
- Law No. 2018/012 of 11 July 2018 on the Fiscal Regime of the State and Other Public Entities;
- Decree no. 2020/375 of 07 July 2020 on the General Regulations for Public Accounting;
- Decree no. 2019/3187/PM of 9 September 2019 setting out the general framework for the presentation of the State Budget Nomenclature (NBE);
- Decree n°2019/3186/PM of 9 September 2019 setting the general framework for the presentation of the State Financial Transactions Table;
- Decree n°2019/3119/PM of 11 September 2019 setting the general framework for the presentation of the State Chart of Accounts.

Current Situation

Decree No. 2019/3187/PM of 9 September 2019 sets the general framework for the presentation of the State Budget Nomenclature (NBE) and replaces the 2003 NBE that Cameroon used until 2021. The 2019 NBE distinguishes four (04) classifications, namely: the economic classification, the functional classification, the administrative classification and the classification by programme.

Compared with the NBE 2003, the NBE 2019 introduces the following innovations:

- programmatic segmentation is institutionalised in the NBE, with coding of the programme and action ;
- Drawdowns on borrowings and repayments of loans and advances are no longer included in budget revenue. Repayments of advances and short-term borrowings, repayment of long- and medium-term debt, loans and advances are no longer expenditure. This reduces the number of expenditure categories from 10 to 6;
- For the economic classification, which is consistent with the 2014 MSFP, the budgetary charge code is increased from 4 to 6 characters for revenue and expenditure, and comprises: the title (1 character), the article (2 characters), the paragraph (1 character) and the heading (2 characters);
- 6-character coding is consistent with the French State Accounting Plan (PCE);
- certain economic categories initially dedicated to investment have been restructured, such as studies and capital transfers, which become operating expenditure; - the function of unallocated expenditure (budgetary provision) has disappeared;
- chapters corresponding neither to a ministry nor to an institution have disappeared.

In addition, the coding of expenditure in the supplementary budgets and special Treasury accounts is now broken down into four mandatory levels, as for the general budget: title, article, paragraph and heading.

Finally, the mission corresponds to the administrative classification. Each ministry is responsible for a mission and Cameroon has no cross-cutting mission.

In practice, while the economic classification strives to follow the transition from the standards of the IMF 1986 Public Finance Statistics Manual to those of the PSFS 2021, it is still only partially compliant with international standards. In particular, Cameroon's classification does not capture all the elements suggested by the IMF GFS manual, such as certain types of expenditure or revenue, and Cameroon does not use an integrated presentation of transactions and stocks for the public sector as a whole. Debt principal repayment appears as an expenditure item in the draft Finance Acts and as a cash transaction in the draft Settlement Laws.

Budget implementation reports are issued quarterly, half-yearly and annually. Expenditure is presented in aggregate form, according to administrative classification only. Functional classification is not used..

PEFA Score : C

Changes since the previous assessment

The situation has improved since the previous evaluation with the introduction of the programmatic nomenclature, but this has not enabled a higher score to be obtained, as the reports do not present budget implementation according to the functional classification.

PI-5 Budgetary documentation

This indicator assesses the completeness of the information provided in the annual budget documents, compared with a specific list of four basic elements and eight supplementary elements.

Scope: Central budgetary administration

Période : Dernier budget présenté au pouvoir législatif

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-5 Documentation budgétaire		B	A
5.1 Budget documentation	The budget documents include eleven (11) items of information out of twelve: the four (4) basic items and seven (7) supplementary items.	B	A

Overall, the budget documentation is exhaustive and the publication of the documents complied with the legislation in force.

According to the legislation in force, the documentation contained in the draft Finance Law 2023 contains the following elements:

- Budget revenue forecasts for 2023
- State Financial Assistance to Enterprises 2023
- Special Accounts 2023
- Public Debt 2023
- Report on the Nation's Economic, Social and Financial Situation and Prospects 2023
- Public Debt Strategy Paper 2023
- Report on Fiscal Expenditure for the 2021 Financial Year
- Breakdown by ministry of jobs paid for by the State 2023
- Cash Flow Plan 2023
- Medium-Term Budgetary Framework (MTBF) 2023
- Ancillary documents 2023
- Annual Performance Project 2023
- State expenditure by Chapter, Section, Article and Paragraph 2023
- State Expenditure by Function, Programme and Objectives with Performance Indicators 2023- Capital Expenditure and Operating Expenditure by Programme and Article 2023
- Public Investment Budget 2023
- Medium Term Expenditure Framework (Summary Report) 2023
- Gender Responsive Budget Document 2023
- Budget Risk Statement 2023 .

The elements of verification against the PEFA criteria are presented in the following table:

Table 10 : Budget documentation submitted to Parliament in accordance with PEFA criteria

Éléments de vérification	Current Situation
Éléments de base	
1. Forecasts of the budget deficit or surplus (or operating results for the year).	Yes , in the Rapport sur la Situation et les Perspectives Economiques, Sociales et Financières de la Nation 2023.
2. The budget outturn for the previous financial year, presented in the same format as the draft budget.	Yes , in the Rapport sur la Situation et les Perspectives Economiques, Sociales et Financières de la Nation 2023.
3. The current year's budget (revised budget or forecast outturn), presented in the same format as the budget proposal.	Yes , in the Rapport sur la Situation et les Perspectives Economiques, Sociales et Financières de la Nation 2023.
4. Summary budget information, both revenue and expenditure, for the main lines of the classifications used (see PI-4), including for the current year and the previous year, as well as a detailed breakdown of revenue and expenditure estimates.	Yes , in the general document on the PLF 2023. Revenue and expenditure forecasts by major mass; in the presentation of expenditure by chapter, section, article and paragraph and in the presentation of State expenditure by function, programme and objectives with performance indicators. State revenue and expenditure are presented in a table showing the amounts for 2022 and 2023.
Additional items	Checks
5. Deficit financing, with a description of the planned composition.	Yes , in the report on the nation's economic, social and financial situation and prospects.
6. Macroeconomic assumptions, including, as a minimum, estimates of the GDP growth rate, inflation rate, interest rate and exchange rate.	Yes , the report on the nation's economic, social and financial situation and outlook presents the following assumptions: - Nominal GDP (in billions) - Real GDP growth rate (%) Non-oil GDP growth rate (%) - Inflation (%) - Non-oil GDP deflator (%) - Oil production (millions of barrels) - Gas production (billion SCF) - World oil price (US\$) - World price of liquefied natural gas (US\$) - Exchange rate US\$/FCFA The interest rates at which they will be issued are indicated in the 2023 public debt and debt management strategy document
7. The stock of debt, including information at least for the beginning of the current financial year (presented in accordance with GFS standards or any other internationally recognised standard).	Yes , in the public debt and Public Debt Management Strategy 2023.

Eléments de vérification	Current Situation
8. Financial assets, including details for at least the beginning of the current financial year (presented in accordance with GFS standards or another internationally recognised standard).	No. The management account presents a balance sheet at the beginning of the financial year, but this information is not yet reliable, even though the report on State financial aid (Green Volume) contains some of the information. The Audit Bench report on the 2019 PLR states that "some accounts in the closing balance for the 2018 financial year have not been correctly carried forward to the opening balance for the 2019 financial year".
9. Summary information on budgetary risks (including contingent liabilities such as guarantees, and obligations embedded in PPP contracts, etc.).	Yes. Cameroon has produced an annual report on budgetary risks that is annexed to the draft Finance Law 2023.
10. Explanations of the budgetary impact of new initiatives and major new investments.	Yes, the report on the development of major investment projects, in the documents annexed to the draft Finance Law, addresses the issue of the budgetary repercussions of major new initiatives and investments.
11. Documents relating to medium-term budget forecasts	Yes, in the Medium Term Budgetary Framework (MTBF) 2023
12. Quantification of tax expenditure	Yes, the budget documentation contains the Tax Expenditure Report for 2021. However, this report is not published. The latest Tax Expenditure Report published on the tax website is for 2019.

PEFA Score : A

Changes since the previous assessment

At the time of the previous evaluation, the budget documents contained seven items of information, including the four basic items. The situation has improved, in particular with the production of an additional item in the budget documentation appended to the PLF (financial risks)..

PI-6. Central government operations not recognised in the financial statements

This indicator assesses the extent to which the State's revenues and expenditure are accounted for outside the central government's financial statements..

Scope : Central Administration

Period: Last financial year ended

Indicator and component scores and analysis

Indicators/components	Performance assessment	Score 2017	Score 2023
PI-6 Central government transactions not recognised in the financial statements (M2)		D	D

Indicators/components	Performance assessment	Score 2017	Score 2023
6.1 Expenditure not recognised in the financial statements	More than 15% of the resources and expenditure of these establishments are not included in the annual financial statements of central government.	D*	D
6.2 Income not recognised in the financial statements	More than 10% of the resources and expenditure of these establishments are not included in the annual financial statements of the central administration.	D	D
6.3 Financial statements of extra-budgetary units	The DGTCPM has indicated that it has information on the situation regarding the transmission of the management accounts of public establishments to the Audit Bench, but this list has not been transmitted.	D	D*

The resources and expenditure of extra-budgetary units (EBUs) are usually broken down as follows: own resources, special funds and external funding.

6.1 Expenses not recognised in the financial statements

Approximately 18.5% of the total expenditure of the central government (public administrative establishments (EPAs) and the National Social Insurance Fund (CNPS)) is not recorded in the annual financial statements of the central government in Cameroon.

In Cameroon, expenditure not recognised in the annual financial statements relates mainly to the own resources of public administrative establishments (EPAs) and the CNPS. Decentralised bodies without legal personality of the "special funds" type, as well as projects co-financed by external resources, have their expenditure reported in the draft Settlement Acts and are therefore not extra-budgetary operations. In particular, although the Road Fund is classified as an EPA, its expenditure commitments are included in the budget. Its expenditure is recorded on transfer from the treasury account to the Road Fund account at the Bank of Central African States (BEAC) rather than on payment to suppliers.

Current Situation :

The DGTCFM sent the mission a table tracking the resources of 81 public establishments for the last 3 financial years. To this should be added the resources of the CNPS, which are also not presented in the annual financial statements. The table provided by the DGTCFM shows the amounts of subsidies paid to the EPAs, as well as own resources, but does not show expenditure. It was therefore assumed that all resources were used for expenditure⁷.

⁷ The report on financial assistance to public enterprises contains a section on public establishments, but only staff costs are quantified. The 2021 report also states that "generally speaking, the bulk of the operating subsidy for Public Establishments is devoted to staff costs; this situation is said to be the result of the excessive staffing levels that undermine the performance of these structures".

Table 11 : Amounts of expenditure not recognised in the financial statements in 2021 (in billions of CFA francs and as a %)

Extra-budgetary units	Amount
EPAs	
Grants	74.4
Own resources	594.2
Total expenditure by EPAs	668.6
CNPS	
Contributions	196.7
Financial investments	20.6
Total CNPS expenditure	217.3
Total budget expenditure* (% of total expenditure)	4 790.4
EPA and CNPS expenditure as a % of total expenditure	18.5%

* excluding debt amortisation

Source : DGTCFM

This table shows that 18.5% of the expenditure of these establishments is not included in the central government's annual financial statements.

PEFA Score : D

Previous Situation :

The PEFA evaluation had listed 143 EPAs and identified the resources of 108 of them, but the DGTCFM did not carry out any monitoring and did not centralise the execution of the budgetary operations of the public establishments. The information was incomplete and/or unavailable to enable the component to be scored..

6.2 Resources not recognised in the financial statements

Approximately 22% of the resources of public administrative establishments (EPAs) and the National Social Insurance Fund (CNPS) are not accounted for in the annual financial statements of the central government in Cameroon. These resources include the EPAs' own resources, contributions to the CNPS and its financial investments.

Table 12 : Amounts of revenue not recognised in the financial statements in 2021 (in billions of CFA francs and as a %)

Extra-budgetary units	Amount
EPAs	
Grants	74.4
Own resources	594.2
Total resources of EPAs	668.6
CNPS	
Contributions	196.7
Financial investments	20.6

Extra-budgetary units	Amount
Total CNPS resources	217.3
Total budgetary resources	3 619. 7
EPA and CNPS own resources	22.4%

Source : DGTCFM

This table shows that 22.4% of the expenditure of these establishments is not included in the central government's annual financial statements.

PEFA Score : D

Previous Situation :

The information was incomplete and/or unavailable for Score the component

6.3 Financial statements of extra-budgetary units

The DGTCPM has indicated that it has information on the situation regarding the transmission of the management accounts of public establishments to the Audit Office, but this list has not been transmitted.

PEFA Score : D*

Previous Situation :

The situation has not changed. Only some EPAs and similar bodies submit detailed financial statements to MINFI once a year.

PI-7. Transfers to sub-national governments

This indicator assesses the transparency and timeliness of transfers from central government to sub-national governments that have direct financial links with central government. It examines the basis for transfers from central government and assesses whether, in order to facilitate budget planning, sub-national governments are provided with timely information on the funds allocated to them..

Scope: Central government and sub-national governments with a direct link to it.

Period: Last financial year

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-7. Transfers to sub-national governments		C	D+
7.1 Transfer allocation system	Only the resources of the RLA coming from indirect tax transfers and the minimum allocation to the RLAs, i.e. 51.4% of transfers, are subject to pre-established rules based on transparent allocation mechanisms.	B	C

7.2 Timely communication of transfer information	The amounts to be transferred are not all known precisely when the budget is drawn up. The final amounts of the transfers are only communicated to the RLAs when the first payments are made at the beginning of the year.	D	D
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7.1 Transfer allocation system

Transfers to the Regional Local Authorities (RLAs) in 2021 are determined according to transparent rules only for the majority of transfers, mainly concerning resources from indirect tax transfers and the minimum allocation to the RLAs..

Legal framework

The main texts fixing the distribution of transfers to the RLAs are: Law no. 2019/024 of 24 December 2019 on the General Code for Regional and Local Authorities, Decree no. 2011/1731/PM of 18 July 2011 setting the terms and conditions for centralising, distributing and repaying the proceeds of communal taxes subject to equalisation, Decree no. 2018/3633/PM of 09 May 2018 amending and supplementing certain provisions of Decree no. 2011/1731/PM of 18 July 2011, the decentralisation annex document accompanying the 2023 Finance Bill, Decree no. 2019/7358/PM of 17 December 2019 setting the terms and conditions for centralising, distributing and repaying the proceeds of the special excise duty intended to finance the removal and treatment of waste for the benefit of the decentralised local authorities, the decree setting the terms and conditions for indexing and repaying the general operating grant allocated to the Subdivisional councils by the Urban Community to which it is attached.

Current Situation

In accordance with the 2019 law mentioned above, the Government contributes to local development in two main ways:

- Directly through the general decentralisation grant and transfers paid in respect of transfers of powers indirectly through taxation via equalisation mechanisms and local taxation.

The 2021 budget does not detail the different types of transfers, so the Score was calculated on the basis of the transfers made.

Direct financial assistance from the State

For the 2021 financial year, the central government has made a total of CFAF 379.8 billion available to the RLAs, divided between the general decentralisation allocation and financial assistance for the transfer of powers.

The general decentralisation allocation

During the 2021 financial year, the general decentralisation allocation was 232.2 billion, in accordance with Decree no. 2021/743 of 28 December 2021 fixing the distribution of the general decentralisation allocation. It was divided into 125.8 billion for operations and 106.4 billion for investment.

Direct financial assistance from the State

Although egalitarian principles are respected by certain sectoral ministries, no distribution text is available (due to the absence of a legal framework).

The determination of these credit transfers was also affected by the social and economic context, marked by the health crisis linked to the COVID-19 pandemic, by major infrastructure projects in particular, as part of the implementation of the GESP and the organisation of the African Cup of Nations, as well as covering security costs in the North, North-West and South-West regions. It was therefore not possible to conclude that these transfers were based on transparent rules.

For the 2021 financial year, CFAF 45.6 billion of State budget appropriations were transferred to the operating budget and CFAF 101.9 billion were transferred to the RLAs under the investment budget, making a total of CFAF 147.6 billion. As the table below shows, of this amount, only CFAF 36 billion from the General Decentralisation Allocation can be considered as transfers based on pre-established distribution rules (minimum of CFAF 100 million per commune).

Indirect financial support

Indirect financial support consists mainly of taxes collected by the central government's financial services and paid to decentralised local authorities (A), and those that are equalised through the FEICOM (B). Taxes collected by local financial services as part of the transfer of taxation (C) do not constitute financial assistance from the State to the local authorities.,

A. Taxes collected by central government financial services

During the 2021 financial year, taxes collected by the central government's financial services and paid to the local authorities as part of parafiscality amounted to FCFA 252.9 billion.

This amount comprised, among other things, the proceeds of local taxes as provided for by law n°2009/019 of 15 December 2009 on local taxation, i.e.:

- RLA-FEICOM automobile stamp duties;
- CACs to be apportioned (taxes);
- CAC to be apportioned (VAT Customs);
- FEICOM local development tax;
- FEICOM patent contributions;
- FEICOM licence contributions;
- CAC from direct payments to be distributed FEICOM ;
- Taxes linked to property tax on real estate FEICOM;
- Property transfer tax FEICOM;
- Annual forestry royalty FEICOM ;
- Advertising stamp FEICOM;
- FEICOM transfer and enjoyment duty;
- Excise duty.

These different categories are not grouped together in a specific category to determine the total amount of taxes that will be paid to the RLAs, so it is the amount of revenue collected that has been used to determine the Score.

It can be considered that the resources of the RLAs from taxation obey pre-established rules and are based on a transparent allocation mechanism. However, there are a number of limitations to this method of transfer, in particular

- the complexity of the current equalisation system;
- the inadequacy of taking into account the place where the tax is collected in certain situations;
- the relatively constant revenues allocated to certain Communes are not aligned with nominal GDP per capita;
- the enormous weight of the deductions made from the assets of the RLAs;

B. failure to update population information;

C. communal taxes subject to equalisation and paid back to the RLAs by the FEICOM.

As is the case for taxes collected by the central government's financial services, communal taxes, although subject to equalisation and paid to the RLAs by the FEICOM, are not explicitly included in the budget, so the amount of revenue collected was used to determine the Score. During the 2021 financial year, communal taxes subject to equalisation and repaid to the RLAs by the FEICOM amounted to FCFA 74.4 billion.

Table 13 : Amounts of State financial aid to the RLAs in 2021 (billions of FCFA)

Financial assistance	Budget	Realisation	Based on rules
General decentralisation grant	36	232.2	
- minimum allocation	36	36	Oui
- supplementary allocation	0	196.2	Non
Appropriations transferred as part of the transfer of powers	-	147.6	Non
Taxes collected by central government financial services	-	252.9	Oui
Communal taxes repaid by the FEICOM	-	74.4	Oui
TOTAL		707.1	
Transfers based on rules		363.3	51.4%

Source : appendix 6 central government financial assistance to decentralised local authorities to the 2021 budget settlement bill.

This table shows that a total of 51.4% of transfers to local authorities in 2021 can be considered as transfers based on pre-established distribution rules.

PEFA Score : C

Changes since the previous assessment

It had been ruled that only the resources of the RLAs coming from their own and assigned taxation obey pre-established rules and on the basis of transparent distribution mechanisms, these revenues represented 78.7% of the total resources of the RLAs. The rules for the horizontal distribution of transfers have not changed, but the amount of allocations, which are not assisted

by clearly established rules (apart from the minimum allocation of FCFA 100 million per commune), has increased with the introduction of transfers to the regions, which gives the impression of a deterioration. On the contrary, the situation has improved, with the holding of specific conferences led by MINEPAT, MINDEVEL and MINFI to provide a framework for equity in the distribution of resources to be transferred to the RLAs, but this initiative has not yet produced a clear and transparent methodology for allocating resources, which means that it cannot be taken into account in the PEFA evaluation.

7.2 Timely communication of information on transfers

The final information on transfers is only provided to the RLAs when the first payments are made at the beginning of the year, as some of these transfers are not precisely determined when the budget is drawn up.

Joint Order N°000031/AC/MINDDEVEL/MINFI of 03 March 2021 sets the Budget Calendar for Regional and Territorial Authorities. It determines and highlights the major annual stages in the preparation, voting and approval of the budgets of Regions, Urban councils, Subdivisional councils and councils. The Order also identifies the actors and structures responsible for these stages and recalls the key dates in the preparation process by setting out the timetable for the main related activities.

The timetable does not provide for clear communication between the central government and the RLAs on the planned amounts of transfers, and the ministry in charge of finance (MINFI) or other ministries such as MINATD or MINEPAT do not provide the RLAs with precise information on the transfers planned for the coming year. However, MINEPAT, in conjunction with MINFI and MINDEVEL, conducts a mission for the RLAs on the budgeting of transferred resources to help them prepare their budgets.

Information on transfers is only communicated to the RLAs at the time of the first payments at the beginning of the year. As a result, their departments have to prepare their draft budgets on the basis of past achievements and future trends that they draw up.

PEFA Score : D

Changes since the previous assessment

The situation has improved, but without leading to an improvement in the Score. Only the amount of the general decentralisation grant is known when the budget is drawn up. Information on the actual amount of transfers is still not communicated to the local authorities before the start of the financial year and is only known when payments are made.

PI-8. Information on the performance of public services

This indicator examines the information on the performance of public services that is presented in the executive's draft budget or in the year-end reports and their appendices. It determines whether audits or Performance assessments are carried out. It also assesses the extent to which information on the resources received by an operational unit involved in the performance of a public service mission is collected and recorded.

Scope: Central government

Period :

8.1: performance indicators and planned outputs and outcomes for the following financial year
 8.2: Revenues and results for the most recently completed financial year
 8.3 and 8.4: The last three financial years for which the accounts have been closed

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-8 Information on the performance of public services (M2)		D	D+
.1 Service delivery performance plans	Only the ministries, which account for 66% of the expenditure used to provide services, produce annual performance plans making it possible to assess the services delivered or the results obtained.	C	C
8.2 Performance of service delivery functions	Annual information on the quantity of services delivered or the results achieved by departments is annexed to the PLRs and published, but concerns less than 75% of service provision.	D	C
8.3 Resources received by service delivery business units	Systems and tools are not yet in place to effectively monitor the financial resources received by service delivery units and no surveys have been carried out in the last three financial years.	D	D
8.4 Performance assessment of service delivery functions	No evaluation of the performance of the services provided has been carried out in the last three financial years	D	D

For the purposes of scoring this indicator, the term "service provision" refers to fully or partially subsidised programmes or services that are provided either to the general population or to specially targeted groups. This includes services such as education and training, health care, social welfare and community support, policing, road construction and maintenance, agricultural support, water supply and sanitation, and other services. Services provided on a commercial basis through public enterprises are not covered here, nor are national policy, internal administration and purely regulatory functions provided by public administrations, although performance information for these activities is included in Cameroon's annual performance plans. National defence and security services are also excluded.

As a result, the evidence presented refers to central government ministries and entities that provide services in accordance with the PEFA methodology. Among these ministries and entities, it was necessary to determine the proportion of the budget that covers service provision. For health and education, 100% of the budget was considered to be allocated to service provision. For other ministries, the proportion may be 100%, 50% or 0%. The detailed table is presented in Annex 3. The total budget amount is the denominator used for scoring component PI-8.1 and the total expenditure for scoring component PI-8.2. The numerator is the total amount of programmes for which performance plans (PI-8.1) or performance reports (PI-8.2) exist..

8.1 Performance plans for service delivery

The ministries, which account for 66% of expenditure on service provision, draw up annual performance plans including performance indicators to assess the services provided or the results achieved, while the EPAs and the CNPS, which also provide services, do not draw up such plans.

The 2023 programme budget presents annual information on policy or programme objectives, key performance indicators, services delivered or expected results for most departments, broken down by programme or function. In particular, it provides the following information for all ministries: Programme, Objective, Performance Indicator, AE, CP.

The PAPs appended to the 2023 budget can be downloaded from the parliamentary platform set up by MINFI:

- Volume 1: Production and Trade
- Volume 2: Infrastructure
- Volume 3: Communication, Culture, Sport and Leisure - Social Affairs
- Volume 4: Health
- Volume 5: Sovereignty, Defence and Security
- Volume 6: General and Financial Administration - Education, Training and Research 2023.

By way of example, the table below presents information on the performance indicators taken from the Annual Performance Project of the Ministry of Basic Education for the year 2021.

Table 14 : Annual performance plan for the Ministry of Basic Education for 2021

Programme title	Objective	Indicator title	Reference year	Reference value	Target Year	Target value
Development of pre-school education	Increase the pre-school enrolment rate nationwide	Gross pre-school enrolment rate	2019	37,80%	2021	40,00%
Universal primary education	Improve access to and completion of primary education	1. completion rate	2019	70,60%	2021	72,00%
Universal primary education	Improve access to and completion of primary education	2. Net primary intake rate	2019	70,00%	2021	72,00%

Programme title	Objective	Indicator title	Reference year	Reference value	Target Year	Target value
Governance and institutional support for the basic education sub-sector	Ensure effective implementation of programmes	Average rate of achievement of operational programme	2019	61,16%	2021	62,80%
Literacy	Increase the literate population	Literacy rate	2019	66,24%	2021	67,00%

However, neither the EPAs nor the CNPS, which by their very nature provide services, draw up annual performance plans.

Table 15 : Expenditure on service provision units in 2021 (CFAF billion and %)

	Amount	% of total	PP
Budget units	1 723	66.0%	Oui
Total EPA expenditure	668.6	25.6%	Non
CNPS expenditure	217.3	8.3%	Non
Total	2 608.6	100%	

PEFA Score : C

Changes since the previous assessment

The situation has improved despite the stability of the Score. There were documents setting out the objectives and performance indicators for assessing the results achieved and the products delivered for all the ministries. These documents were not made public.

8.2 Performance of service delivery functions

Annual information on the quantity of services delivered or the results achieved by departments is appended to the settlement bill and published, but this mainly concerns the departments, which account for less than 75% of service provision. The EPAs and the CNPS, which also provide services, do not draw up annual performance plans or monitoring reports to assess their performance in providing services.

According to Article 22 of the Fiscal Regime of the State and Other Public Entities, "The annual performance reports appended to the settlement law present, for each programme, the results obtained compared with the objectives set, the actions developed and the resources used, accompanied by activity and result indicators, as well as an estimate of the costs of the activities or services rendered."

Since 2014, PCRs have been appended to the PLR. They are available until 2018 on the DGB website, and the PERs for the 2021 financial year are available for each ministry, including those providing services such as MINEDUB or MINSANTE, in the section on the appendix to the PLR on the parliamentary platform.

By way of example, the table below presents information on the monitoring of performance indicators taken from the annual performance report of the Ministry of Basic Education for 2021.

Table 16 : Annual performance report on the Ministry of Basic Education's programmes for 2021

Programme title	Objective	Indicator title	Reference year	Reference value	Target year	Target value	Result	Real target rate
Development of pre-school education	Increase the pre-school enrolment rate nationwide	Gross pre-school enrolment rate	2019	37,80%	2021	40,00%	38,40%	30,00%
Universal primary education	Improve access to and completion of primary education	1. completion rate	2019	70,60%	2021	72,00%	74%	102,08 %
Universal primary education	Improve access to and completion of primary education	2. Net primary intake rate	2019	70,00%	2021	72,00%	71,00%	98,61%
Governance and institutional support for the basic education sub-sector	Ensure effective implementation of programmes	Average rate of achievement of operational programmes	2019	61,16%	2021	62,80%	62,69%	93,30%
Literacy	Increase the literate population	Literacy rate	2019	66,24%	2021	67,00%	66,68%	57,89%

However, insofar as neither the EPAs nor the CNPS draw up annual performance plans, they do not produce monitoring reports to assess the performance of the services they provide. While these entities are indeed operators involved in the APPs of the ministries responsible for public policies, it has not been possible to use the APPs or and PERs of the ministries concerned to report on the performance of the services provided by these entities, given that the ministerial PERs do not provide sufficient detail and do not make explicit reference to changes in the performance indicators of these units (schools, universities, hospitals, health centres, etc.).

Table 17 : Amount of expenditure for the and 2021 (in billions of FCFA in %)

Service delivery units	Amount	%	PP	RP
Budget units	1 723	66.0%	Oui	Oui
Total expenditure by EPAs	668.6	25.6%	Non	Non
CNPS expenditure	217.3	8.3%	Non	Non
Total	2 608.6	100%		

PEFA Score : C

Changes since the previous assessment

Annual information on the results of service provision or products supplied was prepared annually by all departments, but was not made public.

8.3 Resources received by service delivery business units

Sectoral ministries in Cameroon have no system for monitoring and reporting on the resources received by service delivery units such as primary schools or health centres. These units do not systematically provide financial information on the resources they receive, whether from the national budget or from citizens, and how they are used.

The Ministry of Basic Education conducts surveys to assess learning achievement. It also publishes an annual statistical yearbook detailing various aspects of education and produces a school data analysis report. The latest report analysing school census information covers the 2020/2021 school year. However, this report does not provide information on primary school resources.

The most recent document available on the National Institute of Statistics website is the survey on the monitoring of public expenditure and beneficiary satisfaction in the education and health sectors in Cameroon (PETS): status of implementation of the recommendations of the first survey conducted in 2003/2004 (December 2010).

PEFA Score : D

Changes since the previous assessment

No change. No survey providing estimates of the resources received by the service delivery units had been carried out in the last three financial years.

8.4 Assessing the performance of service delivery functions

There has been no evaluation of the performance of the services provided over the last three financial years.

PEFA Score : D

Changes since the previous assessment

No change. No evaluation of the performance of the services provided had been carried out and published for the last three financial years.

PI-9. Public access to budget information

This indicator assesses the completeness of the budgetary information made public, based on nine specific items of information (five basic items and four supplementary items) to which it is considered essential that the public has access.

Scope: Central budgetary administration

Period: Last financial year ended

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-9 Public access to budget information		D	D
9.1 Public access to budget information	One basic element and four supplementary elements were made available to the public within the required deadlines.	D	D

With regard to the basic elements, only the draft Finance Law and the Finance Law were made public within the required deadlines. However, the four supplementary elements were published within the required deadlines: Pre-budget statements, Other external audit reports, Summary of the draft budget and Macroeconomic forecasts..

Fondamental elements	Evaluation
1. Documents relating to the Executive's draft annual budget: A complete set of documents relating to the Executive's draft annual budget (as assessed under PI-5) is made available to the public within one week of their submission by the Executive to the Legislature.	Yes. The Finance Bill 2023 was officially tabled in Parliament on 22 November 2022 and published on the DGB website 3 days later, on 25 November 2023.
2. Budget adopted: the annual finance law approved by the legislature is made available to the public within two weeks of its approval.	No. The Finance Bill 2023 was passed on 5 December by the National Assembly and on 10 December 2022 by the Senate and was published on the DGB website on 28.12.2022, which means a delay of 18 days, more than two weeks.
3. In-year reports on the implementation of the budget: the reports are systematically made available to the public within one month of the end of the period they cover. Where a more detailed analytical report is drawn up during the year, it must be published within three months of the end of the period covered.	No. The monthly (SROT) and quarterly reports are not published. Half-yearly reports are produced more than 3 months after the end of the period. Monthly implementation reports are appended to the PLR.
4. Report on the implementation of the annual budget: the report is made public	No. The report on the implementation of the 2021 budget was published on the DGB

Fondamental elements	Evaluation
within six months of the end of the financial year.	website on 24.08.2022, i.e. more than 6 months after the end of the financial year.
5. Audited financial statements, incorporating or accompanied by the external auditor's report: the reports are made available to the public within 12 months of the end of the financial year.	No. The 2021 Settlement Bill was officially tabled in Parliament on 27 October 2022 and publication on the DGB website and parliamentary platform was on 25 November 2023, i.e. more than a year after the end of the financial year.
Additional items	Evaluation
6. Pre-budget statements: the general parameters of the Executive's budget proposal for expenditure, forecast revenue and debt are made available to the public at least four months before the start of the financial year and two months before the submission of the Executive's budget proposal to the Legislature.	Yes, the 2021 - 2023 budget guidance debate was published on 3/07/20 on the DGB website, i.e. at least four months before the start of the financial year and two months before the submission of the budget proposal to Parliament.
7. Other external audit reports: all non-confidential reports on the consolidated operations of central government are made available to the public within six months of their submission.	Yes, the three reports on the audit of the Special National Solidarity Fund for the Fight against the Coronavirus and its economic and social repercussions for the 2021 financial year have been published on the Audit Bench and DGB websites. The first report, produced in June 2021 was published in November 2021 on the DGB website; the second report, produced in September 2022 was published in January 2023 on the Audit Bench website; the 3rd report, produced was produced and published in March 2023
8. Summary of the draft budget: a clear and simple summary of the executive's budget proposal and/or the enacted budget, understandable to non-budget specialists (often referred to as a "citizen's budget"), translated if necessary into the most commonly spoken local languages, is made available to the public within two weeks of the submission of the executive's budget proposal to the legislature, in the former case, and within one month of the approval of the budget, in the latter case.	Yes, the 2023 Citizen Budget was published on the DGB website on 30/12/2022, i.e. within one month of the budget being approved.
9. Macroeconomic forecasts: these forecasts (as assessed by indicator PI-14.1) are made available within one week of their approval.	Yes, the macroeconomic forecasts are contained in the Report on the Nation's Financial Situation and Prospects (RASIFEFIN) which accompanies the Finance Bill.

PEFA Score : D

Change compared with the previous situation:

Out of the nine elements (basic and supplementary) of information, the Government of Cameroon published only one element, the in-year reports on the execution of the budget, and with delay. The situation has improved, notably with the publication of the Finance Law within the prescribed timeframe, but this has not improved the Score, as the other documents relating to the basic elements have not yet been made available to the public on time..

PILAR III : Assets and liabilities management

The third pillar measures the effectiveness of the government's management of assets and liabilities, ensuring that resources are used optimally for public investment, assets are recorded and managed, budgetary risks are identified, and debts and guarantees are prudently planned, approved and controlled.

PI-10. Reporting on budgetary risks

This indicator measures the extent to which budgetary risks incurred by central government are reported..

Field :

10.1 : state-controlled public companies

10.2 : sub-national administrations with direct budgetary links to central government

10.3 : head office

Période : Last financial year

Indicator/component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-10. Reporting on budgetary risks		D	D+
10.1 Monitoring public companies	The central government receives the audited financial statements of most public enterprises within 9 months of the end of the fiscal year and publishes a consolidated report within 10 months, but the data do not allow us to conclude on the materiality of the scope of the public enterprises covered by consolidation.	D	D*
10.2 Monitoring sub-national administrations	Communes' financial results for 2021 are not all finalized on time, and are not published within 9 months of the end of the financial year.	D	D
10.3 Contingent liabilities and other budget riskss	The latest LF 2023 report lists most of the budgetary risks identified for the State and covers contingent liabilities and significant budgetary risks with their estimated impact on the budget and mitigation measures. However, data on certain extra-budgetary operations are not available or consolidated.	D	B

10.1 Follow-up of public companies

Component 10.1 takes into account not only companies with a majority State holding, but also Public Establishments meeting the "market" criterion of the National Institute of Statistics categorization.

The management of public enterprises in Cameroon shows shortcomings in terms of the timely production of accounts, institutional coordination and the availability of financial information.

Current situation :

The governance of the public (EPA) and parapublic (EPs and participations) sectors and the management of the State's public portfolio are framed by laws n°2017/010 of July 12, 2017 setting the general status of Public Establishments, n°2017/011 of July 12, 2017 setting the general status of Public Enterprises and their subsequent implementing decrees n°2019/320, n°2019/321 and n°2019/322 of June 19, 2019. These texts introduce important changes notably in the performance-based budget management of these public entities.

Monitoring the management and performance of public-sector companies is carried out by the Ministry of Finance, which is responsible for financial supervision of the sector, through two structures: the Division des Participations et des Contributions (DPC), which reports to the DGB and is in charge of examining the performance projects of public-sector establishments, monitoring their operation and performance, and consolidating budgetary information for the State and public-sector establishments. The DPC analyzes their financial statements with a view to identifying high-performing companies and those at risk of bankruptcy, and to assessing their performance from the dual standpoint of economic and financial profitability. By way of illustration, the results of these analyses are contained in the Tome Vert, appended to the draft finance law, and in the general report on PPE in Cameroon addressed to the CRP and to the Technical Commission for the Rehabilitation of Public and Parapublic Sector Enterprises (CTR) created by decree n°97/002 of January 3, 1997, which specifies its organization and operation. The CTR is placed under the authority of the Comité Interministériel de la Mission de Réhabilitation des Entreprises du secteur public et parapublic (CIM-MREP). The CTR is responsible for monitoring and analyzing the performance of public and semi-public sector companies, particularly in terms of finance and accounting, and for proposing measures to improve this performance. It contributes to the definition of the State's equity investment policy and gives its opinion on the creation of new public and semi-public companies and public enterprises.

However, the institutional framework for PE supervision remains fragmented, with multiple players involved: CTR, DGB, but also National Investment Company (SNI)). Technical and financial supervision is not fully coordinated. The effectiveness of the Boards of Directors appears variable, in the absence of objective criteria for selecting directors on the basis of their skills and diversity. National Hydrocarbon Company (SNH), itself responsible for monitoring a significant portfolio of holdings, remains largely outside the scope of PE management in Cameroon. The recommendations of control and audit structures on the management of EPs are not always followed up.

The CTR has identified 132 entities for 2021, divided between 80 EEPs, 30 SCPs, 17 SEMs and 5 other establishments (former EPICs which still need to be brought into line with the 2017 laws and reclassified) by the end of 2021. The public companies taken into account for the evaluation of this component are those with public capital and semi-public companies in which public bodies hold at least 51% of the capital. On the other hand, the monitoring of EPs is still hampered by the absence of a clear categorization of EPs and EPAs in relation to the law's criteria, and the process of bringing the statutes and operations of these companies into line is still underway.

The setting up of an Interministerial Committee for the PE Rehabilitation Mission, chaired by the MINFI and MINEPAT ministers, reflects the State's commitment to monitoring the sector's indebtedness, which worsened between 2020 and 2021. The granting of guarantees was de-capped in 2020 at 200 billion FCFA over this period.

Appendix 9, published with the 2021 PLR, provides a summary and available financial information on the interests held by the State in companies as at December 31, 2020, in controlled and non-controlled companies according to the latest certified financial statements, including those for the 2020 financial year.

Furthermore, the submission of company accounts to the CdC audit, for which the latest information available in the CdC report for 2020 scores: "in relation to the accounts of public accountants of public establishments, fifty out of the ninety-seven expected for the 2019 financial year have been produced, i.e. a production rate of 51.54%, a clear increase compared with the year 2019 (37.11%) and the year 2018 (38.14%); the overall rate of production of management accounts of accounting officers remains, however, very low at 16.94%."

Finally, CTR has been consolidating an annual report since 2018 on the situation of EEPs at December 31 of each closed financial year, which presents the performance of the entire sector with a detailed analysis of entities grouped around 8 sectors.

The report on the 2021 financial year, published in November 2022, shows that 43 of the 68 entities listed had closed and submitted their 2021 financial statements on time by 06/30/2022, 15 had closed their accounts late, but submitted them before the 9 months following the financial year, and 7 had obtained a waiver or had not yet submitted their financial statements (BC-PME, CAMAIR-CO, CAMPOST, CAMWATER, CNIC, IN, LANAVET, MATGENIE, SODEPA), i.e. less than 75% of them.

The 2021 report presents:

- a matrix of risks identified by sector on the basis of 5 financial indicators (liquidity ratio, debt/equity ratio, margin on net income in %, financial performance ratio, tax and social security debt/current liabilities ratio in %) is proposed for 34 companies.
- a classification of 18 companies with potential, based on their operating income and positive net income over the period and in particular at December 31, 2021, with positive shareholders' equity and, where applicable, dividends generated and for which net income is positive, 19 companies classified as at risk in terms of liquidity and solvency and/or their ratio of tax and social security debts to short-term debt, including CAMWATER, SONARA, CAMTEL, CRTV, SRC, CAMPOST, MATGENIE.
- - EPs' cash position.

It should be scored that direct interventions were made in 2022 to support the latter. On July 05, 2022, the Minister of Finance also signed circular no. 4518 governing performance contracts between the State and EEPs.

The mission considered the DPC table, based on the size of sales, share capital and net income to assess the financial consolidation rate for 2021, see table below :

Table 18 : Follow-up of public companies in 2021 (or 2020 if 2021 not available) in millions of FCFA

N ^o	(Sic) abbreviation	Social Capital 2021	State portion (in %) 2021	Sales	Net Result 2021	Date of publication or approval of latest available financial statements
1	Société Immobilière du Cameroon SIC	75 000	92	4 019,4	199,1	October 2022 29/07/2022 (2021)
2	Cameroon Telecom CAMTEL	67 904,4	100	151 099,7	17 656,6	October 2022 07/06/2022 (2021)

N ^o	(Sic) abbreviation	Social Capital 2021	State portion (in %) 2021	Sales	Net Result 2021	Date of publication or approval of latest available financial statements
3	Cameroon Development Corporation CDC	53 503,2	100	15 806,6	-11 729,3	October 2022 22/06/2022 (2021)
4	Nationale Investment Company SNI	32 034,8	100	3 778	34,1	October 2022 28/06/2022 (2021)
5	PAD	30 575,6	100	65 528	10 604,4	October 2022 15/06/2022 (2021)
6	CAMWATER	35 464	100	Not available	Not available	Not available 21/07/2021 (2020)
7	SEMRY	25 386,4	100	1 556,8	- 382	October 2022 29/07/2022 (2021)
8	CAMAIR-Co	21 856	100	10 318,4	-12 626,9	Non disponible
9	CHC Hilton	22 308,6	95,6	10 762,8	2 800,9	October 2022 29/06/2022
10	ALUCAM	21 266,2	94	91 288,4	5 628,8	October 2022 1/07/2022
11	CNIC	18 842,7	100	3 549	- 2 526	Not available
12	SONARA	19 560,1	96	460 323,7	119 452,1	October 2022 9/06/2022
13	SCDP	16 800	100	22 604,1	4 468,7	October 2022 21/06/2022
14	EDC	15 000	100	10 220,9	5 477,2	Octobre 2022 30/06/2022
15	CBC	16 500	98	Not available	Not available	Not available
16	BC- PME	10 000	100	Not available	Not available	Not available
17	CFC	10 000	100	12 406,1	2 874,1	October 2022 29/06/2022
18	PAK	10 000	100	25 365	3 695,4	October 2022 07/08/2022
19	MATGENIE	10 000	100	Non disponible	Not available	Not available
20	SONATREL	10 000	100	64 478,2	4 056	October 2022 21/06/2022
21	PAL	10 000	100	Not available	Not available	Not available
22	SONAMINES	10 000	100	Not available	Not available	Not available
23	SNH	8 000	100	Not available	Not available	Not available
24	HYDRO MEKIN	7 500	100	Not available	Non disponible	Not available
25	PPPic	5 954,4	98,9	Not available	Non disponible	Not available
26	LANAVET	4 974	100	Not available	Non disponible	Not available
27	ANAFOR	4 238,9	100	142	-285	Octobre 2022 17/06/2022
28	AYABA HOTEL	4 238,9	100	Not available	Not available	Not available
29	LABOGENIE	3 500	100	6 027,3	1 117,1	Octobre 2022 03/02/2022
30	SOHLI	3 500	100	Not available	Not available	Not available
31	SOPECAM	2 564,7	100	5 398,7	70	Octobre 2022 30/06/2022
32	SHNC	2 414,4	100	Not available	Not available	Not available

N ^o	(Sic) abbreviation	Social Capital 2021	State portion (in %) 2021	Sales	Net Result 2021	Date of publication or approval of latest available financial statements
33	SRC	2 000	100	1 871,4	55,1	October 2022 11/05/2022
34	MAETUR	2 800	100	3 347,5	218,9	October 2022 28/06/2022
35	SHE	1 375	100	Not available	Not available	Not available
36	CICAM	1 158	100	6 687,3	- 4 526,9	October 2022 02/07/2022
37	CAMPOST	1 000	100	3 516,2	- 5 706,9	Not available
38	SGHC	962,7	93,9	Not available	Not available	Not available
39	SODECOTON	1 510	59	Not available	Not available	Not available
40	SODEPA	833,8	100	Not available	Not available	Not available
41	MIDEPECAM	637,5	100	214,5	-44,3	October 2022 04/08/2022
42	ALUBASSA	463,6	95,8	Not available	Not available	Not available
43	ADC	436	71	Not available	Not available	Not available
44	CAMTAINER	360	70	Not available	Not available	Not available
45	MAGZI	2 625	100	Not available	Not available	Not available
46	UTAVA	100	100	474,2	-294,5	October 2022 19/07/2022
47	CPE	40	100	Not available	Not available	Not available
TOTAL		605 188 615 129		Not available	Not available	Not available

Data source: Rapport sur la situation des Entreprises Publiques et des Etablissements publics au 31 décembre 2021, CTR and table des participations de l'Etat dans les entreprises au 31/12/2021 from DPC..

The two Cameroonian public banks identified by the mission, the *Banque camerounaise des petites et moyennes entreprises (BC-PME)*, whose shares are 100% owned by the Cameroonian State, and the Commercial Bank of Cameroon (CBC), in which the State is the majority shareholder at 98.08%, as well as CNPS, are covered by the CTR report and DPC data. It should be scored that the parapublic sector at RLA level is not yet covered.

Partial information on the audited financial statements of public companies is received by the central administration and consolidated in the CTR annual report published more than 9 months after the end of the fiscal year. The data available for 2021 on the portfolio as a whole does not allow us to conclude on the materiality of the information covered in the report published in October 2022.

PEFA Score : D*

Previous situation:

PEFA Score : D. No financial consolidation of portfolio risks.

10.2 Monitoring sub-national administrations

The financial situation of sub-national governments in Cameroon is characterized by significant delays in the production and publication of accounts, as well as by challenges linked to excessive indebtedness.

Current situation:

Law 2019/024 of December 24, 2019 on the General Code for Decentralized Local Authorities defines the fiscal regime for regions and communes. MINDDEVEL's Local Finance Department is responsible for financial monitoring of the RLAs and for consolidating their financial situation on an annual basis. The financial reporting obligations of the RLAs are governed by the State's general fiscal regime and the 2019 Local Authorities Code. The RLAs' public finances are managed on SIMBA, but an audit has been requested to review the functionalities required for the transition to program budgeting.

Article 468 of the Code stipulates that the administrative account must be closed by March 31 of the year following the financial year to which it relates, and approved by April 30 at the latest, but these deadlines are not met.

The management accounts of the RLAs are judged by the Audit Bench of the Supreme Court, but are not necessarily published. The latest data available in the consolidated report are for 2020. The CdC's RELF for 2021 mentions that 2021 data have not yet been provided and that the debt of the RLAs is not yet accounted for in the accounts presented in the PLR 2021.

Local mayors sometimes complain that the legal framework is too restrictive for their modest capacities. The objective of increasing the production of accounts by 85% has nevertheless been partially achieved. The CdC received 276 accounts for 2018, i.e. 74%, 287 accounts for 2019, i.e. 77%, 274 accounts for 2020, i.e. 73%, and 240 accounts for 2021, i.e. 64%.

In addition, a consolidated report covering the period 2015-2020 has been produced - but not published - by MINDDEVEL, which provides a detailed summary of the financial situation of the communes, draws up a budgetary, financial and accounting profile of the RLAs and reports the total indebtedness of 102,190,303,975 FCFA broken down by region and by type. MINDDEVEL's Local Finance Department has provided expenditure and revenue data for all RLAs up to 2020, reflecting problems of budget credibility, particularly in the estimation of own-source revenue (local services and taxes).

PEFA Score : D

Previous situation :

The 2017 PEFA Score was D. The management accounts of the audited and judged RLAs were not published and do not give rise to a consolidated annual report on the financial situation of the RLAs.

Recent developments and current reforms

According to the Audit Bench, the rate of RLA account rendering has risen sharply since 2016: from a rate of around 50% to a rate of 76.7% for fiscal 2019 (287 accounts filed by February 15, 2023 out of a total of 374), 73.2% for fiscal 2020 (274 accounts filed by February 15, 2023 out

of a total of 374) and 62.5% for fiscal 2021 (240 accounts filed by February 15, 2023 out of a total of 384, including newly created regions).

The debt situation of the RLAs is a major problem in Cameroon. The debt capacity of the RLAs is regulated by the Code, and the report annexed to the LF (see for the LF 2023) estimates the total debt of the RLAs for 2022 at 53.7 billion, which includes social and fiscal debts and commercial debts contracted with the financial sector (essentially FEICOM for investment projects), but is not yet included in the scope of the CAA and has not been the subject of restructuring or specific support at central government level.

The 2022 annual budgetary circular from MINFI and MINDDEVEL reminds RLAs of their obligations in terms of financial discipline and compliance with debt ratios before committing to investment or borrowing operations.

10.3 Contingent liabilities and other fiscal risks

A full report on budgetary risks and contingent liabilities is available as an appendix to Cameroon's PLF 2023, providing a detailed assessment of risks by category, an estimate of the probability of occurrence and a quantitative assessment of the budgetary impact, as well as the mitigation measures envisaged for each risk. However, certain extra-budgetary transactions and contingent liabilities remain outside the scope of this report, weakening the comprehensive identification and management of budgetary risks, particularly in the parapublic sector.

Current situation

Since 2021, a report analyzing budgetary risks has been appended to the Finance Acts. The 2022 report appended to the PLF 2023 lists all the budgetary risks identified for the State: macroeconomic risks, linked to public debt, RLAs, EEPs, PPPs and the financial sector, as well as risks linked to the mobilization of customs and tax revenues, budget support, institutional risks linked to budget credibility and floating debt, and long-term risks such as that of the pension scheme for State employees and the risk linked to climate change. Each type of risk is accompanied by an estimate of the probability of occurrence and a quantitative assessment of the budgetary impact (range in % of potential budgetary impact on MTEF)..

This comprehensive and detailed report includes figures for the floating debt estimated at 432 billion FCFA and the debt of the EPs to the CNPS for 1.2 billion FCFA and provides a detailed analysis of PPP operations.

With regard to risks linked to the granting of guarantees, only one case is mentioned concerning the risk of non-repayment of the debt contracted on the Congo market construction project in Douala, for which the public partner (CUD) granted a bank guarantee for 75% of the loan granted to the private partner by the Afriland-CBC consortium of banks for a total sum of FCFA 1,875 billion, due to the difficulties encountered by the concessionaire NEO CONGO MALL in completing construction and repaying its debt.

Mitigation and risk management measures are clearly identified and, for the main risks, make it possible to understand the actions taken by the State and the objectives set out in the various strategies (debt, rehabilitation of EEPs, investment program, etc.) to limit the budgetary impact of the explicit and implicit budgetary risks included in the inventory.

The analysis covers and assesses the monitoring of contingent liabilities for central government programs and projects, and is as follows:

Table 1 : list of budget risks analyzed in the 2022 annual report

Risks identified by category	Analysis coverage
Macroeconomic risks	Inflation, commodity prices, oil prices, exchange rate fluctuations, Russian-Ukrainian crisis
Risks relating to public debt	Debt sustainability, variable interest rates, exchange rates, refinancing
Risks relating to public sector entities other than the State	RLA, public enterprises
PPP-related risks	Firm liabilities. Conditional (guarantees, termination of PPP contracts)
Financial sector risks	Restructuring of banks and financial institutions, dividends and taxes, liquidity and overdrafts,
Other specific risks	Risks related to litigation and disputes, natural disasters, customs revenue mobilization, tax mobilization and budget support mobilization.
Institutional risks	Budget credibility, floating debt, budget management using exceptional derogation procedures,
Long-term risks	Public employee pension scheme, climate change

However, certain extra-budgetary transactions carried out on behalf of the State remain outside the scope of this report, such as the non-valuation of expenditure on public service missions, practices involving the offsetting of reciprocal debts and receivables whose settlement does not comply with public accounting rules, and certain guarantees, endorsements and contingent liabilities for which no information is provided. The lack of exhaustive, reliable and up-to-date information makes it difficult to identify and fully control budgetary risks at this stage, particularly in the parapublic sector.

PEFA Score : B

Previous situation :

The 2017 PEFA Score was D. The main items of government-guaranteed debt that constitute the significant contingent liabilities identified are not presented in a document appended to the Settlement Act.

PI-11. Public investment management

This indicator assesses the methods used for economic evaluation, selection, costing and monitoring of the State's public investment projects. It also assesses the extent to which the State publishes information on project progress, with an emphasis on the most important projects.

Field : Central administration

Period : Last financial year

Indicator and component scores and analysis

Indicators/ Components	Evaluation of performances	Mark 2017	Mark 2023
PI-11 Public investment management (M2)		D	D+
11.1 Economic analysis of investment projects	Economic analyses exist for the major projects identified for the 2022 budget and subject to the visa de maturité, but only for some of the projects underway since 2020.	D*	C
11.2 Selection of investment projects	A summary of the projects examined by COTIE is awaited from MINEPAT's project standardization unit, together with a list of projects that have received an exceptional visa de maturité over the period.	D*	D*
11.3 Investment project costing		D*	C
11.4 Monitoring investment projects	Forecasts of total capital expenditure on major investment projects for the budgeted year and the following two years are included in the budget documentation, but not operating expenditure.	D	C

A major investment project is any project for which the total investment cost exceeds 1% of the central budget administration's total annual expenditure.

In the Cameroonian context, major projects are defined as follows :

1. On a strategic and programmatic level, an integrated set of major development actions with assigned medium- and long-term objectives as part of the implementation of Vision 2035 and SND 2030.
2. Technically speaking, a large-scale, complex physical object (freeway, dam, railroad, etc.), designed and built to achieve specific sectoral objectives or targets.
3. Operationally, a development project requiring substantial resources to achieve macro-economic and/or social objectives aimed at improving living conditions for the population as a whole, and whose implementation requires a wide range of stakeholders (technical, institutional, private, national, etc.) as well as a large number of partners..

Validation of the list of major projects according to PEFA criteria was carried out on the basis of information provided by MINEPAT, and information was provided on each of them (project table) and cross-referenced with documents published online, the report on major projects annexed to the LF 2022, the BIP and the MINEPAT website.

Table 2: The 11 projects categorized as major works in the PLF 2022 (excluding provisions for investments) in millions FCFA

ministry	project	Total amount	Finance
Port Authority of Kribi (PAK)	Kribi industrial port complex	482 485	Exim Bank of China: 85

ministry	project	Total amount	Finance
MINEE	Lom Pangar hydroelectric scheme	73 880	State: 15%.
MINEE	Memve'ele hydroelectric dam	380 000	ND. Construction of the reservoir dam completed in 2016. Commissioning of the foot plant scheduled for 2023.
MINEE	Mekin dam	51 000	ND. Construction of dam and production plant completed in June 2017.
MINTP	Construction of the Yaoundé-Douala freeway	284 000	ND. Provisional acceptance of dam construction work in November 2016. Final acceptance is subject to completion of the Projet de Renforcement et d'Extension des réseaux Electriques de Transport et de Distribution (PRERETD) and the rehabilitation of the small Mekin-Mbalmayo section of the ENEO network.
MINEE	BINI À WARAK hydroelectric dam	213 000	Phase 2 planned as a PPP. The preliminary design study has been completed, and a shortlist of companies has been drawn up following an international call for expressions of interest.
MINEE	Nachtigal-Amont hydroelectric dam	354 000	Industrial and Commercial Bank of China: 85
MINEE	Projet de Remise à niveau des Réseaux de Transport de l'Électricité et de la Réforme du Secteur (PRRTERS) (Electricity Transmission Networks and Sector Reform Project)	221 000	State: 15% of total
MINEE	Projet d'Alimentation en Eau Potable de la ville de Yaoundé et ses Environs à partir du fleuve Sanaga (PAEPYS)	410 000	African Development Bank: 31

ministry	project	Total amount	Finance
	(Drinking water supply project for Yaoundé and the surrounding area from the Sanaga river)		
MINHDU	Construction of the Yaoundé Nsimalen freeway	300 000	French Development Agency: 12
MINHDU	Development of the East and West Entrances to Douala	146 222	BDEAC: 11
Total 11 projects		2915 587	

Source : LF 2022 et PIP 2022-2024

11.1 Economic analysis of investment projects

Current situation:

In Cameroon, since the 2022 budget, economic analyses have been carried out to evaluate certain major investment projects, generally those costing more than 1% of central budget administration expenditure. These economic analyses comply with national guidelines for around 80% of these projects by value. However, the results of these analyses are not made public.

Table 3: Economic analysis of major investment projects approved during the last financial year in BIP 2022

Major investment projects (>1% of central budget expenditure)	Total project investment cost (millions FCFA)	As a % of major projects approved	Data for economic analysis (PI-11.1)			
			Carried out (Y/N)?	Consistent with national directives (Y/N)	Published results (Y/N)	Entity in charge of project management/assessment
Expansion of the Kribi deepwater port (phase 2)	482 485	16,5%	Yes	Not available - Project started in 2018, with visa maturation in external co-financing EximBank of China	No	Port Authority of Kribi (EP)/ MINEPAT
Lom Pangar hydroelectric scheme	73 880	2,5%	Yes	Construction of the reservoir dam completed in 2016. Commissioning of the foot plant scheduled for 2023.	No	MINEE

Major investment projects (>1% of central budget expenditure)	Total project investment cost (millions FCFA)	As a % of major projects approved	Data for economic analysis (PI-11.1)			
			Carried out (Y/N)?	Consistent with national directives (Y/N)	Published results (Y/N)	Entity in charge of project management/assessment
Memve'ele hydroelectric dam	380 000	13%	Yes	Construction of dam and production plant completed in June 2017.	No	MINEE
Mekin dam	51 000	1,7%	Yes	Provisional acceptance of dam construction work in November 2016. Final acceptance is subject to completion of the Projet de Renforcement et d'Extension des réseaux Electriques de Transport et de Distribution (PRERETD) and the rehabilitation of the small Mekin-Mbalmayo section of the ENEO network.	No	MINEE
	284 000 Phase 2 prévue en PPP.	9,8%	Non	The preliminary design study has been completed, and a shortlist of companies has been drawn up following an international call for expressions of interest.	No	MINTP
Construction of the Yaoundé-Douala freeway	410 000	14,1%	Yes	Not available- Project started in 2016, completed in 2019 with delay in payment of installments until 2022 with external co-financing from EximBank of China.	No	MINEE/MINEPAT

Major investment projects (>1% of central budget expenditure)	Total project investment cost (millions FCFA)	As a % of major projects approved	Data for economic analysis (PI-11.1)			
			Carried out (Y/N)?	Consistent with national directives (Y/N)	Published results (Y/N)	Entity in charge of management/assessment
Yaoundé Drinking Water Supply Project from the Sanaga River (PAEPYS)	354 000	12,2%	Yes	Yes - Batch project started in 2017 with external cofinancing from BAD, AFD, BDEAC, Islamic Development Bank, on which work is in progress.	No	MINTP/MINEP AT
Asphalting of the Batchenga-Ntui-Yoko-Lena - Tibati-Febadi road (N15), including construction of a bridge over the Sanaga River at Nachtigal (N15)	221 000	7,6%	Yes	Yes - batch project started in 2017 with WB external cofinancing, work underway	No	MINEE/MINEP AT
Projet de Remise à niveau des Réseaux de Transport de l'Électricité et de la Réforme du Secteur (PRRTERS) (Electricity Transmission System Upgrading and Sector Reform Project)	213 000	7,3%	Yes	Not available - batch project started in 2017 with external cofinancing Industrial and Commercial Bank of China work underway	No	MINEE/MINEP AT
Construction of the BINI dam at Warak	300 000	10,3%	Non	Financing to be sought - Project in preparation	Non	MINHDU
Construction of the Yaoundé Nsimalen freeway	146 222	5%	Yes	Work progress rate is 9%. A commercial contract has been signed with Canada Commercial Cie and a loan	Non	MINHDU

Major investment projects (>1% of central budget expenditure)	Total project investment cost (millions FCFA)	As a % of major projects approved	Data for economic analysis (PI-11.1)			
			Carried out (Y/N)?	Consistent with national directives (Y/N)	Published results (Y/N)	Entity in charge of project management/assessment
				agreement for approximately 89 billion FCFA was ratified on August 11, 2021 to finance the project.		
Total	2 915 587	100%	80% in value	Yes to 80% of all major projects	No	

Data source: MINEPAT, report on major projects appended to LF2022

PEFA Score : C

Previous situation

Very significant improvements have occurred since 2017. The score was D*. As the list of major investment projects with their costs could not be compiled, the main information for scoring all components was not available.

11.2 Selection of investment projects

The selection process for investment projects in Cameroon is based on criteria defined by decree, and selected projects are included in the three-year PIP after government validation. However, there are concerns about the transparency and inclusiveness of this process.

Current Situation

PM decree no. 2018/4992 of June 21, 2018 establishes the rules governing the maturation process for public investment projects and determines the procedures for preparing and validating the status of a public investment project deemed mature. The decree on project maturation and the maturation guide (currently in preparation) clearly define the preparation stages, which include pre-feasibility, feasibility or identification studies ; the opportunity study, including an analysis of the project's alignment with the strategic framework (SND 2030, sector strategies); project planning.

The criteria for projects submitted for the maturation visa since fiscal year 2020 and therefore in 2021 are as follows :

Table 4 : characteristics of a major public investment project

FOYERS DE CARACTERISTIQUES		DESCRIPTION ET SPECIFICATIONS
1	La <u>cohérence</u> stratégique du grand projet	Le grand projet est cohérent avec la Stratégie Nationale, les Stratégies Sectorielles, et les Programmes Sectoriels.
2	L' <u>effet multiplicateur</u> / d'entraînement du grand projet	Le grand projet une fois fonctionnel, dote le milieu d'une structure macroéconomique, laquelle a un effet multiplicateur sur l'économie, par la diversification, la création, et l'amplification des activités de production, et donc du développement de cette production elle-même.
3	Le <u>périmètre</u> intersectoriel du grand projet	Le grand projet, <ul style="list-style-type: none"> • de par le périmètre et la force de son impact, optimise l'opérationnalité d'un ou de plusieurs autres projets au sein de ce périmètre ; • pendant son exécution ou dès sa mise en service, peut faire naître d'autres projets, lesquels, sur le double plan fonctionnel (objectifs) et opérationnel, lui sont directement ou indirectement connexes.
4	Le potentiel de <u>création et d'induction d'emplois</u> du grand projet	Le grand projet, <ul style="list-style-type: none"> • pendant sa réalisation, permet la création de nombreux emplois directs et indirects ; • une fois fonctionnel, génère des emplois induits par les activités économiques se développant autour de lui.
5	La force et la pérennité de l' <u>impact</u> du grand projet	Le grand projet par ses effets directs et indirects, <ul style="list-style-type: none"> • amène des changements significatifs et durables sur la qualité de la vie des populations ; • produit des changements significatifs, durables et croissants sur les indicateurs macroéconomiques et, ce pendant sa durée de vie.
6	L' <u>envergure</u> et la complexité du grand projet	Le grand projet <ul style="list-style-type: none"> • a un coût plancher d'au moins 1 % du montant total des dépenses budgétaires annuelles du pays, en plus de compter parmi les dix projets les plus importants (sur la base du coût d'investissement total) de chacune des cinq plus grandes entités de l'administration centrale, évaluées sur la base de leurs dépenses d'investissement ; • nécessite pour sa réalisation, une libération de larges espaces fonciers ; • nécessite, pour sa réalisation, des set-up spécifiques : une participation pluri-disciplinaire ; la coordination des acteurs (institutionnels et techniques, nationaux et étrangers) ; • nécessite un montage ou une structuration spécifique : en fonction des modes (MOP, PPP et investisseur exclusivement privé) de réalisation, les set-up financiers pour cette réalisation appellent à des montages complexes, reposés sur le prêt (concessionnel, non concessionnel, crédit acheteur, etc.) auprès des partenaires bilatéraux et/ou multilatéraux.
7	L' <u>Innovation technologique</u> qu'implique et suppose le grand projet	Le grand projet <ul style="list-style-type: none"> • requiert, pour sa réalisation, une technologie de grande échelle et une expertise technique de haut niveau, le plus souvent venues de l'extérieur ; • implique une <i>démarche volontariste d'appropriation de technologie nouvelle et sophistiquée par les nationaux.</i>

Source : *decree n° 2018/4992 of 21 June 2018*

The procedure for selecting investment projects is closely linked to the procedure for drawing up the public investment plan (PIP) and the public investment budget (BIP). Each year, all public investment projects proposed by the sectoral ministries are presented to MINEPAT when the medium-term expenditure frameworks (MTEF) are drawn up.

The process for developing the three-year PIP in 2021 for the period 2022-2024 involves three major stages: selection, programming and validation.

Selection takes place at three levels. The first level of selection involves first-tier eliminatory criteria, resulting in a shortlist of projects. The second level of selection is based on second-tier criteria, mainly inspired by the SND30's strong strategic orientations. The final filter takes into account the status of each project. These projects are drawn from a project database comprising projects from the PIP 2021-2023, the *Government Investment Projects Bank*.

First-Rank Selection Criteria

- 1- Have a total project cost in excess of 10 billion FCFA.
- 2- Lead to Gross Fixed Capital Formation (GFCF) and/or contribute to import substitution;
- 3- Be national in scope and bring about structural change in economic, social or national unity terms..

Second-Rank Selection Criteria

- 1- Priority 1: Be a first-generation major project in progress;
- 2- Priority 2: Contribute to the commissioning or optimization of a first-generation major project;
- 3- Priority 3: Contribute to the rehabilitation of existing infrastructures;
- 4- Priority 4: Contribute to import-substitution or export development.

Third-Rank Selection Criteria

1. Imminence of project completion ;
2. The level of resources needed to complete each project (projects that need few resources to close are given priority for completion);
3. The level of maturity of new projects;
4. Budget constraints.

The PIP is validated by the Government during the Cabinet meeting held to examine the economic and budgetary programming document, which is the subject of the Budgetary Orientation Debate (DOB) in Parliament.

The PIP is implemented by each sector administration, which is required to take it into account in its Medium-Term Expenditure Framework (MTEF), and its budget (BIP) as a matter of priority.

Once the basis of interest has been identified, PIP candidate projects will be prioritized according to 04 levels of priority :

- Priority 1: Be a major first-generation project in progress;
- Priority 2: Contribute to the commissioning or optimization of a first-generation major project;
- Priority 3: Contribute to the rehabilitation of existing infrastructures;
- Priority 4: Contribute to import-substitution or export development.

Out of 250 projects of interest, only 147 actually correspond to the level of priorities guiding the development of the 2021 BIP for the period 2022-2024.

For three-year (rolling) BIP programming, a distinction is made between :

- 1) *Projects with a total cost of less than 100 million FCFA* for which internal commissions within the project owners give a maturity visa based on the criteria of the 2018 decree on maturation.
- 2) *Projects with a total cost exceeding 100 million FCFA* for which an interministerial committee chaired by MINEPAT gives the visa of maturity
- 3) *Major projects with a total cost of more than 10 billion FCFA* for which the COTIE, a group of independent experts, carries out a counter-expertise to validate the degree of preparation of the studies and the maturation criteria prior to granting the maturity visa.

The Interministerial Technical Committee of Experts (COTIE) is in charge of examining the technical maturity files of public investment projects submitted by project owners, and grants maturity approvals to all investment projects financed by equity or co-financing.

At the end of the MTEF validation conferences, MINEPAT publishes reports on the state of maturity of the investment projects proposed by each ministry.

The application of project preparation and selection criteria will be validated on the basis of the list of 11 major projects selected for the sample.

Table 5: Project selection for the 11 largest investment projects approved during the last financial year ended 2021

Major investment projects (>1% of central budget expenditure)	Data for project selection (PI-11.2)	
	Prioritized by a central entity (Y/N)	Based on standard selection criteria (Y/N)
Expansion of the Kribi deepwater port (phase 2)	Yes	Not valid
Lom Pangar hydroelectric scheme	Yes	Not valid
Memve'ele hydroelectric dam	Yes	Not valid
Mekin dam	Yes	Not valid
	Yes	Not valid
Yaoundé Drinking Water Supply Project from the Sanaga River (PAEPYS)	Yes	Not valid
Construction of the Yaoundé-Douala freeway	Yes	Not valid
	Yes	Not valid
Asphalting of the Batchenga-Ntui-Yoko-Lena -Tibati-Febadi road (N15), including construction of a bridge over the Sanaga River at Nachtigal (N15)	Yes	Not valid
Projet de Remise à niveau des Réseaux de Transport de l'Électricité et de la Réforme du Secteur (PRRTERS) (Electricity Transmission System Upgrading and Sector Reform Project)	Yes	Not valid
Construction of the BINI dam at Warak	Yes	Not valid
Construction of the Yaoundé Nsimalen freeway	Yes	Not valid

Source des données : MINEPAT

However, the summary of projects examined by COTIE in 2021 and 2022 has not been communicated by MINEPAT's project standardization unit, nor the list of projects that received an exceptional maturity visa over the period. In addition, civil society feels that the project maturation process is not inclusive enough.

Score D*.

Previous situation

Score D*. As it has not been possible to draw up a list of major investment projects and their costs, the main information required to rate all components is not available..

11.3 Calculating the cost of investment projects

Cost estimates for capital projects are included in the budget documentation, but details of maintenance costs are not always provided, and operating costs are presented globally without disaggregation by project.

Current Situation

The total cost of projects, including capital expenditure, is estimated during the technical review of projects and their presentation to COTIE. It is included in the MTEFs and recorded in the budgeted project logbook.

Capital expenditure is programmed on a multi-year basis through the MTEF and the MTEF, which include a 3-year projection of capital expenditure. These estimates, which provide a basis for Commitment Authorizations (CA), are revised annually according to the consumption of payment credits and the status of each project. However, in the public investment budget and project diary that constitute the budget documentation, only the list of investment projects is recorded, together with the commitment authorization (AE) and payment appropriation (CP) for the year. Costs include capital expenditure or production and start-up costs, and cover an estimated global envelope of operating expenditure over the MTEF horizon., but not the total maintenance costs for each project. The recurring costs of programmed investments are therefore not systematically estimated for the entire duration of projects and by project at the start of the budgeting cycle.⁸.

Table 6: Calculation of the cost of the largest investment projects in the last financial year ending 2021

Name of equipment project	Data for calculating the cost of investment projects (PI-11.3) included in budget documents			
	Documentation of full life-cycle costs (Y/N)	Breakdown of capital expenditure		Operating expenses included in budget documents Fiscal year only/medium term (three years) (Y/N)
		Exercice budgétaire uniqueement (O/N)	Medium-term (financial year + two years) (Y/N)	
Expansion of the Kribi deepwater port (phase 2)	No	yes	Yes, but global envelope	No
Lom Pangar hydroelectric scheme	No	yes	Yes, but global envelope	No
Memve'ele hydroelectric dam	No	yes	Yes, but global envelope	No

⁸ For example, the current mechanism for road maintenance requirements is on a project basis, which is not reflected in detail in MINTP's budget booklet.

Name of equipment project	Data for calculating the cost of investment projects (PI-11.3) included in budget documents			
	Documentation of full life-cycle costs (Y/N)	Breakdown of capital expenditure		Operating expenses included in budget documents Fiscal year only/medium term (three years) (Y/N)
		Exercice budgétaire unique (O/N)	Medium-term (financial year + two years) (Y/N)	
Mekin dam	No	yes	Yes, but global envelope	No
	No	yes	Yes, but global envelope	No
Yaoundé Drinking Water Supply Project from the Sanaga River (PAEPYS)	No	yes	Yes, but global envelope	No
Construction of the Yaoundé-Douala freeway	No	yes	Yes, but global envelope	No
Asphalting of the Batchenga-Ntui-Yoko-Lena -Tibati-Febadi road (N15), including construction of a bridge over the Sanaga River at Nachtigal (N15)	No	yes	Yes, but global envelope	No
Projet de Remise à niveau des Réseaux de Transport de l'Électricité et de la Réforme du Secteur (PRRTERS) (Electricity Transmission System Upgrading and Sector Reform Project)	No	yes	Yes, but global envelope	No
Construction of the BINI dam at Warak	No	yes	Yes, but global envelope	No
Construction of the Yaoundé Nsimalen highway	No	yes	Yes, but global envelope	No
Total 11 Major projects	100%	100%	Globally yes 100%	100%

Data source : MTEF of concerned ministries for 2022-2024

PEFA Score : C

Previous Situation

Score D*. As the list of major investment projects and their costs could not be compiled, the main information for scoring all components is not available.

11.4 Follow-up of investment projects

The total cost and progress of major investment projects are monitored by the agency responsible for implementation, and a report on the physical progress and financial situation of major projects is appended to the annual LF.

Current Situation

At institutional level, project execution is monitored and controlled by project coordination units, sector ministries, MINFI, MINEPAT, MINMAP, the national committee for monitoring the physical and financial execution of public investment, regional and departmental committees, and communal technical committees set up by decree. Periodic reports are produced to monitor the physical and financial execution of public investment projects. An annual report consolidates information on the progress of major projects, and is published with the LF. Other projects are monitored by each ministry and included in the summary and financial report for the previous period presented in each MTEF.

PPPs are specifically tracked in the report on budgetary risks, and are monitored centrally by MINEPAT.

Information obtained from MINEPAT and MINTP (for projects in its portfolio) on the physical and financial progress status of each project, as well as explanations on the evolution of AECF over the last 3 years, show significant variations linked to budgetary constraints and additional costs, particularly on compensation decrees.

A report on the progress of major investment projects has been appended to the Finance Act since 2020, providing an exhaustive overview of the financial situation and progress of major projects, with their potential impact on public debt and refinancing risks.

Table 7: Follow-up for major investment projects in 2021

Name of equipment project	Data for monitoring investment projects			
	Advancement (O/N)	Procedure and rules types existing (O/N)	High degree of compliance with procedures (Y/N)	High level of compliance with procedures (Y/N)
Kribi deepwater port extension (phase 2)	Yes	Not valid	Not valid	Yes
Lom Pangar hydroelectric scheme	Yes	Not valid	Not valid	Yes
Memve'ele hydroelectric dam	Yes	Not valid	Not valid	Yes
Mekin dam	Yes	Not valid	Not valid	Yes
	Yes	Not valid	Not valid	Yes
Project to supply drinking water to Yaoundé from the Sanaga River (PAEPYS)	Yes	Not valid	Not valid	Yes
Construction of the Yaoundé-Douala freeway	Yes	Not valid	Not valid	Yes

Name of equipment project	Data for monitoring investment projects			
	Advancement (O/N)	Procedure and rules types existing (O/N)	High degree of compliance with procedures (Y/N)	High level of compliance with procedures (Y/N)
Asphalting of the Batchenga-Ntui-Yoko-Lena -Tibati-Febadi road (N15), including construction of a bridge over the Sanaga River at Nachtigal (N15)	Yes	Not valid	Not valid	Yes
Projet de Remise à niveau des Réseaux de Transport de l'Électricité et de la Réforme du Secteur (PRRTERS) (Electricity Transmission System Upgrading and Sector Reform Project)	Yes	Not valid	Not valid	Yes
BINI dam construction project in Warak	Yes	Not valid	Not valid	Yes
Construction of the Yaoundé Nsimalen freeway	Yes	Not valid	Not valid	Yes
Total 11 major projects	100%	Not valid	Not valid	100%

Source: RAP 2021 en 2022, MINEPAT major projects implementation report (December 2022), report on major projects LF 2022.

PEFA Score : C.

Previous Situation

Score D. The annual report on the physical and financial execution of public investment projects appended to the settlement bill does not distinguish between major and minor projects, and does not cover all central government investments, since it does not take into account those made by EPAs or under PPP contracts.

Current Reforms

- Implementation of a unique project identifier between MINEPAT and MINFI for integrated investment management, with World Bank support, following the recommendations of the PIMA 2020 report;
- Reform of the legal framework for participatory monitoring;
- Implementation of an application for monitoring the execution of investment projects;
- Elaboration of a methodological guide to improve the evaluation and budgeting of recurrent investment costs.

PI-12. Public asset management

This indicator assesses the management and monitoring of public assets, as well as the transparency of asset disposals.

Field :

12.1 : Central administration

12.2: Central budget administration

12.3 : Central administration for financial assets and central budget administration for non-financial assets

Period: Last year ended

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-12 Public asset management (M2)		D	D+
12.1 Monitoring financial assets	The State keeps a register of these main financial assets, which are recorded at market value or fair value, and information on their performance is published each year in the Finance Act.	D	B
12.2 Monitoring non-financial assets	Work is underway to implement material accounting. The government keeps a partial register of its fixed asset holdings, but does not consolidate information on their use and age.	D	D
12.3 Transparency of asset disposals	Procedures and rules are established for the transfer or disposal of financial and non-financial assets, but only partial information on transfers and disposals of financial assets is included in annual financial reports.	D	D

12.1 Monitoring financial assets

The State of Cameroon keeps a register of financial assets, in particular holdings in companies, and publishes annual information on their performance, but consolidation varies from entity to entity, with data published only for certain categories of State financial assets.

Current Situation

In accordance with Standard n°5 of the Recueil des Normes Comptables de l'Etat, the State's equity interests are rights, whether or not evidenced by securities, which it holds in other entities with legal personality distinct from its own, even if these are economic entities created by the State itself. They are, according to the provisions of Article 12 of Law N°2017/011 of July 12, 2017 on the General Statute of Public Enterprises, held by the Minister in charge of Finance, who represents the State shareholder.

Standard n°5 of the aforementioned Recueil classifies the State's shareholdings according to the control criterion into two main categories, namely (1) shareholdings in controlled entities and (2) shareholdings in non-controlled entities.

The Ministry of Finance is responsible for managing and monitoring the State's financial assets. State securities and holdings for the central budgetary administration are monitored by the DGB through the Division des participations et des contributions (DPC), which carries out all operations relating to the acquisition, custody and monitoring of State holdings. It does not

manage or monitor the holdings of state-owned companies, which are subject to specific monitoring at the level of each entity.

Appendix 9 of the 2021 PLR (for 2020) and the report on State holdings appended to the 2023 LF present the total net value of State holdings calculated on the basis of the certified financial statements for the 2021 financial year. : « *the total share capital of companies in the State portfolio is CFAF 959.3 billion in 2021, i.e. CFAF 605.2 billion for State-owned companies and CFAF 354.2 billion for entities with minority public shareholdings. The total value of State holdings in these entities is FCFA 682.9 billion in 2021, i.e. 71.18% of cumulative share capital.* »

The report presents the financial balance sheet of each holding for all majority and minority interests held by the State at central budget administration level in companies and regularly recorded in the State's accounts.

The remaining categories of financial assets are recorded in the accounts and included in the monthly cash flow plans. It covers cash resources such as cash holdings in FCFA and foreign currencies, government securities, BTA, OTA, reserve accounts (deposit accumulation). Cash requirements are identified and feed into debt management decisions.

Retroceded loans are managed and monitored by the CAA and listed in the same way as other loans, as financial assets in the Treasury's cash flow plan.

Table 8: Monitoring financial assets - asset register checklist

Type of Asset	Register of financial assets held (Y/N)	Recorded purchase cost (Y/N)	Recognized at fair value (Y/N)	Compliance with international accounting standards (Y/N)	Performance information published annually (Y/N)	Source of information
Public companies	Yes	Non	Yes	Yes	Yes	Report annexed to PLR and LF
Public companies	Yes	Non	Yes	Yes	Yes	

Source des données : LF

PEFA Score : B

Previous Situation :

PEFA score: D. The State does not keep a register of the various categories of financial assets held by the central government, and information on the performance of financial assets is not published.

12.2 Monitoring non-financial assets

Cameroon is in the process of implementing material accounting to track and manage its non-financial assets, and is preparing to draw up an opening balance sheet in 2025, which

will include tangible fixed assets. However, data is still unreliable, and certain categories of non-financial assets, such as land and deposits, are not tracked.

Current Situation

MINDCAF oversees and centralizes the management of the State's public and private domains, public buildings (built and unbuilt property), rolling stock and all other movable assets of the State, as well as defining standards for the management and use of these assets. The Direction des Domaines manages non-built property, while the Direction du Patrimoine de l'Etat manages movable and immovable assets.

The DNCM issues standards to MINFI for subject accounting.

MINFI Order no. 0012 of January 21, 2020 on the collection of State Accounting Standards (NCE) includes standards 3 and 4 on intangible and tangible fixed assets, which respectively set out the methods of recognition, the scope of application, the accounting rules, the valuation methods and the information to be provided in the statement appended to the financial statements.

Joint Circular 0005 MINFI and MINDCAF of June 8, 2022 on the inventory and valuation of tangible fixed assets of the State and other public entities describes the procedures for producing the opening balance sheet, initially scheduled for January 1, 2022 for financial statements, and for Public Establishments and RLAs for January 1, 2023.

Work on the first opening balance sheet has initiated a project to inventory, register and value tangible fixed assets, involving public accountants and material accountants, with a view to producing the opening balance sheet by 2025. The opening balance sheet will include tangible fixed assets, which will have to be recorded in accordance with the methods and techniques defined by the NCE. An interministerial committee comprising MINEPAT, MINDCAF and MINFI (Direction nationale de la Comptabilité Matière), whose secretariat is provided by DCP, has been set up to coordinate activities.

A cadastral box is being drawn up with MINDCAF.

Maintenance of buildings and rolling stock is also centralized at MINDCAF. The consolidated table of the inventory of State property is available for 2021. However, inventories are carried out manually and not on a regular basis, and the latest inventory for 2020 is based on a summary census from 2012 defining the approximate location of assets, usage and estimated value per m² per zone (2014 DGI mercurial), and so the reliability of the information contained in the MINDCAF registers is not established.

However, information on the rest of the asset records covered by accounting standards in the sense of patrimonial accounting is not yet available. Information on land and deposits is not yet available.

PEFA Score : D.

Previous Situation :

Score D. There are a number of shortcomings in the subject accounting system that make it impossible to obtain a complete picture of the State's movable and immovable assets.

Current reforms

The plan to reform the State's assets calls for an opening balance sheet by early 2025. Work is in progress with the material accountants, and a unique identifier is under discussion for managing assets in the PROBMIS (MINFI) and GPSOF (MINDCAF) systems. Information on asset disposals as recorded in the management account has yet to be validated for 2023.

12.3 Transparent asset disposal

Procedures and rules are established through the regulatory framework in place for the transfer or disposal of non-financial assets, but only partial information on transfer movements and disposals of financial assets is included in the annual financial reports.

Current Situation

Table 12-3 : Transparency of asset disposals

Score criteria	Satisfaction (Yes/No)
Established procedures for the transfer or disposal of non-financial assets	Yes
Established procedures for the transfer or disposal of financial assets	Yes
Information included in budget documents, financial reports or other reports (complete/partial)	Partial
Deposit register (if applicable)	No
Information on transfer or disposal of assets subject to legislative authority	No

Source des données : LF 2022 et PLR 2021

PEFA Score : D

Current Situation :

PEFA Score : D. The mission was not aware of any texts defining the rules and procedures applicable to the transfer and disposal of financial assets.

PI-13. Debt management

This indicator assesses the management of domestic and foreign debt and guarantees. It aims to determine whether the management methods, registers and control measures in place ensure the use of efficient and effective mechanisms.

Scope: Central government

Period :

13.1 : At valuation date

13.2 : Last completed financial year

13.3 : At the valuation date, referring to the last three financial years ended

Scores attribuées aux Indicators et Components et analyse

Indicators/ Component	Evaluation of performances	Score 2017	Score 2023
PI-13 Debt Management (M2)		D	B

Indicators/ Component	Evaluation of performances	Score 2017	Score 2023
13.1 Recording and presentation of debt and guarantee data	This indicator assesses the management of domestic and foreign debt and guarantees. It aims to determine whether the management methods, registers and control measures in place ensure the use of efficient and effective mechanisms.	D	C
13.2 Authorization to borrow and grant guarantees	This indicator assesses the management of domestic and foreign debt and guarantees. It aims to determine whether the management methods, registers and control measures in place ensure the use of efficient and effective mechanisms.	D	B
13.3 Debt management strategy	This indicator assesses the management of domestic and foreign debt and guarantees. It aims to determine whether the management methods, registers and control measures in place ensure the use of efficient and effective mechanisms.	D	B

13.1 Recording and presentation of debt and guarantee data

Cameroon has put in place systems and procedures to record and monitor both domestic and foreign debt. Work is underway to identify and clear floating debt, and data on external debt is well reconciled. However, data on domestic debt is not yet complete.s.

Current situation

The Caisse Autonome d'Amortissement du Cameroun (CAA) is responsible for managing and monitoring guaranteed external public debt, and all external loan agreements (direct, retroceded or endorsed) and related transactions are entered into the CS-DRMS software. The CoC's RELF and PLR 2021 report on debt servicing as at December 31, 2021, and provide information on outstanding state-guaranteed debts as at June 30, 2022, which were valued at FCFA 21.2 billion as at 31/12/2021.

Debt servicing comprises principal and interest repayments on public debt. For final allocations of 770,538,415,914 CFA francs, debt servicing was authorized for 765,538,365,542 CFA francs, representing an execution rate of 99.35%.

Disbursement requests (direct payments and replenishments) are entered into SIGED (Système intégré de gestion des désaissements), but not interfaced with CS-DRMS.

The CAA is a stakeholder in the chain of loan agreement signature and execution being a member of the Comité National de la Dette Publique (CNDP), whose role has been made operational and strengthened since 2017.

According to the latest monthly conjuncture report on Cameroon's public debt, domestic public debt is made up of public securities, agreed (or structured) debt and unagreed (or unstructured) debt known as floating debt. For the moment, this public debt is mainly limited to that of the Central Administration and Public Enterprises and Establishments, but does not cover the CNPS. Work is currently underway to identify and assess the debt of the local authorities (Collectivités Territoriales Décentralisées). In line with best practice, conditional liabilities are now monitored,

covering debt guaranteed by the Central Government and Public-Private Partnerships, which may have an impact on public debt under certain conditions.

The debt database managed by CAA includes EEPs, but not CNPS debt. Information on floating debt has been the subject of a specific inventory since December 2020 and is covered in the 2023 budget risk report. Debt data are recorded as soon as loan agreements are signed. Annual reconciliations are carried out with creditor institutions..

Floating debt : Floating domestic debt refers to unpaid government debts arising from, among other things, government contractual commitments, current consumption, rents and compensated tax debts. The completion of this audit, which covers the period from January 1, 2000 to December 31, 2019, is a commitment made by the country as part of its ongoing program with the International Monetary Fund (IMF).

At the end of 2020, MINFI has invited managers to identify all receivables falling within their respective structures and forward them to the Ministry of Finance's General Budget Directorate. The receivables inventory phase came to an end in October 2022, and the related physical files were forwarded to the audit firms appointed for this purpose. Out of a stock of receivables of nearly FCFA 705 billion, the initial analysis and verifications reduced the auditable stock to FCFA 432 billion. Once the claims have been confirmed, a plan to clear the floating debt is being drawn up for June 2023.

It should be scored that over the period covered by the PEFA, Cameroon has subscribed to the G20 Debt Service Suspension Initiative, and has benefited from a rescheduling of debt servicing over the period from May 2020 to December 2021, for a total amount of 287.5 billion FCFA, of which 123.6 billion FCFA in 2020 and 163.9 billion FCFA obtained in 2021.

Quarterly business reports and statistics are published on the CAA website. The latest available dates from the end of June 2022. The annual report on public debt for 2020 has been published, but that for 2021 is not available.

PEFA Score : C

Current Situation

PEFA score: D. Data on external public debt, managed by the CAA, are exhaustive, regularly updated and reconciled with donors on an annual basis. Data on domestic public debt is not exhaustive, as unstructured domestic debt has not yet been stabilized. The quarterly public debt conjuncture scores are not produced regularly and do not contain information on guaranteed debt. The CAA's public debt database and the various reports it produces do not cover the entire central public administration, as public establishments and the CNPS are not taken into account..

Current Reform

A plan to clear floating domestic debt over the period 2000-2020 has been negotiated with the IMF and is due to be finalized in June 2023.

13.2. Approval of debt and guarantees

The law stipulates that only certain entities designated by law are authorized to borrow and issue loan guarantees on behalf of the central government. Documented procedures provide guidelines for carrying out these operations, and ensure that debt management

operations are monitored by the competent entity. Annual borrowings must respect ceilings and be approved both by the central government and by a Finance Act approved by Parliament.

Current Situation

MINEPAT is responsible for prospecting, negotiating, finalizing and monitoring external loans, and MINFI for domestic loans, debt monitoring and management, and debt renegotiations. Virtually all agreements relating to external borrowing are signed by MINEPAT on behalf of the President of the Republic, who has sole constitutional authority to sign and ratify international agreements and treaties.

Regulation no. 12/07-UEAC-186-CM-15 of March 19, 2007 on the reference framework for public debt policy and management in CEMAC member states sets out the rules applicable to public debt policy and management in the CEMAC zone. In application of this regulation, the Cameroon government set up a National Public Debt Committee (CNDP) by decree no. 2008/2370/PM of August 04, 2008. Placed under the MINFI, this Committee is notably responsible for (i) issuing a reasoned opinion on financing requests and offers concerning the State or its dismemberments, as well as on external and internal public loans, and private loans guaranteed by the State. ; and (ii) to coordinate and monitor the implementation of the national public debt and public debt management policy. By Order no. 224/MINFI of April 07, 2014, the Minister of Finance set the terms and conditions for referral to and the procedure before the CNDP. Agreements relating to domestic loans, guarantees granted by the State and retrocession of loans, they are signed in practice by MINFI.

Public debt policy is well defined in the public debt strategy document that has accompanied the Finance Bill since 2010. Similarly, borrowing procedures are defined in supra-national regulatory texts, and borrowing and guarantee ceilings are set each year by the Finance Act.

EPAs and public enterprises, publicly-owned companies and semi-public companies are required to refer to the CNDP for the implementation of loans or guarantees, but this referral is deliberate and not compulsory, defined only in a letter of instruction from the Minister of Finance no 003105 of June 16, 2017 and annually through a MINFI order no 00000358 of April 28, 2022 setting the conditions for granting and implementing the State guarantee to public establishments and public and private enterprises in respect of domestic loans for the 2022 financial year.

All commitments and guarantees are entered into only after a favorable and unqualified opinion from the National Public Debt Committee (CNDP). Also, it is important to note that according to the provisions of Article 54 of Law No. 2018/012 of July 11, 2018 on the Fiscal regime of the State and other public entities, the State guarantee is granted by decree after the opinion of the Minister of Finance and should not exceed a term of five (05) years (Art 54).

PEFA Score : B

Current Situation :

PEFA score : D. Cameroon does not have a legal framework that precisely defines and delimits the powers to contract external and internal loans and issue state guarantees.

13.3. Debt management strategy

Cameroon's public debt management strategy is documented in the SEMT over a rolling three-year period. This strategy includes target objectives for various financial indicators. However, analysis over the three years 2020, 2021 and 2022 (to end-October) reveals slippages in target execution.

Current Situation

The CAA produces a 3-year rolling SEMT document appended to the LF, which shows the stock/outstanding debt over the period, current and new commitments and disbursements made, and presents an assessment of the implementation of the strategy over the previous period.

The SEMT includes an analysis of the costs and risks of the public debt portfolio projected to December 31, 2022, and describes the Medium-Term Debt Strategy and Plan for 2023-2025, with annually fixed targets to the end of 2025 for:

- the ratio of public and publicly guaranteed debt to GDP \leq 40%,
- the % composition of the debt portfolio: External debt / Domestic debt 77% / 23%.
- average portfolio interest rate \leq 2.5%, and
- the share of short-term domestic debt (initial maturity \leq 1 and \leq 10%)
- the proportion of debt at variable interest rates \leq 20%
- debt denominated in US dollars \leq 25%
- the average maturity of the public debt portfolio.

The MTDS, drawn up over a rolling 3-year period, is published annually and covers current and projected public debt, with target objectives set for indicators concerning the average interest rate of the portfolio, the proportion of debt at variable interest rates and dollar-denominated debt. It includes the previous year's targets and provides an assessment of the execution of the 2022-2024 strategy in terms of disbursements by debt instrument.

PEFA Score : B.

Current Situation :

PEFA score: D. Since 2010, Cameroon has been developing a three-year public debt and debt management strategy, which includes targets for indicators relating to interest rate, refinancing and exchange rate risks. However, this strategy does not cover all central public administration units, and does not take into account loans contracted directly by other government departments, public establishments and the national social security organization. It should be scored that annual reports on the implementation of the strategy are not drawn up.

PILAR IV : POLICY-BASED BUDGETING AND BUDGETING STRATEGY

This pillar examines whether the budget strategy and budget are drawn up with due regard for the State's budget policies and strategic plans, and also on the basis of adequate macroeconomic and budget forecasts.

PI-14. Macroeconomic and budget forecasts

This indicator assesses a country's ability to draw up sound macroeconomic and budget forecasts, which are essential for formulating a viable budget strategy and ensuring greater predictability in budget allocations. It also assesses the ability of public authorities to estimate the impact of possible changes in economic conditions on the budget.

Field :

14.1: economy as a whole

14.2 and 14.3: central administration

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-14 Forecasts macroéconomiques et budgétaires (M2)		D+	B
14.1 Macroeconomic forecasts	The Ministry of Finance prepares medium-term, 3-year forecasts of the main macroeconomic indicators and underlying assumptions, which are reviewed by the inter-ministerial framing committee and included in the budget documentation submitted to the legislature.	D	B
14.2 Budget forecasts	The government prepares medium-term forecasts of the main budget indicators, notably revenues (by category), overall expenditure and the budget balance. These forecasts, together with the underlying assumptions, are included in the budget documentation submitted to the legislature, accompanied by the underlying assumptions and an explanation of the main differences with the previous year's forecasts.	B	A
14.3 Macro-fiscal sensitivity analysis	The government prepares, for its own internal use, a series of budget forecast scenarios based on alternative macroeconomic assumptions, but the budget documents do not include any quantitative or qualitative discussion of the sensitivities of the forecasts.	D	D

14.1 Macroeconomic forecasts

Cameroon produces macroeconomic forecasts through a coordinated process involving several government institutions. Projections are based on an econometric model (SIPAE) and are used to guide budget preparation and government economic decisions.

Macroeconomic assumptions and results are published as part of the budget process and the Finance Law..

Current Situation

The macroeconomic framework is drawn up by a committee made up of several institutions (MINFI, MINEPAT, BEAC, CAA, INS), with MINFI's Forecasting Department in the lead.

Cameroon's budget preparation procedures are initiated by the preparation of the macroeconomic framework, a first framework (initial framework based on the revision of the final framework for year N-1) in March/April, which provides the framework for the Budget Orientation Debate with Parliament, and a second, final framework, which serves as the basis for preparing the orientations of the annual presidential budget preparation circular, with the notification of budget ceilings.

The macroeconomic framework is multi-year, and the SIPAE model is used to project the main aggregates of the macroeconomic framework, notably GDP and its components, the balance of payments, monetary and financial aggregates, budget aggregates, domestic and foreign debt, and certain poverty indicators. SIPAE projections are based on (i) exogenous data, (ii) a system of econometric equations, and (iii) a set of accounting relationships that guarantee the balance of flows of funds. The SIPAE model also projects TOFE in relation to GDP components, and taking into account spending targets.

The macroeconomic framework includes an analysis of developments in the international environment and the national economic situation, and the macroeconomic outlook, which are also appended to the Finance Act. Its appendices present the evolution of major macroeconomic indicators, with GDP projections, the three economic sectors, major public policy programs and key indicators for the hydrocarbons sector, agriculture, and reference prices for cocoa, cotton, coffee, bananas, etc., as well as projections for budget aggregates, forecasts of the overall budget balance, etc. The initial framework is revised several times to take account of more reliable and up-to-date data. The latest framework, prepared in September, serves as the basis for the report on the economic, social and financial situation and outlook, which accompanies the Finance Bill submitted to Parliament.

The scoping documents for the 2019-2021 period through the MTBFs present the underlying assumptions at macroeconomic and sectoral level over three years, and serve as a basis for preparing the orientations of the annual Presidential Circular. Forecasts for the main macroeconomic indicators and aggregates are presented in the report with a three-year horizon. The evolution of indicators such as the GDP growth rate, the budget balance as well as the financing of the projected budget deficit, the assumptions for concessional and non-concessional interest rates, and the inflation rate, is given for a three-year period. The exchange rate assumptions with the US dollar are also mentioned in the macroeconomic assumptions..

PEFA Score : B

Current Situation :

PEFA score: D. Forecasts for certain macroeconomic indicators are presented for the fiscal year and two subsequent years. For other indicators, forecasts are presented for fiscal year N+1 only..

14.2 Budget forecasts

Cameroon draws up budget forecasts for the next three years, taking into account macroeconomic projections and using an economic and administrative classification. These forecasts are detailed in the budget documentation presented to Parliament, thus guaranteeing transparency and consistency in the budgetary process.

Current Situation

The government prepares budget forecasts (revenue and expenditure) for the fiscal year and the following two years, taking into account macroeconomic projections. Revenue projections are presented by type of revenue and identify underlying assumptions, as well as amortization of public debt, etc. The MTEF prepared at the beginning of the year, and which serves as the basis for the preparation of sectoral MTEFs, establishes a projection of State budget revenues and expenditure for the three-year period, according to economic and administrative classification. Expenditure estimates are based on updated estimates of the previous and current budgets, and of the budgetary impact of new policy decisions planned for the following year.

The report on the nation's economic, social and financial situation and outlook, based on the macroeconomic framework prepared each year and which accompanies the Finance Bill, presents projections for the main categories of revenue and expenditure over a three-year horizon, taking into account trends in the main macroeconomic aggregates.

The three MTBF documents prepared for the 2019-2021 period also present the underlying assumptions, as well as the previous and current year's achievements, together with explanations of updated projections or differences between the initial and updated projections. This information forms part of the budget documentation presented to Parliament.

PEFA Score : A

Current Situation :

PEFA score: B. The forecasts of the main budget aggregates for the financial years T+1 to T+3 are presented with the assumptions of their evolution in the budget documents transmitted to Parliament for examination and vote.

14.3 Macro-fiscal sensitivity analysis

Although Cameroon produces budget framework documents that include budget projections and macroeconomic assumptions, it does not yet carry out macro-budget sensitivity analyses to assess the potential impact of different assumptions on budget projections..

Current Situation

The 2019-2021, 2020-2022 and 2021-2023 MTBF framework documents, as well as the economic and financial report appended to the 2019, 2020 and 2021 Finance Acts, set out the projections and general context, and describe the assumptions and impact of the macroeconomic and fiscal policies adopted for the period. The MTBF documents present all the underlying assumptions and budgetary indicators, and explain any deviations from the previous framework. However, the various scenarios are not presented with the introduction to the LFI document. The macroeconomic and budgetary framing work for Cameroon's Finance Act still does not include

macroeconomic sensitivity analyses or qualitative assessments of the impact of different macroeconomic assumptions.

PEFA Score : D

Previous Situation :

PEFA score: D. The macroeconomic and budgetary framing of Cameroon's Finance Law does not include macroeconomic sensitivity analyses or qualitative assessments of the impact of different macroeconomic assumptions.

PI-15. Budgetary strategy

This indicator analyzes the ability to define and apply a clear budgetary strategy. It also measures the ability to identify and assess the budgetary impact of revenue and expenditure proposals designed to help achieve central government budget objectives.

Scope: Central government

Period :

15.1 : Last three financial years

15.2 and 15.3 : Last year ended

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-15 Stratégie budgétaire (M2)		D+	D+
15.1 Budgetary impact of proposed policies	The Ministry of Finance prepares estimates of the fiscal and budgetary impact of all major proposed changes in revenue and expenditure policy for the following fiscal year.	D	C
15.2 Adoption of budget strategy	The government has prepared for the central budget administration, but not presented to Parliament, a CBMT, a medium-term budget strategy, comprising detailed broad budgetary guidelines for year N+1 and three-year quantitative projections by chapter and economic classification.	C	C
15.3 Presentation of budget results	For the 2021-2023 MTBF produced in November 2020, the government includes detailed calculations of the differences between projections and actuals for 2019, but no narrative or analysis of the progress made and the main deviations from previous MTBF projections.	D	D

15.1 Budgetary impact of proposed policies

Cameroon has introduced a Budget Orientation Debate and produced a Medium-Term Economic and Budgetary Programming Document (DPEB) to guide its budgetary policy. This document includes budget projections and priorities, but does not provide detailed justifications for proposed policies, nor does it present the budgetary impact of these policies..

Current Situation

The June 2019 parliamentary session in Cameroon saw the implementation, for the first time in Cameroon, of a Budget Orientation Debate (DOB) instituted in July 2018 by two major laws, namely Law N°2018/011 on the code of transparency and good governance in the management of public finances in Cameroon and Law N°2018/012 on the fiscal regime of the State and other public entities. Article 11 of the law on the fiscal regime of the State and other public entities stipulates that: (1) "Each year, before July 1, the Government sends Parliament the medium-term framework documents defined in article 10 above (medium-term budget framework and medium-term expenditure framework), accompanied by a report on the macroeconomic situation and a report on budget execution for the current year"; (2) "On the basis of these documents and reports, Parliament organizes a budget orientation debate in public session, but without a vote". For reasons of practicality, readability and coherence, the Government has opted to merge the content of these tools and reports into a single document called the " Medium-term economic and budgetary planning document " or DPEB, which is forward-looking and covers the next three years.

For the three-year period 2019-2021, the DPEB identifies the new challenges to be met and sets the political priorities that will guide the action of public authorities, namely: (i) promoting stronger and more inclusive growth; (ii) strengthening economic diversification and the processing of local products; (iii) strengthening redistribution and social protection mechanisms; (iv) improving Governance, and finally (v) strengthening living together, bilingualism and multiculturalism. The 2019-2021, 2020-2021 and 2021-2022 EPBDs include all measures taken in the budget, such as amortization of the public debt, and their translation into revenue and expenditure for the year and the following two years, such as policies to subsidize the price of diesel at the pump, but these justifications are not exhaustive and detailed systematically by policy.

The DPEB 2021-2023 presents the sectoral strategic orientations according to the four pillars of the SND30, namely: structural transformation of the economy, development of human capital and well-being, promotion of employment and economic integration, and governance, decentralization and strategic management of the State.

Fiscal policy guidelines and their expected impact are broken down by type of revenue for the three-year period, as are the main expenditure policies: consolidation of the expenditure balance file and wage debts, prospects for investment programming based on the three-year BIP, prospects for debt financing and changes in contingent liabilities and PPP commitments.

PEFA Score : C

15.2 Adoption of the Budgetary Strategy

Cameroon has set up a budget planning process based on the SND30 and bodies such as the CIEP to ensure the coherence and evaluation of public policies. The MTBF plays a key role in translating budget strategy into three-year budget projections, but detailed explanations of projected developments are not provided.

Current Situation

The strategic reference document for budget planning in Cameroon is SND 30, which covers the period 2020-2030 (10 years). This strategy is broken down into sector strategies, which feed into the Strategic Performance Framework of the Administrations (logical framework of programs). This logical framework of programs is validated by the Interministerial Program Review

Committee (CIEP), which serves as the basis for three-year programming and ensures the coherence of the program chain. The CIEP is the strategic body for monitoring and evaluating public policies, and is responsible for assessing program performance on behalf of the government.

Cameroon's budget strategy is reflected in the MTBF document. Article 9 of the CEMAC directive on finance laws provides for the transmission of the MTBF, accompanied by a report on the macroeconomic situation and a report on the execution of the current year's budget, as a basis for the organization of the budget orientation debate. In Cameroon, the transposition of this directive has resulted in the production of a three-year rolling budget forecast, which includes all the elements of the budget framework and the assumptions made for each chapter and title for three years, with a presentation of the discrepancies scored between projections and actuals, but without any specific explanation. For the 2021-2023 MTBF, for example, the objectives presented are quantitative at the level of missions, expenditure categories and programs over three years, and qualitative for the year 2022, but with no explanation of projected trends.

The 2021-2023 medium-term economic and budgetary programming document for the budget debate provides a strategic frame of reference prior to budget preparation.

Under the Prime Minister's decree of April 30, 2021 reorganizing the CIEP, the latter becomes the platform whose purpose is to "Ensure the proper formulation of programs and associated objectives, as well as the reliability of performance indicators, with regard to the priorities set out in the State's strategic planning documents; ensure compliance with the perimeters of ministerial department programs, while ensuring the coherence of government action". One of the major objectives of the CIEP's new format is to propose a new mapping of programs to be submitted to the Prime Minister for validation, to ensure optimum coherence with the pillars of the National Development Strategy (SND30) and alignment with the Sustainable Development Goals (SDGs). CIEP sessions now held every three years.

This system makes it possible to consolidate the logical frameworks of the programs of ministries and institutions, and to improve the quality of the budget documents to be submitted to Parliament, with particular emphasis on the performance elements of the programs to which public resources will be allocated for the next three-year period. Its implementation is based on the Medium-Term Budgetary Framework (MTBF), and its sectoral expressions, the Medium-Term Expenditure Frameworks (MTEF).

PEFA Score : C

Previous Situation

PEFA score: C. Progress has been made since the previous assessment, and the production of a medium-term economic and budgetary programming document for 2021-2023 for the budget orientation debate provides a reference framework upstream of budget preparation. However, the country does not have a "budget strategy document" as such. The MTBF, prepared and updated annually over a three-year period, describes the Government's medium-term strategic orientations, presents a review of budget execution, proposes a medium-term macroeconomic and budgetary framework, and sets out budget allocation projections by economic type, sector and chapter. It includes, for example, a reinforcement of the strategy to combat gender-based inequalities. The MTBF is prepared for internal use in framing finance bills and preparing

sectoral (i.e. ministerial) MTEFs. The MTBF is neither validated politically, i.e. by a body including ministers, nor submitted to Parliament.

15.3 Presentation of budget results

Although the budget documents provide some information on deviations from forecasts and the reasons for adjustments, the analysis is not detailed, particularly in the rolling MTBFs.

Current Situation

The 2021-2023 MTBF document presents all the quantitative deviations from the targets set in the previous framework, and provides some very general explanations.

Same-year variances in the rolling MTBFs can be significant, and can also be explained by external shocks that require annual adjustments to forecasts. Variations are not analyzed in detail. The economic and budgetary report accompanying the LF 2022 describes the main results of the previous year's execution in 2021 and the main constraints encountered.

The 2019 and 2020 budget execution reports present the evolution of the budget balance and compare it with the CEMAC convergence criteria, but not the 2021 report.

PEFA Score : D

Previous Situation :

PEFA score: D. The Technical Committee for Monitoring and Evaluating the Implementation of the GESP has prepared two GESP implementation reports, a first GESP implementation report at mid-term 2010-2015 and a second implementation report at June 30, 2016. These two reports describe the implementation of projects and programs, and update the budget target forecasts, but do not assess achievements against the pre-established budget targets and objectives. Apart from these two reports, which are not submitted to Parliament or published, no reports on progress towards pre-established budget targets have been submitted to Parliament or published..

PI-16. Medium-term outlook for expenditure budgeting

This indicator makes it possible to determine the extent to which medium-term expenditure is budgeted within expenditure ceilings that are explicitly subject to medium-term framing. It also examines the extent to which medium-term estimates are reflected in annual budgets, and the degree of alignment between medium-term budget estimates and strategic plans..

Scope: Central budget administration

Period :

16.1, 16.2 and 16.3: Last budget presented to parliament

16.4: Approved budget for last and current fiscal year

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-16 Perspectives à moyen terme de la budgétisation des dépenses (M2)		D	B
16.1 Medium-term expenditure forecasts	The annual budget presents an estimate of expenditure for the budget year and the following two fiscal years, by administrative and economic classification, and programmatically for 2023-2025.	D	A
16.2 Medium-term expenditure ceiling	The circular notifying the three-year ceilings prior to the budget circular contains the medium-term expenditure ceilings.	D	A
16.3 Consistency of strategic plans and medium-term budgets	Annual Performance Plans or PAPs have been prepared for all ministries, presenting a full costing of expenditure aligned with the proposed annual budget for 2023. Some spending proposals in the MTEFs are aligned with the CSPs drawn up by the ministries.	C	C
16.4 Consistency of budgets and prior-year estimates	The budget documents do not provide an explanation of the changes in spending estimates between the second year of the previous medium-term budget and the first year of the current medium-term budget.	D	D

16.1 Medium-term spending forecasts

The government has defined a medium-term budget plan. The presentation of expenditure forecasts for the current fiscal year and the following two years is based on the Medium-Term Budgetary Framework (MTBF) and departmental Medium-Term Expenditure Frameworks (MTEFs). The MTBF is used to establish expenditure ceilings, which are then communicated to sector ministries for the preparation of their budgets.

Current Situation

In its initial version (April/May of year N for N+1), the MTEF is used to set medium-term expenditure ceilings, which are notified to the sectoral ministries so that they can prepare their sectoral MTEFs. Once updated, it is used to set the expenditure ceilings for the first year, which will be notified to the sectoral chapters and ministries in the form of ceiling letters from the Prime Minister, enabling them to prepare their draft budgets.

Ministerial MTEFs are prepared at the beginning of the year by the sectoral ministries on the basis of credit ceilings notified by MINEPAT and derived from the initial MTEF. For the 2023-2025 MTEF, the breakdown is also programmatic.

PEFA Score : A

Previous Situation :

PEFA score: D. The annual budget presents expenditure forecasts for the following financial year only, according to administrative and economic classifications.

16.2 Capping medium-term expenditure

Medium-term spending ceilings are determined by the government, notified to each ministry and then integrated into the MTEF. Ministries receive these spending ceilings before the budget circular is issued. Multi-year credits not yet in place.

Current Situation

Cumulative expenditure ceilings for the year and for the following two years are broken down by economic, administrative and programmatic classification within the framework of budget programs for the 2023-2025 MTEF period, and notified to each ministry. The notification ceilings for the 2023 budget were sent on August 2, 2022, prior to the budget circular (23/08/2022) which dictates the presentation of budgets by ministries. However, multi-year credits have not yet been authorized.

PEFA Score : A.

Previous Situation :

The medium-term financial programming exercise remains experimental at this stage, and although sectoral MTEFs and MTEFs are prepared every year, these instruments are still lagging behind: there is a time lag between MTEFs and sectoral MTEFs, and a time lag between sectoral MTEFs and the budget, and the link between the programming exercise and the budgeting exercise is not yet systematically established. Appropriation envelopes by ministry cover the budget year and the following two years, but are not approved by central administration until the first budget circular is issued.

PEFA Score : D.

16.3 Consistency of strategic plans and medium-term budgets

Sector strategies are aligned with the National Development Strategy (NDS) 2030, but they are not always quantified, and their correspondence with Medium-Term Expenditure Frameworks (MTEFs) is limited. The Strategic Performance Frameworks (SPFs) are based on sectoral strategies, but are only partially quantified. A certain degree of consistency is ensured when preparing annual budgets, thanks to the annual strategic performance plans (PAP) and meetings of the Comité Interministériel d'Examen des Programmes (CIEP).*Current Situation*

An analysis of the sector strategies drawn up for ten years (2020-2030) and aligned with the strategic orientations of the NDS 2030 reveals that not all the strategies are costed, and that their alignment with the final MTEFs used to frame the annual budget is limited, as the correspondence between programs and objectives is reduced by the general budgetary framing of the MTEF.

All strategies have been drawn up and aligned with the SND30 for all sectors, with the exception of the education and training sector, for which the Prime Minister's arbitration is required on the issue of basic education. The sector strategies remain at a general level of program orientations, and are not detailed and disaggregated, as the sector strategy remains at a macro level of orientations. These strategies have been translated into Strategic Performance Frameworks (SPFs) for public administrations, containing major programs, actions and activities (logical framework). However, the SPFs examined are not quantified, or are only partially quantified.

For example, only collection and analysis costs are quantified in the 2022-2030 Strategic Performance Framework of the Ministry of Public Health.

These aspects are taken up in the MTEFs, with more refined and disaggregated costing. A degree of coherence between the logical framework and interventions is ensured in terms of Planning-Programming-Budgeting and Monitoring/Evaluation (PPBS chain) through CIEP meetings. This coherence is less evident for the CSPs. On the other hand, the annual strategic performance plans are prepared for all ministries in the form of PAPs in 2023, and the expenditure proposals in the annual budget forecasts for 2023 are aligned with the figures in the annual PAPs.

PEFA Score : C

Previous Situation :

PEFA score: C. Cameroon has several national, sectoral, thematic and sometimes ministerial strategies. The country has prepared a 10-year national strategy (2010-2020) known as the DSCE, and several costed sectoral strategies covering several ministries. All ministries are preparing MTEFs, but these are still in an experimental phase and have not yet been approved. It is therefore not possible to conclude that the strategic plans have been translated into approved medium-term budget forecasts.

16.4 Consistency with previous year's budgets and estimates

There is a link between Medium-Term Expenditure Frameworks (MTEFs), annual budgets and Medium-Term Budget Frameworks (MTBFs), at least for the first year N+1. However, significant discrepancies are observed in subsequent years, mainly due to adjustments to the MTBF and the absence of a consistent methodology for refining projections. These discrepancies are not explained or analyzed in detail.

Current Situation :

The MTEFs of each ministry, grouped into sectors - General Administration and Governance, Education, Industry and Services, Infrastructure, Rural, Social and Sovereignty - are updated to take account of approved credits (final MTEFs), and the first year of the MTEF corresponds to the budget for year N. There is a close link between the MTEF, the MTEFs and the annual budgets, at least for year N+1, even if there are significant discrepancies between years N+2 and N+3, mainly due to a lack of consistent methodology in refining projections, and to exogenous factors over the period that gave rise to MTEF adjustments.

The last MTEF for year N+1 is revised on the basis of the adopted budget. The link between MTEFs and annual budgets is established for the first year N, but is not systematically aligned for subsequent years due to annual framings and discrepancies between rolling MTEFs. The gap between initial MTEFs, based on sector strategy, and final MTEFs, based on budget conferences and final budget framing, is significant.

The discrepancies are scored quantitatively in the MTEFs, but are not explained or analyzed either in detail or in consolidation.

Table 16-4. Consistency with previous year's budgets and estimates

Ministry	Explanation of the changes to the previous year's expenditure forecasts provided in the budget documents (Y/N)	Reconciliation with medium-term budget estimates (O/N)	Reconciliation with the first year of new budget estimates (O/N)	Source of documented information
1. 1. Ministry of Public Works	No	No	No	MTEF 2022-2024 et 2023-2025
2. 2. Ministry of Secondary Education	No	No	No	MTEF 2022-2024 et 2023-2025
3. 3. Ministry of Energy and Water	No	No	No	MTEF 2022-2024 et 2023-2025
4. 4. Ministry of Basic Education	No	No	No	MTEF 2022-2024 et 2023-2025
5. 5. Ministry of Public Health	No	No	No	MTEF 2022-2024 et 2023-2025

Data source : MTEF 2022-2024 and 2023-2025

PEFA Score : D

Previous Situation :

PEFA score: D. In Cameroon, the link between MTEFs and budgets has not yet been established, so that we can assess whether or not there is consistency between budgets and estimates for the previous year. The budget documents do not mention the discrepancies between the envelopes allocated to the ministries and those included in the forecasts of previous MTEFs.

PI-17. Budget preparation process

This indicator measures the degree of effective participation of stakeholders, particularly political decision-makers, in the budget preparation process, and determines the extent to which this participation takes place in an orderly and timely manner.

Scope: Central budget administration

Period :

17.1 and 17.2: Last budget presented to Parliament

15.2 and 15.3: Last three financial years closed

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-17 Processus de préparation du budget (M2)		D+	C+
17.1 Budget calendar	A budget timetable is defined by decree, and most budget units comply with it. However, it has not been possible to verify compliance with the prescribed dates.	C	D*
17.2 Budget preparation guidelines	Budget preparation circulars are approved by the Cabinet. The Notification Circular is clear and exhaustive, presenting total budget expenditure in the form of detailed ceilings by economic category and program, and is issued (June) before the Budget Preparation Circular (August).	D	A
17.3 Presenting the budget to the legislature	For the past three years, the executive has submitted the annual budget proposal to the legislature at least one month before the start of the fiscal year.	D*	C

17.1 Budget calendar

Cameroon has a clear regulatory framework for its budget timetable, but the actual dates for submission of budget estimates for the year 2022 were not specified in the information provided. However, it is mentioned that most budget units were able to meet the prescribed deadlines.

Current Situation

Decree n°2019/281 of May 31, 2019 clearly sets out all the stages of the budget calendar from the review of spending in year N, macroeconomic and budgetary framing, three-year programming of spending and the preparation of the PLF and its adoption by Parliament, as well as the key dates for budget execution.

The timetable allows 6 weeks after receipt of the Circular for the preparation of budgets. The actual dates for submission of detailed expenditure estimates by ministries for 2022 have not been communicated by the DGB, although feedback received from major ministries, the DGB and MINEPAT suggests that most budget units are able to produce their estimates within the prescribed deadlines.

PEFA Score : D*

Previous Situation :

PEFA Score : C. La score interne du MINFI, un acte administratif non formel tel qu'un "calendrier budgétaire annuel", donne aux unités budgétaires deux semaines pour produire leurs estimations détaillées. La majorité des unités budgétaires sont en mesure de produire leurs estimations dans le délai imparti.

17.2 Guidelines for preparing the budget

Les circulaires budgétaires sont approuvées en conseil de cabinet.

Current Situation :

In accordance with the decree on the budget timetable, the budget circulars for the preparation of the 2023 budget are approved by the Cabinet Council. The circular notifying detailed ceilings by economic category and program is published (June 2022) before the budget preparation circular (August 23, 2022). The circulars are complete and clear, showing total budget expenditure for the entire 2023 fiscal year.

PEFA Score : A

Previous Situation :

PEFA score: D. In Cameroon, detailed estimates are not discussed or approved by the Cabinet. Ceiling letters, sent by the Prime Minister to each sectoral minister separately, indicate for each ministry the envelope of payment credits needed to draw up the T+1 budget. These ceilings are taken from the final version of the MTBF, and give :

- - Ministry budget ceiling;
- - The operating budget ceiling, with precise ceilings for some lines such as personnel expenses;
- - The public investment budget ceiling, with precise ceilings for some lines such as counterpart funds.

17.3 Presentation of the budget to the legislature

The government respects the timetable by presenting annual budget proposals to Parliament at least one month before the start of the financial year, but this timeframe is too short to allow Parliament to properly analyze the budget proposal..

Current Situation

Le Président de la République du Cameroun a transmis les Projets de Loi de Finances suivants au Parlement :

Finance Bill 2020 : On November 28, 2019, the President of the Republic of Cameroon submitted the Finance Bill for the year 2020 to Parliament. This bill details the State's revenue and expenditure forecasts for the coming year, as well as the fiscal and budgetary measures envisaged. It is an essential tool for the country's financial planning and management..

Finance Bill 2021 : On November 23, 2020, the President of the Republic sent the Finance Bill for the year 2021 to Parliament. This bill sets out the government's budgetary guidelines for the coming year, specifying planned resources and expenditure. It also includes the fiscal provisions and economic measures envisaged to foster the country's development and economic stability.

Finance Bill 2022 : On November 23, 2021, the President of the Republic of Cameroon transmitted to Parliament the Finance Bill for the year 2022. This budget bill sets out the government's economic priorities and objectives for the coming year, specifying resource allocations and programmed expenditure. It also includes the fiscal measures and reforms envisaged to support economic growth and promote the well-being of the population..

Table 9: Présentation du budget au pouvoir législatif sur la période 2020-2022

Exercice budgétaire	Date de présentation de la proposition de budget	Source des données
2020	28 novembre 2019	
2021	23 novembre 2020	

2022	23 novembre 2021	<i>Lettres de transmission du PLF au Parlement</i>
2023	25 novembre 2022	

Source des données : Lettres de transmission du PLF au Parlement

PEFA Score : C.

Previous Situation

PEFA Score : D*. La mission n'a pu avoir accès aux dates de dépôt des PLF 2015, 2016 et 2017 au Parlement.

PI-18. Legislative review of budgets

This indicator assesses the nature and scope of parliamentary scrutiny of the annual budget. It considers the extent to which the legislature reviews, discusses and approves the annual budget, including whether legislative procedures for budget review are established and followed. It also assesses the existence of rules governing changes made to the budget during the year without prior approval by the legislature..

Scope: Central budget administration

Period :

18.1, 18.2 and 18.4: Last fiscal year ended

18.3 : Last three fiscal years

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-18 Examen des budgets par le pouvoir législatif (M1)		C+	C+
18.1 Scope of budget review	The Legislature Review covers budget policies and aggregates for the coming year, as well as detailed estimates of expenditure and revenue. It does not cover medium-term details of expenditure and revenue.	B	B
18.2 Legislative budget review procedures	Budget review procedures are legally defined and applied. They cover internal organization, negotiation and amendment procedures. Technical support is available when needed.	B	B
18.3 Budget approval schedule	The budget has been approved before the start of the financial year for the last three years.	A	A
18.4 Executive budget adjustment rules	Clear rules exist for in-year budget modifications by the executive, but they allow for significant administrative reallocations, and the rules are not respected for more than 40% of expenditure.	C	C

18.1 Portée de l'examen des budgets

Examination of the draft budget covers budget policies and details of expenditure and revenue, but there is little consideration of medium-term budget forecasts, medium-term

priorities and budget policies when the legislative branch's finance committee analyzes the budget.

Current Situation

The project review covers budget policies, as well as detailed expenditure and revenue items. Budgets are presented in program mode by mission and at the level of each program, but at the level of economic titles in the appendix, which freezes the possibilities of budgetary reallocations.

However, the Finance Committee's examination of the legislative power does not cover budgetary policies or medium-term budgetary forecasts, nor medium-term priorities, even though these are available in the budget documentation, since the budget is only voted on for the following year.

PEFA Score : B

Previous Situation

PEFA score: B. The budget review covers the macroeconomic outlook, i.e. the economic situation, the main economic indicators, the main economic policy guidelines and the main budget aggregates. This examination also covers detailed expenditure and revenue items, but the MTBF and MTEF are not transmitted with the budget documentation.

18.2 Procedures for legislative scrutiny of budgets

Cameroon's legislative budget review procedures are governed by the National Assembly's Rules of Procedure, which provide for technical expertise and negotiation support where necessary.

Current Situation

The 2014 Rules of Procedure of the AN govern the organization and procedures for examining the PLF.

Examination by the AN and Senat to be discussed with the respective Finance Committees. It provides for support and technical expertise and negotiation support if needed, even if in practice this expertise has not been mobilized.

On receipt of the bill, the macroeconomic outlook is examined and discussed. Revenue by category and budget expenditure by chapter are then examined. A report is drawn up by the Commission. This report must be adopted by the Commission before being presented by the Commission's general rapporteur at the plenary session. Once the report has been presented, the (public) debates are opened and the Finance Act is adopted..

Parliamentary debate focuses on the categories of resources and expenditure. The first part of the Finance Act is discussed and voted on by article, and the second part of the Finance Act can only be discussed by Parliament after the first part has been adopted. Expenditure is voted on a chapter-by-chapter basis, following a two-stage examination: firstly, all programs, and secondly, resources broken down by section and paragraph. Lastly, the appropriations for annexed budgets and special accounts are voted separately for each annexed budget and special account respectively..

PEFA Score : B

Previous Situation :

PEFA score : B. Budget review procedures are legally defined and applied. They cover internal organization, negotiation and amendment procedures.

18.3 Budget approval timetable

The budget has been approved by Parliament before the start of the financial year for the last three years.

Current Situation

The dates of promulgation of the Finance Acts over the last 3 years are as follows:

Table 10: Calendrier d'approbation des budgets

Loi de Finances	Date d'approbation de budget
2020	24 décembre 2019
2021	17 décembre 2020
2022	16 décembre 2021

Source des données : publication des LFI des exercices

The budget was therefore approved by Parliament before the start of the financial year for the last three years.

PEFA Score : A

Previous Situation :

PEFA Score : A. Le pouvoir législatif a approuvé le budget annuel avant le début de l'exercice pour chacun des trois exercices précédents.

18.4 Règles d'ajustement budgétaire par l'exécutif

Les ajustements budgétaires sont définis par des règles claires, mais des ajustements non justifiés ont été effectués en 2021.

Current Situation :

Two categories of budget adjustments are possible in Cameroon according to the 2018 State Fiscal regime Law (art.19 on LFRs): adjustments by decree of the Prime Minister or by order of the Minister of Finance, and adjustments by ordinance of the President of the Republic. These adjustments concern transfers of payment credits between chapters, transfers of credits between programs, decrees of advance and cancellations of credits. However, detailed quantitative information has not been provided by MINFI.

In order to estimate the amounts of transfers for 2021, the analysis used the information reported in the draft final opinion on the CdC's PLR 2021, as follows:

- Appendix 4. Status of transfers of PA from one chapter to another in 2021
- Appendix 5. Program-to-program payment credit transfers in 2021

The decrees of advance and cancellations of appropriations did not give rise to any observations and were considered to be duly justified.

Calculations made on the basis of the final draft opinion on the PLR 2021 show the following information:

- Unjustified credit transfers: 568.2 billion FCFA,
- Unjustified credit transfers: FCFA 1,607.3 billion,

A total of 2175.5 billion FCFA, or 42.3% of expenditure on transfers and unjustified transfers during the execution of the 2021 budget.

PEFA Score : C

Previous Situation :

PEFA score: C. Executive budget adjustment rules exist, but are not always respected and applied, given that major reallocations have been made.

PILAR V : PREDICTABILITY AND CONTROL OF BUDGET EXECUTION

PEFA score: C. Executive budget adjustment rules exist, but are not always respected and applied, given that major reallocations have been made.

P-19. Management of revenue

This indicator refers to entities responsible for administering central government revenues, such as tax authorities, customs authorities and social security contributions authorities. It also covers bodies responsible for administering revenues from other important sources, such as natural resource extraction. This indicator assesses central government revenue collection and monitoring procedures.

Scope: Central government

Period:

- 19.1 and 19.2: At time of valuation

- 19.3 and 19.4: Last year ended

Indicator and component scores and analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-19 Gestion des recettes (M2)		D+	C
19.1 Revenue rights and obligations	The DGI and DGD, which collect the majority of central government revenues, communicate via a series of channels that give taxpayers easy access to information on their rights and obligations, including appeal procedures.	A	B
19.2 Revenue risk management		D	C
19.3 Revenue audits and investigations	Risk management in the State budget revenue chain is based on risk mapping. The DGI and DGD, which handle the majority of central government revenues, apply partially structured and systematic approaches to assessing and prioritizing irregularity risks for certain revenue streams.	D	C
19.4 Follow-up of revenue arrears	The entities responsible for the majority of central government revenues (DGI and DGD) carry out fraud audits and investigations, applying a regulatory compliance improvement plan. They carry out the majority of planned audits and investigations.	D	D

19.1 Rights and obligations relating to revenue

The DGI, DGD, CNPS and other revenue collection bodies in Cameroon actively communicate with their taxpayers and debtors through a variety of channels, providing easy access to up-to-date information on rights and obligations, including redress procedures.

Current Situation :

The following table shows the amount of central government revenue collected in 2021 by tax collection agencies, CNPS and public establishments.

Table 11: Revenue of central Administration in 2021 (billion of francs CFA et %)

Types of revenue	Amount	% of total
Fiscal revenue	2 846.3	76.3%
EPAs	668.6	17.9%
CNPS	217.3	5.8%
Total revenue of the central administration	3 732.2	100.0%

Sources : PLR 2021 and data from DGTCFM

Directorate General of Taxation (DGI) :

The General Tax Code (CGI) is based on law 2002/003 of April 19, 2002. This edition, available on the DGI website (www.cgi.cm), comprises several books.

The main legislative texts (laws and ordinances) and regulations in force, defining the rights and obligations of taxpayers.

The DGI is supported in its communications by a Communication Unit. The DGI website offers technical fact sheets for the main taxes, containing a range of information (tax definition, basis of assessment, declaration, collection and payment procedures). New tax provisions are introduced each year in the Finance Acts. The DGI also communicates on Twitter and Facebook.

Each tax center has a platform for taxpayers, providing information on tax developments. There are also other communication channels, such as meetings with taxpayers' associations, in particular the Cameroon Employers' Association (GICAM), TV and radio broadcasts and leaflets, scores from the Director General and circulars from the Minister of Finance and/or the Director General.

Avenues of appeal are defined in subtitle V of the second book of the General Tax Code (articles L115 to L146). In each case, the texts specify the conditions and procedures for referring a case to the appeal courts (deadlines, justifications and documentary evidence in particular) and the obligations of administrative appeal bodies in terms of processing times and communication.⁹

⁹The DGI has a Litigation Division responsible, among other things, for monitoring and coordinating appeals, and for investigating and settling appeals..

Directorate General of Customs (DGD) :

The DGD website (www.douanes.cm) provides information on the General Customs Code, customs clearance procedures and transactions. The information portal is presented by sector at both central and decentralized levels.

Other communication channels are used by the DGD: official Customs bulletins (monthly), meetings with forwarding agents, TV and radio spots and other leaflets. Avenues of appeal are presented on the website.

Appeals are based on ordinary appeals (to the Director General) and appeals for disputes relating to the type, value and quantity of goods (to the Appeals Committee).¹⁰.

National Hydrocarbon Company (SNH)

National Hydrocarbon Company (SNH) collects certain duties and taxes on behalf of the State, due to their specific nature. These include the following duties, which SNH passes on to the State after collection: (i) the equivalent value of the State's shares in oil companies, which are remitted in whole or in part or in kind, are marketed by SNH, which remits this revenue to the State, and (ii) specific duties and royalties owed to the State by oil companies, the collection of which is entrusted to SNH (proportional mining royalty, royalty proportional to production, negative mining royalty, signature bonus, production bonus, Chad-Cameroon pipeline right of way, additional oil levy and training fees). All these fees are paid to the Treasury by SNH, in addition to the dividends it owes to the State in its capacity as shareholder. Other duties and taxes due by oil companies under the normal regime (including the tax on oil companies) are the responsibility of the tax and customs authorities.

EPA

Public administrative establishments (EPAs) provide information on the services they offer to their users on their websites, but not all EPAs do so.

National Social Insurance Fund

The CNPS website provides information on the rights and obligations of its insured members (employers and employees). The site includes information on online declaration procedures (e-declaration, e-registration), file tracking and whistleblower requests via an online form.

For the Score of this indicator, only tax revenues, EPA services and social contributions were considered. Fees collected by SNH from oil companies and non-tax revenues collected by the Treasury were not considered, as they are specific to SNH.

PEFA Score : B.

Previous Situation :

Although the 2016 diagnosis is identical to the findings of the current 2022 assessment, the difference in terms of performance between the two assessments is explained not by the decline

¹⁰ This committee was set up in 1999. The DGD's Customs Litigation Unit is responsible for monitoring and processing appeals, examining disputes and appeals, managing appeals and the Appeals Committee, court cases, statistics and litigation..

in performance in 2022, but by the higher share of DGI and DGD revenues in 2016 (i.e. 80% versus 65.98% in 2022), as the 2016 assessment did not include the shares of EPA and CNPS revenues in the calculation of central government revenues.

19.2 Revenue risk management

Although partial risk analysis approaches are in place at the DGI and DGD for certain revenue streams, a comprehensive, systematic and structural approach to more effective revenue risk management has yet to be developed in Cameroon.

Current Situation :

Direction générale des impôts (DGI)

At operational level, the DGI has drawn up a risk map in the area of risk analysis. This is done in the back office, with risk mapping based on a series of elements, even if the process is still partial and not systematic.

In addition, DGI and DGD have established close collaboration, notably through the use of common tools, notably the FUSION platform, developed with the support of GIZ.

Directorate General of Customs (DGD)

The principle of risk analysis is the reprogramming of controls. It is a control carried out following a risk analysis. The DGD is equipped with a control application. Controls are programmed and executed online. The identified risk is entered online into the application, validated by line management and analyzed by the Investigations Department before validation. Of the twenty-three risks identified in the application, twenty-two are major. The practice of compliance dialogues has been enshrined in the 2023 Finance Act, enabling risks to be corrected.

In addition, the DGD has drawn up a monograph on tax and customs risks and fraud by business sector, as shown in the table below. :

Table 12: Monograph on customs and tax risks and fraud by business sectors

Num.	title	Actions
1	Non-compliance with the Customs Revenue Security Program (PSRD).	<ul style="list-style-type: none"> · Amount of VRC defects, · The number of eligible SADs with a VRC defect, · The amount of DI defects, · The number of eligible SADs with a VRC defect
2	Importation of declarations	<ul style="list-style-type: none"> · BL undischarged, · BL partially discharged · DI without SAD · BL modified, · Transfer without counterparty, · Operations loaded or unloaded without an SAD
	Import of valuables	<ul style="list-style-type: none"> · Gap between transfer operations and customs operations,

Num.	title	Actions
		<ul style="list-style-type: none"> · RVC-DAU gap · DI-DAU discrepancy · Conformity of weights of goods subject to administrative values, · Conformity of weights of goods subject to specific taxation.
	Tax compliance	<ul style="list-style-type: none"> · Adéquation entre le centre de rattachement et le volume des volumes
	Facilitation procedures	<ul style="list-style-type: none"> · Non-clearance · Non-compliance with commitments made in surety bonds and tenders, · Misuse of facilities granted, · Unauthorized use of additional code.
6	Information	<ul style="list-style-type: none"> · DGD8 (image scanning, CAR) · HALCOMI · SGS (market research, PSRD-NG, crowling), · CNCC (CGS analysis, CGS-DAU cross-referencing)
7	Transactions	<ul style="list-style-type: none"> · Cancelled declarations, · Revised statements, · Countered declarations · Modified manifests, · T1 not audited, · GPS signal loss · Departures not arrived

Source : DGD/ministry of Finances, Cameroon ; march 2023.

However, the implementation of the "FUSION" platform has highlighted weaknesses and inadequacies in risk management at both entities, notably the lack of exhaustive data for in-depth analysis of customs risks, as well as constraints linked to human and financial resources. Despite some operational progress, risk analysis at the DGD is still at an early stage, and is not yet based on a comprehensive, structural and systematic approach, as it is at the DGI.

EPA

Les EPA n'ont pas encore mis en place une analyse des risques.

National Social Insurance Fund (CNPS)

The CNPS carries out a two-fold risk analysis: upstream, it alerts affiliates (employers and employees) to the risks of work-related accidents, and downstream, the CNPS carries out a management risk analysis by identifying, for each financial year, employers experiencing difficulties in paying their contributions. This information enables the Accounting Department to take steps to mitigate the risk of slow and/or defaulting payment of contributions.

PEFA Score : C.

Previous Situation :

The DGI and DGD did not yet systematically or partially apply established or partially structured methods for assessing and prioritizing irregularity risks for certain revenue flows, as highlighted in the 2022 diagnosis.

Current reforms

The analysis approach is still limited to the management of tax collection processes, but the tax authorities intend to systematize it and extend it to the declaratory process.

19.3 Audits and revenue surveys

Current situation :

General Tax Directorate (DGI)

As part of its general mission to collect taxes, the DGI carries out tax audits according to set programs, specific to each of its operational structures. It also carries out audits aimed at improving the management of its structures through its dedicated service, the Tax Services Inspectorate. These audits highlight various risks and propose corrective measures.

Each year, the DGI draws up a program of audits and investigations. As can be seen from the annual program for 2021 below, this is still dominated by tax audits and verifications.

Table 13: Annual control program for fiscal year 2021 (amounts in units and billions of FCFA)

Files	General accounting audit	Part Control	Total	in %
Number of projects programmed	1054	1444	2498	100%
Number of projects committed	937	1059	1996	80%
Number of completed projects	845	966	1811	72%
Number of outstanding files	92	93	185	7%
Number of non executable files	99	127	226	9%
Amount issued	219.3	16.2	235.5	100%
Amount recovered	132.0	3.4	135.4	57%
Total recovery	132.0	3.4	135.4	

Source: General Directorate of Taxation - Ministry of Finance Cameroon, Yaoundé March 2023.

The DGI, which contributes 46.23% of central government revenue, carried out the majority of scheduled audits, i.e. 72.49% of scheduled cases, by applying a tax compliance improvement plan.

Directorate General of Customs (DGD)

The DGD, which contributes 19.76% of central government revenues, implements its audit and investigation activities through the Inspection des Services de Douanes, the body responsible for internal audit and control within the Customs Department. The Inspectorate has its own Audits and Investigations procedures manual, which serves as a reference framework for the conduct of audit and control missions in the customs field. Each year, the DGD carries out audits and investigations in line with a plan to improve regulatory compliance, based on an action plan drawn up as part of its strategic plan. Although data on the rate of completion of audits and investigations has not been provided, such activities have indeed been carried out, involving the continued fight against commercial and customs fraud through Operation HALCOMI III, and the reinforcement of the digitization of control procedures (COSMOS containers and vehicles program) and the payment of customs duties and taxes.

Information on CNPS and public administrative establishments was not provided.

PEFA Score : C.

Previous situation :

Despite improvements in the DGI's organization of the programming and monitoring of its surveys, the completion rate for surveys programmed by the DGI was low in 2016 (29%). For the two services combined, the completion rate for scheduled surveys did not exceed 50% in 2016, compared with 72.49% in 2022.

19.4 Follow-up of revenue arrears

The amount of revenue arrears is significant and remains a major concern in Cameroon. A significant proportion of arrears are more than 12 months old, and recovery possibilities are low.

Current situation:

The following table, taken from the SROT, shows the stock of taxes, customs and estates as at January 1, 2021, broken down by type of tax. It also shows the breakdown between previous taxes and customs and those for the current year.

Table 14 : Change in outstanding receivables at January 1, 2021 and 2022 (in billions of FCFA)

Type of tax	Stock in 1st janvier 2021	Stock in 1st janvier 2022
1. Taxes	1 092.54	865.43
Previous years	1 092.54	586.43
Current year	0.00	279.00
2. Customs	448.13	722.21
Previous years	448.13	443.84
Current year	0.00	278.37
3. Domains	0.27	0.14
Previous years	0.27	0.14
Current year	0.00	0.00

Type of tax	Stock in 1st janvier 2021	Stock in 1st janvier 2022
Total	1 540.95	1 587.77
Total revenues		3019.3
Revenue arrears as % of total		53%
Revenue arrears over 12 months as % of total arrears for the year		96%

PEFA Score : D.

Previous situation :

Performance in 2022 is identical to that recorded in 2016, with the arrears situation at the end of 2016 representing 43.6% of the year's revenue, 95% of pre-2016 arrears and 885% of new 2016 arrears.

The Score at the end of the assessment remains unchanged due to the increase in the stock of tax arrears. It should be scored, however, that an overall analysis of the stock of tax arrears in volume terms does not reflect the DGI's efforts to clear outstanding tax debts. A distinction should be made between arrears that are difficult, contentious, specific to public entities, specific to decentralized authorities, and arrears that are recoverable.

PI-20. Revenue Accounting

This indicator assesses the registration process and reporting on revenue collection, consolidation of revenue collected, and reconciliation of tax revenue accounts. It covers both tax and non-tax revenues collected by the central Administration.

Scope : central Administration

Period : At the time of the evaluation

Scores assigned to Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-20 Revenue Accounting (M1)		B+	D+
20.1 Revenue Collection Information	The ACCT centralizes and consolidates all the information received on the revenue collecting entities on a monthly basis. However, no report is published.	B	C
20.2 Transfer of Revenue Collections	Only the majority of the State's revenue from taxes, duties and customs revenues is transferred to the Treasury on a daily basis.	A	D
20.3 Reconciling Revenue Accounts	The entities responsible for collecting most of the State's	A	A

Indicators/ Components	Performance assessment	Score 2017	Score 2023
	revenue (DGI, DGD and SNH) carry out a monthly full reconciliation of projected revenues, revenues collected, arrears and transfers to the Treasury.		

20.1 Revenue Collection Information

Various agencies, including the DGI, DGD, SNH and Treasury departments, provide information on revenue collection to the Ministry of Finance on a monthly basis. These data are consolidated by the DGTCFM, but EPA and CNPS revenues are not included in the revenue statistics of the State Budget.

Present situation:

The DGTCFM receives information within the month on the collection of tax revenues by the DGI, customs duties by the DGD, orders of the Domain's revenues and administrative revenues by the stakeholders (DGI and sectoral ministries) and duties and taxes due to the State by the oil companies and which remit them to the Treasury by the national hydrocarbons company (SNH), i.e. 81, 98% of the central administration's revenues.

Payments of these taxes, Customs products and Taxes are made on a daily basis (in cash and by cheques) by taxpayers through the channels defined in Circular No. 000062 95/MINFI/DGI/DGTCFM of 21 July 2021 specifying the terms of payment, reconciliation, issuance of the receipt by electronic means and accounting of tax receipts (and taxpayers) at the level of sworn commercial banks or by the channels below: electronic payment, mobile phone via the Tax mobile solution, payment in cash and by cheque at the tax revenue counters. All duties and taxes collected by SNH, according to their specificity³⁸, are remitted to the Treasury each month. Thus, the ACCT receives information on the payments made and therefore on the revenues via the DGI and from the DGD on a daily basis on the nature of the taxes, duties and products of the Customs paid, including via the Tax Collectors and the Custom Collectors placed at the level of DGI and DGD who send their accounts for the month to the ACCT.

In turn, the Regional Treasurers send information on the revenues collected to the ACCT in entry cards every decade and at the end of each month through their accounting balances. Each month, SNH remits the funds from the revenues from the duties and taxes owed to the State by the oil companies, accompanied by slips and statements indicating the details of the revenues thus collected from these oil companies.

Each month, the ACCT centralises and consolidates all the information received on the revenues of the State Budget, representing most of the revenues of the Central Administration, which have been collected by the financial administrations (DGI and DGD) of the Ministry of Finance and by the SNH. This data is disaggregated and consolidated in a monthly report. The ACCT does not produce a report to this effect.

The revenues of the EPA and the CNPS, i.e. 18.02% of the revenue of the central government, are not included in the statistics on the revenues of the State Budget. However, in the case of EPAs, their Accounting Officers are appointed by the Ministry of Finance from among the direct accountants of the Consolidated Revenue Fund and report this information to the

Consolidated Revenue Fund. In addition, these EPAs have deposit accounts in the Treasury where the subsidies received from the State in the form of transfers are domiciled. The specific revenues of these EPAs are domiciled in commercial banks outside the control of a Treasury. In the case of the CNPS, the representative of the Ministry of Finance, who is a director on the board of directors of this body, reports to his superiors on all the decisions adopted as well as on all the elements relating to the financial and accounting management of the Fund.

PEFA Score: C

Previous situation:

In the 2016 evaluation, the Treasury consolidated information on government revenues at the end of each month while reporting on these consolidated revenues, this is no longer the case in 2022 where only consolidation is carried out each month, which explains a decline in performance in 2022.

20.2 Transfer of Revenue Collections

Present Situation:

Transfers of amounts paid by tax payers and customs payers are made into the current account of the Treasury to the BEAC according to the payment methods defined by the circular of the Minister of Finance of 21 July 2021 (see above). Taxpayers who pay through telepayment via the OTP platform instruct their bank to debit their account in favour of the Treasury's single account.

For payments by bank transfer to financial institutions, it is these institutions that transfer the amount of taxes paid by taxpayers from their respective accounts to the account of the Receiver of Assigned Taxes on a daily basis. For all the payment methods listed above, the DGI's computer system automatically generates a payment notice which will then lead to the issuance of the receipt for the taxpayer who has paid taxes.

The Treasury collectors located at the revenue posts of the DGI and the DGD are therefore informed every day of the payments of taxes and customs products made.

In addition, since 2007, the Treasury joined the BEAC payment and settlement system for CEMAC member states via the SYGMA channel (System of Large Automated Amounts) and the SYSTAC channel (Central African Teleclearing System), payments made to commercial banks for the benefit of the Treasury are transferred to the current account of the Treasury at the BEAC in real time for large amounts and the next day for the amounts less than one hundred million CFA francs

Revenue from taxes, duties and customs revenues, which are transferred in real time, accounts for the majority of the Central administration's revenues, i.e. 65.98%. Revenues from oil companies paid to the Treasury each month by the Ministry of Finance account for 11.18% of the Central Government's revenues. As a result, most of the entities responsible for collecting most of the central government's revenues do not do so on a daily or weekly basis let alone every two weeks to the direct transfer of these funds to accounts administered by the Consolidated Revenue Fund.

PEFA Score: D

In 2016, it was the entities responsible for collecting most of the central administration's revenues that transferred the funds directly to accounts administered by the Consolidated Revenue Fund or transferred them on a daily basis to the Consolidated Revenue Fund and other designated agencies, whereas in 2022, this share fell to only the majority of entities, which explains the decline in the performance identified in the 2022 evaluation.

20.3 Reconciling Revenue Accounts

Current situation :

Directorate General of Taxation:

The DGI issues revenue certificates and taxpayers make payments to the Treasury through the channels mentioned above. Reconciliations are made:

- At the regional level: between the Regional Treasuries and the revenue agencies at the decade (within ten days of the period in question), before the transmission by the Regional Treasurers concerned of their accounts (monthly accounting balances) at the end of month N for the data of month N (no later than 10 days of month N+1),
- at the central level: between the 10th and 20th of month N+1 for data from month N and before the finalisation of the Treasury's balance sheet.

Directorate General of Customs:

The DGD issues the liquidation slips while the collection is carried out by the Collector of Customs, who is attached to the DGT. At the end of each week, there is a reconciliation between the Head of Customs Office of the DGD and the Receiver of the Treasury, while every month, the same reconciliation is made between the Head of the Customs Collection Division and the Receiver of the Treasury.

All account reconciliations are performed on a monthly basis and are posted to the SROT. They cover the amounts of recoveries, transfers and arrears.

No information has been provided by the NSIF and public institutions.

National Hydrocarbons Corporation (NHC).

On a monthly basis, the ACCT reconciles forecasted revenues, revenues collected, revenues transferred to the Consolidated Revenue Fund and revenue arrears.

The entities responsible for collecting most of the revenues of the Central Administration (DGI, DGD and NHC), i.e. 81.98% of the total, reconcile each month with the DGTCFM, the forecasted revenues, the revenues collected, the arrears and the transfers to the Treasury.

PEFA Score : A.

Previous situation:

The 2016 performance with a maximum Score was maintained in 2022. Both the 2016 and 2022 evaluations found that the entities responsible for collecting most of the Central Administration's revenues were reconciling estimates of forecasted revenues, revenues collected, arrears and transfers to the Consolidated Revenue Fund on a monthly basis.

PI-21. Predictability of the availability of funds for expenditure commitments

This indicator assesses the capacity of the Ministry of Finance to forecast cash commitments and requirements and to provide reliable information on the funds available to the budget units for the achievement of their public service missions.

Scope: Central Budget Administration

Period:

21.1: at the time of the assessment

21.2, 21.3 et 21.4: Last Financial Year

Scores for Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-21. Predictability of the availability of funds for expenditure commitments		C	C
21.1 Consolidation of cash balances	The ACCT consolidates cash and bank balances at the end of the day, but there are bank accounts outside the Consolidated Revenue Fund whose amount is not known.	D	D*
21.2 Cash flow forecasting and monitoring	The Treasury Department prepares an annual monthly cash flow plan and updates it each month based on actual income and expenditure.	A	A
21.3 Information on Commitment Limits	Ministries do not have reliable information on commitment limits, which does not allow them to regulate the budget.	D	D
21.4 Magnitude of in-year budget adjustments		C	C

21.1 Consolidation of cash balances

The Central Treasury Accounting Agency (ACCT) in Cameroon is responsible for consolidating the State's bank and cash balances, particularly with regard to tax revenues from the Directorate General of Taxes (DGI) and the Directorate General of Customs (DGD). However, the implementation of the Treasury Single Account (CUT) is not yet complete, which means that some bank accounts managed by government entities are outside the control of the Treasury. In addition, there are accounts related to externally funded projects that are not managed by the Consolidated Revenue Fund.

Current situation

Compared to the banking network, which captures funds from most of the State's revenues, in this case specific revenues, i.e. tax revenues on taxes and duties (DGI) and tax revenues on customs products and taxes (DGD), i.e. 94.6% of the revenues of the Central Budgetary Administration, the consolidation of bank and cash balances by State entities is carried out on a daily basis at the level of the ACCT.

The ACCT, as the principal accountant of the State budget, is responsible for the centralization of accounting entries, the production of the general balance of accounts and the management of the State's liquidity and treasury, and is at the origin of the operations carried out in the current account of the Treasury at the BEAC and its specific³⁹ accounts. The ACCT consolidates cash and bank balances at the end of the day, including support from the Regional Treasurers, who are subordinate accountants of the Treasury and who operate in the regions with a BEAC branch (Douala, Baffousam, Lembe, Nkongsamba and Garoua). The Consolidated Revenue Fund Cash Situation produced each month by the DGTCFM shows the following breakdown of the banking network under the control of the Treasury: BEAC Current Account, Treasury Special Accounts (Investments in the BEAC, Budget Support, VAT Escrow Account, Debt Escrow Account, Special Deposit Support for Decentralization), Bond Loans and Treasury Cash. The implementation of the Treasury's single account has not yet been finalised. In March 2022, the census of all bank accounts outside the Treasury's control was completed, but the repayment of the corresponding balances to the BEAC is still pending since it is conditional on the creation of the IT platform designed to facilitate the management of the Treasury's single accounts opened with the BEAC³⁸.

In addition to the list of bank accounts outside the Treasury whose balances are not consolidated by the Treasury (administrations, institutions, organizations and public establishments), there are also bank accounts linked to projects financed from external resources, since the Treasury is not the accounting officer for these transactions.

PEFA Score: D*.

Previous situation

The weak performance of 2016 was maintained following the 2022 assessment. In 2016, the ACCT was able to consolidate all of its cash holdings, except for those deposited by EPAs and projects in commercial banks.

21.2 Cash flow forecasting and monitoring

The Directorate General of Treasury and Public Accounting (DGTCFM) in Cameroon develops an annual monthly cash flow plan based on the revenue and expenditure forecasts of the Finance Law. A treasury committee meets regularly and an internal secretariat ensures the implementation of the decisions taken by this committee.

Current situation

At the beginning of each year, the DGTCFM prepares an annual monthly cash flow plan on the basis of the revenue and expenditure forecasts of the voted Finance Law and according to

the lessons learned on the execution of the State Budget in terms of cash flow and management of the State's liquidity.³⁸ This plan is updated monthly based on income and expenditure.

In addition, a treasury committee has been set up that brings together the financial administrations on a weekly and monthly basis around the Minister of Finance to review the implementation of this plan. The Treasury Committee, chaired by the Minister of Finance, meets monthly with the participation of the Secretaries-General of the Ministry of Finance and MINEPAT, and the Directors General of the Financial Administrations of the Ministry of Finance (DGTCFM, DGB, DGI, DGD), the DG of the CAA, the DG of the Economy and Public Investment Programming of MINEPAT, the National Director of the BEAC, the Director of the SNH, the Director General of FEICOM. This committee sets the guidelines and makes decisions in the steering and management of the treasury.

These decisions are implemented by the Secretariat of the Treasury Committee in the form of an Internal Treasury Committee. This secretariat is composed of the directorates of the financial administrations of the Ministry of Finance (Directorates-General and Divisional Directorates of the DGTCMF, the DGB, the DGI and the DGD).

PEFA Score: A.

Previous situation

In terms of performance, the situation diagnosed in this 2022 evaluation has not changed compared to that found in the 2016 evaluation. The grade was maintained at A, which corresponds to a maximum performance on the PEFA scale. In 2016, the Directorate-General for the Treasury and Financial and Monetary Cooperation (DGTCFM) was already drawing up an annual Cash Plan, which was updated on a monthly basis, based on income and expenditure achievements.

21.3 Information on Commitment Limits

The Minister of Finance sets commitment limits on a quarterly basis to regulate the spending of ministries and institutions. However, due to cash flow constraints and other factors, authorizing officers do not always have reliable visibility on their commitment limits, and there is no minimum monthly quota established by law.

Current situation

Each quarter, the Minister of Finance sets commitment ceilings that govern the consumption of their appropriations by sectoral ministries and other institutions, in addition to precautionary blockages that reduce the room for manoeuvre of the actors of public spending represented by these ministries.

In the absence of control of intervention and emergency operations and of expenses paid before authorization and the absence of interconnection between procurement systems and PROBMIS, there is no transparent regulation of the budget allocation for sectoral ministries. At the operational level, the policy margin of action for sectoral ministries is further reduced by the restrictions due to cash flow difficulties at the Treasury level.

While some budgetary units may give a certain degree of reliability to their commitment ceilings, there is no legal provision for a minimum monthly quota. It was therefore not possible to determine with certainty whether the budget units in Cameroon have visibility on their

commitment ceilings. There is no specific procedure as to whether budget units have access to this information or whether it is communicated in a transparent and regular manner.

PEFA Score: D.

Previous situation

The performance diagnosed in this evaluation remained unchanged from the previous evaluation in 2016. In practice, ministries do not have reliable information on commitment ceilings.

21.4 Magnitude of in-year budget adjustments

Credit transfers are frequently made in the form of ordinances, in accordance with the Fiscal Regime law of 2018. These transfers are transparent but are communicated to the National Assembly after they have been made, due to the limited number of parliamentary sessions each year.

The significant budgetary adjustments that are considered for this component are transfers and transfers of appropriations made during the financial year. According to Article 85 of Law No. 2018/012 of 11 July 2018 on the State's Fiscal Regime and Other Public Entities, « *transfer orders and transfer decrees issued by the Government must be immediately communicated to Parliament for its information.* » The rules specifying when the legislative authorities intervene in the event of ongoing budget amendments through the Amending Finance Laws are assessed under indicator PI-18 and are not dealt with here.

Current situation

Credit transfers are made in the form of ordinances validated a posteriori by the National Assembly, in compliance with the rules laid down by the 2018 law on the fiscal regime. The amount of the transfers is communicated to the Audit Bench (CdC) at the time of transmission of the Bill. It appears from the report of the CdC/CQ that credit transfers are frequent and are postponed after they have been made by MINFI. They are carried out in a transparent manner, but the National Assembly is informed of them after the fact, as there are only two parliamentary sessions in the year.

PEFA Score: C.

Previous situation

The performance diagnosed in 2022 is identical to that observed in 2016 when credit transfers were frequent and carried out in a transparent manner. The appropriations set aside under the precautionary procedure and the direct intervention expenditure were reallocations of resources carried out in a non-transparent manner.

Ongoing reforms

The finalization of the implementation of the Treasury Single Account (CUT), which is currently underway, should strengthen the control by the ACCT (DGTCFM) of all bank accounts opened by State entities in Cameroon.

PI-22. Arrears of Expenditures

This indicator measures the existence and size of the stock of arrears and, if it is a systemic problem, the extent to which it is corrected and controlled.

Scope: Central Budget Administration

Period:

22.1: Last three financial years

22.2: at the time of the assessment

Scores for Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-22 Arrears of Expenditures (M1)		D	D+
22.1 Stock of expenditure arrears	Payment arrears accounted for more than 2%, but less than 6% of total spending in 2021. But the data is not complete.	D*	D*
22.2 Tracking Expenditure Arrears	Data on the stock and composition of arrears are generated annually by DGTCFM.	D	C

22.1 Stock of arrears of expenditure

Payment arrears accounted for 2.85% of total expenses in 2021. However, the lack of data for the 2019 and 2020 financial years limits the full assessment of this component.

Current situation

The concept of arrears that prevails in Cameroon is based on the CEMAC definition. According to this definition, "an expenditure is considered to be in arrears if it has not been paid within 90 days after the liquidation of the expenditure".

Thus, the concept of arrears on expenditure is based on the following breakdown:

- Interest on the debt,
- Financial expenses,
- Salary arrears,
- Other Operating Expenditures (Purchases of Goods, Services and Transfers)
- Investment expenditures.

The table below provides an overview of the distribution of expenses according to different categories and payment terms. It highlights the breakdown of expenditure by category and also provides information on arrears as a percentage of total expenditure.

Table 15: expenses not paid within 90 days of the settlement of this expenditure in 2021 (in billions of CFA francs)

Nature of Expenses	-90 days	+90 days	Total
Arrears of personnel costs (ADP)	15.35	3.38	18.73
Goods & Services	124.5	39.6	164.1
Capital Expenditures	154.94	53.48	208.42
Transfers and subventions	65.47	46.12	111.58
Floating debt	6.03	7.78	13.81
Other (COVID-19 Expenditures)	25.37		25.37

Grand Total	391.66	150.34	542.01
Total Expenditures		5 275.7	
Arrears as % of total expenditures		2.85%	

Payment arrears accounted for more than 2%, but less than 6% of total spending in 2021. However, this component must be analysed over the period covering the last three financial years (2019, 2020 and 2021). The available data are incomplete. The absence of data on the financial years 2019 and 2020 does not allow an assessment of the situation at the level of this component.

PEFA Score: D*

Previous situation

The situation identified in this evaluation remained the same as in the previous evaluation in 2016: the lack of complete data for the last three financial years did not allow the performance of this component to be assessed.

22.2 Tracking Expenditure Arrears

After several years of malfunction, a monitoring system is able to generate annual data on the stock and composition of expenditure arrears.

Current situation

A tracking system is in place to generate data on the stock and composition of backlogs on an annual basis. The computer systems for tracking arrears had been in place for several years and could have produced arrears, but they did not do so due to technical difficulties. These technical difficulties were subsequently resolved.

PEFA Score : C.

Previous situation

Performance improved in this component from D to C between the two evaluations in 2016 and 2022. Contrary to the situation in 2016 when the services of the Ministry of Finance, due to unresolved technical difficulties, did not regularly produce, neither during nor at the end of the year, a complete statement of payment arrears. The 2022 evaluation concluded that the payment arrears tracking system at the DGTCFM level was able to generate data on the stock and composition of arrears on an annual basis, as the above-mentioned technical difficulties were resolved.

Ongoing Reforms.

Reforms are underway with the support of TFPs and France in particular to improve the preparation of updated annual cash flow plans in relation to commitment plans as well as cash management, while continuing the implementation of the CUT.

PI-23. Payroll Control

This indicator deals only with the salaries of civil servants, with a focus on how payroll is managed, changes are processed and correspondence with personnel file management.

Scope: Central Administration

Period:

23.1, 23.2 et 23.3: At the time of the evaluation

15.2 et 15.3 : clos Last three financial years

Scores for Indicators, Components and Analysis

Indicators/ Components	Performances evaluation	Score 2017	Score 2023
PI-23 Payroll Control (M1)		D+	D+
23.1 Integration of payroll and personnel files	The personnel file (SIGIPES) and the payroll file (ANTILOPE) are interconnected by data switching interfaces as well as certain programs allowing the basic actors to communicate.	D	C
23.2 Managing Payroll Changes	Personnel files and payroll files are updated monthly and require significant adjustments. Salary arrears accounted for 82% of the payroll in 2022.	D	D
23.3 Internal control of payroll	Checks are carried out on a monthly basis by the Control Committee under the coordination of the Pay Directorate/DGB. While these controls do not ensure the complete integrity of the data, they allow partial control of the system.	D	C
23.4 Auditing Payroll Statements	Partial payroll audits or staff surveys have been carried out over the past three financial years. The control system continues to suffer from the lack of an effective annual payroll audit system to identify weaknesses in the control system.	C	C

The categories of personnel that fall under the jurisdiction of the Cameroonian Civil Service are based on: (i) personnel governed by the General Regulations of the Civil Service, (ii) contract agents and decision-makers governed by the Labour Code, (iii) personnel of the army, (iv) and personnel governed by the special statutes.

The management of State personnel is based on a series of regulatory texts, including Decree No. 94,199 of 7 October 1994 on the general status of the Civil Service, as amended and supplemented in certain provisions by Decree No. 2000/287 of 12 October 2000, the Decrees governing the special statutes (Police, University Teachers, Magistrates, Registry Officers, Prison Administrations) Decree No. 2012/537 of 19 November 2012 on the organization of the Ministry of Public Service and Administrative Reform (MINFOPRA), Decree No. 2001/108/PM of 20 March 2001 laying down the procedures for evaluating the professional performance of civil servants, Decree No. 2012/079 of 9 March 2012 on the regime for the deconcentration of the management of State personnel and pay, Letter No. B 46/B/SG/PM of 7 May 2004 on the drafting of codes of conduct and ethics, Circular Letter No. 39/06/LC/MINESEC/SG of 20 September 2006 on decentralised personnel management and Circular Letter No. S1/22/032/LC/MINFOPRA of 23 April 2009 of the Minister of the Public

Service and Administrative Reform, on promotions and improvement of the system for the payment of public employees' entitlements.

Decree No. 2012/079 of 9 March 2012 on the regime for the deconcentration of the management of State personnel and pay sets out the responsibilities assigned to the Ministry of Public Service and Administrative Reform in the management of State personnel and to the Ministry of Finance for pay. To this end, the Ministry of the Public Service and Administrative Reform is responsible for maintaining the Central Register of State Employees, their registration and the control of the related acts of State employees taken by the sectoral ministries. The sectoral ministries are responsible for the management of the State staff they employ and for taking certain actions relating to the development of their careers (recruitment, advancement and career) while the Ministry of Finance, through the DGB and the DGTCFM, is in charge of the budgetary and accounting management of the pay of state employees.

23.1 Integration of payroll and personnel files

Cameroon uses two separate systems, SIGIPES for personnel management and ANTILOPE for payroll, which are interconnected but not integrated, and there is insufficient documentation of changes in personnel files.

Current situation

At the institutional level, MINFOPRA has a General Secretariat to which the SIGIPES National Coordination Division is attached, among others; the Information Systems Division; the Sub-Directorate of the Central File and Documentation (see box below for the National Coordination Division of SIGIPES).

Framed : The SIGIPES National Coordination Division

The SIGIPES National Coordination Division is responsible for:

- the administration of the Integrated Management System for State Personnel and Pay;
- the reliability and coherence of the file of State personnel;
- management of database access codes;
- technical assistance and pedagogical support for decentralised administrations in the operation of the Integrated Management System for State Personnel and Pay in conjunction with the Information Systems Division;
- the development of security measures related to the Integrated Management System for State Personnel and Pay;
- monitoring the interface with ministerial departments in terms of IT management of the State's human resources;
- the design of computer applications related to the operation of the Integrated Management System of State Personnel and Pay;
- technical assistance to the project management of IT projects related to the Integrated Management System for State Personnel and Pay;
- the formulation of the specifications and terms of reference for IT projects related to the Integrated Management System for State Personnel and Pay;
- and technology watch in the field of Human Resources Management Information Systems (HRIS).

Source : Decree No. 2012/537 of 19 November 2012 on the organisation of MINFOPRA

The State personnel management file, the SIGIPES or Integrated Computer System for the Management of State Personnel and Pay, which is operated by the Ministry of the Public Service and Administrative Reform, and the Pay File, abbreviated ANTILOPE (National Application for the Computer and Logistics Processing of State Personnel), which is used by the Ministry of Finance, are distinct, but are now interconnected by data failover interfaces as well as certain programs that allow the core actors to communicate. Although the SIGIPES personnel file and the ANTELOPE file are not an integrated application, there is an automatic communication platform and all updates made in the SIGIPES file are automatically reflected in the ANTILOPE system.

Reconciliations are carried out every month³⁸ by the Committee in charge of the Control and Monthly Validation of the arrears resulting from the processing of files in the Pay Chain and then the Coordination of the Processing of Salaries in the various Administrations

PEFA Score : C.

Previous situation

The performance of this component improved between the 2016 and 2022 evaluations. The analysis of the situation showed in 2022 that reconciliations between the two Personnel and Pay files are done on a monthly basis, whereas the 2016 evaluation had pointed out that although reconciliations were taking place, no details had been indicated as to their frequency. In addition, the 2022 diagnosis indicates the existence of an audit by reference to the approved budget for Staff Recruitment and Promotion.

23.2 Managing Payroll Changes

In 2022, salary reminders totalled 82% of the wage bill, mainly due to the necessary adjustments following changes to payroll statements for career management acts, allowances and bonuses, family benefits, etc.

Current situation

The changes concern recruitment, promotion, retirement, death, secondment, availability, resignation, etc. These changes must be formally recorded by appropriate administrative acts in order to be reflected in the personnel files and payroll statements.

The pay and litigation structure handles different types of cases, including career management acts, various allowances and bonuses, family benefits and one-off pay advances.

For career management acts, this includes integration, tenure, step advancement, class advancement, grade advancement, reclassification, etc. These amendments are formalized by decrees, orders or decisions.

The recognition of these changes in the pay files is contingent on the transfer of the modified personnel files from SIGIPES to ANTELOPE, as well as the corresponding physical files to the Ministry of Finance. These changes generally result in adjustments that are reported in the following table:

Table 16: Salary arrears during the 2022 financial year (in billions of CFA francs)

Month	Active workers arrears	Pensioners arrears	Total
2022/01	8.3	3.2	11.5
2022/02	8.7	3.0	11.8
2022/03	9.4	2.7	12.2
2022/04	10.5	2.8	13.2
2022/05	10.4	2.2	12.5
2022/06	9.9	3.4	13.3
2022/07	10.4	2.9	13.3
2022/08	11.2	2.9	14.1
2022/09	10.8	2.8	13.7
2022/10	10.0	2.9	12.9
2022/11	10.3	3.5	13.7
2022/12	11.0	3.3	14.2
ENS 2022	121.0	35.4	156.4

Source : SIGIPES / ANTILOPE

This table shows that the amount of arrears was 121 billion CFA francs, while the wage bill represented 147.5 billion CFA francs. The data shows corrections that account for 81.9% of the year's salary payments.

PEFA Score: D

Previous situation

Performance in 2022 remained the same as in 2016. The 2016 evaluation showed that in the past, changes to pay were made in a long period of time, resulting in salary arrears, while the 2022 evaluation found that salary reminders remain significant.

Ongoing reforms

Since 2022, the Government has taken the decision to streamline recruitment. A monitoring of the pace of execution of the payroll is now in place. All changes to the SIGIPES File are reflected in the ANTELOPE File. Sectoral ministries do not have control over their staffing. Rather, it is the Prime Minister who ultimately approves the Recruitment Plan and the Workforce Plan. In the 2021 financial year, 75% of salary arrears were attributable to arrears on advancements.

The SIGIPES 2 file for human resources and payroll management, currently under development, is expected to be operational in 2024.

23.3 Internal control of payroll

Rigorous internal controls are in place to ensure the reliability of payroll records. These controls are carried out by different entities, including the General Directorate of the

Budget and the Ministry of the Public Service, contributing to a solid, but still partial, management of the payroll system.

Current situation

The expenditure chain, including pay, is subject to a series of controls. Internal controls are carried out in several stages, while following the principle of separation between authorising officers and accounting officers. These include budgetary and accounting controls over salary expenditure and security controls to ensure the integrity of salary data.

Budgetary and accounting control

This is an a priori control carried out by the DGB before the payment of the payroll and is intended to ensure compliance with the budgetary authorities. The publication of salaries only takes place after this series of checks has been carried out, at the end of which corrections are made to each anomaly identified. The accountant's control takes place when the DGTCFM receives the general pay slip, together with the statements and payslips. Payment can only be made after a regularity check by the accounting officer.

Administrative acts relating to the careers of staff initiated by the SIGIPES units at the level of sectoral ministries are subject to the control of the Director of Human Resources (DRH) of the ministry concerned, then to the approval of the Ministry of the Public Service, and then to that of the Ministry of Finance before being taken into account. The Ministry of the Public Service also monitors changes to payment information (e.g. bank address). The services of the DGTCFM, before accepting the salaries as payment, proceed to the verification of the changes on the basis of the physical files.

Security Controls

In Cameroon, each civil servant is registered using an identifier assigned by the Ministry of Finance on the basis of integration texts (decrees and orders) transmitted by the Secretary General of the Government or the MINFI.

Changes to payroll statements are well regulated. Only the Director-General of the Budget has the code of practice. Retroactive adjustments are rare. Some changes can only be made on the basis of an act. Only the Director General has this responsibility. In addition, control devices have been included in the computer software to ensure the integrity of the data.

The Recall Control and Validation Committee verifies all changes from one month to the next. The two systems, SIGIPES and ANTELOPE, are designed to observe the separation of entry and validation tasks, which is necessary to limit the risk of fraud and which must guide the issuance of authorizations to stakeholders in the systems. These authorisations should be clearly defined and strictly managed.

Table 17: Payroll Control

Function	Control Entity	Frequency
Verification of recruitment and promotion by reference to approved staffing tables	DGB/MINFI	Punctual on given occasions
Reconciliation of Payroll and Personnel Database	DGB/MINFI, MINFOPRA	End of month

Function	Control Entity	Frequency
Documenting Payroll Changes	DGB/MINFI	Punctual
Verification and review of payroll records to identify discrepancies from the last payroll statements	DGB/MINFI	End of month
Updates to personnel files and payroll	DGB/MINFI, MINFOPRA	Punctual
Updates including validation by reference to approved staffing tables	MINFOPRA	End of month
Audit Trail of Internal Controls	Inspectorate General MINFOPRA, Directorate of Pay/DGB/MINFI	Punctual on given occasions
Audits of payroll records over the past three years.	Inspectorate General MINFI	Year.

Data source: Ministry of Public Service and Administrative Reform, Ministry of Finance, Cameroon, Yaoundé March 2023

The 2012 decree set up the wage control system at the level of Cameroon's Ministry of Finance. An interface was created as part of this control in 2018 when actors other than the Ministry of Finance (in this case sectoral ministries) were introduced into this circuit. Checks are carried out by the monthly recall control committee under the coordination of the Pay Directorate/DGB. The Director-General of the Budget is the Chairman. Reminders are validated during the month and for control purposes, the payment does not relate to the same month.

PEFA Score C.

Previous situation

The performance of this component improved between the 2016 and 2022 assessments, moving from a D to a C Score.

The 2016 diagnosis highlighted the ineffectiveness of the control system, which did not ensure the integrity of payroll data, whereas the one put in place subsequently at least makes it possible to, as found in this 2022 evaluation; partial control of the system if the total integrity of the data is not guaranteed.

23.4 Auditing Payroll Statements

Following irregularities in payroll statements were discovered during an audit in 2018, including duplicate payments and remuneration of deceased persons, measures were taken to strengthen verifications, including the use of control software, cross-checks with license registers, personnel censuses, and organizational audits to reorganize the workforce at the level of sectoral ministries.

Current situation

In 2018, during a payroll audit carried out by the General Control of Finance (CGF), irregularities were found. There were cases of duplicate payments, where transferees were still receiving their old salary in addition to the new one, as well as cases of deceased persons who continued to be paid. Information updates were not done quickly enough, with a processing time of up to 1-2 months to report a death.

The CGF now has software that performs a complete control of payroll systems. In addition, to strengthen verifications, cross-checks were made with the patent registers.

¹¹Censuses were carried out in 2019 on the personnel file at the level of the Public Service and in 2021 at the level of sectoral ministries. These operations led to the suspension of the offending officers, including 1115 officers after recourse out of 1866 to the Ministry of Education. The COPPE report reports 13,957 agents in 2022 after appeals against 15954 in 2019.

The institutional aspect has also been taken into account through the organisational audits launched by MINFOPRA in 2019. This is an audit on the reorganization of the workforce aimed at the organization of the professional cadres on the basis of the texts on the organization and functioning of the sectoral ministries. Thus, organic frameworks have been developed for the period 2019-2023 by MINFOPRA. This was done through a sample of ten (10) ministries for profiles and another of three (3) departments for job descriptions.

PEFA Score : C.

Previous situation

The performance of this component diagnosed in 2022 remained unchanged from the 2016 evaluation. The control system continues to suffer from the lack of an effective annual payroll audit system to identify weaknesses in the control system.

PI-24. Procurement Management

This indicator examines key aspects of procurement management. In particular, it focuses on the transparency of the provisions, the importance attached to the open and competitive nature of procedures, the monitoring of the results of the contracts awarded and access to remedies and redress.

Scope : Central Administration

Period : Last Financial Year

Scores for Indicators, Components and Analysis

The COPPE (Physical Counting of State Personnel) operation, launched in 2018, involved 310,786 active and paid public servants in March 2018, the reference date of the operation. Included in the 2018 budget preparation circular, COPPE 2018 data collection operations covered the period from April 20 to July 10, 2018. This operation was coupled with the denunciation of public officials who had abandoned their jobs and the collection of data at the borders to identify public officials who have come from outside for census purposes.

Indicators /components	Performances assessment	Score 2017	Score 2023
PI-24 Procurement Management (M2)		D+	C
24.1 Procurement Monitoring	Databases have therefore been developed or registrations have been made for 76%, i.e. most of the contracts awarded in 2021.	D	B
24.2 Contracting Methods	The value of contracts awarded through competitive methods in 2021 represents less than 60% of the total value of contracts.	B	D
24.3 Public access to procurement information	Five (5) of the six (6) key pieces of information on government procurement are made available to the public, but this information represents less than the majority of contracts.	C	D
24.4 Procurement Dispute Resolution	The procurement dispute resolution system satisfies the first PEFA criterion and three of the other criteria.	D	B

According to the PEFA methodology, the scope of the indicator covers all public procurement of goods, services, civil works and major equipment, whatever they may be, both in terms of operating and investment expenditure. Purchase order contracts are a particular form of public procurement and not a specific method of procurement. The purchase order is the written document sent by the person responsible for the contract to the contract holder. It shall specify the services described in the contract for which performance is requested and shall determine the quantity thereof. In principle, purchase orders are subject to the rules of ordinary law laid down in the Public Contract Code.

24.1 Procurement Monitoring

Public contracts worth more than 5 million CFA francs are governed by the Public Contract Code, with shared control between MINMAP and ARMP. Information on these markets is stored in databases. Purchases of goods and services below this threshold are subject to simplified procedures administered by the Ministry of Finance.

Current situation

Contracts are awarded in different ways, grouped under the generic term public procurement. Public purchasers who wish to acquire goods and services, or carry out works, can either use the public-private partnership procedure or enter into a contract with a third party to provide the service that is the subject of the purchase. Contracts can be established through administrative orders, public procurement, utility concessions, leasing contracts, public-private partnerships and other methods.

Legislation in Cameroon concerning public contracts worth more than 5 million CFA francs is governed by Decrees No. 2018/366 of 20 June 2018 on the Public Procurement Code and No. 2018/355 of 12 June 2018 on the common rules applicable to the procurement of public companies.

While the control of public procurement leads to a synergy of actions between the actors involved in this sphere (MINMAP, ARMP, CONSUPE, CONAC, etc.), at the institutional level, the responsibilities and functions of the ARMP and MINMAP have been defined in chapters 2 and 3 for actors subject to the regime of the Public contract Code and sections 2 and 3 of Decree No. 2018/355 of 12 June 2018. The texts provide in essence that:

- External control of the execution of public contracts is exercised by the Ministry of Public Contracts (Chapter 2 Section V, Article 47);
- The ARMP is the supervisor and facilitator of the public procurement system (Procurement and Enforcement) - Chapter 3;
- The Public Procurement Authority is the Minister responsible for Public Contracts. He organises and ensures the proper functioning of the public procurement system (Procurement and Execution) - Chapter 5.

Contracts worth more than CFAF 5 million are therefore monitored by MINMAP, which is responsible for monitoring the award and external monitoring of the execution of public contracts and contracts of public enterprises.

The ARMP is the overseer and facilitator of the public procurement system. In this capacity, it is responsible, among other things, for ensuring the coordination and feeding of the public procurement information system and for ensuring its supervision. The ARMP therefore also monitors the award of public contracts in Cameroon whose value is more than 5 million CFA francs.

This information, including the value of the procurements, their value and the identity of the bidders to whom contracts are awarded, is stored in databases.

However, administrative purchase orders fall outside the competence of MINMAP and ARMP and are subject to a regulatory award and award mechanism that is completely different from that of public procurement. Purchases of less than 5 million (administrative purchase orders) made by actors subject to the regime of Decree No. 2018/366 of 20 June 2018, benefit from simplified procedures under the Ministry of Finance. With regard to actors subject to the legal regime of Decree No. 2018/355 of 12 June 2018, the threshold for administrative vouchers is defined by each company according to its performance requirements. In practice, contracts can be executed through successive purchase orders, as required.

The procurement of Goods and Services executed by administrative purchase order procedure is monitored by the IT Division of the DGB which has transmitted to the mission a file showing a total amount of 736.9 billion CFA francs in 2021. The share of decentralised services (not monitored by the DGB's IT department) accounted for about 10% of this amount.

Table 19: Number and value of contracts registered in 2021 with an amount greater than 5 million CFA francs (number and billions of CFA)

Category Project Manager/Delegated Project Manager	GP	OI	BU	RW	SIS	Total	% du total
Ministerial Departments	29.6	6.5	27.8	596.7	40.2	700.8	35.4%
Projects/Programs	60.5	82.8	23	118.9	42.6	327.8	16.6%
Public Institutions	43.1	32.6	39.8	6.1	18.2	139.8	7.1%

Contracts below 5 million CFA monitored by DB						737	37.2%
Markets not monitored						74	3.7%
Total	133.2	121.9	90.6	721.7	101	1 979.4	100%

GP : General Procurement

OI : Other Infrastructures

BU : Buildings and Utilities

RW : Road works

SIS: Services and Intellectual Services

Source : MINMAP

In total, the total amount of contracts monitored by the administration (excluding decentralized local authorities) represented XOF1,979.4 billion in 2021, which is consistent with the amount of XOF2,063 billion relating to the purchase of goods and services and capital equipment (excluding equity investments and rehabilitation/restructuring).

PEFA Score : B.

24.2 Contracting Methods

In 2021, in Cameroon, the majority of public contracts (60%) were awarded by competitive methods, while 40% were awarded by mutual agreement. Procurement information is publicly available via the ARMP website and the COLEPS platform, covering around 42.5% of procurement.

Current situation

It can be assumed that contracts below CFAF 5 million were not awarded according to competitive procedures. Taking into account all contracts, not just contracts awarded above the threshold, the total value of contracts awarded by competitive methods in 2021 represents 60% of the total value of contracts. The calculations made are shown in the tables below:

Table 20: Distribution of contracts in 2021, including purchase orders by procurement method (billion CFA francs and %)

	Competitive Procedures	Mutual agreement	Total
Contracts over 5 million CFA	1 035.1	133.3	1 168.4
Contracts below 5 million CFA monitored by DB		737	737.0
Markets not monitored		74	74.0
Total	1 035.1	944.3	1 979.4
% du total	52.29%	47.71%	100.00%

Source : MINMAP

PEFA Score: D.

Score: As the previous evaluation did not take into account procurement in the form of purchase orders, there was no deterioration in public procurement performance for this component, despite the downgrade in Score. Indeed, if the Score had been established on the basis of the award of public contracts under the responsibility of MINMAP, as was the case in the previous evaluation, it was found that 88.6% of the contracts awarded in 2021 were awarded in a competitive form, which would have led to the award of a B grade.

Table 18: Distribution of contracts in 2021, other than purchase orders, by procurement method (billion CFA francs and %)

	Competitive Procedures	Mutual agreement	Total
Contracts over 5 million CFA	1 035.1	133.3	1 168.4
Total	1 035.1	133.3	1 168.4
% du total	88.59%	11.41%	100.00%

Source : MINMAP

24.3 Public access to procurement information

Public access to information on public procurement is regulated by legislation, mainly available on the ARMP website, but the data only partially covers procurement, with a lack of consolidated statistics.

Current situation

Public access to information on public procurement in Cameroon is provided for by the legislation and regulations in force. Most of the information on procurement is available on the ARMP website. The platform for the dematerialization of public procurement called "Cameroon On-Line E-procurement System" (COLEPS) also makes it possible to publish information relating to public procurement, including tender notices, results of procurement procedures and contracts awarded. Citizens and interested parties can consult tender notices, tender specifications, tender results and other relevant information.

MINMAP prepares semi-annual and annual reports on the general situation of the execution of public contracts. These reports provide detailed information on procurement procedures, contracts awarded, and contractor performance

Procurement information is available on the ARMP website (<https://armp.cm>), using the filters in the drop-down menus: programming by amount, number and geographical area; status of the various procedures in number (awarded, cancelled, terminated, signed, received, unsuccessful); actors in number and by category; dashboard. This information covers almost half of the markets by value, but the site does not present consolidated statistics.

For players using computer data exchange technologies or the open-data or *opencontracting* standard, the ARMP has set up an interface dedicated to the <https://api.pridesoft.cm> address.

For players who wish to benefit from advanced statistics such as Business Intelligence (BI) or *Governance Intelligence*, direct access to the Pridesoft system after training is suitable. All statistics produced by the ARMP are based on the completeness of the programming according to the level of the procedures, but the completeness of the data is not guaranteed.

Table 19: Public Access to Procurement Information by PEFA Criteria

PEFA Criterion	Satisfaction
Legal/regulatory framework	Yes. In the public contracts journal (JDM) and partially on the COLEPS platform
Public Procurement Plans	Yes. On the ARMP website and partially on the COLEPS platform.
Submission Opportunities	Yes. In the public contracts journal (JDM) and partially on the COLEPS platform
Contracts awarded	Yes. In the public contracts journal (JDM) and partially on the COLEPS platform
Complaint Data	Yes. On the ARMP website. Access to the Platform is an obligation for complainants.
Statistics on public contracts	No. Procurement information is available to members of the Platform or on the armp.com website, and on the website www.api.press, but it is not exhaustive and is not presented in a consolidated manner.

PEFA Score : D.

Score: If the same scope as the previous evaluation, i.e. without taking into account contracts awarded in the form of purchase orders, had been chosen, it would have been apparent that most contracts were publicly available, with procurement information available to the public for most contracts, which would have led to the assignment of a B grade.

24.4 Procurement Dispute Resolution

The resolution of public procurement disputes is governed by clear procedures that are available to the public, but decisions issued by the Public Procurement Authority are not enforceable, and specified deadlines are not always met.

Current situation

The investigation of complaints concerning the procurement of public enterprises is governed by Decree No. 2018/355 of 12 June 2018 laying down the common rules applicable to the procurement of public enterprises in accordance with the provisions of Articles 73 to 81 thereof. Procedures are clearly defined and publicly available for contracting complaints.

Appeals are received by the Arbitration and Appeals Review Committee (REC) located at each state-owned company. The appeals are forwarded by its President to the ARMP which examines them, issues a technical opinion and returns the file to the ERC which examines it and makes a proposal for an appropriate solution on the basis of which the Authority in charge of public procurement issues its decision.

The decision rendered by the Public Procurement Authority is binding on all parties with regard to the provisions of Article 50 of the Public Procurement Code, without prejudice to the right of the latter to refer the matter to the competent judicial bodies to have their case heard in the event of dissatisfaction. In accordance with Article 175 paragraph 4 of the Public Procurement Code, the ARMP has the power to suspend a procedure, but the technical opinions issued are not enforceable. This is because the system's dispute resolution chain involves several actors, and decisions do not respect the specified deadlines

Table 20: Characteristics of mechanisms of procurement dispute resolutions

PEFA Criteria for Dispute Resolution	Yes/No
Does not participate in public procurement	Yes
No deterrent fee charged for filing complaints	Yes
Clearly defined and publicly available procedures for complaints	Yes
Has the authority to suspend the contracting process	Yes
Renders decisions within the timelines specified in the rules/regulations	No
Makes legally binding decisions	No

Data source: ARMP

PEFA Score : B.

Ongoing reforms

Two data exchange protocols have been signed: the first, in May 2021, between MINMAP and MINFI; and the second, in February 2023, between the ARMP and the MINFI. This should allow MINMAP to have access to all data on the award and performance of public procurement and to the ARMP to have access to all data on public procurement, including those awarded in the form of administrative purchase orders, in a comprehensive manner.

The COLEPS (Cameroon On-Line E-procurement System) platform, which enables electronic contract management, is in the pilot phase. It is used by some project owners to publish tender notices, receive tenders and make the award results public. In the near future, all contracts are expected to be managed by the COLEPS platform and contractors will use the PRIDESOFT platform to manage the contracts they are awarded to.

Proposals have been made by the Agency to reorganise the management of the Appeals Review Committee (RAC) following feedback from its first years of existence, namely:

- the introduction of a case opening fee to curb the phenomenon of fanciful appeals;
- the revision of the amount of the notice according to an algorithm that takes into account, among other things, the weight of each file in order to adapt it to the performance conditions sought;
- the redefinition of realistic processing times, compatible with the realities of the investigation of appeals;
- the inclusion of the activity related to the stabilization of the ERC in the various windows: World Bank, AfDB, European Union, MINEPAT;
- the issuance of a circular score from the ACMP inviting MOs/MODs to pay regulatory fees in view of the large gap between the regulatory fees collected and those that have already been bound but not paid;
- the use of the tools provided for the dematerialization of procedures;

- the finalisation of the interoperability process between the platforms, in this case, COLEPS, PRIDESOFT and the other administrative platforms.

PI-25. Internal Controls over Non-Salary Expenditures

This indicator measures the effectiveness of overall internal controls over non-salary expenditures.

Scope: Central Administration

Period : At the time of the evaluation

Scores attributed to Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-25 Internal Controls over Non-Salary Expenditures (M2)		C+	B
25.1 Segregation of Duties	The principle of separation of functions between authorising officers and accounting officers is well respected in the public financial management process in Cameroon.	A	A
25.2 Effectiveness of the control of expenditure commitments	The mechanism for controlling expenditure commitments works for most of the expenditure of the State Budget. However, it is not linked to cash flow forecasts and does not cover all categories of non-salary expenditures, in particular those that are paid under derogatory procedures.	C	C
25.3 Compliance with payment rules and procedures	<i>The majority</i> of payments were made in accordance with ordinary procedures in 2021. <i>The majority</i> of exceptions were duly authorized and justified.	D*	C

25.1 Separation of functions

The principle of separation of functions between authorising officers and accounting officers is clearly defined by the law and decrees in force, also covering the incompatibility of duties between the spouses of officials, and is rigorously applied in the public financial management process, including the award of public contracts.

Current situation

The law and decrees in force in Cameroon respect the principle of segregation of duties. The responsibilities of each actor in the chain of execution of expenditure are clearly defined by the organic law and regulations.

The principle of the separation of functions between authorizing officers and accounting officers affirmed by Law No. 2018 012 of 11 July 2018 on the fiscal regime of the State and other entities in Cameroon and by Decree No. 2020/375 of 7 July 2020 on the General Regulations of Public Accounting extends to the separation of tasks in the chain of expenditure

and to the "incompatibility" of the functions of authorizing officer and accounting officer. This incompatibility is extended to the spouses of each of the agents. The implementing texts of these laws and decrees, such as the one on the procedures for the execution of public expenditure and the one on the organization and functioning of the Ministry of Finance, respect this principle of separation of duties.

Prior checks on commitments are carried out by Financial Control. At the level of the Treasury and public institutions, accounting items are distributed according to their function. The authorising officer's administrative account and the revenue and expenditure accounts of the senior accountants are used to draw up the draft regulation law.

Within public establishments and the National Social Insurance Fund (NSIF), the separation of functions between the authorising officer and the accounting officer is also established. Material accountants are responsible for maintaining material accounts and managing materials and materials.

According to the 2020 Decree on the General Regulations of Public Accounting in Cameroon, stock accounting is kept by competent agents appointed by the authorizing officer. The Stores accountants, like the material authorising officers, are civil servants appointed by order of the Minister of Finance on the proposal of the Minister concerned. Stores accountants are personally and financially responsible for their management. Their responsibility stems from the management of the materials and equipment they manage. They are responsible for keeping material accounts, as well as for the custody and conservation of the materials and equipment for which they are responsible.

As far as public procurement is concerned, there is a separation between the contracting authorities and the structures responsible for evaluating and judging tenders.

Controls and audits are carried out by various competent structures. The computerisation of the implementation of expenditure has been introduced, and the management of materials involves authorising officers and stores accountants.

PEFA Score : A

Previous situation

The performance of this component, which had reached the maximum level on the PEFA Score scale in 2016, remained as good. The principle of separation of functions between authorising officers and accounting officers is well established in the public financial management process in Cameroon.

25.2 Effectiveness of the control of expenditure commitments

The control of commitments of expenditure is mainly carried out by Financial Control, which verifies the conformity of authorising officers' acts, in particular public contracts, and the effectiveness of this control is proven. However, operational and institutional limitations hamper its effectiveness, in particular the lack of logistical resources and the non-deconcentration of the authorising officer's function.

Current situation

According to the provisions of the above-mentioned Decree of 2020 on the General Regulations of Public Accounting in Cameroon, all acts of authorizing officers and committing public expenditure (public contracts, contracts, decrees, etc.) are subject to the prior approval of the financial control. Once the commitment document has been approved by the financial controller, it is notified to the service provider to request the performance of the service.

At the settlement stage, the Financial Controller shall also be involved in ensuring that the expenditure definitively settled is consistent with the corresponding commitment. Once the checks have been carried out, the inspector stamps his stamp on the liquidation order and returns the file to the authorising officer to give the order to pay. Thus, all expenditure which is paid by the normal procedure, involving the commitment of budgetary expenditure, is subject to the prior approval of the Financial Control in accordance with the provisions of this decree.

This decree stipulates that all acts of authorizing officers committing expenditure must be subject to the prior approval of the budgetary controller. Orders, measures and decisions issued by an authorising officer shall also be subject to the prior approval of the budgetary controller. The control carried out by the DCF is a regularity check which consists of verifying the conformity of the budget allocation, the quality of the authorising officer, the availability of appropriations, the application of financial provisions, statutes and regulations and their compliance with parliamentary authorities. The effectiveness of this control is proven, but this effectiveness is impaired at the operational and institutional levels.

Although the devolution of the function of authorising officer is provided for in the reform, it is not yet effective, as the Minister of Finance continues to act as the principal authorising officer for the State budget. At the operational level, as mentioned above, the DCF lacks resources. These are the shortcomings in logistics (few rolling stock for the movement of controllers on a large scale, their presence is required throughout the territory, wherever the public administration is deployed and in terms of staff.

The other limitation is institutional: certain categories of expenditure are legally excluded from the control of the DCF. This refers to expenditure carried out in accordance with the derogation procedures, excluding debt (expenditure paid in advance, imprest accounts and expenditure paid from external resources). The suspense account data provide an indication of the size of expenses paid under the derogation procedures for the 2019 and 2020 fiscal years. In this case, expenditure is established without prior control of available budget appropriations and expenditure is not committed to the computerised system. It is not charged to the appropriations until it has been adjusted.

It is through the evolution of the balances of these suspense accounts, which are not subject to regular clearance within a short period of time, that the use of the derogation procedure limits the effectiveness of the control of commitments over public expenditure.

At the level of the EPAs, the procedure for the payment of expenditure is aligned with the normal procedure for the payment of State expenditure, which is subject to the prior control of expenditure commitments by the Financial Control which reports to the DCF, this component of the DGB of the Ministry of Finance.

At the level of the NSIF, expenditure is paid on the basis of mutual control between the authorising officer of expenditure (the Director-General) and the accounting officer of the Fund

PEFA Score : C

Previous situation

The performance of this component did not improve in 2022 compared to that retained following the diagnosis made in the 2016 evaluation. The existence of a departure from the normal procedure through the use of derogatory procedures for the payment of public expenditure constitutes a limit to the effectiveness of prior control on expenditure commitments in Cameroon.

25.3 Compliance with payment rules and procedures

The majority of payments to Cameroon follow ordinary procedures, but a significant part of the expenditure is made without prior authorisation, particularly for external debt, external financing and cash advances. These payments without prior authorization result in delays in the production of settlement bills.

Current situation

The above-mentioned 2018 law on the fiscal regime of the State in Cameroon defines the modalities for the execution of State expenditures both in normal procedure and in derogatory procedure. In the case of expenditure financed from external resources, the financing agreements shall lay down the applicable procedures.

The derogation procedure is essentially based on two elements: the immediacy and the particularity of certain expenditures. Paid without prior authorization, these expenses are based on the following expenses:

- expenses without prior authorization (salaries, pensions and financial charges);
- expenses paid under imprest accounts;
- expenses paid from imprest funds.

State budgetary expenditure is therefore carried out either according to the normal procedure, or according to derogatory procedures (expenditure paid without prior authorisation), or according to the procedures of the donors if the expenditure is financed from external resources. The derogation procedures are expressly provided for by the regulations in force, as well as the expenses for which they are to be used. In the case of expenditure financed from external resources, the financing agreements shall lay down the applicable procedures.

The following table provides an overview of the status of cash advances and expenditures without prior authorization for the various categories of expenditure.

Table 21: Status of cash advances and other expenses without prior authorizations in 2021 (amounts in billions of CFA francs)

heading	Cumul		
	Do	R	Gap
	Dotation initiale	Realisations	Ecart
FINEX	490.80	490.80	0.00

heading	Cumul		
	Do	R	Gap
of which Project loans (excluding budget support)	490.80	455.59	35.21
Project Donations	0.00	0.00	0.00
EU Donations	0.00	0.00	0.00
ID SNH	223.66	223.66	0.00
External debt	743.73	743.73	0.00
BTA Interest & Commissions	39.95	39.95	0.00
VAT credit	67.02	67.02	0.00
Consolidated Loans)	0.00	0.00	0.00
Bank Debt Escrow Account 2018	0.69	0.69	0.00
BEAC Interests	11.54	11.54	0.00
IMF Repayment	0.00	0.00	0.00
Contributions to States and agencies	0.79	0.79	0.00
Buying foreign currency	0.16	0.16	0.00
Financial expenses	0.55	0.55	0.00
Legal costs	33.49	33.49	0.00
Annual allowance due to revenue administrators	0.01	0.01	0.00
Discount on sale of stamps	2.15	2.15	0.00
Tax credits	1.95	1.95	0.00
Foreign exchange losses	1.33	1.33	0.00
Reimbursement of telephone fees for diplomats	0.01	0.01	0.00
SYSTAC - SYGMA Fees	0.44	0.44	0.00
Commission CRCT	0.37	0.37	0.00
Subtotal expenditure without Prior order.	1 981.46	1 981.46	0.00
Expenses to be regularized investment	0.93	0.93	0.00
Goods & Services	280.83	222.20	58.63
INCLUDING CAS COVID-19	58.63	0.00	58.63
Subtotal cash advances	281.76	223.13	58.63
Grand Total	2 263.22	2 204.59	58.63
Total Expenditures	5 145.80		
Expenditure to be adjusted as a % of total expenditure	43.98%		

Source : SROT, DGTFM March 2023.

Based on the deferred data, the amount of cash advances and other expenses without prior authorization accounted for 44% of total expenses in 2021. The largest amounts of expenditure without prior authorization relate to external debt, external financing and advances made by MINFI on behalf of NHC. More than 90% of the exceptions to due process were justified.

Expenditure executed before authorisation leads to delays in the production of draft Settlement Acts. In its 2020 annual report, the Audit Chamber scores that "as in the 2018 financial year, the draft regulation law (PLR) for the 2019 financial year was not sent to it within the agreed

deadline of 31 August. The Ministry of Finance explains this delay by the fact that all expenditure was covered without prior authorisation and by advance. »

PEFA Score : C.

Previous situation

The performance of this component did not improve in 2022 compared to that adopted following the diagnosis made in the 2016 PEFA evaluation. The level of payments of public expenditure made under the normal procedure is still small compared to the level of expenditure paid under the use of derogation procedures;

PI-26. Internal Audit

This indicator assesses the standards and procedures applied to internal audits.

Scope: Central Administration

Period:

26.1 et 26.2: At the time of the evaluation

26.3: Last Financial Year

26.4: Audit reports produced in the last three financial years

Scores attributed for Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-26 Internal Audit (M1)		D	D
26.1 Scope of the Internal Audit	The internal audit function is not yet operational to cover at least the majority of budgeted expenditure and income.	D	D
26.2 Nature of Audits and Standards Applied	The entities in charge of internal control and audit at the level of the Ministry of Finance in Cameroon focus mainly on verifications and controls, including due diligence. They perform few audits on organizations and systems.	D*	D
26.3 Conducting internal audits and audit reports	Annual audit programmes and follow-up performance reports were not provided.	D*	D*
26.4 Follow-up to internal audits	Responses to the audits conducted during the period were not provided.	D*	D*

26.1 Scope of the Internal Audit

In Cameroon, the internal control and audit system is based on several entities, including the General Inspectorate of the Ministry of Finance and the General Inspectorates at the level of sectoral ministries. CONSUPE, which is the supreme audit body of the State, also has extensive prerogatives for various types of controls, including internal audit. However, the internal audit function is not yet operational to cover the majority of

budgeted expenditures and entities of central administration which account for the majority of revenues.

Current situation

In Cameroon, the internal control and audit system is based on several entities. It includes:

- *The Inspectorate General of the Ministry of Finance*: Responsible for internal control and evaluation of the functioning of central and decentralised services, institutions under supervision, as well as related bodies and projects. It is also responsible for informing the Minister on the quality of the operation and performance of the services.
- *The Division for Budgetary Control, Audit and Quality of Expenditure within the DGB* of the Ministry of Finance: Responsible for internal control and audit in the budgetary field and the quality of expenditure.
- *The Inspectorate of Treasury Services*: responsible for internal control and evaluation of the functioning of Treasury services.
- *Customs and Taxation at the level of the Ministry of Finance*: Responsible for internal control in the areas of customs and taxation.
- *Inspectorate Generals at the level of sectoral ministries*: Responsible for evaluating the performance of services in relation to the objectives set. They are also involved in the application of organizational techniques and methods, as well as in the simplification of administrative work in coordination with the competent administrative reform services.

The mission of these entities is to ensure the proper functioning of the services, to evaluate their performance, to control the quality of expenditure and to provide information to ministerial officials. They also contribute to the application of organizational techniques and methods, as well as to the simplification of administrative work in collaboration with the competent administrative reform services.

In addition, the CONSUPE, which is the supreme control body of the State, whose powers were defined by Decree No. 2013/287 of 04/09/2013 and has extensive prerogatives for various types of controls, including internal audit, and it reports to the direct authority of the President of the Republic. As was the case with the previous evaluation, CONSUPE has been considered as an internal audit institution, although Article 2 of the decree that organizes it assigns it missions and the status of Supreme Audit Institution (SAI).

PEFA Score : D.

Previous situation

The performance judged to be weak in 2016 remained the same in 2022, the public financial management system in Cameroon continues to suffer from the absence of an internal audit function¹².

¹² *The usual characteristics of an operational audit function are the existence of laws, regulations and/or procedures as well as the existence of audit programs, audit documentation and reports, and audit follow-up, all of which contribute to the achievement of the 'internal audit objectives, as described in the international standards'*

26.2 Nature of Audits and Standards Applied

The entities in charge of internal control and audit at the level of the Ministry of Finance in Cameroon focus mainly on audits and controls, including due diligence, but they have not yet fully implemented the internal audit function to assess organizations and systems.

Current situation

Although internal audit is included among their regulatory missions and responsibilities, it is not yet fully operational. These bodies focus mainly on checks and controls, including due diligence. They perform few audits on organizations and systems. Even though at the level of the control bodies of the Ministry of Finance (MINFI) and the Ministry of Public Service and Administrative Reform (MINFOPRA), The audit function does not yet exist, but consideration is being given to establishing this function within them. The prerogatives of the Supreme State Audit (CONSUPE) in terms of control and audit extend to all public administrations and companies and to private bodies that have received public subsidies¹³. In operational terms, however, its internal audit activity remains to be confirmed. The audit function does not yet exist, and a reflection is underway to establish this function within them. The prerogatives of the Supreme State Control (CONSUPE) in terms of control and audit extend to all public administrations and enterprises and to private bodies that have benefited from public subsidies⁴¹. However, at the operational level, its internal audit activity has yet to be confirmed.

The Head of the National Inspectorate of Treasury Services, the DGI and the DGD sends a quarterly activity report to the General Inspectorate of Services of the Ministry of Finance.

In the field of quality assurance, there is no specific structure in charge of quality within the internal control bodies in Cameroon.

Overall, the internal audit function in these entities has yet to be established, despite their prerogatives in this area.

PEFA Score : D

Previous situation

The performance considered weak in 2016 remained the same in 2022, the public financial management system in Cameroon continues to suffer from the absence of an internal audit function.

26.3. Conducting internal audits and audit reports

¹³ *The usual characteristics of an operational audit function are the existence of laws, regulations and/or procedures as well as the existence of audit programs, audit documentation and reports, and audit follow-up, all of which contribute to the achievement of the 'internal audit objectives, as described in the international standards'*

Although some oversight entities have started to put in place internal audit procedures, these mainly focus on internal controls and audits, and there is a lack of clarity as to the actual performance of all planned audits, with annual audit programmes not disclosed.

Current situation

Some oversight bodies, such as the Budgetary Control, Audit and Expenditure Quality Division (DGB) within the Ministry of Finance and the Treasury Services Inspectorate, have started to implement audit procedures. However, internal audit entities focus mainly on internal controls and audits, which may mean that not all planned audits are systematically carried out.

In addition, annual audit programmes were not disclosed, which did not allow the Mission to verify the percentage of planned audits that were actually completed.

PEFA Score : D*.

Previous situation

As in 2016, the absence of data did not make it possible to score this component, let alone assess the evolution of the situation between the two evaluations of 2016 and 2022.

26.4. Follow-up given to internal audits

Although some oversight entities have conducted some internal audits, there is no evidence that the majority of entities have taken corrective action in response to audit findings, as internal audit is not yet fully operational in public financial management.

Current situation

As previously scored, internal audit is not yet fully operational in public financial management in Cameroon and internal oversight bodies focus mainly on audits and controls, but perform few audits on organizations and systems. However, it is mentioned that the management of the audited entities provides a partial response to the recommendations of the few audits that have been carried out, however, no evidence was provided to demonstrate that at least the majority of entities had taken corrective action in response to audit findings.

PEFA Score : D*.

Previous situation

The situation diagnosed in 2016 remained the same in 2022. Due to the lack of data, this component cannot be scored.

PILLAR VI : Accounting & Reporting

PI-27. Integrity of financial data

This indicator assesses the extent to which treasury bank accounts, suspense accounts and imprest accounts are reconciled on a regular basis and how the methods in place support the integrity of financial data.

Scope:

27.1: Central Administration

27.2, 27.3 et 27.4: Central Budgetary Administration

Period:

27.1, 27.2 et 27.3: At the time of the previous year's evaluation (2021)

27.4: At the time of the evaluation

Scores for Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-27 Integrity of financial data (M2)		C+	D+
27.1 Reconciling Bank Accounts	Some extra-budgetary central government accounts and externally funded projects are not tracked or reconciled, but their amounts are not known.	D	D*
27.2 Suspense Accounts	Significant amounts have not been cleared for certain accounts related to government institutions, government deposits and miscellaneous creditors.	A	D
27.3 Imprest accounts	Salary advances and contractual advances in the context of public procurement are not included in the accounts of the State.	D	D*
27.4 Processes in place to ensure the integrity of financial data	Access and modification of data is limited and recorded, but the network infrastructure does not cover the entire scope of budget implementation, and there is a lack of interconnection between information systems.	B	B

27.1 Reconciling Bank Accounts

Reconciliations of Treasury network accounts with the Central Bank and commercial banks are carried out on a monthly basis. However, extra-budgetary central government accounts and externally funded project accounts, representing more than 10% of the central government bank account balance, are not tracked by the Treasury and are not reconciled.

Current situation

Reconciliations of Treasury network accounts with the Central Bank and commercial banks are done monthly, before the 20th of the month following the period under review. There are extra-fiscal central government accounts with commercial banks. These accounts, as well as

those of externally funded projects, are not monitored by the Treasury and are not reconciled. The amount of these accounts is not known, but it represents more than 10% of the balance of bank accounts held by the central administration.

PEFA Score : D

Evolution compared to the previous evaluation.

The situation has not changed. Reconciliations of Treasury network accounts with the Central Bank and commercial banks are done monthly, before the 20th of the month following the period under review. There were extra-fiscal central government accounts with commercial banks. These accounts, as well as those of externally funded projects, were not tracked by the Treasury and were not reconciled.

27.2 Suspense Accounts

Nearly 962.20 billion CFA remained unregularized at the end of 2021, raising concerns in the reports of the Audit Bench due to the lack of justification of the balance.

Current situation

The SROT 2021 shows that 962.20 billion CFA have not been cleared as of December 31, 2021 for accounts 420 (Public Establishments and Subsidized Bodies), 450 (General Government Deposits) and 470 (Miscellaneous Creditors). These accounts should have been cleared and the balance of these accounts that appear at the end of the year is not justified, the Audit Bench reports make recurrent observations in this regard.

PEFA Score: D

Evolution compared to the previous evaluation.

According to the previous assessment, reconciliations of suspense accounts were performed on a monthly basis, at the time of validation of the trial balance, and the provisional allocation accounts appeared to have been cleared, with the exception of expenditures. However, only the provisional income (account 480) and expenditure (account 481) accounts were considered as suspense accounts, while the report indicates that some expenditure still to be regularized is expenditure for which budgetary appropriations have been insufficient, which means that the procedures for monitoring the implementation of the budget have not been followed and that the balances are not justified. An A score should not have been assigned.

27.3 Imprest accounts

The government's accounts in Cameroon do not transparently reflect contractual advances to suppliers in the context of public procurement, salary advances, or cash advances, which raises concerns about financial management.

Current situation

The State accounts show imprest accounts and cash advances, but not salary advances or contractual advances in the context of public procurement.

Cash Advances

On the basis of the SROT, transmitted by the DGTCFM, cash advances amounted to 281.76 billion CFA, of which 223.13 billion were regularized and 58.63 billion remained to be regularized at the end of the financial year.

Imprest accounts

Imprest accounts are a method of implementing the budget set up to enable credit managers to pay urgent expenditure which cannot be accommodated under the normal implementation procedure. The implementation is governed by the MINFI circular on the execution of the budget of the State and other public entities. According to CIREX No. 00000242/C/MINFI of 30 December 2020, paragraph 135 «The number of imprest accounts shall be capped at 25 per administration for an amount not exceeding 250 million each for all budget chapters and per financial year. This amount is €500 million for operations financed from the Road Fund maintenance window." Paragraph 136 specifies that the above-mentioned limitation does not apply to budget chapters 01, 04, 12 and 13 » i.e. the Presidency of the Republic, the Prime Minister's Office, the National General Delegation for Security and the Ministry of Defence, so that the advances made by these entities are not recorded as such.

At the end of 2021, the difficulties of authorising officers in appropriating this modality remain, in view of the increasing number of requests for the opening of imprest accounts that go beyond the limits imposed in the circular. In 2021, the gross amount of expenditure executed through this procedure is estimated at 53.5 billion.

Contractual advances

The State's accounts do not show the advances made to suppliers in the context of public procurement. There are no procedures in place at the Treasury level for monitoring and clearing these advances. Advances granted to suppliers and service providers are not recorded as such in the accounts. They are regularised during the performance of the contract but information on the amounts of these advances could not be provided.

PEFA Score : D*

Evolution compared to the previous evaluation.

The State's accounts did not show the advances made to suppliers in the context of public procurement.

27.4. Processes in place to ensure the integrity of financial data

Access to and modification of financial data is limited and recorded, but there are gaps in the interconnection of information systems, and there is no internal control mechanism to ensure the quality of budget accounting data.

Current situation

Access to and modification of data is limited and recorded and results in an audit trail, but the network infrastructure does not cover the entire scope of budget implementation and there is a lack of interconnection between the different information systems related to public financial

management.. The 2021 budget performance report also indicates that there is no internal control system in place to ensure the quality of budget accounting data.

PEFA Score : B.

Evolution compared to the previous situation

The situation has not changed. Mechanisms for securing and tracing access to accounting information systems exist and their operation is effective. There was no body to audit financial information.

Ongoing reforms

- Implementation of the reform of the Single Treasury Account.
- Digitization of payment methods and securing the public revenue collection circuit, in particular with the TresorPay platform which was set up in 2023;
- Limitation of the circulation of cash in the State's financial services.

PI-28. In-year reports on the execution of the budget

This indicator assesses the completeness, accuracy and timeliness of information on budget performance. In-year reporting on the budget must be in line with the coverage and classification of the budget to enable effective budget management and, if necessary, to take appropriate corrective measures.

Scope : central Budget Administration

Period : Dernier exercice clos Last Financial Year

Scores for Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-28 budget In-year reports on the execution of the budget(M1)		D	D+
28.1 Scope and comparability of reporting	The half-yearly budget reports present the implementation of the budget in the same format as the State budget, according to the economic and administrative classifications, but do not include expenditure made from transfers to the decentralised units of the central administration.	D	C
28.2 Calendar of publication of reports	Budget performance reports are prepared on a semi-annual basis, but are produced within 6 months of the end of the period.	D	D
28.3 Accuracy of Reporting	There are concerns about the accuracy of the data due to expenses not recorded in the information systems.	D	D

28.1 Scope and comparability of reporting

The budget reports are produced semi-annually by the DGB, but they do not include expenditure made from transfers to the decentralised units of the central government, and the monthly SROT is not published.

Current situation

Budget reports are produced every 6 months by DGB. They present the execution of the budget according to the economic, geographical and administrative classifications, in the same format as the State budget. Government expenditure includes current expenditure (excluding interest on debt), capital expenditure and public debt servicing. Their execution is presented on the basis of the schedules. Expenditures made from transfers to decentralised units of the central government are not included in the reports. The STROT is compiled on a monthly basis, but is not published.

PEFA Score: C

Evolution compared to the previous situation

The budget reports produced during the year by the DGB presented the implementation of the budget according to the economic, geographical and administrative classifications, in the same format as the State budget, but only covered expenditure operations

28.2 Calendar of Publication of reports

Budget performance reports are prepared on a semi-annual basis and produced within 6 months of the end of the period.

Current situation

For example, the implementation report at the end of June 2022 was published on 22 November 2022.

PEFA Score: D

Evolution compared to the previous evaluation

While this did not allow for an improvement in Scores, the situation has improved compared to the previous evaluation, as the half-yearly reports are produced more régulièrement. The previous evaluation stressed that the budget implementation reports should be produced on a semi-annual basis, but that this frequency was not respected.

28.3 Accuracy of Reporting

There are concerns about the accuracy of the data, particularly because of the amount of overridden expenditure.

Current situation

Not all expenses are recorded in the information systems. The semi-annual reports show the execution of expenditures at different stages (initial Commitment authorisations (IFL or MFL), revised AE, initial CP, revised CP, authorization, but not payment data.

PEFA Score: D

Evolution compared to the previous evaluation

The situation has not changed. There were significant concerns about the accuracy of the data. The budget reports produced show the execution of expenditure at all stages of the administrative phase (commitment, settlement and authorisation), but not the data on payments.

PI-29. Annual Financial Reports

This indicator assesses the extent to which the annual financial statements are complete, timely and in accordance with generally accepted accounting principles and standards.

Scope: Central Budget Administration

Period:

29.1: Last Financial Year

29.2: Annual Financial Report Submitted for Audit

29.3: Financial report for the last three years

Scores attributed to Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-29 Annual Financial Reports (M1)		C	D+
29.1 Completeness of Annual Financial Reports	The Settlement Act and the General State Account show the realizations of revenue and expenditure, as well as the cash balances.	C	C
29.2 Financial reports subject to external audits	The draft settlement bill 2021 was submitted more than 9 months after the end of the period.	C	D
29.3 Accounting Standards	The majority of international standards have not yet been incorporated into national standards, and variations between international standards and IPSAS are not shown.	C	C

29.1 Completeness of Annual Financial Reports

The Settlement Act and the General State Account are prepared annually, present the realizations of revenue and expenditure by major economic categories, but information on financial liabilities, guarantees and long-term obligations is not yet exhaustive due to the ongoing implementation of asset accounting.

Current situation

Since 2018, the two main texts that relate to the completeness of annual financial reports are:

- Law No. 2018-012 of 11 July 2018 on the fiscal regime of the State and other public entities¹⁴
- Law No. 2018-011 of 11 July 2018 on the Code of Transparency and Good Governance in the Management of Public Finances in Cameroon¹⁵

Article 21 (c) of the Fiscal regime of the State and Other Public Entities specifies that the following elements are attached to the draft settlement law:

- a. A statement summarizing and justifying all credit movements that occurred during the year;
- b. Explanatory annexes, setting out for each ministry or institution by programme or allocation, the final amount of appropriations appropriated and expenditure ascertained, as well as the final breakdown of appropriations by title in comparison with their initial distribution. They also show the variance between estimates and outputs under the assistance funds;
- c. Annual performance reports by programme;

This article is supplemented by Article 22 specifying the nature of the PCRs which must also be annexed to the PCRs: the annual performance reports annexed to the Settlement Act present, for each programme, the results obtained in comparison with the objectives set, the actions developed and the means used, accompanied by indicators of activities and results, as well as an estimate of the costs of the activities or services rendered.

The revenue and expenditure account of the State, annexed to the draft settlement bill 2021, comprises the following items: (1) income, (2) expenditure, (3) financial assets and tangible and intangible assets, (4) liabilities. They are supported by a reconciled cash flow statement. Annex 5 provides a statement of debts guaranteed by the State, but does not yet provide an exhaustive statement of the status of guarantees granted by the State. The information is comparable with the budget approved in the initial Finance Law only at the revenue level. The implementation of expenditure is compared only with the amending budget.

As asset accounting is still being implemented, information on financial liabilities, guarantees and long-term obligations is not yet exhaustive.

PEFA Score : C

Evolution compared to the previous assessment

The Settlement Law and the General State Account were prepared annually, presented and compared the realizations of revenue and expenditure by major economic categories, as well as the cash balances.

¹⁴ <https://www.prc.cm/fr/multimedia/documents/6580-law-n-2018-012-of-11-july-2018-fiscal-regime-for-state-and-other-public-entities>

¹⁵ <https://www.prc.cm/fr/multimedia/documents/6579-law-n-2018-011-of-11-july-2018-on-the-code-of-transparency-and-good-governance-in-public-finance-management-in-cameroon>

29.2 Financial reports subject to external audits

Draft budget regulations (Draft Settlement Bill) are submitted to the Audit Bench with a delay of less than 12 months, but more than 9 months after the end of the period concerned.

Current situation

The dates on which the draft regulation bill was transmitted to the Audit Bench are indicated in the following table:

Table 22: Date of submission of the budget accounts to the Audit Bench

Year of Budget Accounts	Date of production of revenue and expenditure accounts	Date of submission of the draft settlement bill to the Audit Bench
2019	ND	1st October 2020
2020	30th August 2021	25th October 2021
2021	30th August 2022	27th October 2022

Source : DGTCP

The 2021 draft settlement bill was therefore submitted less than 12 months, but more than 9 months after the end of the period.

PEFA Score : D

Evolution compared to the previous assessment

The draft settlement law, the general account of the State and the other annexes relating to the 2015 financial year had been transmitted to the Audit Bench on September 29, 2016, i.e. within nine (9) months following the end of the 2015 financial year.

29.3 Accounting Standards

The accounting standards used for financial reporting are in line with the national legal framework, thus ensuring consistency over time, although there are still gaps in the detail of expenditure items, as well as problems with carrying forward some accounts from one year to the next.

Current situation

The structure of the State's general account complies with the requirements of the LRFE, the RGCP and the CEMAC directive and makes it possible to monitor the consistency over time of the CGEs. The CGE's documentation refers to these texts, which are also made public.

Since 2019, the budget balance has been calculated on the basis of Articles 25 and 28 of Law No. 2018/012 of 11 July 2018. This balance no longer takes into account revenue, VAT credit refunds and loans. In terms of expenditure, it takes into account only current expenditures, capital expenditures and other expenditures. The Audit Bench had to ask the executive to

produce details of each item of expenditure used to calculate the budget balance, as is the case for budget revenues. In addition, the Audit Bench scores that some accounts in the closing balance of the year ended were not correctly carried forward to the entry balance of the following year.

PEFA Score: C

Evolution compared to the previous assessment

The structure of the State's general account complied with the requirements of the LRFE, the RGCP and the CEMAC directive and makes it possible to monitor the consistency over time of the CGEs. The CGE's documentation refers to these texts, which are also made public.

PILLAR VII : Supervision and external audit

This pillar assesses the extent to which public finances are independently monitored and the extent to which there is an external monitoring mechanism for the implementation by the executive of the recommended improvement measures.

PI-30. External audit

This indicator examines the characteristics of the external audit.

Scope: Central Administration

Period:

30.1, 30.2 and 30.3: last three financial years

30.4: At the time of the assessment

Scores attributed to Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-30 External Audit (M1)		D+	C+
30.1 Scope of the Audit and Auditing Standards	The Audit Bench examined the draft Settlement Laws for the financial years 2019, 2020 and 2021, which cover most of the central administration's expenses. Substantive issues were identified, but the reports did not highlight all weaknesses in systemic risks and controls.	D*	C
30.2 Submission of audit reports to the legislature	For the last three financial years, the Audit Bench submitted its reports on the performance of the budget less than 3 months after receiving the reports.	A	A
30.3 Follow-up given to external audits	The government provides a formal response to the recommendations of the Audit Bench, but does not take appropriate action. The Audit Bench often reformulates the same recommendations.	D	C
30.4 Independence of the Supreme Audit Institution (SAI)	At the legislative level, the Audit Bench operates virtually independently of the executive power and has its own budget at its disposal. However, he is insufficient for his new duties. In addition, it has to produce its audit report in a very short time, which does not allow it to obtain, within the time allowed, all the data, documents and information necessary for its control, for most of the audited entities.	D	C

For this indicator, the Score is based solely on the opinion issued by the Audit Bench in the context of the examination of draft regulation bills. In particular, there is no reference here to new competences, such as performance audits, which are not taken into account for the Score.

30.1 Scope of the Audit and Auditing Standards

The Audit Bench of Cameroon conducted audits in accordance with ISSAI standards on draft settlement laws for the years 2019, 2020 and 2021, revealing significant concerns such as a low production rate of public entities' accounts, but did not identify all weaknesses related to systemic risks and controls.

Current situation

The Audit Bench of Cameroon has carried out an audit of the draft settlement law for the financial years 2019, 2020 and 2021 relating to the central budgetary administration, which represents more than 75% of the State's revenues and expenditures based on ISSAI standards. The audit reports highlighted substantive issues, such as concerns about the low rate of production of accounts for public establishments and business enterprises and RLAs,

PEFA Score : C

Previous situation

Performance improved from D* in 2016 to C in 2022. Due to a lack of data, the situation of this component had not been assessed in 2016, which was not the case in 2022 where, despite a still narrow margin of action, the Audit Bench was able to deploy a minimum activity in the control of the implementation of the Finance Law during the last three financial years ended 2019, 2020 and 2021.

30.2 Submission of audit reports to the legislature

The Audit Bench reports on the implementation of the budget are regularly forwarded to Parliament shortly after they are received, but it does not have sufficient time for an in depth analysis.

Current situation

The exact dates have not been disclosed, but for the last three financial years, the Audit Bench submitted its reports on the implementation of the budget before the opening of the parliamentary session in November for the examination of the draft budget, which took place on the following dates:

The reports on the implementation of the Finance law and the opinion on the draft settlement law were transmitted to Parliament respectively on the following dates:

- 2018 financial year on the 07th of November 2019
- 2019 financial year on the 04th of November 2020
- 2020 financial year on the 10th of November 2021.

i.e. less than 3 months after receipt of the reports.

PEFA Score : A

Previous situation

The 2016 assessment had diagnosed that during the last three financial years (2019, 2020 and 2021) the Audit Bench had transmitted its reports on the execution of the State budget to the National Assembly, less than 3 months after receiving the reports. The performance between the two assessments in 2016 and 2022 was therefore maintained.

30.3 Follow-up given to external audits

Despite a framework for consultation between the Audit Bench and the Ministry of Finance, the Bench's recommendations are not always fully implemented by the government, which often leads to the repetition of similar recommendations.

Current situation

There is a permanent framework for consultation between the Audit Bench and MINFI, which meets quarterly. Several of the Audit Bench's recommendations require actions over several fiscal years for their implementation. As long as the report is not complete, the Board reiterates the recommendation in question. In addition, the Audit Bench has two forums annually with the Finance and Budget Committee of the National Assembly and two forums with the entire Chamber of the Senate. These meetings also make recommendations to the government and the RLAs.

However, while the government provides a formal response to the Audit Bench's recommendations, it usually does not take appropriate action. Indeed, the Audit Bench often reformulates the same recommendations.

PEFA Score : C

Previous Situation

The 2016 assessment found that there were no formal procedures or framework for following up on recommendations. The Audit Bench did not receive any notification that its recommendations had been taken into account. As a result, there has been a slight improvement in the situation, as scored in the 2022 assessment with a Score from D* to C.

30.4 Independence of the Supreme Audit Institution (SAI)

Cameroon's Audit Bench enjoys a certain degree of independence enshrined in law, but certain legal guarantees of this independence are not yet aligned with international standards, particularly with regard to the appointment and elevation of the Speaker of the Audit Chamber, as well as the preparation of its budget. In addition, the Audit Bench does not have sufficient time to have unrestricted and timely access to the data to carry out its audits in accordance with international standards.

Current situation

The Audit Bench is one of the 3 Benches of the Supreme Court. The independence of the Supreme Court and the Audit Bench is guaranteed by the following legislative texts:

- Articles 42-2 and 43-1 of Law 2018/011 of 11 July 2018, and Article 86-2 of Law 2018/012 of 11 July 2018 are texts that guarantee the independence of the Audit Bench.

- Article 42-2 of Law 2018/011 of 11 July 2018: «*The programme and working methods of the Audit jurisdiction, as well as its decisions and analyses, shall be established in complete independence from the executive and legislative powers*»
- Article 43-1 of Law 2018/011 of 11 July 2018: «*The Audit jurisdiction shall make public all reports it transmits to the President of the Republic, Parliament and the Government*». This article does not provide for any prior authorisation for the publication of reports, which is decided by the audit court alone.
- Article 86-2 of Law 2018/012 of 11 July 2018: «*The members of this jurisdiction have the status of magistrates. It is independent of the Government and Parliament, as well as autonomous in the exercise of its powers. It decides on the publication of its opinions, decisions and reports alone.* »

According to Cameroon's 1996 constitution, revised in 2008, the president of the Audit Bench is appointed by the President of the Republic, on the proposal of the Higher Judicial Council. He can only be replaced after the opinion of the Higher Judicial Council, which is a body comprising the members of the executive, the parliament and the Supreme Court. It judges and gives its opinion on the appointment of the council of judges. It may also be recalled that no President of the Audit Bench has been relieved during his duties. It should be noted that all of them have reached and exceeded retirement age.

The Finance Law passed by Parliament allocates to the Supreme Court an annual budgetary allocation. He is the first President of the Supreme Court who proposes the distribution of the Supreme Court's resources between the 3 Chambers through the management of budgetary programs¹⁶.

However, this de facto independence has certain limits and the legal guarantees of its independence are not yet fully aligned with the principles of INTOSAI, in particular with regard to the procedures for the appointment and promotion of its President and the preparation of its budget. On this point, the Audit Bench does not have sufficient budgetary and human resources to carry out its external audit mission in view of the new functions assigned to it. In particular, it had to turn to the Ministry of Finance for additional funds at the end of 2020 financial year, to compensate for its insufficient resources to complete the audit of COVID-19 funds, which is problematic in terms of independence from the executive.

As far as access to data is concerned, the Audit Bench has very little time to carry out its control over the draft Settlement Law. As mentioned in components 29.2 and 30.2, the Audit Bench had only 15 days between the full receipt of the 2020 FDP documents and the transmission of its audit report on the implementation of the budget to Parliament⁴⁵. It cannot therefore be assumed that the Audit Bench has unrestricted and timely access to the data it needs to carry out an audit, in accordance with the International Standards of Supreme Audit Institutions (ISSAI) standards, and to submit its report to parliament within the prescribed time frame¹⁷.

Table 30-4: Independence of the SAI – Criteria

¹⁶ The Audit Bench is financed through programme 122 (control of financial transparency, budgetary management and the quality of public accounts).

¹⁷ The 2020 draft settlement bill was submitted to the Audit Bench on 25 October 2021, while the Audit Bench submitted its audit report on 10 November 2021.

Independence Criteria	Stisfaction (Yes/No)
Independence enshrined in law	Yes
Appointment into office and removal of the president of the SAI	Yes
Planning audit engagements	Yes
Organization of the publication of reports	Yes
Budget Approval	No
Budget execution	Yes
Unlimited and timely access to data	No

Data source: PEFA mission

PEFA Score: C.

PI-31. Legislative Review of Audit Reports

This indicator focuses on the legislative branch's review of the audited financial reports of the central government, including institutional units, to the extent that either (a) they are required by law to submit audit reports to the legislature, or (b) the unit to which they report or by which they are controlled must answer questions and take action on their behalf.

Scope : Central Administration

Period : Last three financial years

Scores attributed to Indicators, Components and Analysis

Indicators/ Components	Performance assessment	Score 2017	Score 2023
PI-31 Legislative Review of Audit Reports (M2)		C+	D+
31.1 Calendar for Review of Audit Reports	The review of the audit reports of the annual financial statements was completed by the legislature within 3 months of receipt of the reports	A	A
31.2 Hearings on the findings of the audit	A report on the discussions with the Minister of Finance during the consideration of the draft Settlement Bill was presented to the plenary, but it was not forwarded to the mission.	D	D*
31.3 Recommendations of the Legislative Branch on Auditing	Information on the follow-up has not been provided by the Finance Committee of the National Assembly.	B	D*
31.4 Transparency of the review of audit reports by the legislature	Plenary debates are open to the public and the media. However, the reports of the Commissions are not published.	D	D

In Cameroon, legislative power is exercised by the Parliament which comprises two chambers namely the National Assembly and the Senate. These two chambers are involved in the process of examining and voting on finance laws and settlement laws afterwards. They meet in ordinary

sessions each year in March, June and November. The examination of the year's finance bills and settlement bills takes place during the November session.

31.1 Calendar for Review of Audit Reports

The review of the audit reports of the annual financial statements was carried out by the legislature within 3 months of receipt of the reports in the last three closed fiscal years (2019, 2020 and 2021). However, this review is not carried out in depth.

Current situation

The report on the implementation of the Finance Act, together with the Draft Settlement Law, is sent to the National Assembly of Cameroon by the Government. During the last three financial years (2019, 2020 and 2021), the dates of vote of the settlement laws by the National Assembly were as follows:

- Law No. 2020/017 of December 17, 2020 on the settlement Law of the Republic of Cameroon for the 2019 financial year;
- Law No. 2021/025 of December 16, 2021 on the settlement Law of the Republic of Cameroon for the 2020 financial year;
- Law No. 2022/016 of 27 December 2022 on the settlement Law of the Republic of Cameroon for the 2021 financial year.

PEFA Score : A.

Previous situation

The good performance diagnosed in 2022 remained the same as that seen in the 2016 assessment. In the latter

In this case, Parliament's examination of the draft regulation bills and the report of the Chamber of Auditors relating to the financial years 2013, 2014 and 2015 had been completed in less than three months for each of the financial years.

31.2 Hearings on the findings of the audit

The reports produced over the past three years by the Finance and Budget Committee of the National Assembly following meetings with the Audit Bench have not been published on the National Assembly's website, and none of these reports have been transmitted to the mission.

Current situation

The Audit Bench has two annual meetings with the Finance and Budget Committee of the National Assembly. During these meetings, the Finance Committee exchanges on the reports of the Audit Bench when these reports are presented to them. It also conducts discussions with the executive, represented by the Minister of Finance, during the examination of the draft Settlement Act and prepares a report to be presented to the plenary.

However, these reports are not published on the NA website and none of the reports produced over the past three fiscal years have been forwarded to the Mission.

PEFA Score : D*.

Previous situation

The diagnosis made by the 2016 assessment concluded that the representatives of the Audit Bench were not invited to provide explanations on their institution's observations and conclusions to Parliament. Between the two evaluations, there was no improvement in performance, which was already small, but the deterioration is effective in 2022 due to the lack of information and data to assess the situation, hence the change from D to D*.

31.3 Recommendations of the Legislative Branch on Auditing

No information on the recommendations made by the legislature to the Government after the examination of the draft settlement law and the report of the Audit Bench was transmitted to the mission, and these recommendations are not available on the website of the National Assembly.

Current situation

The recommendations made by the legislature are contained in the reports that are read in plenary. However, no such information is available on the NA website, no information on the recommendations to the Government made by the Parliament after the examination of the draft regulation law and the report of the Audit Bench was transmitted to the mission.

PEFA Score : D*.

Previous situation

The performance recorded in 2016 fell significantly in the 2022 evaluation because the 2016 evaluation concluded that the Parliament through its two chambers made recommendations to the Government, with the implementation of these recommendations being taken stock during the examination of the draft settlement law for the following year. The situation deteriorated in 2002 with the failure to provide data and information on the follow-up to the recommendations issued.

31.4 Transparency of the review of audit reports by the legislature

The plenary sittings of Parliament devoted to the consideration and vote on the Settlement Act are open to the public, during which the reports of the committees are presented. However, the reports of the hearings on the conclusions of the audit of the Audit Bench have not been published on the website of the National Assembly.

Current situation

The members of the Finance and Budget Committee of the National Assembly and the Audit Bench of the Supreme Court periodically participate in an Exchange Forum during which the implementation of the budget is discussed. The 27th forum was held on June 26, 2023 at the Conference Centre

The plenary sittings of Parliament devoted to the examination and vote on the Settlement Act are open to the public. During these sittings, the reports of the committees are presented., However, these reports are not published. In general, no report of hearings on the findings of the Audit Bench has not been published on the NA website.

PEFA Score : D.

Previous situation

The finding of the 2022 evaluation is identical to that of 2016, namely that the work of the finance and budget committees of both houses of Parliament was not open to the public, in addition to the committees' reports that were not published. The weak performance of 2016 was therefore maintained in the 2022 assessment.

4 CONCLUSIONS ON PFM SYSTEMS ANALYSIS

4.1 Integrated PFM Performance Assessment

Reliability of the budget. Overall, the country is showing some capacity to meet the initially approved budgets, with actual expenditure and revenue relatively in line with forecasts. However, Cameroon could still improve several aspects of its financial management. The composition of expenditure has deviated by more than 15% compared to the approved budget in 2020 and 2021, with unforeseen expenditure reaching more than 15% of the state budget in implementation and significantly exceeding the amounts initially planned.

Transparency of public finances. The budget documents are comprehensive and provide a comprehensive picture of the country's financial situation, including key performance indicators. However, the reporting of transfers to subnational governments has not been carried out in a timely manner, and the resources received by the service delivery units and the evaluation of their performance do not appear to be tracked. Finally, publicly available tax information is inadequate.

Asset and liability management. Risk management is also consistent, with proactive monitoring of fiscal risks and identification of mitigation measures. Debt management is centralized and effective, with a clearly defined medium-term debt management strategy. In addition, the process of selecting investment projects, monitoring of non-financial assets and transparency of the disposal of assets are not sufficient.

Fiscal strategy and policy-based budgeting. Cameroon builds its budget on macroeconomic and fiscal forecasts which are regularly updated and cover the medium term. The expenditure budgeting process is also conducted with a medium-term vision, with expenditure planned and capped over several years. The approval of the budget follows a transparent and fairly rigorous process, based on a MTBF, MTEFs and a budget orientation debate that is subject to regular review by the legislature.

However, the budget calendar is not rigorously followed, the budget strategies are not sufficiently clear and the budget is not aligned with the strategies beyond the first year, resulting in the consistency of the budgets with previous estimates.

Predictability and monitoring of budget implementation. Revenue management is efficient, with regular tracking and reconciliation of revenue on a monthly basis. However, regular monitoring of cash flows has not had a particular effect on cash flow pressures and the accumulation of domestic arrears. With regard to revenue recognition, most of it is transferred directly to the Consolidated Revenue Fund, but not all of the balances in some bank accounts are known. Revenue arrears account for more than 53% of total central budget government revenues, and the majority of them are more than 12 months old.

The monitoring of public procurement could be significantly improved, as well as the total value of contracts awarded by competitive methods in 2021 representing less than 60% of the total value of contracts.

As regards internal controls, the segregation of duties between authorising officers and accounting officers is respected, which ensures sound management of expenditure. Finally,

accountability is clearly established through timely audits and regular review of the results by the legislature.

However, the field of internal audit also presents several challenges, including insufficient coverage, a focus of activities on audits and controls rather than auditing organizations and systems, and a lack of communication between different oversight bodies on annual audit programs and follow-up reports.

Accounting and reporting. Financial data show inconsistencies, including untracked bank accounts, large amounts not cleared, and advances not included in the government's accounts. In addition, performance reports are submitted late and their accuracy is questioned due to unrecorded expenditures. Annual financial reports are submitted with significant delays, and external audit reports are not adequately reviewed by the legislature

External audit. Progress has been made on the rules and functioning of the Audit Bench and on the transparency of the processes for reviewing financial reports. The external audit functions of the Audit Bench have been expanded and the Audit Bench regularly reviews the financial reports of the State and some extra budgetary entities.

However, there is still competition between the Audit Bench and CONSUPE with regard to external auditing. The texts do not explicitly entrust CONSUPE with competence in the field of internal control, while it officially has the status of SAI, whereas since 2018 it no longer has competence in the field of external audit.

As a result, the Audit Bench often makes the same recommendations on budget performance, but no progress has been made because there is no formal framework for monitoring them. Its representatives are not invited to provide explanations to Parliament, and plenary sittings devoted to the examination of the Settlement Act are not accompanied by the publication of parliamentary committee reports or other equivalent reports.

4.2 Effectiveness of the Internal Control Framework

The legal framework is based on several legislative and regulatory texts, including Law No. 2018/012 on the fiscal regime of the State and other public entities, Law No. 2018/011 on the Code of Transparency and Good Governance, and Decree No. 2020/375 on the General Regulations of Public Accounting. A priori administrative control is exercised by the Directorate-General for the Budget, via the Sub-Directorate for Financial Control. Various internal control bodies have also been established, including the Supreme State Control attached to the Presidency of the Republic. Finally, ministerial departments and directorates-general of financial administrations have also put in place rules and procedures for internal control.

For specific texts, there is Decree No. 2013/159 of 15 May 2013 laying down special regulations for the administrative control of public finances, Decree No. 2013/066 of 28/Feb/2013 on the organization of the Ministry of Finance, Instruction No. 00000839/MINFI/CAB of 6 Nov 2015 on the code of ethics of internal auditors of the Ministry of Finance, Instruction No. 00000838/MINFI/CAB of 6 Nov 2015 on the internal audit charter of the Ministry of Finance, Instruction No. 00126/MINFI/CAB of 23 August/2010 on the organization and execution of control, audit and investigation missions by the General Inspectorate and the National Inspectorates of the Services of the Directorates General of the

Budget, Customs, Taxes and Treasury and Decision 00000041/MINFI/CAB of 20 January 2014 on the creation of the Internal Audit Committee to the Ministry of Finance

It is necessary to add to the above-mentioned texts all the decrees concerning the organization and functioning of the ministerial departments, which include aspects relating to the internal inspection of services, as well as the decrees relating to the organization of the directorates-general of the financial administrations under the Ministry of Finance, one of the aspects of which concerns internal control.

Law No. 2018/012 of 11 July 2018 on the fiscal regime of the State and other public entities, as well as Decree No. 2020/375 of 7 July 2020 on the General Regulations of Public Accounting, define the content and modalities of administrative control a priori. This a priori control of the commitments of all public expenditure is exercised under the authority of the DGB, via the Sub-Department of Financial Control, which is responsible for financial control within the Ministry of Finance and the administrations and bodies without financial control, in accordance with the provisions of Decree 2013/066 of 28 February 2013 on the organisation of the Ministry of Finance.

Article 70 of the 2020 Decree on the General Regulations of Public Accounting stipulates that « *financial controllers are responsible for controlling a priori, by affixing a prior approval, the budgetary operations and the proposals for acts transmitted to them by the Minister or his authorising officers delegate, in accordance with the procedures defined by the Minister in charge of Finance* ». The financial controllers carry out checks on the regularity and compliance of the execution of expenditure from the State budget and public establishments, as well as the physical execution of public procurement. They are involved in the commitment, settlement and authorisation stages of expenditure. They are not under the supervision of ministers or presidents of constitutional institutions, or of the directors general of public institutions.

4.3 PFM Strengths and Weaknesses

The general observation on the performance of PFM in Cameroon in 2023 is as follows:

Pillar I. Credibility of the budget

Key Highlights

- Total actual expenditures have not been too far from the initial approved budget, reaching percentages ranging from 91% to 108% over the last three fiscal years.
- Total actual revenue was generally in line with forecasts, ranging from 97% to 106% of the original budget.

Main weaknesses

- The composition of expenditure differed significantly from the original forecast, with deviations exceeding 10% according to the economic classification and 15% according to the economic classification.
- Expenditure financed by contingency reserves has averaged more than 10% of state budget expenditure, which may call into question predictability and fiscal planning. On the revenue side, implementation was broadly in line with forecasts, but the variance exceeded 15% in 2020 and 2021 in terms of its composition, raising concerns about the accuracy of revenue forecasts.

Pillar II. Transparency and completeness of the budget

Key Highlights

- Budget classification uses an administrative and economic classification consistent with the SFP standard, resulting in consistent budget documents.
- Budget documentation ensures completeness of the information provided.

Main weaknesses

- The composition of expenditures by administrative classification differs significantly from the original estimates.
- Part of the resources and expenditure of public institutions is not included in the annual accounts of the central government. No information is available on the situation concerning the transmission of the management accounts of these institutions to the Audit Chamber.
- Transfers to subnational governments are not fully transparent and the amounts to be transferred are not fully known at the time of budget preparation.
- The performance of service delivery functions and the resources received by service delivery units have not been assessed.
- Although some budget information is publicly available, elements are still missing or not available in a timely manner.

Pillar III. Asset & Liability Management

Key Highlights

- Monitoring of public enterprises has improved, with an increase in the receipt of audited financial statements in a timely manner.
- Certain contingent liabilities and other budgetary risks are identified in the latest report of the Finance Act, which should make it possible to take them into account in budgetary management.
- Domestic and external debt registers, as well as secured debt, are complete and updated regularly, allowing for regular monitoring of debt.

Main weaknesses

- Subnational governments do not submit their financial statements in a timely manner and are not yet sufficiently monitored.
- Some information on investment projects is incomplete, in particular with regard to the selection of projects and the monitoring of non-financial assets.
- The transparency of the disposal of assets is not optimal, and only partial information is included in the annual financial reports.
- Although procedures and rules are established for debt management, execution is often out of step with the targets set in the debt strategy.

Pillar IV. Budget Strategy and Budgeting

Key Highlights

- Macroeconomic and fiscal forecasts are carried out over the medium term, which provides a comprehensive view of economic and fiscal indicators for the coming years.

- The budgetary impact of proposed policies is estimated, allowing their effect on public finances to be assessed.
- A medium-term budgetary strategy is developed, including detailed guidance and quantitative projections over three years, which promotes coherent fiscal planning.
- Medium-term expenditure forecasts and expenditure ceilings are presented, which should lead to better control of public expenditure.
- A budget schedule is established and adhered to, which contributes to the regularity and predictability of the budget process.
- Procedures for the consideration of the budget by the legislature are defined and enforced, ensuring democratic control over budget decisions.

Main weaknesses

- Macro-budgetary sensitivity analysis is not included in budget documents, which limits the consideration of different assumptions and scenarios.
- The consistency of budgets with previous year's estimates is not explained in detail, which can make it difficult to understand changes in budget estimates.
- Medium-term details of expenditure and revenue are not subject to in-depth scrutiny by the legislature, which may reduce transparency and control over these budgetary aspects.
- Fiscal adjustment rules by the executive are not strictly adhered to, which can lead to significant administrative reallocations without adequate oversight.

Pillar V. Predictability and control

Key Highlights

- Revenue collection rights and obligations are clearly communicated to taxpayers, promoting transparency and understanding of their tax obligations.
- Information on revenue collection is centralized and consolidated, allowing for regular monitoring of revenue collection.
- Cash flow forecasts are prepared and updated regularly, which facilitates the management of the State's cash flow.
- The segregation of duties between authorising officers and accounting officers is respected, ensuring rigorous financial management.
- Payment rules and procedures are generally adhered to, ensuring expenditure management in accordance with established standards.

Main weaknesses

- Revenue risk management is only partially structured and systematic, which can affect the quality of control and prevention of irregularities.
- Revenue arrears are significant, raising concerns about the effectiveness of revenue collection.
- Information on commitment ceilings is unreliable, which limits the capacity of the Ministry of Finance to spend on ministries according to clearly established procedures.
- In-year budget adjustments are frequent, which can lead to some fiscal instability. La fonction d'audit interne n'est pas encore pleinement opérationnelle, ce qui limite la capacité d'effectuer des audits approfondis et de donner suite aux recommandations.

Pillar VI. Accounting & Reporting

Key Highlights

- A process is in place to ensure the integrity of financial data, with limited and recorded access and editing.
- In-year budget reports present budget performance according to economic and administrative classifications, which facilitates understanding and comparability of information.
- Annual financial reports, such as the Settlement Law and the General State Account, provide comprehensive information on revenue realizations, expenditures, and cash balances.

Main weaknesses

- Bank account reconciliation is not complete, raising concerns about the completeness and accuracy of financial data.
- Some accounts, such as suspense accounts and imprest accounts, are not sufficiently monitored and may not all be included in the government's accounts.
- In-year budget reports are produced significantly after the deadline of the reporting period, which limits their usefulness for real-time monitoring of budget implementation.
- Concerns are raised about the accuracy of the data in the reports due to some expenses not recorded in the information systems.
- Annual financial reports are subject to external audits late, which can compromise the relevance and reliability of the information presented.
- Accounting standards are not fully aligned with international standards, which may limit the comparability of financial reporting.

Pillar VII. External Review and Audit

Key Highlights

- The Audit Bench examines draft settlement laws, which cover most of the central government's expenses.
- The audit reports of the Audit Bench on the implementation of the budget are transmitted promptly to the legislative branch, in order to enable it to examine the draft budget within the stipulated deadlines.
- The Audit Chamber operates independently of the executive power and has its own budget at its disposal.

Main weaknesses

- The budget allocated to the Audit Chamber is insufficient to cover the new responsibilities assigned to it, which reduces its independence from the executive.
- The audit reports of the Audit Chamber do not highlight all weaknesses regarding systemic risks and controls, which limits their relevance and effectiveness.
- Although the government provides a formal response to the recommendations of the Audit Chamber, it does not always take appropriate measures to remedy the problems identified.

As a result, the Audit Chamber often reformulates the same recommendations, which raises questions about their follow-up and implementation.

- The Finance Committee of the National Assembly does not hold hearings with the Executive during the examination of the draft regulation law, which limits the possibilities for clarification and dialogue.
- Information on the follow-up to the recommendations of the Finance Committee of the National Assembly has not been provided, raising concerns about the transparency and effectiveness of the review of audit reports.
- The reports of the Commissions are not published, which limits the transparency of the scrutiny of audit reports by the legislature.

The cross-referencing of the strengths and weaknesses of public financial management in Cameroon by pillar and by budgetary results is shown in the table below:

Table 23: Cross-Matrix of Strengths and Weaknesses by Indicators and Budget Targets

Pillar	Indicator	1. Overall budgetary discipline	2. Strategic Resource Allocation	3. Efficient Service Delivery
I. Credibility of the budget	PI-1. Total Actual Expenditures vs. Originally Approved Budget	3. Good		
	PI-2. Composition of Actual Expenditures in Relation to the Originally Approved Budget		1. Weak	1. Weak
	PI-3. Total actual revenues in relation to the originally approved budget	3. Good		
II. Transparency and completeness of the budget	PI-4. Budget Classification		2. Basic	
	PI-5. Completeness of information contained in budget documentation		4. Very Good	
	PI-6. Significance of unreported operations at Central Administration	1. Weak	1. Weak	
	PI-7. Transfers to subnational governments		1. Weak	1. Weak
	PI-8. Use of performance information to deliver services.			1. Weak
	PI-9. Public access to key budget information			1. Weak

Pillar	Indicator	1. Overall budgetary discipline	2. Strategic Resource Allocation	3. Efficient Service Delivery
III. Asset & Liability Management	PI-10. Reporting on budgetary risks	1. Weak		
	PI-11. Public Investment Management	1. Weak	1. Weak	
	PI-12. Public Asset Management	1. Weak		
	PI-13. Debt Management	3. Good		
IV. Budget Strategy and Budgeting	PI-14. Macroeconomic and budgetary forecasts	3. Good		
	PI-15. Budget strategy	1. Weak	1. Weak	
	PI-16. Medium-term outlook for expenditure budgeting	3. Good	3. Good	3. Good
	PI-17. Budget Preparation Process		3. Good	
	PI-18. Examination of the annual finance law by the legislature		3. Good	
V. Predictability and control	PI-19. Revenue Management		2. Basic	2. Basic
	PI-20. Revenue accounting		1. Weak	1. Weak
	PI-21. Predictability of in-year resource allocation.	2. Basic		2. Basic
	PI-22. Arrears of Expenditures	1. Weak		
	PI-23. Effectiveness of Payroll Controls			1. Weak
	PI-24. Public Procurement Management			2. Basic
	PI-25. Effectiveness of Internal Controls over Non-Salary Expenditures	3. Good		3. Good
	PI-26. Internal Audit			1. Weak
VI. Accounting & Reporting	PI-27. Integrity of financial data			1. Weak
	PI-28. In-year budget reports	1. Weak	1. Weak	1. Weak
	PI-29. Annual Financial Reports			1. Weak
VII. External Review and Audit	PI-30. Scope, nature and follow-up of the external audit			3. Good
	PI-31. Legislative Review of External Audit Reports			1. Weak

4.4 Evolution of performance since the previous assessment

In terms of the credibility of the budget

There were variances in the implementation of expenditure and income compared to the original estimates, with significant differences in the composition of expenditure and income. There has also been an increase in spending relative to the interim reserves, while actual spending has exceeded planned spending in some periods. It should be scored, however, that the impact of the COVID-19 pandemic on budget revenues does not allow definitive conclusions to be drawn on the evolution of the situation. Fluctuations in expenditure and revenue can be partially attributed to the economic impact of the health crisis. It is therefore important to consider this particular context when analyzing this data.

In terms of budget transparency

Despite some improvements, gaps remain, including the lack of functional classification, the lack of comprehensive information on public institutions, the importance of unrecorded revenues, the lack of transparency of transfers to RLAs, and the lack of follow-up on the evaluation of the performance of budgetary expenditures.

At the level of asset and liability management

Overall, public financial management has improved, particularly with regard to the transmission of annual accounts of state-owned enterprises, economic analyses of investments, and monitoring of financial assets and debt.

However, challenges remain, in particular on the deadlines for the transmission of accounts of decentralised local authorities and the improvement of the transparency of asset sales.

At the level of budget preparation

In the previous assessment, there were gaps in budget forecasts, expenditure estimates were not always justified, and progress reports were not produced. Improvements were seen in 2023, as budget projections were extended over several years, medium-term fiscal strategies were developed and presented to parliament, and clear rules for in-year budget adjustments were introduced.

Despite these improvements, challenges remain, such as the lack of robustness of macroeconomic assumptions and the estimation of the fiscal impact of the proposed changes. In addition, the justification for expenditure estimates is not sufficiently clear and transparent, and the rules for reviewing the budget do not result in the publication of reports and recommendations, which does not allow the public to properly assess budgetary issues.

At the level of monitoring the implementation of the budget

Improvements were scored in the predictability and control of public finances, revenue management, including revenue collection rights and obligations, predictability of in-year resource allocation, effectiveness of internal controls over non-salary expenditures, and the scope of internal audit.

On the other hand, revenue collection has remained at a high level, while public procurement performance has improved more than indicated by the Score due to the extension of the scope of assessment.

Despite some improvements, challenges remain, particularly with regard to the transparency of public procurement due to the lack of follow-up on administrative purchase orders, the effectiveness of the control of expenditure commitments and the scope of internal audit, which is not yet sufficiently operational.

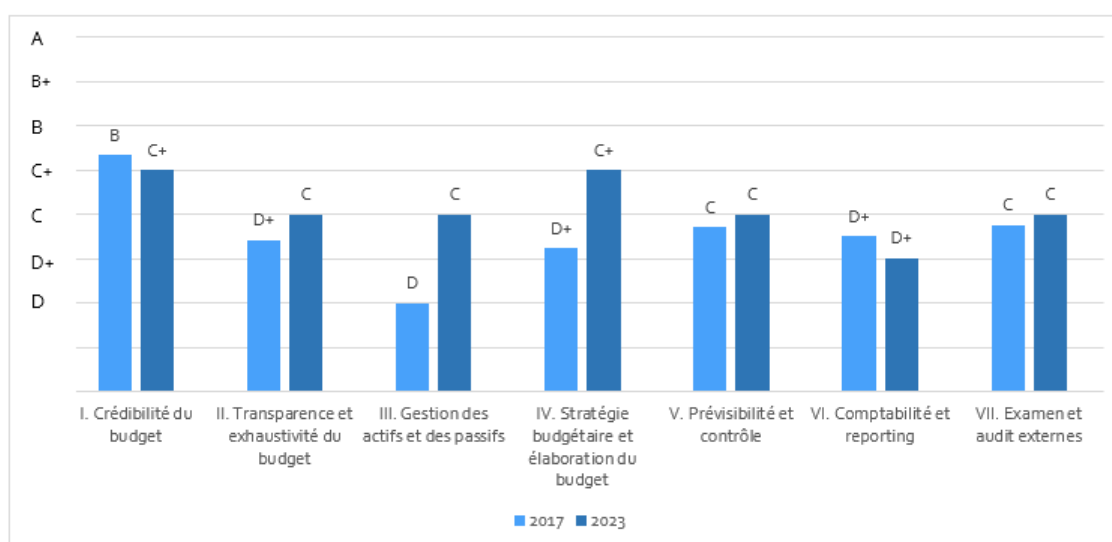
Accounting and reporting

Progress has been made in some areas, such as the reconciliation of bank accounts and the preparation of annual financial reports. However, there is room for improvement, particularly with regard to suspense accounts and advances, as well as the accuracy of budget reporting. Efforts are also needed to strengthen the integrity of financial data and improve the comparability of reporting. In addition, international accounting standards are not yet fully integrated, despite their gradual introduction.

At the level of external audit

Improvements have been scored at the level of the Audit Bench, whose extension of prerogatives has made it possible to strengthen its examination of the draft regulation. However, there has been little change in the follow-up to the recommendations made in the Audit Bench reports and during the hearings before Parliament. In addition, the publication of committee reports and the follow-up of recommendations by the Finance Committee are still non-existent and committee reports are still not published.

Figure 7: Comparison of pillar scores with the 2017 assessment



5 PROCESSES OF REFORMS OF PFM LED BY THE COUNTRY

5.1 Approach to PFM Reform

A reform plan was adopted in 2009 to modernize public finances and introduce a programme budget approach. Since then, various initiatives and reforms have been put in place and several committees and structures have been created, such as the Public Finance Dialogue Platform and the Public Finance Reform Steering Committee, to oversee and coordinate these reforms and the Budget Reform Division (DREF) to develop public finance reforms and evaluate their implementation.

Laws have also been enacted to meet CEMAC guidelines, including on transparency and good governance, as well as on the state's fiscal regime.

Following a PEFA assessment in 2017, a Comprehensive Public Financial Management Reform Plan (PGRGFP) was launched for the period 2019-2021, with five reform axes relating to budget preparation, resource mobilization, control and management of budget execution, audits and verifications, as well as strengthening public financial management support functions.

Despite the progress made in some reforms, challenges remain in terms of budgetary discipline, quality of resource allocation, exceptional procedures, non-integrated information systems and expenditure outside normal budgetary procedures.

5.2 Recent and Ongoing Reforms

Recent reforms in the field of public financial management have been carried out under the coordination of the Ministry of Finance (Reform Directorate/DGB/MINFI) through the implementation of the "Global Public Financial Management Reform Plan" or PGRGFP 2019-2021¹⁸. The development of this Plan had been driven by the adoption in 2018 of two laws transposing CEMAC directives n°1 and 6, namely Law 2018/011 on the Code of Transparency and Good Governance and Law 2018/012 on the State Fiscal regime, in order to meet the requirements of budget management in program mode which is based on the notions of risk management, results and performance. An updated plan has been introduced to continue the identified reforms and put in place the necessary actions.

Among the main reforms implemented in this framework are: accounting reform (introduction of asset and accrual accounting - BO), material accounting reform, introduction of gender-

¹⁸ The PRGF is structured around the following axes: • Strategic axis 1: Strengthening budget preparation capacities and improving programme budgeting; • Strategic axis 2: Strengthening fiscal compliance and capacity to mobilize budgetary resources; • Strategic axis 3: Strengthening capacities to monitor and control budget implementation; • Strategic axis 4: Development of internal audits and verifications and external controls; □ Strategic Axis 5: Establishment and strengthening of PFM support functions.

sensitive budgeting, budgeting of personnel costs in terms of payroll and job ceilings, and strengthening of the process of drawing up commitment plans, etc.

The DGI and the DGD have also put in place specific risk management mechanisms and strengthened their capacities in this area through appropriate training, the acquisition of modern management tools and the choice of appropriate risk management approaches¹⁹.

In the area of public procurement, the implementation period of the Strategic Plan for Public Procurement Reform has been extended until 2023 to complete the ongoing reforms.

The summary score on the mid-term evaluation of the Annual Operational Plan of the Global Reform Plan for the 2023 financial year highlights the following points:

- very few SMOs have been able to report on the progress of their reform projects, highlighting a certain lethargy of reforms in 2023;
- the areas dedicated to the internal and external controls of the PFM as well as to the optimization of information systems are struggling to take off due to institutional issues such as the autonomy of the Audit Bench;
- The representative of the Chamber of Auditors deplored the shortcomings in the collection of information and advocated greater involvement of the DREF in the reporting of information.

In more detail, the status of implementation of the reforms of the main Implementation Structures (MIs) in 2023 is as follows:

Forecasting Division (DP)

Problems relating to the involvement of tax and customs administrations (DGI/DGD) in issues of governance and administrative organisation remain.

National Institute of Statistics (NIS)

Efforts have been concentrated on the production of National Accounts, but the collection of information within administrations needs to be improved.

MINFOPRA

- There has been little progress in MINFOPRA's activities. Personnel and pay management work (SIGIPES 2) is 60% advanced. Studies have been undertaken to identify organizational dysfunctions and assess the risks of inefficiency in personnel management.
- The revision of organizational frameworks in public administrations is ongoing, but the implementation of validated data collection tools, such as job descriptions, is problematic.

DGI

¹⁹ In addition to the establishment in 2019 of an operational and reinforced risk assessment service at the level of the DGI and the DGD, as well as the development of risk maps that they update and improve every year, we must add the development since 2020 of annual verification and control programs based on the tools developed for risk assessment.

- Compliance with the new 2018 fiscal regime and the RGCP (General Public Accounting Regulation) for tax levies and duties carried out by non-tax administrations or public companies is still in progress.
- The improvement of VAT depends on the implementation of electronic invoicing and the optimization of tax monitoring.
- Certain activities relating to tax and customs statistics are now the responsibility of the Directorate-General for the Budget.
- Obstacles have been encountered in carrying out a study on the unique identifier, but a module called ATOM is being developed to solve this problem.
- Interconnection between tax and customs administrations remains a concern, especially for the tracking of small businesses making payments via mobile telephony.

CARPA

- The activities assigned to CARPA have not made significant progress, and the corresponding draft texts are still awaiting signature.
- A Prime Minister's decree has been signed, allowing the management of budgetary risks related to Public-Private Partnerships (PPPs).
- A campaign to strengthen the capacities of the actors involved in PPP contracts has been launched, but there are obstacles regarding the participation of Regional and Local Authorities (RLAs).
- The annual report assessing the added value of PPP contracts compared to other public procurement modalities for the year 2023 has been prepared, but its online publication depends on its translation into English.

MINEPAT (DGPAT)

- A strategic planning guide has been developed by DGPAT and will be submitted for validation in June 2023, following a technical workshop in May.
- Activities related to the education sector strategy were put on hold due to lack of consensus among stakeholders, but an instruction from the NDS-30 Implementation Steering Committee restarted work.
- An integrated monitoring and evaluation system for development policies is being tested using a pilot application developed with the support of UNDP
- Ongoing consultations between the private and public sectors, notably after the Financing for Development Forum. The Cameroon Business Forum already serves as a forum for consultation on these issues.

Audit Bench

- Activities planned under the Global Public Financial Management Reform Plan for 2022-2023 have stagnated.
- A draft law on the Code of Financial Jurisdictions has been updated and sent for opinion.
- Observations have been made by the Audit Bench to adjust the analysis elements of the indicators of the PEFA evaluation, in order to make the data reliable with a view to the finalization of the PEFA 2022 edition report

CONSUPE

- The study on state audit and internal audit institutions has not made progress since 2019, despite the development of terms of reference
- The European Union, which could provide clarification on these issues, was absent from the evaluation session.

5.3 Institutional Considerations

At the time of the evaluation, Cameroon had transposed all the guidelines set out in the CEMAC harmonized public financial management framework. Decree No. 2020/375 on the General Regulation of Public Accounting (RGCP), which was still missing from the six texts governing the country's public finances, was signed by President Paul Biya on July 7, 2020.

The implementation of the texts was to take place until 31 December 2021, while the deadline for transposition of the directives into national law was set at 31 December 2017.

At the level of the RGCP (Decree 2020/375), while some of its provisions relating to 4 specific points (cf. art. 196) were planned to enter into force from 1 January 2022, all the other provisions of the text were immediately applicable.

