

CAMEROON

UNITARY COUNTRY

AFRICA

BASIC SOCIO-ECONOMIC INDICATORS

Income group - LOWER MIDDLE INCOME Local currency - Franc CFA (XAF)

POPULATION AND GEOGRAPHY

AREA: **475 442** km²

POPULATION: **22.8** million inhabitants (2014),
an increase of **2.6** % per year (2010-14)

DENSITY: **48** inhabitants/km²

URBAN POPULATION: **54.4** % of national population

CAPITAL CITY: **Yaounde** (12.9% of national population)

Sources: World Bank Database ; UNDP-HDR; ILO

ECONOMIC DATA

GDP: **67.7** billion (current PPP international dollars)
i.e. 2 972 dollars per inhabitant (2014)

REAL GDP GROWTH: **6%** (2014 vs 2013)

UNEMPLOYMENT RATE: **4.4%** (2014)

FOREIGN DIRECT INVESTMENT, NET INFLOWS (FDI): **501** (BoP, current USD millions, 2014)

GROSS FIXED CAPITAL FORMATION (GFCF): **20.7%** of GDP (2014)

HUMAN DEVELOPMENT INDEX: **0.443** (low), rank **153**

TERRITORIAL ORGANISATION AND SUBNATIONAL GOVERNMENT RESPONSIBILITIES

MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGs
360 COMMUNES/COUNCILS AVERAGE MUNICIPAL SIZE: 63 250 INHABITANTS	-	10 REGIONS	370

MAIN FEATURES OF TERRITORIAL ORGANISATION. The constitution of Cameroon of 1996 consecrated the country as a decentralized unitary state. The country thus has both a deconcentrated administrative system (10 regions and 58 departments) and a decentralized structure of governance comprising to tiers of decentralization: 10 regions and 374 councils. However the regions are not active yet, as decentralization is still an on-going process in Cameroon. Another intermediate form of local entity comprises Urban councils (e.g. Communauté Urbaine de Douala/ Douala Urban Council). Nevertheless, despite the very similar status of these special councils and the common councils, they cannot really be considered as an independent level of local self-government. Indeed, they are composed of several Councils headed by directly elected mayors. These mayors are the members of the Urban Councils bodies. Competences assigned to common Councils are different from those of Urban Councils. After several years of stagnation, the decentralization process has been revived in the beginning of the 2000's. The general framework setting the guidelines, statutes and powers of the councils and regions consists in three laws of 2004. The local financial and taxation system is regulated by two laws of 2009. These laws encourage inter-councils cooperation.

MAIN SUBNATIONAL GOVERNMENTS RESPONSIBILITIES. The 2004 laws provide for transfer of powers to local entities who have been assigned functions as social care, health care and primary education, promoting economic development, culture and sport development. In order to make these transfers effective, the government has to take decrees for each of the devolved competence. As of 2010, half of the competences have been effectively transferred from central administration to the local governments. Another provision of the decentralization legislation provide that the implementation of their new competences by the LGUs is not exclusive, and is shared with central administration. This situation often induces unfunded mandates and the insufficiency of the means co-transferred with the competences.

SUBNATIONAL GOVERNMENT FINANCE

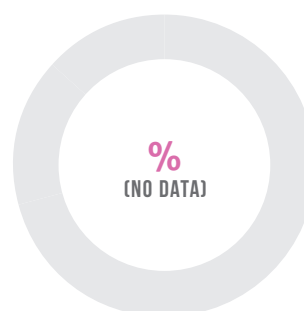
EXPENDITURE	% GDP	% GENERAL GOVERNMENT (same expenditure category)	% SUBNATIONAL GOVERNMENT
TOTAL EXPENDITURE (2013)	-	-	-
CURRENT EXPENDITURE	-	-	-
STAFF EXPENDITURE	-	-	-
INVESTMENT	-	-	-

There is a scarcity of data on local finances in Cameroon, hence it still difficult to evaluate the impact of decentralisation on the volume of capital expenditures executed by LGUs. The confusion on the division of competences and the lack of local capabilities is surely an obstacle for the local governments to master their investment programs.

EXPENDITURE BY FUNCTION

% SUBNATIONAL GOVERNMENT EXPENDITURE

- GENERAL PUBLIC SERVICES
- DEFENCE
- SECURITY AND PUBLIC ORDER
- ECONOMIC AFFAIRS
- ENVIRONMENTAL PROTECTION
- HOUSING AND COMMUNITY AMENITIES
- HEALTH
- RECREATION, CULTURE AND RELIGION
- EDUCATION
- SOCIAL PROTECTION



Tools have been created to facilitate the enhancement of local public services provision, such as Municipal Development Plans that came under the National Participatory Development Programme (PNDP) which aims to improve the supply of basic social services, strengthen the decentralization process and to increase the ability of regional and local authorities to assume their competences. This program is now funded at 60% of credits from the Contract of Debt Reduction-Development (C2D) between France and Cameroon.

REVENUE BY TYPE	% GDP	% GENERAL GOVERNMENT (same revenue category)	% SUBNATIONAL GOVERNMENT
TOTAL REVENUE (2013)	-	-	-
TAX REVENUE	-	-	-
GRANTS AND SUBSIDIES	-	-	-
OTHER REVENUES	-	-	-

There is a lack of consolidated data on all local governments finance in Cameroon. The FEICOM is currently working on the inventory of local budgets throughout the country. Local own resources are in general very limited, accounting for less than 10% of local revenues, due to the legal and judicial framework but also to the lack of human and technical capacities of municipal authorities, in particular in the poorest and small-size local governments. This situation is improving since in 2009, the law on local taxation has added new taxes in the pool of municipalities' resources, and a decree setting up the evaluation criteria for the decentralization general grant has passed.

TAX REVENUE. Both common and special urban councils can perceive business tax ; property land taxes ; vehicle tax ; tax on gambling ; local development tax and *centimes additionnels communaux* (additional communal cents). Yet local governments cannot create new taxes. Tax revenues collected by the tax authorities on behalf of local authorities and public bodies are subject to a 10% withholding tax for costs of assessment and collection: 70% of this tax goes to the municipalities, and the rest goes to an investment fund.

GRANTS AND SUBSIDIES. Municipal revenues in Cameroon are made for more than 90% of transfers from the central level of government. local governments receive three grants from the state. The decentralization general grant (Dotation générale de décentralisation) aims to compensate for the costs induced by the transfer of new competences to the LGUs. The funds received can be assigned to both operating and capital expenditures. So are the funds received through the tax transfers. The grant consisting in the share of local tax income dedicated to perequation has to be used to fund investments.

OTHER REVENUES. To compensate for the scarcity of local tax revenues, municipalities can rely on other sources of revenues, such as stamp duties, fees and charges.

OUTSTANDING DEBT	% GDP	% GENERAL GOVERNMENT
OUTSTANDING DEBT (2013)	-	-

Councils are allowed to borrow on external and domestic markets under the supervision of the Ministry of Interior. In general, local governments have difficulties to access borrowing on the domestic market, as the banking sector is not used to work with local governments without guarantees. The FEICOM is a financial intermediary institution which aims at financing local investment.

A joint- study of:



Sources: UCLG-OECD 2015 survey on fiscal decentralization • Ministère de l'Administration Territoriale et de la Décentralisation (MINATD) • Centre National de la Fonction Publique Territoriale – CNFPT • Law N° 2004/017 of July 22, 2004 on the Orientation of Decentralisation; • Law N° 2004/018 of July 22, 2004 laying down rules applicable to Councils; • Law N° 2004/019 of July 22, 2004 laying down rules applicable to Regions ; • C.Cheka (2007), The state of the process of decentralisation in Cameroon, Africa Development, Vol. XXXII, Council for the Development of Social Science Research in Africa