

CAMEROON

UNITARY COUNTRY

BASIC SOCIO-ECONOMIC INDICATORS

INCOME GROUP: LOWER MIDDLE INCOME

LOCAL CURRENCY: CENTRAL AFRICAN CFA FRANC (XAF)

POPULATION AND GEOGRAPHY

Area: 475 442 km²**Population:** 24.053 million inhabitants (2017), an increase of 2.7 % per year (2010-2015)**Density:** 48.7 inhabitants / km²**Urban population:** 52.3% of national population (2017)**Urban population growth:** 4.3 % (2017)**Capital city:** Yaoundé (11.4% of national population)

ECONOMIC DATA

GDP: 89.4 billion (current PPP international dollars), i.e. 3 714 dollars per inhabitant (2017)**Real GDP growth:** 3.5% (2017 vs 2016)**Unemployment rate:** 4.2% (2017)**Foreign direct investment, net inflows (FDI):** 814 (BoP, current USD millions, 2017)**Gross Fixed Capital Formation (GFCF):** 23.0% of GDP (2017)**HDI:** 0.556 (low) rank 151 (2017)**Poverty rate:** 23.8% (2014)

MAIN FEATURES OF THE MULTI-LEVEL GOVERNANCE FRAMEWORK

Cameroon is a decentralised unitary republic. The president is the head of state, directly elected by universal suffrage for an unlimited number of seven-year terms. The bicameral parliamentary system consists of the National Assembly and, since 2013, the Senate. The Senate is an upper chamber comprising 100 senators, 70 of whom are indirectly elected by the councilors of the 360 local councils (i.e. seven for each of the ten regions). The remaining 30 senators are appointed by the president - three per region. The members of the National Assembly are elected by universal suffrage. All parliamentarians serve a five-year term.

The current system is a legacy of the coexistence of the French and British colonial administrations: the first in East Cameroon and the second in West Cameroon. After the independence, Cameroon was unified as a federal state on 1 October 1961 with two federated states, each with a legislative assembly, a separate jurisdiction and capital cities: Buea (West) and Yaoundé (East). In 1972, the country adopted the unitary form and a constitutional reform (Act No. 96-06 of 1996) established the decentralized unitary state and the 360 local councils. The 2004 Constitution and the 2004 Decentralization Acts set the objective of modernizing the state (Act No. 2004/17 on the Orientation of Decentralization) to be achieved with the effective implementation of the regional councils (Article 55 of the Constitution, 2008 Constitutional Amendment). Progress has been rather slow: the deconcentrated administrative system (10 regions and 58 departments) is functional, but the regional councils are not yet active. Lastly, local traditional chiefs are auxiliaries to local administration and play an important role in encouraging citizens to vote.

The Ministry of Territorial Administration and Decentralization (MINATD) was responsible for the preparation, implementation of territorial administration and decentralization policies. Since the adoption of the New Urban Agenda, the Ministry of Housing and Urban Development has initiated a national urban policy. Both ministries are involved in regulating and supervising the organization and functioning of regional and local governments. Under the responsibility of the MINATD, the National Council for Decentralization and the Interministerial Committee on Local Services, a consultative body, are responsible for monitoring and rolling out decentralization policies. Moreover, the United Councils and Cities of Cameroon has an advisory role to the national government. In march 2018, a Ministry of Decentralization and Local Development (MINDLEVEL) was created.

TERRITORIAL ORGANISATION

2018	MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGS
	Councils (<i>Commune</i>)		Regions	
	Average municipal size: 66 805 inhabitants			
	360		10	370

OVERALL DESCRIPTION. In Cameroon, the deconcentrated administrative structure of the central government is similar to the delimitation of the levels of subnational governments: ten regions and 360 local councils at the decentralized level correspond to 10 regions and 360 districts at the deconcentrated level. The administrative regions include 58 departments. Local councils are the first level of self-government. There are 315 local councils in rural areas. Traditional chiefs have the legal status of administrative assistants to these councils and serve as a link between the administration and the villages. In urban areas, there are 45 local councils, identified as 'divisional councils', grouped into 14 'urban councils'.

MUNICIPALITIES: All local councils, as established by law (Act N° 1987/015), are headed by a mayor and municipal councillors elected by direct universal suffrage. The deputy mayors are elected from the municipal council and form the executive body. The number of councilors depends on the size of the population. The council may appoint commissions to work on any relevant issues, the members of which may include persons who are not members of the Council and who must be convened in the first year of the council.

REGIONS: Ten administrative regions are each under the authority of a Governor. They are sub-divided into 58 departments, each under the authority of a Prefect, and 360 districts each under the authority of a Sub-Prefect. The Governor, the Prefect and the Sub-Prefect are the heads of administrative jurisdiction, they are placed under the hierarchical authority of MINATD and represent the President of the Republic. To date, regional councils are not effective. Several regions are currently facing significant challenges, including the high level of insecurity linked to the presence of the Boko Haram group in the northern regions, conflicts with secessionist groups in the north-western and south-western regions, and the influx of refugees and displaced persons from the Central African Republic into the Adamaoua and eastern regions.

URBAN COUNCILS AND INTER-MUNICIPAL COOPERATION: The urban council is composed of at least 2 councils (Chapter 5 of Law No. 2004/18 of July 2004 comprising Rules Applicable to Councils). It is mostly the case, except for the urban councils of Douala (established by Decree 1987/1366) and Yaoundé (established by Decree 1987/1365), composed of six and seven divisional councils respectively. The urban council is composed of the mayor of each divisional council and five councilors from each divisional council elected by their peers. It has an executive body composed of the government delegate and his deputies appointed by presidential decree and has the same level of duties and powers as mayors. In addition, the Special Fund of Equipment and Mutual Assistance (FEICOM), an investment support structure, is intended to promote inter-municipal cooperation. Since 2018, it is also responsible for promoting and supporting interregional cooperation, in collaboration with national and deconcentrated administrations.

SUBNATIONAL GOVERNMENT RESPONSIBILITIES

Local and regional governments may assume competences in the areas transferred to them by the State (Article 9 of Act N°. 2004/017) on the basis of the principles of subsidiarity and specifying that for any transfer of competences, adequate resources should also be transferred. To date, the status and professional careers of local government staff have not been regulated by any regulatory text, which often leads to a lack of administrative skills, including in large urban councils. All local councils and urban councils have similar responsibilities and powers (Act N°. 2004/018) in the provision of services. Act N°. 2004/019 establishes the competences of the Regions. The transfer of powers is made effective by national decrees promulgated for each devolved power. According to a 2018 study on Localizing the SDGs in Cameroon, in 2016, 97% of the competences transferred to local councils as provided for in the law were effective.

MAIN RESPONSIBILITY SECTORS AND SUB-SECTORS

	REGIONS (PENDING IMPLEMENTATION)	MUNICIPAL LEVEL
1. General public services		Civil registry and statistical office; Management of public cemeteries
2. Public order and safety	Fire-fighting, particularly, bushfire control; The development of specific regional emergency response and risk prevention plans	
3. Economic affairs /transports	Promotion of economic development linked to small and medium enterprises; Promotion of craft industry; Promotion of agricultural, pastoral and fishery; Support to the creation of regional economic clusters; Promotion of tourism; Support to inter-urban transportation and road maintenance	Promotion of economic development linked to agriculture and fishery; Development of local touristic activities and craft production; Construction and maintenance of equipment; Transportation; Market facilities and slaughterhouses; Local trade fairs; Support for micro-projects ; Storage or distribution of food products
4. Environmental protection	Management, protection and maintenance of regional protected natural areas and regional water management; Creation of woodlands and regional natural parks; Implementation and monitoring of regional environmental action plans	Cleaning of municipal streets, paths and public spaces; Industrial and household waste management; Reforestation and protection of municipal woodlands; Protection of groundwater; Promotion of green spaces, parks and gardens
5. Housing and community amenities	Regional planning; Support to urban planning including housing	Urban planning and maintenance of public spaces; Urban renewal; Drinking water supply
6. Health	Operation and maintenance of regional health centers; Development of health prevention plans; Provision of health services and drug according to the national health policy	Operation and maintenance of health facilities; Sanitary control in local industries packaging
7. Recreation, culture & religion	Support to regional sports associations; Operation and maintenance of sports and socio-educational facilities; Promotion of regional sportive events	Promotion of sports and youth activities; Maintenance of municipal stadiums and sports facilities; Organization of traditional cultural events, local orchestras, ballet and theatre companies; Creation and management of sociocultural centers and public libraries; Support to sport and cultural associations
8. Education	Maintenance and operation of middle and high-school as well as vocational training facilities (shared with the municipalities); Management of furniture and scholarships; Support to primary schools; Implementation of plans for eliminating illiteracy (shared with the municipalities)	Maintenance and operation of nursery, pre-school and primary schools; Management and administration of secondary schools and vocational training facilities and programs (shared with the regions); Implementation of plans for eliminating illiteracy (shared with regions)
9. Social protection		Operation and maintenance of local social welfare centers

SUBNATIONAL GOVERNMENT FINANCE

Scope of fiscal data: local councils..	SNA 1993	Availability of fiscal data: Low	Quality/reliability of fiscal data : Low
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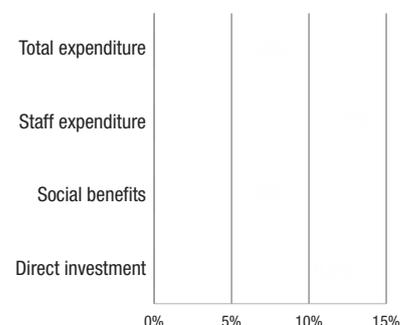
GENERAL INTRODUCTION. Formally, Cameroon has one of the most advanced systems of financial transfers from central government to local governments. The several legislative texts, Act No. 2009/011 on the financial regime of local councils, Act No. 2009/017 on decentralization, Act No. 2009/019 on the local tax system and its many implementing decrees, directives and circulars are intended to provide local councils with the necessary tools to ensure their financial autonomy. In practice, the harmonization of these rules and the specification of local councils' powers and duties are under way and the overlapping of responsibilities between the central government, the regions and local councils is an obstacle to the full implementation of this system. Overall, there is a scarcity of data on local finances in Cameroon.

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SUBNATIONAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION

2016	DOLLARS PPP / INH.	% GDP	% SNG EXPENDITURE	% GENERAL GOVERNMENT EXPENDITURE (SAME EXPENDITURE CATEGORY)
Total expenditure				
Incl. current expenditure				
Staff expenditure				
Intermediate consumption				
Social expenditure				
Subsidies and current transfers				
Financial charges				
Others				
Incl. capital expenditure				
Capital transfers				
Direct investment (or GFCF)				



EXPENDITURE. Aggregate expenditure information across all local councils is not available.

According to CLGF, in 2015, local government total expenditure accounted for approximately 2.9% of general government expenditure. Annual budgets must be voted in compliance with a balance of income and expenditure recorded in the same single document. According to the legal framework, current expenditure must not exceed 60% of total expenditure including staff costs (35%) and minimum rate of capital expenditure must be set at 40% of total expenditure. The issue of local government capacity to actually make direct investments has not been fully addressed in the decentralization laws. The Decentralization General Grant (created under Article 23, Act N°.2009/017) aims to compensate for the additional expenditure resulting from the gradual transfer of new competences.

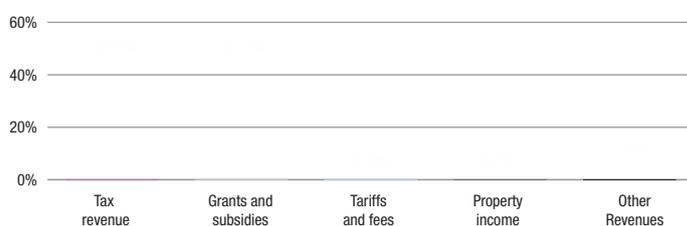
DIRECT INVESTMENT. The FEICOM is the financial intermediary that allows effective investments by local governments. According to its regulation, local governments' investment is mainly in social infrastructure (i.e. schools, utilities, healthcare) and transport infrastructure. Due to the overlap in functional assignments, local governments direct investments are often limited to investment plans set within the FEICOM which promotes inter-municipal and, in theory, inter-regional, investment plans.

SUBNATIONAL GOVERNMENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION – COFOG



SUBNATIONAL GOVERNMENT REVENUE BY CATEGORY

2016	DOLLARS PPP / INH.	% GDP	% GENERAL GOVERNMENT REVENUE (SAME REVENUE CATEGORY)	% SNG REVENUE
Total revenue				
Tax revenue				
Grants and subsidies				
Tariffs and fees				
Property income				
Other revenues				



OVERALL DESCRIPTION. According to a PEFA assessment released in 2017, in 2015, the total revenue of local councils amounted to XOF 151.6 billion, or 29 dollars PPP per capita. Local councils are allowed to levy taxes and duties, but the total amount of local own revenues is limited: it was 10% in 2013 according to the previous UCLG-OECD 2015 survey on fiscal decentralization. Local taxes are levied as part of a system that distinguishes between own and shared taxation, which is levied by the state tax services. 70% of shared tax revenues are directly redistributed by the Treasury and 20% indirectly through the FEICOM within the framework of the Intermunicipal Cooperation and Equalisation Fund (the remaining 10% covers administrative costs). In 2015, according to the same PEFA assessment, 78.7% of local government total revenue is derived from tax revenue (own and allocated); 6.6 % from revenue transferred as part of the devolution of competences to local councils by the relevant ministerial departments and 14,7% from other revenues including market trading licenses, ground rents on shops and public transport licenses. The high level of dependency on intergovernmental transfer and the fragmented nature of revenue mobilization including the ad-hoc allocation criteria of resources to councils has led to considerable territorial imbalances.

TAX REVENUE. According to the 2017 PEFA study, in 2015, total tax revenue (own and allocated) was XOF 119.3 billion, around 23 dollars PPP per capita. In 2016, the Cameroons' Treasury reports a total of XOF 127.3 billion i.e. around 24 dollars PPP per capita. Local councils are responsible for the administration and management of two sets of taxes. These taxes must be created by law, voted by the local council and subsequently approved by the Prefect.

The first set includes the patent, the license, and the additional municipal centimes (CAC). All these taxes pre-date the 2009 Local taxation law and are both issued and collected by the tax administration on behalf of the local council and transferred back to them. The CAC is a 10% additional rate to certain national taxes such as VAT (value added tax), IS (corporate tax), IRPP (personal income tax) and IRCM (income tax on capital). By law, 10% of CAC revenue are reserved for the tax base costs of the State tax administration in charge of collection and 20% allocated to the FEICOM (its single main source of revenue) to be indirectly transferred to municipalities via grant allocation. According to Treasury, in 2016, it represented 74.7% of local councils share of national revenue and approximately 18 dollars PPP per capita). According to CLGF, 20% of this local council's share is allocated to Douala; 40% to Yaoundé and 36% to other councils.

The second set includes tax on property, the tax on games of chance and entertainment, property transfer taxes, car stamp duty (vignette), the annual forest tax (of which, 40% is redistributed to councils on a per capita basis), stamp duty on advertising, the local development tax and registration duties on leases. Since 2009, local councils are entitled to levy them. To this list must be added stamp duties on car registration documents, airport stamp duty and certain charges on the exploitation of natural resources, which are intended for the Regions but are not yet effective.

GRANTS AND SUBSIDIES. The financial system of local councils in Cameroon make them very dependent on transfers from the central level of government. The Decentralization General Grant is divided into two main components, namely the General Operating Grant (Block Grants) prepared by MINFI and the General Investment Allocation prepared by MINEPAT. Block grants are received as part of the devolution of responsibilities. The General Investment Allocation is primarily intended for the investment expenditure of local councils, in particular capital expenditure, (i.e the provision of basic services to the population, local economic development and poverty alleviation).

In addition, equalization grants are transferred from national government through MINATD via the ten regional branches of the FEICOM. These grants are weighted according to the council's population, area and other considerations. The main priorities for FEICOM's grant allocation include utilities and urban development. Funding is also available to support infrastructure projects in border councils or to help councils affected by natural disaster. Lastly, the FEICOM equalization grants support the training of local staff. FEICOM also provides councils with non-financial support, including expert technical assistance, project evaluation, and other facilities. This is a vital role, given the lack of technical competence in many councils. In 2018 FEICOM was reformed (decree n° 2018/635) to broaden the sources of financing and to include regional councils in its field of intervention. Also in 2018, the National Council for Decentralization adopted a Local Development Index to enable the Government to improve allocation of resources to local councils in priority areas, beyond the sole criterion of population size that has prevailed so far for the distribution of equalization revenues.

OTHER REVENUES. According to the 2017 PEFA study, in 2015, other resources amounted to XOF 22.3 billion, approximately 4 dollars PPP per capita. These mainly include deferrals (deferral of local council taxes subject to equalization, operating and investment deferrals), sales revenue, cooperation resources, other non-tax resources resulting from the operation of the estate and urban council's services (i.e. rental of municipal buildings, water and electricity sessions, revenue from leased or concession services, rights on boats, concession products and advertising spaces).

■ SUBNATIONAL GOVERNMENT FISCAL RULES AND DEBT

	DOLLARS PPP/INH.	% GDP	% GENERAL GOVERNMENT DEBT	% SNG DEBT
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Total outstanding debt

Financial debt*

* Currency and deposits, loans and bonds

FISCAL RULES. The National Local Finance Committee (Article 109 of Act No. 2009/011) is responsible for the optimal mobilization and management of local finances. In compliance with the public finances and budgeting standards of the Economic and Monetary Community of Central Africa, local councils should introduce programme budgeting by 2021. This was instructed by the General Regulation on Public Accounting in 2013 and since 2012 national ministries in partnership with the Association Internationale des Maires Francophones are deploying a strategy for the modernization of municipal budgetary and accounting chain. This is enshrined in recent reforms (Act N°2018/012 on the State's financial regime and Act N°2018/011 on the code of transparency and good governance).

DEBT. Since local councils are required to incur expenses strictly to the extent of their ability to pay, they are not allowed to borrow in the financial markets or from private financial institutions. Yet, deficits are often observed and debt is incurred during fiscal years, due to the lack of realism of annual budgets. FEICOM is the financial intermediary that provides local councils with access to loans for a maximum period of two years. Four local government representatives are members of the FEICOM Board of Directors together with seven representatives of the national government. This institution provides the necessary guarantees for the repayment of local councils loans and thereby plays a crucial role as a financial intermediary between local councils and the financial markets. Refinancing is ensured by the redistribution of local taxes.



Lead responsible: UCLG
Last update: 02/2019

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Socio-economic indicators: World Bank // UNDP // UN Desa // ILO.

Fiscal data: PEFA Cameroon 2017.

Other sources of information: Commonwealth Local Government Forum (2017) Country Profile Cameroon // PEFA Cameroon (2017) // UCLG Africa and Cities Alliance (2018) Assessing the Institutional Environment of Local Governments in Africa // Barthélemy Kom Tchunte (2014) Cameroon: La Décentralisation en marche UNCDF FMDV and RIAFCO (2018) Studies on Financial Resources and Diversification for Local Government Financing Institutions in Africa.