

# REPORT

## **PREPARATORY WORKSHOP FOR AN INCLUSIVE BUDGET ORIENTATION DEBATE (BOD)**

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## BACKGROUND AND JUSTIFICATION

The mobilisation of domestic resources is important for African states. It is even imperative in the context of the current health, security, economic and social crises. It allows the level of budgetary revenue to be improved in order to finance development objectives on a more rational, objective and optimal basis.

A capacity building workshop for parliamentarians, CSOs and the media on the analysis of the international tax system and the monitoring of tax fairness in Cameroon was held in Kribi from 25 to 27 May. The main objective of this workshop was to provide stakeholders (administrations, parliamentarians, CSOs and the media) with a platform for capacity building and exchange on issues aligned with the national and international tax system, financial transparency and monitoring of tax fairness for the financing of sustainable development goals through the National Development Strategy 2020-2030 (NDS30) in Cameroon.

Thus, CRADEC and its partners would like to pursue these dynamics in eccentric circles by initiating debates within the hemicycle in order to guarantee budgetary sovereignty capable of financing the objectives of sustainable development in Cameroon. However, these initiatives will also need to be specifically carried by parliamentarians. CSOs would like to insist on problems that hinder the performance of public action, the social utility of policies, and the effectiveness of the development of our country through its second participation in the preparation of the Budget Orientation Debate (BOD) in the Cameroonian Parliament; the first of which took place in 2021 and allowed them to give their assent to the budgetary policy choices of the Government.

It should be recalled that with the adoption of the laws of 11 July 2018 respectively on the Financial Regime of the State and other public entities and the Code of Transparency and Good Governance in the Management of Public Finances in Cameroon, the process of drafting the finance law has been enriched by a crucial step which is the Budget Orientation Debate (BOD). Indeed, Article 11 of the above-mentioned Financial Regime stipulates that: (1) "Each year before 1 July, the Government shall transmit to Parliament the medium-term framework documents ..., accompanied by a report on the macroeconomic situation and a report on the execution of the budget of the current financial year"; (2) "On the basis of these documents and reports, Parliament shall organise a Budget Orientation Debate in a public meeting, but without voting".

The implementation of the project **"Strengthening Fiscal Justice"** funded by the Norwegian Development Agency (NORAD) and coordinated by Tax Justice Network Africa (TJNA), therefore gives an opportunity to CSOs to make their voice heard by the Government through the Senators and Deputies members of the Platform of Dialogue Parliament-Civil Society on Monitoring and Evaluation of Public Action. A preparatory workshop for an inclusive BOD is organised for this purpose by CRADEC.

## MAIN OBJECTIVE

The main objective of the workshop is to prepare and contribute to the Budget Orientation Debate (BOD) of the parliamentary session with the help of civil society organisations, the media and any other stakeholder in the debate on sectoral and thematic public policies.

## **SPECIFIC OBJECTIVES**

In the run-up to this month's parliamentary session, the specific objectives are:

- Present to the Senators and Deputies members of the Platform of Dialogue Parliament-Civil Society the relevant contributions on all the selected themes;
- Propose oral questions to parliamentarians for adoption in order to permanently guarantee macroeconomic stability and consequently, the global economic balance.

## **RESULTS**

The expected results of the workshop are:

- The Government's budgetary policy choices are oriented;
- Oral questions are adopted by parliamentarians to be asked during the Budget Orientation Debate (BOD) in June 2022;
- The medium-term sustainability of public finances through better monitoring of public deficits is established.

## **OPENING SESSION**

The introductory session was punctuated by two main points:

- Welcoming address by the Executive Director of CRADEC, organiser of the activity.

Mr. Jean MBALLA MBALLA presented the context and objectives of this second edition of the preparatory workshop for the BOD. In the same vein, he recalled the context of the APNIFFT (African Parliamentary Network on Illicit Financial Flows and Taxation), as well as the Kribi activity held last May, taking advantage of this opportunity to commend the commitment of Parliamentarians to accompany Civil Society Organisations. He concluded by underlining the inclusive dynamic in which the government is engaged, opening the reflection on this constitutional exercise to other stakeholders, namely CSOs and the media.

- Presentation of the participants

The thirty or so participants present at this workshop were Cameroonian parliamentarians from both chambers (National Assembly and Senate), CSOs and the media.

## **OVERVIEW OF THE LEGAL FRAMEWORK OF THE BOD**

On 11 July 2018, the President of the Republic promulgated two major laws, namely: Law N°2018/011 on the code of transparency and good governance in public finance management in Cameroon and Law N°2018/012 on the financial regime of the State and other public entities.

These laws introduce into the budgetary process the organisation of a mid-year Budget Orientation Debate (BOD) in Parliament. Article 11 of the law on the financial regime of the State and other public entities states that: (1) "Each year before 1 July, the Government shall transmit to Parliament the medium-term framework documents defined in Article 10 above (medium-term budgetary framework and medium-term expenditure frameworks), accompanied by a report on the macroeconomic situation and a report on the execution of the budget for the current financial year";

(2) "On the basis of these documents and reports, Parliament shall organise a budget orientation debate in public session, but without voting".

Before the adoption of the above-mentioned laws of 11 July, the parliament only intervened in the budgetary procedure when the finance bill was transmitted to it for examination and adoption. The disadvantage of this position at the end of the chain of elaboration of the state budget was that it focused the attention of parliamentarians on problems related to the allocation of resources and avoided debates on the objectives and instruments of budgetary policy. The interest in debating budgetary policy is indeed of lesser importance when the finance bill has already been finalised and transmitted by the government for examination and adoption in a constrained temporal and institutional framework. Also, it should be recalled that it is thanks to the adoption of the laws of 11 July 2018 that the preparation of the BOD was opened to Civil Society Organisations.

The preparatory workshop for the Budget Orientation Debate therefore allows parliamentarians to intervene upstream with civil society to better contribute to the definition of the macroeconomic and budgetary framework. It is the place for these actors to appropriate the macroeconomic hypotheses underlying the draft annual budget under preparation, and to give their approval to the Government's budgetary policy choices, the ultimate aim being to create conditions for the adoption of finance laws that permanently guarantee macroeconomic stability and, consequently, overall economic balance. Another added value of this synergy is that it offers each of the stakeholders the opportunity to discuss the conditions of the communities at the grassroots level and possible ways out. In addition, parliamentarians have the opportunity to glean some proposals for oral questions from CSOs that they can bring to the BOD, in compliance with the rules of the Senate and the National Assembly.

For oral questions, the procedure is to draft the question, submit it to the President of the Chamber concerned (Senate or National Assembly). If it is deemed admissible by the Conference of Presidents, it is transmitted to the Minister concerned.

The admissibility of the oral question lies in two axes:

- its relevance
- and its summary nature (it should not exceed one page)

The parliamentarian will ask the question in plenary as he or she has written it.

It is important to note that in the Cameroonian legislative corpus, the type of oral questions introduced is *oral questions without debate*.

## **PROPOSAL OF ORAL QUESTIONS FOR ANALYSIS AND ADOPTION BY PARLIAMENTARIANS**

### **I- ILLICIT FINANCIAL FLOWS AND TAX FAIRNESS**

What measures have been taken to materialise the entry into force of the Multilateral Instrument (MI), in particular for the formulation and proposal of consolidated versions of bilateral conventions already in force that are affected by this instrument (France and Canada)?

Is there an agenda for the popularisation of this instrument among interested actors such as business, civil society and academics?

In view of the current budgetary situation (health, education, high cost of living, etc.), can the 2023 Finance Law open up an opportunity to finance education (national policy on books and textbooks) from a fraction of the VAT? (In accordance with Article 42 of the law on the financial regime of the State)

What actions are envisaged by the government to take advantage of the opportunities for broadening the tax base offered by the prospect of automatic exchange of information in tax matters?

In terms of security issues in relation to IFFs, what actions do you envisage to bring people to understand the urgency of addressing this problem?

What measures can you recommend to strengthen anti-money laundering initiatives and make them enforceable? How to address the issue of impunity surrounding some blatant cases?

Given the current context and the major challenges facing Cameroon, to what extent can the Cameroonian government reduce the surplus of illicit financial flows? Especially when we know that Cameroon loses an average of 140 million dollars (78 billion CFA francs) to this international scourge.

What are the mechanisms that will allow ministries of mines and other stakeholders to dissolve if not mitigate double taxation rates on international transactions of Cameroonian extractive materials?

At a time of decentralisation, how can the Cameroonian government lead an effective and efficient fight for the transparency of domestic resource mobilisation? since nowadays CTDs play an important role in the traceability of domestic resources collected.

Given the government's role on tax adjustments, what concrete prospects does the government foresee in order to revitalise public budgetary policies? Given that public embezzlement, money laundering and tax evasion weaken Cameroon's financial assets in the long term.

Who should pay taxes and on what basis is this defined?

How can we be sure that the declarations of assets made by citizens are verifiable?

Are some people entitled to pay more taxes than others?

What are the means used by the administration to ensure control in this area?

## **II - BUDGETARY GOVERNANCE**

One of the government's priorities in terms of budgetary governance is to accelerate the reform of the single Treasury account (CUT) (reduction of the accumulation of idle public deposits in banks,

scarcity of liquidity in the Treasury network, accumulation of arrears and deterioration of the State's signature).

What evolution can you present to date regarding the resistance or adherence of certain administrations (DTCs, EPAs, public enterprises, programmes, etc.) to the implementation of the reform?

What is the level of implementation of the regulatory framework for directing public procurement of goods and services towards local production and the measures to support local production or supply capacity?

So when will the disclosure of all the real owners of the mining titles granted be made (the periodic valid list of all the permits)

As for the so-called semi-mechanised artisanal exploitation in the East and Adamaoua regions, when will the list of valid artisanal exploitation authorisations be available?

What exactly does the government intend to do to obtain compensation? Especially since on its official website, the multinational Glencore indicates its intention to continue its activities despite its admission of corruption (Minister of Justice, Keeper of the Seals "Former SGPR and therefore a stakeholder in the management of SNH").

Hence the question of knowing what the profiles of our negotiators are? And why not open the negotiations to other Cameroonian experts, notably from civil society, to ensure that all angles are covered? (Minister of Industry, Mines and Technological Development).

Therefore, we would like to know Mr. Minister, do you think that Cameroon's interests have been sufficiently defended in this context where it is known that exploitation by the State with adequate investment would have been more profitable? (Question addressed to the Minister of Mines, Industry and Technological Development)

Was your administration aware of these practices? What actions are envisaged or already implemented at your level to shed light on this issue? (Question addressed to the Minister of Mines, Industry and Technological Development)

Why not implement the recommendations of the EITI committee on the issue of sub-national transfers in order to better guarantee the traceability of funds from the extractive industries (mining, oil, gas) from the Treasury to the municipalities?

### **III- RIGHT OF ACCESS TO INFORMATION**

The 2nd General Assembly on Communication held from 5 to 7 December 2012 had envisaged several avenues to enable journalists to do their job better, for example by decriminalising press offences and protecting sources. Where are we with the implementation of the resulting resolutions?

### **IV-TRANSPORT**

How can this be explained? Why such a change at a time when the purchasing power of Cameroonians is already affected by the war in Ukraine and Covid-19? And why were the deadlines for the implementation of these prices so short? At a time when the State is revising its ambitions downwards, as evidenced by the budgetary collective recently signed by the Head of State, citizens who are already in great difficulty are being asked to make a greater effort. Why such an injustice?).

## **V- ECONOMY-ENVIRONMENT AND SUSTAINABLE DEVELOPMENT**

What measures has the government taken with respect to multinationals and what are the mechanisms for monitoring these measures with respect to environmental, social and health issues that affect the local populations?

## **VI- PEACE AND SECURITY**

In view of the large budgets invested by the State of Cameroon since the beginning of the Boko Haram and North-West, South-West crises to bring a definitive solution to them; In view of the resurgence of violence in the above-mentioned regions, given the numerous cases of death, destruction of infrastructure, looting, violence recorded in recent days, given the tragedies experienced by families, taking into account the numerous losses for Cameroon, given the psychosis that is becoming generalized as time goes by with bomb threats, etc. Don't you think it is urgent to revisit the strategies used so far and perhaps consider those that can help accelerate a peaceful resolution of these crises? Is it not possible to redirect these large sums of money to the social sectors in order to improve the living conditions of citizens and ease social tensions a little?

Secondly, would it not be wise for the government to call for a ceasefire in order to favour the ground for negotiations for a rapid return to peace?

Need to direct the budget towards peace building: How to ensure that the 2nd generation Action Plan of the United Nations Security Council Resolution 1325 on Women, Peace and Security can be financed by the State of Cameroon in order to strengthen conflict prevention and peace promotion actions at the level of the 360 communes and to build a sustainable peace in Cameroon? The question of financing this action plan having been raised as a shortcoming in the 1st generation plan.

In terms of security issues in relation to IFFs, what actions do you envisage to bring people to understand the urgency of addressing this problem?

What measures can you recommend to strengthen anti-money laundering initiatives and make them enforceable? How to address the issue of impunity surrounding some blatant cases?

## **CLOSING SESSION**

The closing remarks were made by Senator NGAYAP Pierre-Flambeau, leader of the Platform of Dialogue between Parliament and Civil Society on the Monitoring and Evaluation of Public Action. He recalled the deadline for the BOD scheduled for early July and reassured CSOs that parliamentarians will distribute the proposed questions in accordance with the legal provisions. The Senator concluded by making a commitment to send formal invitations to the CSOs present so that they can have access to the Budgetary Orientation Debate announced for the coming days.