CITIZENS' SCRUTINY OF THE 2024 FINANCE ACT OF CAMEROON

WHAT ARE THE PROSPECTS TOWARDS AMELIORATING THE LIVING CONDITIONS OF ECONOMICALLY DISADVANTAGED CITIZENS ?

edition
April 2024

Document written by the Civil Society Reference Group on the Transparency of Public Finances thanks to the support of GIZ through the Decentralization and Financial Governance Support Program (PADGOF)

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Mis en oeuvre par
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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ACKNOWLEDGEMENTS

The Citizens' scrutiny of the 2024 Finance Law (2024FL) was prepared by a team coordinated by Christine ANDELA, Permanent Secretary of the Reference Group.

The entire team would like to reiterate its gratitude to the German Cooperation partner GIZ, through the Decentralisation and Financial Governance Support Program (PADGOF), for the support it provided to enable this work to be carried out.

The drafting team expresses its deep gratitude to the consultant recruited by the GIZ/PADGOF, Mr Emmanuel YANGAM, for all the technical support it received throughout the writing of this report.

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A small team was set up to draw up and produce the report analysing the 2024FL and the advocacy document. The team consisted of NTOUMBA André Francis, Charles LINJAP and Paul Oscar MBOM NGUE.

Throughout the process of drafting the report, we benefited from the comments of other civil society colleagues who were not members of the reference group.

We would like to thank them all, from all walks of life.

EXECUTIVE SUMMARY

The purpose of the citizens' scrutiny report of Cameroon's 2024FL is to contribute towards budget transparency, and to assess the government's decisions regarding the allocation of budget resources for 2024 and their impact on economically disadvantaged citizens. It is intended as an advocacy document drawn up by the Civil Society Reference Group for Public Finance Transparency (RG) and its partner organisations, for the attention of the government, parliamentarians and social stakeholders.

The report was drafted by the RG with the support of the Decentralisation and Financial Governance Support Programme (PADGOF). The RG works in consultation with civil society networks and key players, the Ministry of Finance (MINFI) and other sectoral Ministries in the Republic of Cameroon.

As part of this analysis, we noted that citizens are facing four major macroeconomic challenges that are linked to their living standards, namely:

- Climate crisis;
- Energy crisis
- Security crisis and;
- Infrastructure crisis.

This analysis focuses on budget priorities in general, allocations to specific sectors and the effects on different population groups. The citizen analysis of the 2024FL focused on the following themes: ***import-substitution, decentralisation, taxation, infrastructure and cross-cutting climate and gender issues***.

These issues were appraised from several economic variables.

While real progress has been made in several sectors, there are still shortcomings in terms of improving the living conditions of poor households.

The 2024 state budget balances in revenue nd expenditure at the sum of 6740,1 billion FCFA, is up by 13.2 billion (0.2%) per the 2023 financial law. It is financed by internal budget revenues (5190.1 billion), borrowing (1489.4 billion) and revenue from special accounts (60.6 billion).

In fact, the 2024 budget seems to us to be unrealistic and not very compatible with the projected development of economic fundamentals, particularly the inflation rate (+4.0%), in a context subject to inflationary risks, particularly with pressure from the IMF to raise fuel prices at the pump. The increase in fuel prices will trigger an inflationary spiral likely to considerably erode the purchasing power of the population and further destabilise our SME fabric.

In addition, the suspension of certain tax measures contained in the 2024FL could limit the State's room for manoeuvre in raising more budgetary revenue.

The low budget allocation (+0.99%) for key social ministries (social affairs, labour and social security, employment, etc.) and for the industry and services sector is a source of concern, given that if the growth achieved is not accompanied by job creation and an equitable redistribution of its fruits, inequalities may worsen.

The 16.4% increase in the envelope earmarked for common expenditure points to difficulties in rationalising budgetary choices.

The obsession with reducing the budget deficit is penalizing public investment, and therefore undermining economic growth in Cameroon.

Furthermore, the fact that debt servicing is the largest item of government expenditure is attributable to the inefficiency and ineffectiveness of public investment in particular, and public spending in general.

The analysis of the 2024FL focuses on the diagnosis of measures taken by the Government of Cameroon on the following four dimensions as well as cross-cutting elements:

Import-substitution : To promote the import-substitution policy, the Government has adopted a plan to support the production and processing of consumer products for the period 2021-2023, and has taken incentive and/or compensatory measures that grant tax and customs facilities to players even in the 2024FL. Initial results (in terms of production, exports and imports) have been mixed. For example, Cameroon, an oil-producing country, has become one of the most expensive countries for fuel (the first product to be imported in 2022). The targeted agricultural sectors are plagued by numerous production and processing obstacles.

The IMF is pushing for the abolition of fuel price subsidies at the pump, and is giving priority to debt repayment, while neglecting the production economy and support for household purchasing power. Inadequate energy supplies are hampering the productivity of SMEs dedicated to processing local raw materials.

Decentralisation: With regard to decentralisation, the budget is poorly allocated to investments that have a direct impact on the well-being of the population. Cameroon faces a number of obstacles to decentralisation. These include the governance of public action at local level; the acceleration of the effective transfer of resources and competences to local and regional authorities; and the development of benchmarks for measuring progress in local development. Moreover, despite the existence of numerous opportunities for collaboration between CSOs and local development committees, a number of bottlenecks persist, preventing the various players from optimizing their collaboration and contribution to the budget preparation process.

What is more, the Decentralized Local Entities (DLAs) suffer from the problem of overstaffing due to the massive recruitment of staff without taking into account their profile and skills, despite the weakness of their financial resources. This situation is aggravated by the lack of a staff capacity-building plan to improve the quality of human resources.

The issue of the content to be given to the 15% of the State budget within the framework of the General Endowment for Decentralization has not yet found a solution.

Taxation: With regard to taxation, the search for new tax niches, the improvement of the business climate and the reduction of tax burdens are likely to strengthen the competitiveness of the economy, and therefore stimulate economic growth by creating an environment conducive to investment. However, other provisions of the 2024FL may have a negative impact on household purchasing power, such as the taxation of the informal sector, where there is a large vulnerable population, and the extension of the list of benefits in kind subject to the tax scale. The 2024FL makes no provision for incentives to encourage the informal sector to switch to the formal sector. Furthermore, as soon as the 2024FL was promulgated, the measures to reduce tax niches, such as broadening the tax base for personal income tax (PIT) and excise duties, were suspended due to pressure from lobbies led by multinationals and politically exposed individuals.

Infrastructure: The 2024 budget allocates CFAF 1,168.2 billion to infrastructure, or 17.5% of the general budget. Although the volume of funding for projects has been substantial for a number of years, there are still a number of shortcomings in terms of infrastructure. Corruption in the management and implementation of investment projects, combined with impunity, hamper the efficiency and effectiveness of infrastructure development in Cameroon. Many ministries massively prefer to allocate their public investment budget to the acquisition of office equipment and other construction or rehabilitation work for their decentralised structures, far from the objectives of improving the living conditions of the population.

Gender and climate - cross-cutting: The 2024FL allocates CFAF 74.7 billion to gender and CFAF 11.04 billion to climate. The budget allocation for gender is insufficient to reduce inequalities between women and men and the negative impacts. The same applies to the climate budget, which is insufficient to reduce the negative impacts of climate change in general and in the sectors concerned in particular. Furthermore, the government has not taken measures to encourage the adoption of more environmentally-friendly economic practices.

At the end of this analysis, it is clear that there is a political will to respond to the difficulties and promote the sectors concerned. Despite this clear political will, the results are mixed and the probability of citizens finding satisfaction is certainly not zero, but is far from average.

Reconciling the ambitious objectives of growth and sustainability of public finances requires improving the mechanism for evaluating the effectiveness and efficiency of public spending and its contribution to the economy.

After examining the provisions of the 2024FL, particularly those relating to the four targeted sectors, and the impact of the cross-cutting climate and gender analysis on these sectors, as described in this Report, a number of recommendations stand out:

On a transversal level:

R1: To combat the high cost of living, we need to grant certain subsidies and increase the budget allocated to the program to improve agricultural productivity, by choosing a limited number of production sectors (and particularly short-cycle speculations) on which to concentrate our efforts, as well as other measures to support purchasing power;

R2: Draw up and then effectively apply a circular on reducing the State's cost of living;

R3: Re-evaluate budgetary choices to ensure a fair distribution of resources, focusing on crucial sectors such as education, health and social protection;

R4: Consider providing financial support for projects aimed at economically empowering vulnerable and low-income social groups, and set up facilities to cover basic needs, free medicines, social housing and social services.

R5: Set up a civil society project on the public perception of public spending to ensure that public administrations use the resources made available to them for production infrastructure needs, in order to better assess their impact on development and public satisfaction.

Promotion of import-substitution:

R1: Rehabilitate SONARA and rethink the strategy for processing agricultural products;
R2: Set up a platform between the government, the DLAs and the private sector to create a fund to finance agricultural packs and technology transfer, with the emphasis on local private sector players;
R3: Effectively increase to at least 60% the share of public orders for goods and services addressed to industries, SMEs and camerounian products, to boost high added value products;

Promoting decentralisation:

R1- Accelerate the increase in the share of resources transferred to the local authorities to at least 15% of State revenue and speed up the establishment of the local civil service;
R2: Set up a platform for exchanging financial and budgetary data with communes, CSOs and TFPs;
R3: Strengthen collaboration between the government, CSOs and local authorities on budgeting for local development, improving access to essential services for all and decentralising aid to the needy.

Taxation

R1: Better target tax expenditure on disadvantaged households and propose the abolition of derogations that have no impact;
R2: Create financing lines to grant medium- and long-term loans to very small businesses and SMEs, thereby encouraging savings and stimulating investment.

Infrastructure promotion:

R1: Strengthen control and monitoring mechanisms and severely punish corrupt players and companies, while promoting transparency in the award of infrastructure construction contracts;
R2: Set up a committee of infrastructure experts to examine needs and define binding objectives to be met by the various projects;
R3: Give priority to the maintenance of existing equipment and infrastructure;

Gender and climate promotion - cross-cutting:

R1: Implement the gender mainstreaming statistical approach based on the South Sudan model;
R2: Continue support for increased political participation of women and advocate for the promulgation of implementing decrees of existing laws that promote gender equality, to make theses laws operational.
R3: Draw up a climate appendix to be attached to the Finance laws.

ACRONYMS AND ABBREVIATIONS

2024FL2024 : 2024 Finance Law
CEMAC : Economic and Monetary Community of Central African States
CGI : Tax Code
CGCTD : General Code for Decentralized Local Authorities
CICAM : Industrial Cotton mill of Cameroon
CNPS : National Social Security Fund
CSO : Civile Society Organization
DLA : Decentralized Local Autorithies
DGB : Directorate General of Budget
GED: General Endowment for Decentralization
GRB : Gender-responsible budgeting
FCFA: Central African Financial Cooperation Franc
FEICOM : Special Fund for Equipment and intercommunal intervention
GFP : Public Finance Management
GDP : Gross Domestic Product
GIZ: *Deutsche Gesellschaft für Internationale Zusammenarbeit*
GPFMRP : Global Public Finance Management Reform Plan
RG : Civil Society Reference Group for public Finance transparency
IMF : International Monetary Fund
IS : Corporate taxes
MINADER : Ministry of Agriculture and rural Development
MINAS : Ministry of Social Affairs
MINCOMMERCE : Ministry of Trade
MINDDEVEL : Ministry of Decentralization and local Development
MINEDUB : Ministry of basic education
MINESEC : Ministry of secondary Education
MINEPAT : Ministry of Economy, Planning and regional development
MINEPDED : Ministry of the Environment, nature Protection and sustainable Development
MINEPIA : Ministry of livestock, Fisheries and Animal industries
MINESUP : Ministry of High Education
MINFI : Ministry of Finance
MINFOF : Ministry of Forestry and Wildlife
MINMIDT : Ministry of Mines, Industry and technological Development
MINPMEESA : Ministry of small and medium-sized enterprises, social economy and Handicarafts
MINPROFF : Ministry for the Promotion of women and the Family
MINSANTE : Ministry of Public Health
NDC : Nationally Determined Contribution
NDS30 : National Development Strategy 2020-2030
NSI : National Statistics Institut
OECD : Organisation for Economic Co-operation and Development
PADGOF : Decentralization and Financial Governance Support Program
PARPAC : Project to support the strenghtening of agricultural production in Cameroon
PIISAH : Integrated agropastoral fisheries import-substitution plan
PIT : Personal income taxe
PNAAC : National Action Plan against Climate Change
SDG : Sustainable Development Goals
SME : Small and Medium-sized enterprise
SMIG : Guaranteed minimum wage
SONARA : National Refining Company
TFP : Technical and Finncial Partners

GENERAL INTRODUCTION

With a view to modernising the management of public finances, the President of the Republic has enacted several laws, including Law 2018/011 of 11 July 2018 on the Code of Transparency and Good Governance in the Management of Public Finances in Cameroon. This law stipulates in Article 48 paragraph 2 that: "The press, social partners and all civil society actors in general are encouraged to participate in the dissemination of information, as well as in the public debate on governance and public finance management".

Additionally, pillar 5 of the Global Public Finance Management Reform Plan (GPFMRP) 2019-2021, revised in 2022, which celarly highlighted the importance of disseminating budget information and supporting civil society organisations (CSOs) towards improving the public finance management system in Cameroon.

Better still, transparency and realism seem to be far from the criteria that guided key actions, both in the preparation and in the execution of the State budget in Cameroon. Furthermore, the preparation of the State budget should be guided by the search for the well-being of the national community and especially of the most vulnerable, who are unable to claim what is rightfully theirs.

The involvement of civil society players would make it possible to take into account the often forgotten concerns of grassroots populations. Increased budget transparency, meanwhile, will help to strengthen pro-poor budget policies.

In deciding to carry out a citizens' analysis of the 2024FL, following that of 2023, the Civil Society Reference Group for Public Finance Transparency (RG) is following the same approach, and also very cognizant that this analysis is crucial for assessing the government's decisions regarding the allocation of available resources.

The German Cooperation partner, the GIZ, through the Support Programme for the Modernisation of Public Finances in Cameroon (in 2023) and the Support Programme for Decentralisation and Financial Governance (in 2024), has chosen to support the RG in this exercise.

This choice is explained by the fact that the RG encompasses the majority (14 platforms and networks, and 4 Osc) of civil society actors involved in the public finance management chain. It is also involved in discussions relating to the operationalisation of the GPFMRP and the platform for dialogue on public finances.

In deciding to support this work, GIZ is aware that budget analysis enables the RG to analyse the proposed government budget and share their findings and concerns with the government and the public in order to advocate for budgetary changes. Indeed, a sound knowledge of budgetary provisions, combined with an effective advocacy strategy, increases the likelihood of CSOs towards having a positive influence on public policy.

In addition, the Analysis will help to inform citizens about the impact of budget allocations on their daily lives and encourage public opinion to advocate for greater equity in budget allocations. It increases public awareness of key budgetary issues and can lead to the reallocation of budgetary resources to better reflect citizens' priorities and concerns.

CSOs may choose to monitor expenditure to ensure that public funds are used effectively, without fraud or misappropriation.

Furtheneore, this Analysis is an advocacy outline developed by the RG and its partner organisations for the Government, parliamentarians and social actors. The analysis focuses on budget priorities in general, allocations to specific sectors and the effects on different population groups. More specifically, it will look in greater depth at identifying the achievements and relative challenges in four areas: import-substitution, decentralisation, taxation and infrastructure, and carry out a cross-cutting analysis of the impact of climate and gender on the sectors concerned.

In essence, the analysis is divided into six chapters. The first chapter provides a brief presentation of Cameroon's economic development and prospects. The second provides a critical analysis of the provisions of the IFL2024 relating to import-substitution. The same analysis is carried out in chapters 3, 4 and 5 on decentralisation, taxation and infrastructure respectively. Chapter 6 examines the impact of climate and gender on the four themes selected.

CHAPTER 1 : ECONOMIC TRENDS AND PROSPECTS IN CAMEROON

Introduction

Cameroon's economic outlook remains positive, although marked by uncertainties regarding: (i) the acceleration in the prices of food and manufactured products; (ii) the deterioration of climatic conditions; (iii) the persistence of disruptions in supply chains; and (iv) the fluctuation of the euro against the dollar.

In this chapter, we review the recent economic situation, while recalling the Government's main priorities, and presenting a general overview of the 2024 state budget.

1.1-Recent economic developments

1.1.1-Growth and prices

The Cameroonian economy continued to recover in 2023, despite major adverse external shocks. In 2022, Cameroon recorded gross domestic product (GDP) growth of 4.0%, driven by the dynamism of the agro-industry and services sectors; a growth rate higher than the average for other CEMAC countries or African countries[1].

In 2023, despite inflationary pressures, adverse shocks, internal weaknesses and input supply difficulties, the growth rate is estimated at 3.9%[2].

For 2022, the inflation rate is 6.3%, accelerating to 7.4% in 2023, according to the National Statistics Institut (NSI). This inflation is mainly driven by the rise in food prices and transport costs, linked to the 15% increase in fuel prices at the pump and the continuing war in Ukraine.

1.1.2 Investment

The public investment rate narrowly declined from 18.7% of GDP in 2022 to 18.5% in 2023 and could increase slightly in 2024[3]. This rate, which was 45.3% in 1981[4], has remained below 20% for two decades. In 2022, an examination of the Incremental Capital Output Ratio (ICOR)[5], which measures the marginal efficiency of capital, shows that, on average, the marginal quantity of investment capital required to generate one unit of output (GDP) and therefore increase investment is 5.2 points in Cameroon, i.e. above the efficiency threshold of 3. This result reveals the difficulties observed in completing investment projects in Cameroon and/or within the timeframe set. It also reflects the delays observed in the commissioning of certain public investment projects (energy, telecommunications, motorways, etc.), thereby delaying the expected effects in terms of reducing the costs of certain factors.

1.1.3- Current account balance

In 2022, the current account deficit will be 3.5% of GDP, compared with 4.0% in 2021. This result confirms the current account deficit trend observed since 2007. This deficit is the

[1] *IMF, Regional Economic Outlook: Sub-Saharan Africa, April 2023*.
[2] Estimate by the Forecasting Division, Ministry of Finance
[3] MINFI/MINEPAT; IMF estimates; December 2023;
[4] NS. 1999. National Accounts of Cameroon;
[5]The ICOR is obtained by dividing investment by the change in output. It is the inverse of the productivity of investment. It is the number of units of investment required to produce one additional unit of GDP.

result of a persistently unfavourable balance of trade in goods. According to customs statistics[6], the trade balance has been in deficit for the last eight years. Excluding oil, the deficit is greater and is widening at an average annual rate of 4.5 points over the period 2018-2022.
Despite the various measures taken to boost local supply, imports are continuing to rise, and local production is struggling to gain a greater share of the domestic market.
Projections[7] point to a reduction in the current account deficit from 2.9% of GDP in 2023 to 2.7% in 2024.

1.2- Major economic crises affecting citizens

Cameroon is facing four major crises as outlined thus: security, climate, energy and infrastructure.

In terms of security, five of Cameroon's ten regions (North-West, South-West, Far North, Adamaoua and East) are experiencing widespread insecurity (kidnapping, organised crime, etc.), which is affecting the productivity of citizens in these regions.
On the energy front, there have been numerous power cuts since January 2024, with noticeable negative effects at household level and on agricultural and industrial production. This inadequate supply is hampering the productivity and competitiveness of SMEs, which are mainly involved in processing local raw materials.

In terms of infrastructure, the state of deterioration of infrastructure in major cities has an impact on Cameroon's attractiveness in terms of roads and "Doing business". The use of public-private partnerships (PPP) is still insignificant, and is also having a negative impact on the sustainable development of infrastructure.
In terms of climate, Cameroon is experiencing a heatwave that is having a negative impact on agricultural and hydro-energy production.

1.3- The Government's main priorities

In 2024, the government has identified four priority areas: security, the economy, social issues and governance.

In terms of security, the main priority will be to continue to maintain a security watch and to strengthen the disarmament, demobilisation and reintegration process.
On the economic front, the priority is to bring the major first-generation projects into service, to continue implementing the reconstruction plans and programmes for the regions affected by the crises, to continue implementing the import/substitution policy, to continue the process of rehabilitating and restructuring SONARA, to speed up the implementation of the decentralisation policy, and to begin implementing the Initial Impetus Programme (P2I), which consists of a series of projects designed to trigger the structural transformation of our economy.
On the social front, public action will focus on the continued implementation of Universal Health Coverage, with priority given to the treatment of diseases that particularly affect pregnant women

[6] Customs Department of the Ministry of Finance, September 2023
[7] Rapport sur la situation et les perspectives économiques, sociales et financières de la Nation, exercice 2023, Ministry of Finance, Cameroon.

and children under the age of 5, the continuation of health monitoring to guard against epidemics and pandemics, and the continuation of the social safety net project.
In terms of governance, the aim will be to strengthen social cohesion and the decentralisation process, with a view to increasing the participation of fellow citizens in the management of local affairs, and to pursue the policy of clearing the State's domestic debt.

1.4- Outline of the 2024 budget

Through the adoption of the 2024FL, the Government intends to ensure the compatibility of fiscal policy with the objectives of the National Development Strategy 2020-2030 (NDS30), through adequate financing of the resulting expenditure programme, while guaranteeing fiscal sustainability. The aim of the initial 2024FL is to continue improving the living conditions of the population by accelerating industrialisation and increasing the inclusive nature of growth.

1.4.1- Highlights

Following a year which ended with a weak macroeconomic performance, 2024 should herald a rebound in activity, with a growth rate scenario of 4.5%. The other macroeconomic objectives are: an inflation rate of around 4% on average per year, assuming international Brent crude oil prices of US$79.9 per barrel and production of 24.2 million barrels; gas production of 96 billion^{ft3} at a price of US$10.0 per^{m3}. The US dollar is projected at 622.1 FCFA.
Based on these assumptions, the State budget for 2024, with revenue and expenditure totalling CFAF 6,740.1 billion, is up by CFAF 13.2 billion (+0.2%) on the 2023 Supplementary Budget Act. The growth in the budget envelope in 2024 will benefit from the projected increase in tax revenues following administrative modernisation measures, better control of tax administration and the introduction of new tax and customs measures.
This budget is financed from three sources: internal budget revenue (CFAF 5,190.1 billion), borrowing (CFAF 1,489.4 billion) and revenue from special accounts (CFAF 60 billion).
In relation to the year 2023, we note among other major facts:

-A 21.4% increase in personnel expenses;
- A 15% increase in spending on goods and services;
-A 22% increase in capital expenditure
- A 21.7% increase in public debt and a 4.8% rise in interest on debt;
- A 8.9% increase in budget revenues.

The increase in public spending is aimed at improving infrastructure and public services. The budget deficit will fall from 1.1% of GDP in 2022 to 0.7% in 2023. In 2024, it will amount to CFAF 125.4 billion, or 0.4% of GDP. This low deficit will reduce the burden of public debt. In 2023, outstanding public sector debt is estimated at CFAF 12,122 billion, or 41.1% of GDP, compared with 43.7% of GDP in 2022.

1.4.2- Resources

Analysis of the 2024 budget by type of revenue shows a simultaneous increase in tax and non-tax revenue, as well as oil revenue. Internal revenue (excluding grants) is forecast at CFAF 5,093.3 billion, compared with CFAF 4,679.5 billion in 2023, while revenue from Special

Purpose Accounts is forecast at CFAF 60.6 billion and external revenue is expected to peak at CFAF 1,586.2 billion.
Compared with 2023, all own resources headings show significant growth (above the projected level of inflation), i.e. more than 10.9%.
Only grants (-4.2%) and borrowings (-6.3%) are expected to decline over the forecast period.

1.4.3- Expenditure

General budget expenditure is 6 769.5 billion, up 1.9% on the amending finance law 2023, and is made up in order of importance of debt servicing, i.e. amortisation and interest (26.5% of the total), capital expenditure (22.0%), payment of salaries of state personnel (21.4%), transfers and subsidies (15.0%) and purchases of goods and services (15.0%). Major investments are planned to improve vital services (education and health).

1.4.4- Allocation of budgetary resources

In 2024, the budget allocation favoured infrastructure (17.5% of the general budget), education (13.8%), defence and security (6.4%), sovereignty (4.3%) and the health sector (3.8%). On the other hand, certain strategic sectors have been neglected. These are the rural sector (3% of the general budget), the social development sector (0.99%) and the industry and services sector (0.57%).

Compared to 2023, there will be a significant increase (twice the projected inflation rate) in the budgets of the Ministries of Public Works (+17.0%), Urban Development and Housing (+30, 8%), Defence (+13.8%), Water and Energy (12.6%), Public Health (11.6%), Transport (+10.4%), Livestock, Fisheries and Animal Industries (+14.8%) and Communication (19.7%).
The other ministerial departments have seen their budgets grow moderately or decrease in relation to the cost of living. On the other hand, the budget of the Ministry of Agriculture and Rural Development (MINADER) fell by 2.4% during the period under review.

1.4.5- The shortcomings of the 2024 budget

In view of the assumptions used to determine the amount of the budget, it seems to us that it is unrealistic and only marginally compatible with the projected development of economic fundamentals, in particular the inflation rate (+4.0%), in a context subject to inflationary risks, in particular with the pressure from the IMF to increase fuel prices at the pump. The increase in fuel prices will trigger an inflationary spiral likely to considerably erode the purchasing power of the population and further destabilise our SME fabric.

In addition, the suspension of certain tax measures contained in the 2024FL could limit the State's room for manoeuvre in raising more budget revenue.
The decline in MINADER's budget is worrying in a context where the balance of trade is structurally in deficit due to imports of food products with high local production potential. The low budget allocation (+0.99%) for key social ministries (social affairs, labour and social security, employment, etc.) and the industry and services sector is a source of concern in a context where unemployment is one of the major scourges in Cameroon, as well as the implementation of the import-substitution policy. No initiatives are planned to stimulate employment, particularly for young people.

The minimum wage, set at 43,969 CFA francs in February 2024 by Prime Ministerial decree, is inadequate to cope with galloping inflation.
The bulk of the health sector envelope (3.8%) is far below the commitment made in Abuja in April 2001, which was to allocate at least 15% of the national budget towards addressing public health issues.

CSOs in the public finance sector deplore the low level of funding for the production sector, particularly agriculture, and for the social development sector. They are convinced that if the growth achieved is not accompanied by the creation of quality jobs and an equitable redistribution of its fruits, inequalities may worsen.

The 16.4% increase in the envelope earmarked for common expenditure is indicative of the difficulties in rationalising budgetary choices.

The obsession with reducing the budget deficit is undermining economic growth in Cameroon; the ratio of public spending to wealth created is on a downward trend over the period 2021-2023, falling from 16.1% to 14.8%[8]. The gap between expenditure and revenue generally underlines the government's commitment to economic development and stimulating growth. Indeed, according to the April 2022 *Sub-Saharan Africa Regional Economic Outlook*[9], while Cameroon's budget deficit is lower than that of Côte d'Ivoire, Kenya, Senegal and Tanzania, Cameroon's average economic growth rate is lower than that of the four countries. One explanation for this is that the deficit reduction policy is penalising public investment in Cameroon. Furthermore, the fact that debt servicing is the largest item of government expenditure is attributable to the inefficiency and ineffectiveness of public investment in particular, and public spending in general.

1.5- Conclusion and recommendations

1.5.1- Recommendations

In the light of the above developments, a number of macroeconomic objectives and orientations can be formulated:

1- In view of its cause in 2022 and even in 2023, controlling inflation requires the granting of certain subsidies and the improvement of agricultural productivity[10], by choosing a limited number of production sectors on which efforts will be concentrated;
2- Draw up and then effectively apply a circular on reducing the State's cost of living;
3- Re-evaluate budgetary choices to ensure an equitable distribution of resources, focusing on crucial sectors such as education and health, the real pillars of a nation's sustainable progress;
4- Consider providing financial support for projects aimed at the economic empowerment of vulnerable and low-income social categories, as well as facilities to cover essential needs, free medicines, social housing and measures to promote access to employment;
5- Increasing the efficiency of spending would require each ministry to submit a report on plans and priorities, detailing the objectives to be achieved in the short and medium term, as well as

[8] Rapport sur la situation et les perspectives économiques, sociales et financières de la Nation 2023, page 152.
[9] A publication of the International Monetary Fund ;
[10] Which implies the development of production units and the distribution of agricultural inputs.

the means to be used to achieve them. The following year, the department is judged on the results it achieves, and its budget is adjusted to reflect the extent to which its objectives have been met.

1.5.2- Conclusion

Cameroon's economy is resilient compared to other countries. This resilience is justified, among other things, by the diversity and quantity of local products on the market. However, public investment is low and inefficient. The trade balance is structurally in deficit. Strategic industrial policies are needed to reverse the trade deficit and take advantage of the advent of the African Continental Free Trade Area.

Public finances have stabilised, with a steady reduction in the budget deficit, but this is having a negative impact on economic growth.

Five recommendations have been put forward to ensure strong and inclusive economic growth. These include the need to protect spending that is conducive to growth (such as education, health and critical infrastructure), and to preserve social assistance for vulnerable sections of the population (Amaglobeli, 2022).

CHAPTER 2: ANALYSIS OF THE IMPORT-SUBSTITUTION PROVISIONS IN THE 2024FL

INTRODUCTION

One of the objectives of the NDS30 is to reverse the deficit in the balance of trade by implementing an import-substitution policy. The aim of this policy is to gradually replace imported goods with products from local industry, to reduce the volume of imports of consumer goods and to give priority to the development of local production. This chapter presents the provisions of the 2024FL to promote this policy, then proceeds to a critical analysis of these provisions and suggests corrective measures to increase the socio-economic effectiveness of this policy.

2.1- Import-substitution provisions of the 2024FL

The continued implementation of this policy has resulted in proposals for incentive measures and the allocation of resources to production sectors.

To promote import-substitution, the government has included tax and customs measures in the 2024FL.

In terms of customs legislation, the Government is planning four main actions.

1. Exemption from customs duties and taxes on imports of equipment, materials and appliances in the drinking water, renewable energy, health, livestock and fisheries sectors, for a period of 24 months from[1] January 2024;
2. An increase in customs duties on certain imported goods for which there is an abundant local supply, in particular by making them subject to *ad valorem* excise duties;
3. An increase in exit duties on certain goods in order to promote local processing prior to export and to improve the domestic supply of manufactured goods. In this respect, it is planned to raise exit duties exclusively on timber exported in logs from 60% to 75% of the FOB value of the species, excluding those admitted at industrial free points;
4. Re-taxation of pre-cooked rice and perfumed rice, most of which is re-exported to neighbouring countries, from 1 January 2024.
5. In terms of taxes and duties, three measures have been introduced:
6. A 50% rebate on the taxable import value of vehicle parts and components imported by car manufacturing and assembly companies, for a period of ten (10) years from[1] January 2024;
7. Tax exemption for ten years for start-up companies, but obligation to contribute to the CNPS (contained in the 2023 Finance Act);
8. The introduction of a five-year tax grace period for the agri-food sector (contained in the 2023 Finance Act);
9. The downward readjustment of rates for state fees. The aim of this measure is to provide a more favourable tax framework for agricultural businesses, thereby encouraging their development;
10. The abolition of excise duties on locally produced hair, wigs, wool, beards, eyebrows, eyelashes, locks and other textile materials.

11. The energy sector is particularly targeted, with the aim of increasing the share of renewable energies to 25% of the country's energy mix by 2030.
12. With regard to the financing of the budgets of the sectoral administrations' programs dedicated to promoting the import-substitution policy, the budget increases by 13.0 billion, from 114.5 billion in 2023 to 127.5 billion in the 2024FL. This budget is divided between seven ministries. Only the Ministry of Agriculture and Rural Development has seen its budget reduced due to the drop in budgetary support from the African Development Bank for the project to support the strengthening of agricultural production in Cameroon (PARPAC).

The Ministry of Trade is particularly involved in promoting "Made in Cameroon". The Ministry of Public Works (MINTP) acts as an accompanying and supporting administration, providing the population with good quality roads, thus opening up production basins and facilitating the movement of people and goods.

This envelope also finances the following programmes: The Ministry of Mines, Industry and Technological Development's (MINMIDT) "Development and Densification of the Industrial Fabric" program; MINADER's "Production and Productivity of Agricultural Sectors" and "Governance and Institutional Support in the Agriculture and Rural Development Sub-Sector" programs; "Development of Animal Production and Industries", "Improving Livestock Health Coverage and the Fight against Zoonoses" and "Development of Fisheries Production" from the Ministry of Livestock, Fisheries and Animal Industries (MINEPIA); "Valorization of woody and non-woody forest resources", from the Ministry of Forestry and Wildlife (MINFOF); "transformation and modernization of production units" from the Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts (MINPMEESA).

2.2- Critical analysis of measures adopted by the Government

2.2.1- Results of the implementation of the import-substitution policy

To implement the import-substitution policy, in July 2020 the Government drew up a plan (worth €183 billion) to support the production and processing of consumer products for the period 2021-2023, with the main target products being rice, maize, millet/sorghum, soya, wheat, fish and milk. Since 2021, budget allocations for the main production ministries have been increased. These efforts have continued in 2022 with major subsidies granted to certain state structures. The objectives of the 2023 support plan in terms of production volume included, among other things, the collection of 252,000 tonnes of milk, the production of 420,000 tonnes of maize, 407,000 tonnes of rice and 242,520 tonnes of fish. The targets for 2024 are less ambitious than those for 2023. At the same time, the government has introduced incentives and/or compensatory measures, granting tax and customs concessions to stakeholders.

Initial results have been mixed. MINADER estimates show that, with the exception of millet/sorghum, production of the targeted cereals increased in 2021 and fell in 2022. This overall drop in production in 2022 is attributable to difficulties in acquiring inputs (high cost of fertilisers, pesticides and improved seeds) and poor weather conditions. MINEPIA figures indicate that milk production is on a downward trend over the period 2020-2022. While the two

Ministries forecast a slight increase in rice, milk and fish production in 2024, maize and millet/sorghum production will be lower than in 2022.

With regard to exports, the weight of products that have undergone primary processing has fallen, from 29.4% in 2020 to 21.1% in 2022, according to statistics from the General Directorate of Customs. However, the share of these exports in total exports excluding gas and crude oil will recover, rising from 51.9% in 2021 to 55.1% in 2022 and 57.9% in the first nine months of 2023.

On the import side, the most worrying development is the import of fuel and lubricants, the ^{4th} largest export product in 2015. Cameroon remained a net importer of fuels and lubricants well before the Sonara fire in 2019; since then, the situation has become very worrying: the product balance has gone from a deficit of 57.2 billion FCFA in 2016 to 1,031.9 billion FCFA in 2022. Cameroon, an oil-producing country, has become a country where fuel is the most expensive.

In addition, apart from milk, imports of rice, maize, fish, soya and wheat have increased from 2020 to 2022 and year-on-year in the first nine months of 2023.

2.2.2- Causes of these mixed results

One explanation for these mixed results is that there is still no overall import-substitution program, the tendency being instead to house projects to be financed in the sectoral Ministries.

Despite the increase in the budgets of the sectoral administrations' programmes dedicated to promoting the import-substitution policy since 2020, there has been no significant impact on the economy. For example, MINMIDT has remained bureaucratic with audits and the preparation of needs files, and this ministry has not developed a genuine modern technology transfer policy.

The indicators for programs 037 on the modernisation of quality infrastructure and 038 on the development of technologies and the exploitation of intellectual property assets or "the number of intellectual property assets exploited" remain vague, with concepts that are unclear, such as quality infrastructure, or impossible to document.

No indicators are tracked for jobs generated by mining or by industrial activity, as the funding is concentrated on the acquisition of equipment and goods and on studies with no requirement for results.

What's more, the 2023 funding earmarked for CICAM's equipment has not enabled the company to solve its structural problems and safeguard jobs. Instead, the company opted to source its supplies from India (2.2 million linear metres of 8 March loincloths for the 2024 edition). This import led to an increase in the price to 12,000 francs a piece, compared with 6,000 francs in previous years.

MINADER and MINEPIA are revising their production downwards due to low productivity, a real paradox for import substitution. The "Production and productivity of agricultural sectors" programme aims to increase annual production in the main agricultural sectors, but neglects specific food sectors with short-cycle crops and their processing to satisfy consumption and avoid food and nutritional insecurity.

A second paradox is linked to the difficulties facing the local seed industry. While facilities continue to be granted for the import of agricultural inputs, the 2024FL increases the pressure on the fees for registering plant species and varieties in the national catalogue for 5 years, which amount to FCFA 100,000 for locally produced species, on the rental of seed farms and on the administrative costs and fees linked to the performance of Distinctness-Homogeneity-Stability and Agronomic and Technological Value tests, set at FCFA 2,000,000 per variety.

This means that local seeds, which are at the heart of family farming controlled by women and young people, and which provide a livelihood for families[11], will disappear, with the result that the rural world will become even more dependent on imports of usable plant material, opening the door to the impoverishment of all those involved in the sector.

MINTP is experiencing delays in the completion of construction work and roads.

MINFOF has allocated funding to the Wood Promotion Centre, but Cameroon does not produce the laminated wood needed to meet domestic demand. The impression is that the issue of wood processing has been relegated to second place. The excise duties on imported wooden furniture apply only to coffins and kitchen furniture, leaving out office furniture, for MINPMEESA's budget allocation and its support for SMEs have not enabled them to establish themselves locally, let alone export.

In the MINCOMMERCE, consumer products benefiting from the budgetary envelope dedicated to the promotion of import-substitution, continue to be imported in large quantity into Cameroon. This poses a problem of effectiveness in terms of the objectives assigned to the administrations responsible for conducting this public policy.

On the difficult path leading to emergence, the modernization of agriculture is a necessary step for Cameroon. Obstacles to production and processing in the targeted agricultural sectors, for example, need to be removed.

The Integrated agropastoral and fisheries import-substitution plan (PIISAH) is geared towards "large-scale agricultural producers", while food security essentially relies on the "small hands" of rural women and young people, who are unfortunately among the most vulnerable populations.

2.3- Concerns not yet addressed by the Government

For the effective implementation of the import-substitution policy, certain blocking factors denounced in 2023 by the RG persist. These include

- The very strong power of the importers' lobby;
- The IMF's austerity and liberal policy, which is pushing for the abolition of fuel price subsidies at the pump and prioritising debt repayment, while neglecting the production economy and household purchasing power;
- Under-investment in the factors of production. Aware that producing more presupposes the availability of sufficient resources (financial and human);
- Neglect of agricultural opportunities: arable land is estimated at around 7.2 million hectares, but only 1.8 million hectares are actually developed, while irrigable potential is estimated at 240,000 hectares, but less than 33,000 hectares are currently irrigated

[11] It employs 60% of the workforce according to MINADER and NSI statistics.

(investing in Cameroon)[12]. Despite this opportunity, Cameroon continues to import a number of agricultural products, particularly edible fruit (oranges, mandarins, dates, etc.)[13].

2.4- Conclusion and recommendations

2.4.1- Recommendations

In view of the results obtained over the period 2021-2023, the time has come for the greatest pragmatism, involving the search for original and innovative solutions, inspired solely by the desire to provide a satisfactory response to the expectations of the population. There were:

- Reformulate an industrial policy that takes into account comparative advantages, based on import substitution, which holds all the promise of the urgent industrialisation of Cameroon;
- Rehabilitate SONARA and rethink the strategy for processing agricultural products;
- Set up a platform between the Government, the DLAs, donors and other investors, to foster the promotion towards the development of agricultural packs/agricultural agglomerations (irrigation, opening up production basins, building roads, social infrastructure, etc.) and work closely with both Local and Regional Council to allocate and distribute these packs;
- Accelerate the process of supporting national champions in mass production sectors (rice, wheat, other cereals, milk, fish, etc.);
- Design and draw up an official import-substitution policy programme involving all stakeholders. We have high hopes for the PIISAH, which is a three-year programme for 2024-2026 run by MINEPAT with a projected budget of €1,371.5 billion;
- Increase the proportion of public contracts reserved for SMEs and products made in Cameroon, to encourage high value-added products. fund to finance agricultural packs and technology transfer.

2.4.2- Conclusion

Cameroon intends to produce better, create as much local added value as possible, expand and diversify the economic fabric, in order to reduce the trade deficit and improve the well-being of the population.

By truly implementing the import substitution policy, the country will breathe new life into trade policies, reverse the deficit in the balance of trade, and its products from local industry will be internationally competitive and cover national demand.

However, the results of this policy are being held back by structural difficulties such as bureaucracy. The recommendations aimed at overcoming these constraints stress the need for structural and institutional reforms, in particular the need to build a strategic State as emphasised

[12]Investir au Cameroun (Mars 2024) https://www.investiraucameroun.com/agriculture-et-agroindustrie/2701-2939-lere-des-grandes-exploitations-agricoles#:~:text=Les%20terres%20arables%20sont%20estim%C3%A9es,000%20hectares%20sont%20actually%20irrigu%C3%A9es.

[13] According to the NSI, Cameroon imported 18,728 tonnes of edible fruit in 2022, worth FCFA 4.1 billion.

in the 2030 National Development Strategy, but also the need to create a diversified productive system capable of supplying the goods and services needed for investment and satisfying consumer needs, as well as exportable products.

CHAPTER 3: ANALYSIS OF THE PROVISIONS OF 2024FL IN RELATION TO DECENTRALIZATION

INTRODUCTION

In Cameroon, decentralisation is a public policy that plays an important role in achieving the Sustainable Development Goals (SDGs). The desire to transform people's daily lives through their direct involvement and democratic participation in the decisions that affect them has led to the gradual implementation of this process, which is becoming more refined by the day. The decentralisation process was accelerated from 2018 to 2019. Decentralisation involves the State transferring specific powers and appropriate resources to decentralised local authorities[14]. This chapter explores the provisions of the 2024 Initial Finance Law relating to decentralisation, carries out a critical analysis and suggests a number of ways in which it could be improved.

3.1- Taking decentralisation into account in the 2024FL

In 2024, the resources transferred amount to FCFA 292.5 billion (powers exercised), an increase of FCFA 39.9 billion (+16%) compared with the 2023 financial year. Investment expenditure amounts to FCFA 149.1 billion (51.0% of resources transferred) and operating expenditure to FCFA 143.4 billion (49.0%).

MINDDEVEL's budget will increase by 99.2% compared with 2023. This increase can be explained by the fact that resources amounting to FCFA 37 billion, formerly contained in the common chapter and allocated to decentralisation, have been transferred to its budget. These include allocations for the Regions (CFAF 30 billion), the payment of mayors' salaries and the operation of decentralisation coordination bodies (CFAF 5 billion), and the *Public Independent Conciliators* (CFAF 2 billion).

In addition, resources related to competences not yet exercised by the DLAs amount to 581.2 billion FCFA. However, only ministries with small budget envelopes have fully transferred powers. Of the 20 ministries concerned, 16 have transferred all of their powers for a total of 207.03 billion, representing 23.7% of the powers to be transferred.

The 3 basic services ministries (health and education), whose budget envelope (over 649 billion) represents 75.7% of the general budget, transferred only 68.1 billion, or 7.95% of the general budget, including 0.77% for the Ministry of Secondary Education. On the other hand, MINSANTE transferred CFAF 35.8 billion out of 95.6 billion, representing 37.5% of its budget.

With regard to the powers transferred to the regions, it should be noted that six (06) decrees transferring powers have already been signed by the President of the Republic.

For the 2024 fiscal year, the State has transferred the following taxes and levies, referred to as "local taxes'':

- **Taxes and levies collected by the State and redistributed to municipalities through the equalisation mechanism. These are :**
- Additional and Communal Centimes (CAC) ;
- Automobile Stamp Duty (DTA);

[14] Art. 40(1) of the General Code of Decentralised Local Authorities.

- Stamp Duty on Advertising (DTP);
- Local Development Tax (TDL);
- the Annual Forestry Levy (RFA) and the Special Excise Duty for refuse collection and processing.

➢ **Taxes and duties collected by the municipalities themselves are**:

- The final tax, tourist tax, hygiene and sanitation tax, tax on entertainment, tax on temporary occupation of the public highway, proceeds from the use of land and services, tax on games of chance.
- Donations and legacies from technical and financial partners (GIZ, AFD, SNU, etc.), including resources from decentralised cooperation;
- Subsidies from the FEICOM as part of financial assistance to the DLAs;
- Six decrees transferring powers to the regions have been signed by the President of the Republic.

3.2- Critical analysis of the measures adopted by the Government

It should be noted with satisfaction that the 2024 Finance Law introduces a tax on real estate wealth. The proceeds of this new tax will be divided between the Communes (60%) and the State (40%). Another piece of good news is the 16% increase in the General Decentralisation Grant (GDG). What's more, by increasing the budget of the Ministry of Decentralisation and Local Development (Minddevel) by more than 99%, the State is demonstrating its political will to speed up the decentralisation process. In addition, for the 2024 financial year, it should be noted that the regions will be involved in the implementation of transferred powers.

On 9 July 2023, the Minister in charge of decentralisation signed an order laying down the procedures for the creation, organisation and operation of neighbourhood or village committees, as part of citizen participation in communal action. This decree is a welcome initiative in these legal provisions, which to a large extent incorporate grassroots dynamics into the relationship between the local authorities and the central powers.

However, the budget was poorly allocated to investments with a direct impact on the well-being of the population. This is the case for the Ministry of Health, which has been allocated a budget of CFAF 255.3 billion, with only CFAF 9.7 billion earmarked for capital expenditure. In addition, the ministerial programme to "Strengthen the health system" has been allocated 88.2 billion CFA francs, or 1.3% of the general budget, while the powers transferred to the decentralised local authorities will receive 33.8 billion CFA francs. This is not conducive to improving the living conditions of people at grassroots level. These figures are still a long way from the commitment made in Abuja in April 2001 to allocate at least 15% of the national budget to health.

Broadly speaking, decentralisation faces a number of obstacles in Cameroon. These include the governance of public action at local level; the acceleration of the effective transfer of resources and competencies to local authorities; and the development of benchmarks for measuring progress in local development.

In terms of governance, the issue is the distribution and understanding of roles and responsibilities between central government and local players[15]. The main risk is that all eyes will be on central government and nothing will happen until new decisions come from the government. However, regional councils already have levers that they can use. If the decrees specifying how the transferred powers are to be exercised, the actual allocation of budgets and the establishment of organisational charts are not published, all the benefits of the progress made in the process will be lost. We must therefore maintain a sustained pace of consultation, information and awareness-raising among all the players involved in this process.

Concerning the acceleration of the effective transfer of competences and resources to the DLAs, a certain number of resources have already been transferred to these entities. These include the portion of the GED allocated to them and the creation of the local civil service through the presidential decree on the standard organisation chart. However, these resources remain insufficient to drive real development at grassroots level.

In terms of financial resources, although there has been an increase in public investment budget resources allocated to the Municipality from 3% in 2016 to 7% in 2019[16], they remain weak and centralised in terms of their effective conservation and mobilisation.

Admittedly, the General Code of the DLAs, promulgated in December 2019, sets at least 15% the proportion of general budget revenue to be transferred to the DLAs[17], but the situation in 2024 (4.4% of the general budget) remains far from this objective. What's more, there are major disparities between Cameroon's 10 regions.

There is still a long way to go before the various transfers mentioned above succeed in boosting the process of administrative, technical and financial autonomy of the DLAs, so that local players can decide for themselves on the future and destiny of their communities.

What's more, despite the many opportunities for collaboration between CSOs and local development councils, a number of obstacles persist, preventing the various players from In addition, the DLAs are suffering from the problem of over-staffing due to the massive recruitment of staff without taking into account their profile and skills, despite the weakness of their financial resources. This situation is exacerbated by the lack of a staff capacity-building plan to improve the quality of human resources.optimising their collaboration and contribution to the budget preparation process.

3.3- Concerns not yet addressed by the Government

The local authorities have little fiscal power, and the setting of tax rates remains highly centralised. This dependence on central government affects the autonomy of decentralised local authorities' budgetary decisions;

State transfers and subsidies give the local authorities a degree of financial autonomy;

[15] Regional councils, city mayors, governors, prefects and sub-prefects: tools for cooperation between players.
[16] MINEPAT, 2019 data
[17] Art. 25(3) of the DLA General Code

The taxes allocated to the communes for their direct levies are the least profitable and the most difficult to collect, while the decentralised services of MINFI retain the right of pre-emption over the discussed collection and dedicated competences;

The issue of the content to be given to the 15% of the State budget within the framework of the General Allocation for Decentralisation has not yet been resolved;

The operationalisation of the One-stop shop for the treasury is awaited;

The changeover of the DLAs to programme budget mode has not yet taken place, despite the promulgation of budgetary and accounting instructions.

3.4- Conclusion and recommendations

3.4.1-Recommendations

In view of the above, and in order to speed up the decentralisation process, it is necessary to :

1- Accelerate the establishment of a local civil service or a standard organisation chart for the DLAs and promote a public service by workstation. In the meantime, it would be useful to draw up a capacity-building plan for local staff;

2- Strengthen dialogue between the State and the DLAs to ensure that budgeting is geared towards local development;

3- Set up a platform for exchanging financial and budgetary data with Communes, CSOs and technical and financial partners (TFPs);

4- Strengthen collaboration between CSOs and local authorities to improve access for all to essential services and to decentralise relief for the needy;

5- Set up monitoring committees or build the capacity of monitoring brigade staff to ensure that the resources transferred to the DLAs are used effectively.

3.4.2-Conclusion

Decentralisation is essentially based on the access of local and regional authorities to significant financial and material resources, which must imperatively be put at the service of the community's interests in sustainable development and collective well-being. This presupposes sound management of shared local resources, in compliance with good local governance practices, marked by transparency, accountability, democratic participation and inclusion in decision-making, in the implementation of decisions taken, and in monitoring the compliance of actions undertaken.

The recommendations focus on the proper organisation of the local authorities, but above all on providing them with better human and financial resources to foster their autonomy and drive local development. To accelerate the process of decentralisation and local development, it is more than necessary to strengthen the mobilisation of local authority resources, and to improve the allocation and effective use of these resources.

CHAPTER 4 : CITIZENS' ANALYSIS OF THE PROVISIONS OF 2024FL IN RELATION TO TAXATION

INTRODUCTION

Taxation is "a macroeconomic instrument for varying national income"[18]. Well-designed taxation influences a country's economic growth and investment dynamics and plays a key role in profit-maximising investment decisions, while stimulating the development of local businesses. In addition, tax revenues represent a major source of funding for the State budget and play a decisive role in the lives of citizens.

The 2024FL has aroused a great deal of interest, particularly because of the measures and innovations it introduces that will have an impact on people's daily lives. The government has introduced significant changes designed to stimulate the economy and influence people's lives.

4.1- Presentation of the major tax and customs measures contained in the 2024FL

The aim of the new measures is to optimise taxpayers' ability to pay, while at the same time improving tax revenue.

The tax component of the 2024FL is organised around eight (8) pillars:

- Reducing tax loopholes, a major drain on budget revenue;
- Strengthening tax equity, ensuring that each taxpayer contributes in proportion to his or her ability;
- Taxing the informal sector, a major player in the Cameroonian economy;
- Combating tax evasion and avoidance;
- Promoting fiscal civic-mindedness, with the aim of making citizens aware of the importance of paying their taxes;
- Improving the business climate by simplifying administrative procedures and reducing tax burdens to make the economy more competitive;
- Promoting import substitution.

These include, but are not limited to:

- The enshrinement of the country-by-country reporting standard in line with the commitments made as part of the implementation of the BEPS (Base Erosion and Profit Shifting) action plan;
- Automatic exchange of information and intelligence in tax matters;
- The extension of the list of benefits in kind that are subject to an estimate in accordance with the following procedures, for the purposes of determining the taxable base for personal income tax in the "salaries and wages" category (article 33(1) of the General Tax Code);
- Clarification of the procedures for electronic monitoring of invoicing and production by companies (article L 8 bis of the CGI);

[18] Degryse Christophe, "L'économie en 100 mots d'actualité", Paris, 2019, published by De Boeck Supérieur, page 98.

- The requirement for insurance companies to issue a payment certificate generated by the tax authorities' IT system when collecting motor vehicle stamp duty;

- Readjustment of the tax base for ad valorem excise duty on beverages

- ✓ Abolition of the 10% allowance for beer with an alcohol content of 5.5 or less.
- ✓ The reduction from 25% to 10% of the said allowance for carbonated beverages.

- The reduction from CFAF 70/m3 to CFAF 60/m3 in the rate of the Special Tax on Petroleum Products (TSPP);

- The introduction of the possibility of splitting the payment of registration duties on long leases (articles 304, 546 ter and 546 quater of the CGI);

- The introduction of a 50% deduction on real estate transfer duties on inheritances, divisions, releases from joint ownership and gifts inter vivos in direct line and between spouses (article 546 bis (1) of the CGI);

- Reduced taxation of small businesses: The 2024FL provides for the continued reduction of taxation of small businesses in order to promote a favourable tax environment for business development.

The new customs measures aim to:

- Continuing to implement the import-substitution policy, with a view to strengthening the national supply of consumer goods, balancing the balance of trade and supporting economic activity;
- Improving the social and business environment;
- Combating customs and commercial fraud.

Among other things, the 2024FL will:
- provide legal clarification on the statute of limitations in customs matters, in order to put an end to the divergent interpretations recorded between the positions of the Administration and economic operators;
- close the legal loophole on the currency conversion rate applicable when discharging direct removal submissions by means of retail declarations for release for consumption;
- institute joint controls between the Customs Administration and public administrations and bodies where such controls require specific skills, in order to limit overlaps between the said administrations on the other hand;
- provide a stricter framework for the requirement for travellers with more than 5 million CFA francs in foreign currency to present proof of the legal origin of the funds they hold to the Customs Administration at the borders.

4.2- Critical examination of the new tax measures

Modernising tax administration is a major component of the 2024FL. The digitisation of tax procedures is intended to simplify and make more transparent the interactions between taxpayers and the State. This measure also aims to reduce bureaucracy and combat tax evasion.

Economic promotion measures have been included in the 2024FL, such as: (i) the extension of the scope of non-commercial profits tax to income generated on digital platforms by individuals at a reduced rate of 5%; (ii) the reduction from 15% to 10% of the rate of registration duties on business transfers; (iii) the reduction from FCFA 50 million to FCFA 25 million of the amount of savings account investments, the interest on which is exempt from income tax on movable capital. The search for new tax niches, the improvement of the business climate, the reduction of tax burdens and economic promotion measures are likely to strengthen the competitiveness of the economy, and therefore stimulate economic growth by creating an environment conducive to investment. The Report on Tax Expenditure[19] states that tax expenditure has helped to boost private investment. However, the impact of this These new taxes should not only make it possible to increase the level of internal revenue, but also to increase the tax burden in the country, bringing it closer to the African average, estimated at 16% in 2020. Estimated at 11.8% of GDP in 2022, this indicator, according to the Directorate General of Taxes, has reached 12.6% in 2023 and is projected at 13% of GDP in 2024.

However, other provisions of the 2024FL may have a negative impact on household purchasing power (particularly lower incomes), such as the taxation of the informal sector, where there is a large vulnerable population, and the extension of the list of benefits in kind subject to the tax scale. We could also mention the increase in the tax base for Personal Income Tax (PIT) in the category of salaries and wages (Articles 33(1), 33(2), 34 and 65 of the General Tax Code). spending (amounting to 584.7 billion in 2019) on disadvantaged households is low.

These measures come at a time of wider socio-economic crisis, when workers are expecting their incomes to rise. Taxing non-professionals and the self-employed is an overtaxation of taxpayers, as these entities already pay VAT and other consumption taxes. Instead of taxing such players, the Government should provide better guidance and support for very small businesses and SMEs. To support these businesses, the Government could create financing lines to grant them medium- and long-term loans, thereby encouraging savings and stimulating investment.

We also believe that tax exemptions, evaluated in terms of expenditure, should not be limited to the agro-industry, but should be extended to other sectors such as textiles, sea fishing, equipment and accessories, in order to stimulate local processing of our cotton and boost growth and employment. To avoid the perverse effects of exemptions, caused by abusive practices by beneficiaries, exemptions should be subject to an assessment of their economic and social impact in order to ensure that growth is stimulated.

The government should reduce the small business actors' tax dubbed ***impôt liberatoire*** in French to a fixed ceiling depending on the category of activity per small entrepreneur rather than applying it indiscriminately with different rates at different times.

It is also regrettable that the 2024FL makes no provision for incentives to encourage the informal sector to switch to the formal sector. Moreover, as soon as the 2024FL was promulgated, the measures to reduce tax niches, such as broadening the tax base for personal income tax and excise

[19] According to the OECD, tax expenditures are special measures that depart from the benchmark tax system and result in revenue losses for the State, with the aim of encouraging particular economic behaviour by taxpayers or subsidising certain social groups.

duties, were suspended due to pressure from lobbies led by multinationals and exposed politicians.

4.4- Conclusion and recommendations

4.4.1-Recommendations

At the end of the examination of the tax provisions of the 2024FL, which is the subject of this chapter, a number of recommendations are in order.

1- Streamline compliance between tax legislation and practices to increase transparency by organising information, education and communication campaigns on innovations and other tax measures for the benefit of the taxpayers concerned;

2- Create financing lines to grant medium and long-term loans to very small businesses and SMEs, thereby encouraging savings and stimulating investment;

3- Better target tax expenditure aimed at disadvantaged households and propose the abolition of derogations that have no impact;

4- Extend tax exemptions in the textile and maritime fishing sectors to stimulate local production and processing;

5- Introduce a green tax system to accelerate action to prevent and adapt to climate change;

6- Capping the payment of tax in full discharge of liabilities according to the type of player and turnover;

7- Introduce a system of electronic declaration and payment of flat-rate tax.

4.4.2-Conclusion

The tax measures in the 2024FL are deemed to be "strong in stimulating the national economy". While these measures appear to resolve the difficult equation of tax justice and fairness, suspensive measures that follow the adoption and promulgation of the Act, taken as a result of pressure from large taxpayers, particularly multinationals and other politically exposed taxpayers, distort the principle of equality before the tax, and provide a breeding ground for tax inequity and injustice. Against this backdrop, small taxpayers are entitled to ask, with concern for their purchasing power eroded by high inflation, where the tax authorities would mobilise the 3,100 billion clearly defined for the 2024 financial year?

CHAPTER 5: CITIZENS' ANALYSIS OF THE 2024FL PROVISIONS RELATING TO INFRASTRUCTURE

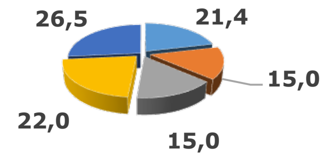
INTRODUCTION

Cameroon's infrastructure is insufficient in both quantity and quality. Cameroon's potential growth is therefore limited by the capacity of existing infrastructure. This is why the "Infrastructure" sector remains the Government's priority. In this sector, the Government intends, over the period 2024-2026: (i) to improve the determination of infrastructure production costs; (ii) to prioritise the construction of public infrastructure; (iii) to define a policy for the maintenance and renovation of public infrastructure.
This chapter looks at how this priority has been taken into account in the 2024FL.

5.1 Taking account of major projects and changes in public investment in the 2024FL

In the 2024FL, capital expenditure accounts for 22.0% of the general budget, the second largest item of State expenditure after servicing the public debt.

Figure: Weight of components of general budget expenditure (in %)



Source: 2024FL

The 2024 budget allocates CFAF 1,168.2 billion to this sector, or 17.5% of the general budget. The Ministry of Public Works has the largest allocation, CFAF 569.2 billion (48.7% of the sector's budget). During the 2024 financial year, government investment will focus primarily on strengthening basic infrastructure, including roads, efficient transport networks, drinking water and sanitation systems, and reliable electricity networks. The weakness of these elements, combined with the weakness of the telecommunications network, is undermining the country's attractiveness. The budget of €1,168.2 billion will enable projects to be carried out in a number of areas :

❖ **Physical infrastructure**

- The asphalting of 869.25 kilometres (km) of roads;
- The asphalting of 64.14 km of surface-coated rural roads;
- Maintenance of 504 km of surfaced roads;
- Rehabilitation of 22.98 km of main roads;
- Maintenance of 2,561.32 km of priority rural roads;
- The rehabilitation of 146 km of major city roads;

- The construction of 335 social housing units;
- The construction of 9.3 km of drains;
- The rehabilitation of 869.23 linear metres of engineering structures;
- The construction of 720 linear engineering structures ;
- The construction of 127 culverts or culverts.

v **Water and electricity**

- Equipping 615 boreholes
- The construction of 20 agro-pastoral boreholes;
- Construction/rehabilitation of 32 drinking water supply networks;
- Electrification of 424 localities;
- Electrification of 804 localities using photovoltaic solar systems;
- Construction of 20 latrine blocks;
- Construction of 121 mini drinking water supply systems.

❖ **Education**

- Construction of 10 amphitheatres ;
- The construction of 25 teaching blocks
- The construction, rehabilitation or equipping of 19 workshops;
- The construction of 729 classroom blocks;
- The construction of 95 nursery blocks;
- The acquisition of 30,475 tables and benches.

❖ **Health**

- The construction/rehabilitation of 158 District Medical Centres and Integrated Health Centres;
- The construction of 9 hospitals
- The rehabilitation of 17 hospitals.

5.2- Socio-economic impact of the measures adopted by the Government

Only 8.4% of the road network was paved, with a total length of 121,873 km as at 31 December 2023, with an estimated annual increase of around 200 km thanks to the implementation of a portfolio of ten projects by the Ministry of Public Works[20]. It would take around 51 years to make up this shortfall. Yet the government has continually invested in physical infrastructure in order to improve the basic services provided to citizens and to meet the overall objectives of the country's emergence by 2035.

Although the volume of funding[21] for projects has been substantial for many years, there are still a number of shortcomings in terms of infrastructure, which undermines Cameroon's attractiveness and impoverishes its people. The record on completion is not particularly impressive, due to the enormous delays. For example, construction work on the Yaoundé -

[20]elated link: "Infrastructures routières : plus de 200 km de routes seront bitumés dès cette année 2023, sous financement BIP
"available at: https://www.mintp.cm/fr/news/1625/47/Infrastructures-routieres-plus-de-200-km-de-routes-seront-bitumes-des-cette-annee-2023-sous-financement-BIP; consulted on 27 March 2024
[21] see box on the economic assessment of major projects

Douala motorway, which began in the first quarter of 2013, is stalling 11 years after it was launched. The construction of this emerging road infrastructure is only in phase 1, which concerns the Yaoundé - Bibodi section, stretching over a distance of 60 km[22]. Several infrastructure construction projects that have already begun are still underway in Cameroon in 2024, requiring significant resources from the State budget every year.

In general, the implementation of investment projects is fraught with difficulties, such as the lack of coordination between the project and the related infrastructure, inadequate coordination between stakeholders, the multiplication of operational units, the large number of A MINEPAT report[23] published at the end of January 2014 highlights the amateurism, incompetence and carelessness that are hampering the implementation of development projects in Cameroon. The report also highlights the fact that the government signs project agreements without any indication that it will cover the cost of rehabilitating access roads or compensating local people. In addition, resources are not used in accordance with the real needs of the projects. Corruption in the management and implementation of investment projects, combined with impunity, hampers the efficiency and effectiveness of infrastructure development in Cameroon.

Companies that obtain contracts through corruption often use poor quality materials or dubious construction practices (the 94 km Bakoko - Limbé - Idenau road, due to be delivered in 2023, is already in an advanced state of disrepair). The impunity of public works companies undermines competition and innovation in the sector, and prevents the country from benefiting from best practices and efficient technologies. In addition, forecasts for contributions to the budget from external partners are exceeded every time.

Overall, the main causes of project failure in Cameroon are generally: 1) inadequate quality of preliminary studies; 2) inappropriate technical and financial evaluations; 3) lack of rigour and objectivity in procurement procedures; 4) failure to meet payment deadlines; 5) difficulties in releasing start-up advances.

The consequences of these approximate estimates are an increase in the number of abandoned sites, poor execution of the work or defects in the construction of buildings, requests for riders by the winning companies, higher costs for the work, longer completion times, a high risk of budget crises and a timid improvement in the living conditions of the population.

Box on the economic impact of major investment projects

Since 2010, public investment spending has played an increasingly important role in the State budget. This expenditure is allocated primarily to the construction/rehabilitation of infrastructure. In order to break with the scattergun approach to public investment, the NDS30 advocates the massive allocation of resources to major public investment projects.

The volume of internal resources devoted to these projects between 2010 and 2023 is approximately CFAF 3,321 billion, or an average of CFAF 237.2 billion per year, with a maximum of CFAF 419 billion in 2022. The latter figure reflects the government's desire to complete major so-called1st generation projects.

[22] https://lacremehebdo.com/2024/01/10/autoroute-yaounde-douala-284-milliards-de-francs-cfa-pour-60-km/

[23] Revue de l'exécution physico-financière de l'investissement public de l'exercice 2013, Final report.

As these internal resources are limited, and in view of the infrastructure deficit, between 2010 and 2023 Cameroon made external commitments totalling CFAF 5,895 billion to multilateral, bilateral and commercial creditors. These external resources have been channelled into infrastructure financing to the tune of CFAF 2,671 billion (72% of which is in the road sub-sector), energy to the tune of CFAF 1,589 billion, water to the tune of CFAF 880 billion, urban development and housing to the tune of CFAF 272 billion, and ICT to the tune of CFAF 480 billion.

Overall, despite delays in implementation, the economic contribution of major projects is positive.

In the area of transport infrastructure: (i) Cameroon's seafront has been improved with the commissioning of a2nd port at Kribi with one of the best draughts in the Gulf of Guinea; (ii) the eastern and western entrances to the city of Douala have been widened and a second bridge has been opened over the Wouri, making traffic across Douala more fluid; (iii) several major roads have been built, totalling 2,616 kilometres.

In the area of energy infrastructure: (i) the Lom-Pangar dam, with a reservoir of 6 billionm3 of water, has paved the way for the construction of new power stations in the Sanaga basin, and will mechanically increase the output of existing power stations by 120 MW; (ii) several power stations have been built (750 MW), including the Kribi and Dibamba gas-fired power stations, and the Memve'ele and Mekin hydroelectric dams. The Ministry of Energy estimates that the rate of access to electricity in Cameroon is around 72%. This rate reaches 94% in urban areas and barely 40% in rural areas.

In the area of telecommunications infrastructure, around 18,000 kilometres of fibre optic cable have been laid to improve digital access. Data on software infrastructure is not available.

However, the implementation of major 1st generation projects has encountered a number of difficulties, such as the poor quality of feasibility studies, the lack of coordination between the project and related infrastructures, the inadequate coordination of players, delays in the payment of compensation, the multiplication of operational units and the excessive number of projects.

Source : Evolution des grands projets d'investissement, Annexe du projet de loi de Finances 2024.

Road quality along the country's regional corridors is poor, suffering from poor maintenance and weak enforcement of axle-weight regulations, contributing to high transport costs.

Many ministries massively prefer to allocate their public investment budget to the "acquisition of office equipment" and other "construction or rehabilitation work" for their decentralised structures, a far cry from the objectives of improving people's living conditions.

The 2015 report by the Public procurement regulatory agency (ARMP) reveals that most abandoned projects are in rural areas.

In general, the failure of a project is caused by: lack of visibility on the project, imprecise or hidden objectives, underestimation of the time needed to complete it, no visibility on the availability of resources (human, financial, etc.), shortcomings in risk anticipation, poorly defined priorities, lack of communication within project teams, etc. This situation leads to poor sustainability of public finances.

Continued infrastructure development has a direct impact on the State's financing requirements. Recurrent borrowing to finance public spending, some of which is non-productive, is eroding the State's ability to rebuild its assets. It does not reflect an effort to improve the productivity of the economy and prepare for future growth.

Reducing the infrastructure deficit could be mitigated by efficiency gains or by reducing inefficiencies. Efficiency could be increased by reducing administrative obstacles, simplifying legal means or making legal provisions more flexible when building infrastructure.

Civil society should ensure that public administrations use the resources made available to them for "production infrastructure" needs, in order to better appreciate their "impact on development and population satisfaction". This action by CSOs must be supported by the Government and technical and financial partners. Indeed, funds must be allocated towards measures to reduce waste and improve efficiency.

The importance of public investment calls for a rationalization of investment choices, through more systematic use and a posteriori evaluation of the projects thus financed, to ensure their socio-economic effectiveness.

5.3- Conclusion and recommendations

5.3.1 Recommendations

Following the review of the infrastructure situation described in this chapter, a number of recommendations are in order.

1- Set up a committee of infrastructure experts to examine needs and define binding objectives to be met by the various projects;

2- Strengthen control and monitoring mechanisms, and severely punish corrupt players and companies, while promoting transparency in the award of infrastructure construction contracts;

3- Develop public policies that encourage the participation of the private sector and civil society in the development and management of urban infrastructure;

4- Involve CSOs in infrastructure projects, so that they can assess the extent to which these projects have been achieved and maintain them in good condition. They can ensure that public administrations use the resources made available to them for production infrastructure needs, in order to better assess their impact on development and the satisfaction of populations;

5- Organise an awareness-raising campaign on the need for and importance of citizen monitoring/evaluation in the management of infrastructure projects;

6- Work to ensure the longevity of works and infrastructure designed to improve the living environment of local people by raising awareness of the need for good citizenship, particularly respect for public property and compliance with the regulations in force;

7- Encourage investment in green, resilient and inclusive infrastructure for development (GRID), to stimulate economic growth and reduce the effects of climate change by reducing greenhouse gas emissions.

5.3.2 Conclusion

The country suffers from poor execution of infrastructure projects. Only collective and determined action on the part of the authorities, companies and civil society can clean up the sector and guarantee the construction of quality infrastructure in Cameroon.

Investment projects must be carefully selected to ensure a high level of economic and social returns, while improving the efficiency of public spending.

CHAPTER 6: CROSS-CUTTING CITIZEN ANALYSIS OF RELEVANT GENDER AND CLIMATE PROVISIONS OF THE 2024FL

INTRODUCTION

In addition to the gender issue, one of the challenges targeted by the Cameroonian authorities as part of the 2024 budget is climate change. The climate crisis, which is having a major impact on Africa, is a subject that is increasingly being taken up by African leaders because of its socio-economic impact. For several years now, developing countries, including Cameroon, have been lobbying for more funding from rich countries. The urgency of the situation for the continent's countries has gradually prompted governments to include the issue in the 2024 budget bill.

The gender-responsive budgeting (GRB) approach, for its part, is an asset for attacking the inequalities that persist between women and men at all levels[24] at their roots and strengthening the efficiency and effectiveness of the public policies pursued by the State.

Gender analysis of the budgets for the four sectors of Import-Substitution, Taxation, Decentralisation and Infrastructure will help guide decision-makers in taking into account the socio-economic, political and environmental needs and concerns of women and men, and their participation in development initiatives, with a view to achieving social equity and reducing poverty in order to achieve the sustainable development to which the country aspires by 2030.

This interest is in line with the government's commitments in terms of gender, the National Gender Policy (NGP) 2021-2030 and the GRB approach, a very recent approach that has been running in Cameroon since 2022.

In fact, the GRB approach will only be implemented in Cameroon from 2022, although the government's commitments in this area date back to 2009.

6.1- Taking climate and gender into account in the 2024FL

The Government's commitments in terms of GRB, reflected in the guidelines to this effect in the Circulars of the President of the Republic relating to the preparation of the State budget for the 2009 financial year, have remained a dead letter. However, they have been speeded up through the circulars of the President of the Republic relating to the preparation of State budgets signed in 2021, 2022 and 2023, as well as through the choice of ten (10) pilot ministries (MINSANTE, MINEDUB, MINFI, MINEPAT, MINADER, MINEPIA, MINDDEVEL, MINESEC, MINAS and MINPROFF).

The implementation of this approach, which was carried out without any real identification of gender issues in the various sectors, has improved with the emphasis placed in the 2024 circular on a prior analysis of the gender situation within the perimeters of the said ministries before defining the actions to be budgeted for. This action is already underway in some of these public administrations.

[24] Cameroon Gender Profile, 2021

Implementation by the ministries selected for the GRB initiative will take the form of a Gender-Sensitive Budget Document appended to the 2023 and 2024 Finance Acts.

The total gender budget in the 2024FL is CFAF 74.74 billion allocated by the ten ministries concerned to reducing inequalities between women and men out of a general budget of CFAF 6,679.5 billion, i.e. 1.1%.

This budget envelope does not provide a valid response to gender issues, i.e. women's participation in decision-making spheres and interventions in these sectors; their access to production factors/mediums/resources (land, financial capital, technologies, techniques, etc.).

Furthermore, the budget of MINPROFF, which is responsible for monitoring the implementation of gender issues in all development sectors in Cameroon, is 9.5 billion in 2024, or 0.1% of the general budget.

On the other hand, climate change is having an impact on all socio-economic sectors, with serious consequences for our daily lives, especially for vulnerable populations (women, young people, etc.), leading to unemployment, malnutrition and various illnesses. Climate financing According to Cameroon's updated nationally determined contribution (NDC), the total cost of the investments required to achieve the 2030 targets amounts to 34,778.9 billion FCFA. Over the period 2015-2020, Cameroon has only been able to mobilise CFAF 98,026.93 million as part of its commitments under the Paris Agreement. Out of a commitment of $380 million for climate financing in Cameroon, only 3% comes from the private sector. Private sector participation is becoming one of the main challenges in implementing climate actions through the use of climate financing instruments such as bonds and green climate funds.is therefore crucial if Cameroon is to achieve sustainable development.

Cameroon could also take advantage of its significant natural capital as an alternative for climate and green growth financing. Action to reduce trade and illicit flows in natural resources, and better governance of these resources, could generate greater revenue to finance green growth in Cameroon.

MINEPDED and MINADER are the ministries concerned with climate issues, respectively through the "Climate change, desertification and drought: reducing the vulnerability of development activities to the adverse effects of climate change" programme, worth €3.6 billion, and the "Sustainable management of production systems" programme, worth €11.04 billion.

6.2-Analysis matrix for gender mainstreaming in targeted sectors

SECTEURS	TAXATION	IMPORT-SUBSTITUTION	DECENTRALISATION	INFRASTRUCTURES
PROGRESS	The gender-responsive budgeting (GRB) methodology adopted by the government since 2021 benefits from fiscal resources for financing expenditure on gender issues in the programmes of the ministries concerned. Gender budgeting is a tool for ensuring better allocation of funds to achieve equality between women/girls and men/boys.	Many programmes set up by MINADER and MINEPIA under the Import-Substitution scheme for the development of agricultural production and animal industries, with the support of TFPs, target women in particular. Only MINEPIA has a few gender-sensitive activities The creation of roads and rural tracks to open up production areas enables both women and men to sell their produce easily.	Gender mainstreaming in the planning of local development interventions at the level of the CTDs has been effective for some years now, thanks to the support of the National Participatory Development Programme (PNDP). But the application of the gender approach in socio-economic interventions is far from being a reality. The construction of tracks to open up plantations or fields so that both women and men can sell their food crops. The introduction of a national gender policy that emphasises the need to take gender into account in all policies at all levels, particularly in decentralisation policy. Existence of gender-disaggregated statistics in the form of policy briefs in certain development sectors (Women Counts Programme MINPROFF, INS, UN Women,)	Taking account of the gender dimension in infrastructure in certain areas and as part of projects or programmes supported by technical and financial partners: construction of schools or educational establishments with separate toilets for girls and boys; construction of markets with separate toilets; provision of socio-economic infrastructure attached to the roads built (markets and modern storage facilities for women's associations, etc.); basic social infrastructure of greater interest to women, such as water works. Gradual emergence of women in infrastructure-related professions in various fields (energy, water and sanitation, roads, etc.) thanks to incentives to enrol in the relevant courses of study.
INSUFFICIENCY	The tax measures taken by the government are not directly gender-sensitive, nor can this be detected by reading between the lines. Increasing the burden of taxation on the general population, exacerbating the impoverishment of the most vulnerable groups, most of whom are women. Fiscal pressure on the population due to direct or indirect taxation, with a higher weighting of indirect taxation	The planned actions are neutral, with no details of the targets, which may be either men or women overall, and no information or indicators disaggregated by gender. For example, MINADER and MINEPIA, which have the largest import-substitution budget, have neutral overall indicators (2024FL) and outputs (Annex 2024 of the import-substitution programme). This neutrality is incomprehensible when women and men have different	There are many obstacles to women's participation in the decentralisation process: Gender issues are still insufficiently taken into account in the decentralisation process: This translates into little consideration of women's economic and social contributions and their demographic weight, both in the implementation of community development actions and in the distribution of responsibilities in the management of local affairs, limiting their inclusion in local development	Neglect of the systematic consideration of gender issues in infrastructure projects : infrastructure has a significant cost for health and the environment and all other sectors with negative social repercussions, which often affect women in particular. The adoption of the gender approach in infrastructure construction has not yet become a requirement, despite the government's commitments to equality between women and men and the prescriptions of the National Gender Policy 2020-2025 to this effect in one of its strategic areas Strategic area no. 3: Strengthening women's contribution to economic development through their

	(over 60% of tax revenues) and new non-tax measures imposed on health centres and schools, which may accentuate inequalities between women and men, making it more difficult for women to access these basic social services. Derivatives of fiscal policy based on explicit or implicit gender biases that entrench gender inequalities through the way political decisions about the national budget and public spending are made or through public policies that encourage discriminatory behaviour in professional and economic life or consumption patterns. These include tax provisions in the law, regulations or practices that are inherently discriminatory insofar as they are rooted in patriarchal traditions, and the apparently equal treatment of men and women by tax structures but with an inequitable impact on both social categories due, for example, to differences between men's and women's incomes and ownership structure.	experiences and activities with regard to import-substitution. The absence of such data makes it impossible to assess the participation of women and men, or to quantify in terms of quantity and value the contributions of each in achieving the objectives of this policy. The contribution of women in the agricultural processing industries in which they excel is not known. None of this shows any express desire to ensure the equitable participation of women in this policy. Women, who are disadvantaged by the division of labour, devote most of their time to domestic work, which explains why they devote little time to production activities ; hence their low rate of employment in the formal sector and their strong presence in the informal sector; they suffer from more difficult access than men to the means of production (land, credit/subsidies, technology, training, labour, etc.). Low participation of women in the development of agro-industries. The same applies to SMEs involved in processing.	interventions and their participation in the management of local public affairs. Low participation of women in the local development of their communities There is no explanation for this situation. Because : Women's contribution to the national and local economy is indisputable, even if it is not reflected in figures or in an analysis that makes it possible to include unpaid work in the country's GDP. They account for 45.3%[25] of the working population, bear almost all the domestic burdens and play a key role in agricultural production. This is not reflected in their participation in local socio-economic development, and their socio-economic situation continues to give cause for concern. Their demographic weight - 50.6% of the population - is a numerical asset that is not reflected in their level of representation on local decision-making bodies, which should give them the means to steer elections in the direction of their concerns and problems at local level. Their participation in the management of local public affairs remains low: there are few women in the running of local affairs: 9.7% of mayors out of 360 (2020-2025); 0 city mayors out of 14; 0 regional presidents out of 10; at command level, 03 women prefects out of 58; 15 women sub-prefects out of 360; 0 women out of 10 governors. *A multitude of obstacles prevent women from exercising political functions at*	inclusion in productive circuits and equal access to employment opportunities and factors of production, in particular Priority Area 5 Promoting equitable access to factors of production (natural resources and land, money, technology, infrastructure and equipment). Low participation of women in infrastructure projects and in the institutions or structures responsible for infrastructure. Lack of interest among girls in infrastructure-related subjects in their university curriculum, despite some progress, due to obstacles linked to socio-cultural traditions and discrimination. Few women working in infrastructure, particularly in positions of responsibility. Insecurity and risk of rape and prostitution for women working in the roadside trade.

[25] World Bank, 2021. Women aged 15 and over.

			local level and the balanced participation of women in the decentralisation process. *On a legal level, these include texts relating to decentralisation that are insufficiently or not at all gender-sensitive.* *Socio-culturally, women's enjoyment of their rights is poor; they have a low level of education or are even illiterate; they are overburdened with domestic chores that leave them little time to take part in public activities; there is insufficient synergy and commitment on the part of the various grassroots community organisations (associations, women's cooperatives, savings and loan associations, etc.) to defend women's interests.) to defend women's interests; a lack of information on public policies, particularly on the decentralisation process, the mandate of local authorities and their rights and duties as citizens within them; socio-cultural constraints based on negative perceptions and representations that see women's candidacies as an intrusion into a field reserved for men; women's limited financial resources to meet the costs of election campaigns.*	
RECOMMENDATIONS	Improvement of gender equality in taxation by public authorities Ensure the implementation of a gender-sensitive tax policy that would contribute to changes and transformations in gender roles and power dynamics. Carry out a gender analysis of the tax system to gain a better understanding of the impact on women and men of revenue	Improving women's participation in import substitution programs. Take measures to reduce the arduousness of women's domestic work. Facilitate women's access to means or resources of production, within the framework of existing or new programs. Ensure the disaggregation of data by gender in order to measure the	Improving the legal framework relating to territorial decentralisation to promote effective and equal participation by women (Constitution and texts relating to decentralisation, including the strengthening ofgender mainstreaming in the Electoral Code). Strengthen women's political rights in the Constitution with regard to access to decision-making bodies, through a new provision on equal representation of women in relation to men as stipulated in Article 9 of the Protocol to the African	Integrate gender into all phases of the infrastructure project cycle to create gender-responsive and socially inclusive infrastructure. Take steps to ensure that gender issues are taken into account in all phases of the project cycle, starting with the design of infrastructure projects, using UNOPS tools and methodologies. Tools and guidelines created by UNOPS in collaboration with UN Women, to ensure that all its infrastructure projects integrate

	collection, allocation and spending policies. This will be done by examining the gender specificities in the economic areas of paid employment and unpaid work; ownership structures and consumption expenditure and the gendered nature of tax administration; and policy making and public expenditure.	participation of women and men in the import-substitution policy.	Charter on Human and Peoples' Rights on the Rights of Women, or through the introduction of positive discrimination in accordance with Article 4(1) of the CEDAW. Strengthen the gender sensitivity of the texts on decentralisation by explicitly taking account of the gender dimension in the texts, with provisions encouraging the participation of women in local affairs and specifying the consideration of gender issues in the texts granting the local authorities transferred powers in the various areas. Equal participation of women in local governance Better involvement of women in local consultative bodies for decentralisation. Equal participation of women in local development actions in all areas Take measures to facilitate women's access to productive resources (land, finance, technology, training, labour, etc.) and markets. Implement measures to ensure equal participation of women in public procurement contracts Set up programmes to develop women's activities Informing and educating women about decentralisation and local governance Develop information and education programmes for women on decentralisation and local governance. Support the development of synergistic women's association movements to defend women's interests. Implement a gender mainstreaming statistical approach based on the Sou**th Sudan model.**	gender considerations into their activities and to promote gender equality in all phases of the infrastructure project life cycle. Other tools such as the SustainABLE Tool and the Infrastructure Capacity Assessment Tool (CAT-I) are also available and can be downloaded from the UNOPS website. Capacity-building in gender mainstreaming in infrastructure Provide training for the various stakeholders involved in infrastructure construction based on the training module on gender mainstreaming in infrastructure projects developed by UNOPS in partnership with UN Women. Gender sensitivity of staff recruitment in infrastructure projects Raise awareness among decision-makers with a view to taking gender into account when recruiting staff for infrastructure projects, major infrastructure projects and rural development projects. Reduce the arduousness of women's domestic work (reduction and length of time) and create jobs Develop infrastructure projects to free up women's time for productive economic activities. Develop infrastructures based on the creation of new job opportunities for women and their protection from gender-based violence. Implement strategies to challenge social norms based on gender stereotypes and influence access to and use of structural resources..

6.3-Analysis matrix for taking into account the climate dimension in targeted sectors

SECTORS	TAXATION	IMPORT-SUBSTITUTION	DECENTRALISATION	INFRASTRUCTURES
PROGRESS	The environment plays a key role, with a clear and precise set of taxes and fines relating to the protection of nature: summary environmental and social impact assessments (EIES) and environmental impact statements (NIE) for companies and private individuals the construction of schools in marshy areas, noisy churches near hospitals, and industries next to homes environmental offences such as failure to carry out checks, monitoring or inspections the creation of illegal dumps and the dumping of hydrocarbons in maritime areas wildlife services and protected areas in the highly touristic biodiversity sector. Application of the Polluter Pays Act since 1996 with the Framework Act on Environmental Management. Conclusions of the Paris Agreement on voluntary cooperation between several States and organisations cop 2015 in accordance with Article 6 of this AGREEMENT, which requires all interested countries to determine their national level of emissions. For the past 9 years. Deployment of the Climate Focal Point at the Ministry and creation of the National Climate Change Observatory (ONCC); PROGRESS 2 mechanisms relating to Article 6 of the 2015 Paris Agreement on the financial aspect of climate change at international, regional and local level: RATI: nationally transferred mitigation results replaces joint agreements (Kyoto) Sustainable Development Mechanisms to replace the Clean Development Mechanism (Kyoto) Confirmation of the Warsaw framework, COP19, which strengthens the Reducing Emissions from	Law on the local processing of timber resources	Setting up the Climate Fund in Cameroon, Establishment of the Green Climate Fund in 2010 by the United Nations, attached to the United Nations Framework Convention on Climate Change 23 billion collected in 2023 Establishment of the Climate and Sustainability Fund with the support of the IMF 110.6 billion to combat climate change in Cameroon 31 January 2024 The World Bank sets up a 330 million dollar project to improve infrastructure and climate resilience in the Far North. Capacity building in climate finance by the AfDB in 2022 Existence of communal development plans, taking into account the needs and priorities of local populations. Transfer of competences in the area of climate change, in particular environmental protection, to the regions (protection and other local nature protection measures; combating bush fires; drawing up, implementing and monitoring regional environmental action plans).	Measures to adapt to the impact of climate change on infrastructure, as set out in the National Action Plan for Adaptation to Climate Change. Nine (9) of the 20 planned projects took account of infrastructure issues, including Project 7: Adaptation of infrastructure construction technical reference systems to the effects of climate change (with the objective of adapting infrastructure construction and maintenance technical reference systems to the possible effects of climate change) and Project 10: Adaptation of the National Gender Policy and reduction of their vulnerability to climate change (with the aim of integrating gender issues and vulnerability to climate change into national policy.

	Deforestation and Forest Degradation (REDD+) mechanism COP 28 November December 2023: Losses and damages (e.g. rain damage).)			
INSUFFICIENCY	The carbon axis does not seem to have been explicitly addressed in the Public Finance Act 2024. Taxation does not appear to target all aspects of climate change Existence of environmental taxation : introduction of taxes to repair damage Activities leading to the introduction of taxes to repair damage	Delay in implementing green technologies, transfer under the Paris Agreement (Article 10). Non-application of the law on local processing of timber resources The climate dimension has not been specifically addressed in the import substitution policy; it is not reflected in all the programmes concerned in 2023 and 2024, except in MINADER programmes (programme 185 (new) in the 2024 Financial Law). The 2015 National Climate Change Adaptation Plan, based on the areas involved in import-substitution such as agriculture, energy, mining and industry, proposes measures that do not seem to have been considered. Article 19 of Circular 001/30 August 2023 on the preparation of the 2024 budget recommends the implementation of mechanisms to promote climate finance, which also does not appear to have been considered.	Poor knowledge and mastery of Community Development Plans (CDPs) by development actors responsible for planning and implementing policies at local level, particularly those relating to climate change issues Weaknesses in local public policies on climate risk mitigation, especially adaptation measures to combat climate change Faible capitalisation des atouts des collectivités territoriales en matière de lutte contre les changements climatiques Weak capacity building of the CTDs in the fight against climate change Insufficient human, material and technical resources transferred	The PNACC put in place in 2015 to deal with the impacts of CC has been slow to be implemented. As a result, the negative impacts of CC on infrastructures, such as their destruction, the damage to some and the hindrance to the construction of new ones, are not being seriously addressed. Insufficient consideration of pollution in infrastructure at all levels
RECOMMENDATIONS	Investing in the introduction of a carbon tax as a tool for the ecological transition to finance renewable energies Changing the tax system to take better account of climate change Encourage contributors to greenhouse gases to bear the cost by adopting a "polluter pays" policy	Accelerate the ongoing implementation of green technologies, transfer within the framework of the Paris Agreement (Article 10). Ensure that the measures recommended in the 2015 PNACC on import-substitution are applied, and update the 9-year-	Put in place mechanisms to decentralise Climate Funds at local level and create sustainable livelihoods that are resilient to climate change. Develop territorialised approaches to ensure that decentralisation contributes effectively to meeting climate challenges.	Take account of women as major players in Cameroonian society at all levels of the climate change adaptation strategy (policies, programmes and measures) in infrastructure projects from the moment they are designed or developed. Increasing the resilience of infrastructure in all sectors

	Increasing the transparency of the approach used to estimate climate-related tax expenditure (green budget) Make carbon tax and finance an instrument of social justice Implement a comprehensive fiscal and financial reform geared towards the ecological transition	old plan by reformulating the definition of the gender concept. Implement the recommendations relating to climate change contained in the PEFA Report, in particular an appropriate regulatory and legal framework to enable administrations to genuinely integrate the climate dimension into their programmes. Proceed with the development of an execution report on actions dedicated to climate issues as an annex to the finance law. Emphasize socio-economic sustainability which leads to environmental protection in development sectors,	Strengthen the capacities of local and regional authorities in the fight against climate change. Accelerate the transfer of competences relating to climate change issues to support initiatives aimed at mitigating their effects and promoting environmental sustainability. Draw up a green budget to ensure that the State achieves its environmental objectives (display of environmentally-friendly spending). Strengthen ownership by society and the technical ministries of these instruments (National Action Plan against Climate Change (PNACC) and the Sustainable Development Mechanism (SDM) and the Internationally Transferred Mitigation Results (ITMR) developed at Paris COP15). Drawing up environmental impact studies Evaluate the implementation of the PNACC Integrate the climate dimension into all national sectoral policies Integrate civil society and the CTDs into the management of the Climate Fund and the IMF's Climate and Sustainability Fund Adjust and integrate the climate dimension into all aspects of local development.	(education, health, telecommunications, energy, transport and roads) to climate change by using climateproofing. Adapt public services, including the construction of schools and hospitals, to the effects of current climate hazards.

6.4- Conclusion and recommendations

6.4.1- Recommendations

At the end of the gender and climate review, in relation to the sectors concerned (Import-substitution, Decentralisation, Taxation and Infrastructure), a number of recommendations are in order.

1- Carry out a gender analysis of the tax system to gain a better understanding of the impact of revenue collection and allocation policies;
2- Facilitate women's access to means or resources of production (land, credit/subsidies, technology, labour, etc.) under existing or new programmes;
3- Ensure that data is disaggregated by gender in order to measure the participation of women and men in the import-substitution policy; this will be achieved through the wording of the actions, indicators and outputs provided for in the programmes;
4- Improve the legal framework relating to territorial decentralisation to encourage the effective and equal participation of women;
5- Continue support for increased political participation of women and advocate for the promulgation of implementing decrees of existing laws that promote gender equality, to make these laws operational;
6- Implement the gender mainstreaming statistical approach based on the South Sudan model;
7- Build capacity to take gender into account in infrastructure;
8- Implement a comprehensive fiscal and financial reform geared towards ecological transition;
9- Draw up a climate appendix to be attached to the Finance Law;
10- Draw up a green budget to help the State achieve its environmental objectives;
11- Include civil society and the DLAs in the management of the IMF's Climate and Sustainability Fund;
12- Implement a strategy for monitoring the management of taxes collected in connection with environmental and social impact studies for the benefit of the population.

6.4.2- Conclusion

In the 2024FL, the government has not taken measures to encourage the adoption of more environmentally-friendly economic practices.

The budget envelope earmarked for the GRB approach is insufficient to reduce inequalities between women and men and the negative impacts, in general and particularly in the sectors concerned (import-substitution, decentralisation, taxation and infrastructure).

Gender issues are still insufficiently taken into account in the decentralisation process. This is reflected in the fact that little consideration is given to women's economic and social contributions, both in the implementation of community development initiatives and in the distribution of responsibilities in the management of local affairs.

The same applies to the climate issue. The budget allocated to the cause is insufficient to reduce the negative impact of climate change in general, and particularly in the sectors concerned.

CONCLUSION AND FINAL RECOMMENDATIONS

The citizens' analysis of the initial 2024 Finance Act focused on import-substitution, decentralisation, taxation, infrastructure and cross-cutting climate and gender issues.

At the end of this analysis, a political will emerged to provide solutions to the difficulties and promote the sectors concerned. Despite this clear political will, the results are mixed.

In its analysis, the GR deplored the low level of funding for the social development, productive sectors and infrastructure, convinced that if the growth achieved is not accompanied by the creation of quality jobs and an equitable redistribution of its fruits, inequalities may worsen.

The high proportion of public spending in national wealth is in no way a guarantee of the quality of the public service it finances. Major projects have contributed little to the economy, because they have been poorly targeted and badly implemented. A greater effort is needed to seek efficiency gains in a number of public policies for which the ratio between the resources devoted and the results achieved is unsatisfactory. Reconciling the ambitious objectives of growth and sustainability of public finances involves improving the mechanism for assessing the effectiveness and efficiency of public spending and its contribution to the economy.

After examining the provisions of the 2024FL, particularly those relating to the four targeted sectors, and the impact of the cross-cutting climate and gender analysis on these sectors, as described in this Report, a number of recommendations stand out:

On a transversal level:

R1: To combat the high cost of living, we need to grant certain subsidies and increase the budget allocated to the program to improve agricultural productivity, by choosing a limited number of production sectors (and particularly short-cycle speculations) on which to concentrate our efforts, as well as other measures to support purchasing power;

R2: Draw up and then effectively apply a circular on reducing the State's cost of living;

R3: Re-evaluate budgetary choices to ensure a fair distribution of resources, focusing on crucial sectors such as education, health and social protection;

R4: Consider providing financial support for projects aimed at economically empowering vulnerable and low-income social groups, and set up facilities to cover basic needs, free medicines, social housing and social services.

R5: Set up a civil society project on the public perception of public spending to ensure that public administrations use the resources made available to them for production infrastructure needs, in order to better assess their impact on development and public satisfaction.

Promotion of import-substitution:

R1: Rehabilitate SONARA and rethink the strategy for processing agricultural products;

R2: Set up a platform between the government, the DLAs and the private sector to create a fund to finance agricultural packs and technology transfer, with the emphasis on local private sector players;

R3: Effectively increase to at least 60% the share of public orders for goods and services addressed to industries, SMEs and camerounian products, to boost high added value products;

Promoting decentralisation:

R1- Accelerate the increase in the share of resources transferred to the local authorities to at least 15% of State revenue and speed up the establishment of the local civil service;
R2: Set up a platform for exchanging financial and budgetary data with communes, CSOs and TFPs;
R3: Strengthen collaboration between the government, CSOs and local authorities on budgeting for local development, improving access to essential services for all and decentralising aid to the needy.

Taxation

R1: Better target tax expenditure on disadvantaged households and propose the abolition of derogations that have no impact;
R2: Create financing lines to grant medium- and long-term loans to very small businesses and SMEs, thereby encouraging savings and stimulating investment.

Infrastructure promotion:

R1: Strengthen control and monitoring mechanisms and severely punish corrupt players and companies, while promoting transparency in the award of infrastructure construction contracts;
R2: Set up a committee of infrastructure experts to examine needs and define binding objectives to be met by the various projects;
R3: Give priority to the maintenance of existing equipment and infrastructure;

Gender and climate promotion - cross-cutting:

R1: Implement the gender mainstreaming statistical approach based on the South Sudan model;
R2: Continue support for increased political participation of women and advocate for the promulgation of implementing decrees of existing laws that promote gender equality, to make theses laws operational.
R3: Draw up a climate appendix to be attached to the Finance laws.

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