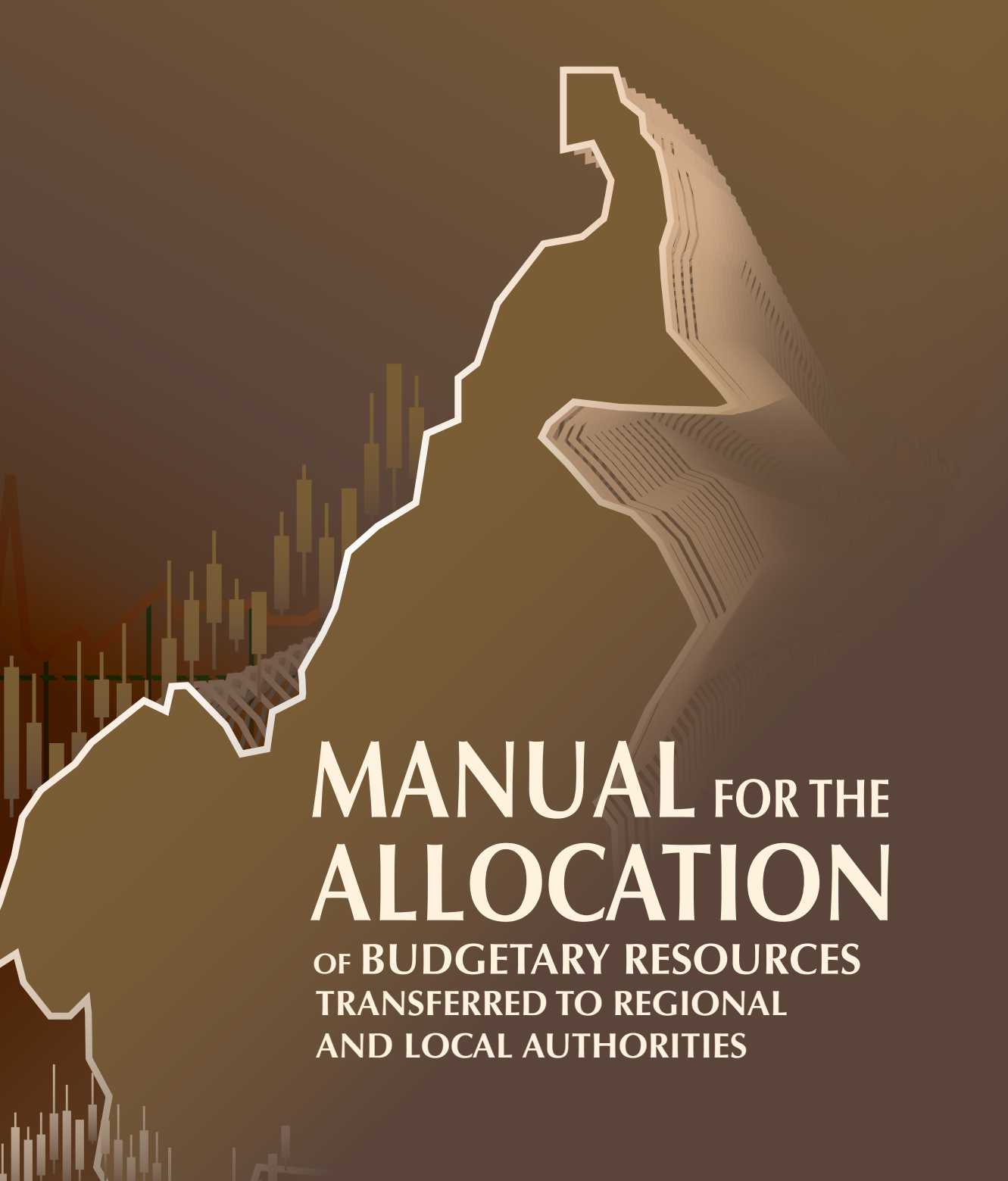




MANUAL FOR THE ALLOCATION

OF BUDGETARY RESOURCES
TRANSFERRED TO REGIONAL
AND LOCAL AUTHORITIES



Ministry of the Economy,
Planning and Regional
Development

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FOREWORD

The reinforcement of decentralisation is a fundamental pillar for the modernisation of our Country. It is not only a transfer of expertise, but a profound transformation of our systems of governance. By empowering local authorities and giving them greater autonomy and resources, we are boosting grass roots democracy and enabling citizens to become genuine actors in fostering their own development.

Decentralisation, laid down in Cameroon's Constitution and implemented by the General Code for Regional and Local Authorities (RLA's), is one of the key levers for bringing public action closer to citizens, improving local governance and promoting fair development across the whole country.

In this context, the transfer of financial resources from the State to the RLA's is a strategic element, as it directly determines the latter's ability to fully implement the powers transferred to them. For efficiency, this transfer must be based on clear, fair and transparent allocation mechanisms that are aligned with both national priorities and specific needs expressed at the local level.

Although they have made some progress, the current methods of distributing transferred funds still have shortcomings such as persistent disparities between regions, a gap between budgetary allocations and the population's actual needs, a lack of harmonisation in the distribution criteria, poor monitoring and follow-up evaluation of transferred resources, and complications in the procedures. These limitations highlight the need for a common methodological framework to manual sector-based administrations, equalization institutions and RLA's in the programming, allocation and follow-up of transferred resources.

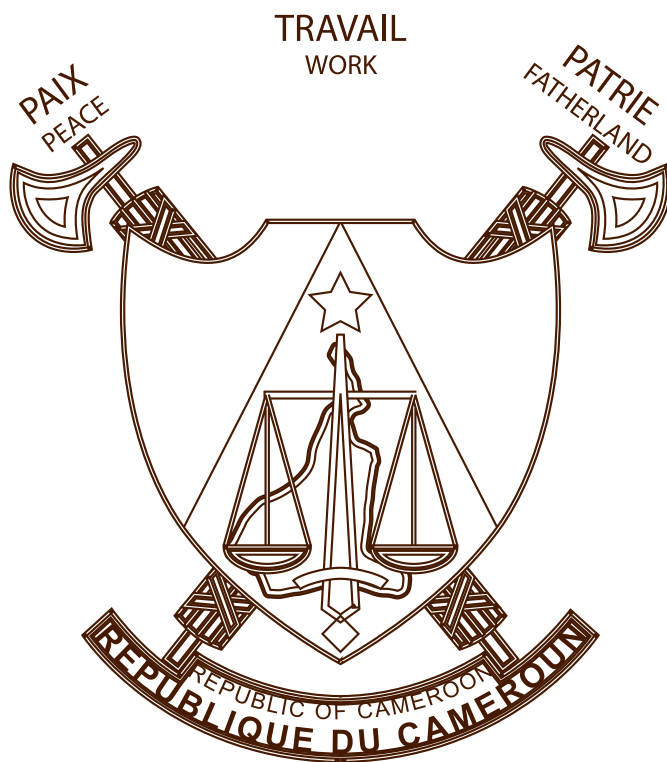
By providing the country with a structured and shared instrument, the aim is to ensure consistency between local needs and national priorities, optimise the use of resources, and contribute to a fair and sustainable development of all communities.

**The Ministry of the Economy,
Planning and Regional
Development**

ACRONYMS AND ABBREVIATIONS

AFDB	French Development Agency
AMVC	Association of City Mayors of Cameroon
ARC	Association of Regions of Cameroon
ART	Article
PIB	Public Investment Budget
BUCREP	Central Office for Population Census and Studies
MTBF	Medium Term Budgetary Framework
MTEF	Medium-Term Expenditure Framework
GCRLA'S	General Code for Regional and Local Authorities
GCT	General Code of Taxes
CMR	Capacity of the Mobilisation of Resources
RLA'S	Regional and Local Authorities
CVUC	United Councils and Cities of Cameroon
DGD	Grant Allocated to Decentralisation
GESP	Growth and Employment Strategy Paper
EPB	Effectiveness of the Programme Budget
EDM	Implementation of projects included in the Multi sectoral Grant
EQUIP	Level of Equipment
FEICOM	Special Fund for Equipment and Inter-Community Intervention
FL	Local Taxes
GIZ	German Corporation for International Cooperation
KFW	Credit Institute for Reconstruction
KM	Kilometre
IDL	Index of Local Development
IDLS	Index of sector-based Local Development

NIS	National Institute of Statistics
MINADER	Ministry of Agriculture and Rural Development
MINDDEVEL	Ministry of Decentralisation and Local Development
MINEDUB	Ministry of Basic Education
MINEE	Ministry of Water and Energy
MINFI	Ministry of Finance
MINEPAT	Ministry of the Economy, Planning and Regional Development
MINSANTE	Ministry of Public Health
MINTP	Ministry of Public Works
NO.	Number
NGO	Non-Governmental Organization
LP	Local Priority
PNDP	National Community-Driven Development Programme
POP	Population
TFP	Technical and Financial Partners
RSA	Active Solidarity Income
TR	Transferred Resources
NDS30	National Development Strategy 2030
SUP	Surface Area
TOFE	State Financial Operations Chart
VAT	Value Added Tax
ER	Execution Rate
EU	European Union



INTRODUCTION

This Methodological Manual for the allocation of Resources Transferred to Regional and Local Authorities (RLAs) in Cameroon makes it possible to address the specific characteristics of each RLA, to better understand the needs of the population in order to provide concrete and appropriate solutions. It is by placing our trust in RLA's and local initiatives that we will build more balanced, inclusive and sustainable development for the whole country.

In light of the challenges of fairness, transparency and efficiency in the allocation of public resources, this document aims to provide national and local actors with a harmonised objective and an operational framework for the distribution of funds transferred by the State. It takes into account the priorities expressed at the grass roots level by the RLA's, national and sector-based strategic manual lines, as well as performance and requirements for good governance.

The result of a collaborative initiative between the Ministry of the Economy, Planning and Regional Development (MINEPAT), the Ministry of Finance (MINFI), the Ministry of Decentralisation and Local Development (MINDDEVEL), sector-based administrations and representatives of local and decentralised authorities, this manual capitalizes on the use of successful practices observed in Cameroon and internationally, while adapting them to our context.

It is for all stakeholders involved in planning, budgeting, and monitoring transferred resources, including central government departments, devolved services, municipal and regional executives, equalisation institutions, and Technical and Financial Partners (TFPs).

It offers a structured approach, based on objective criteria and reliable data, aimed at ensuring fairness, transparency and efficiency in the distribution of allocation.

To this end, the manual is divided into three sections:

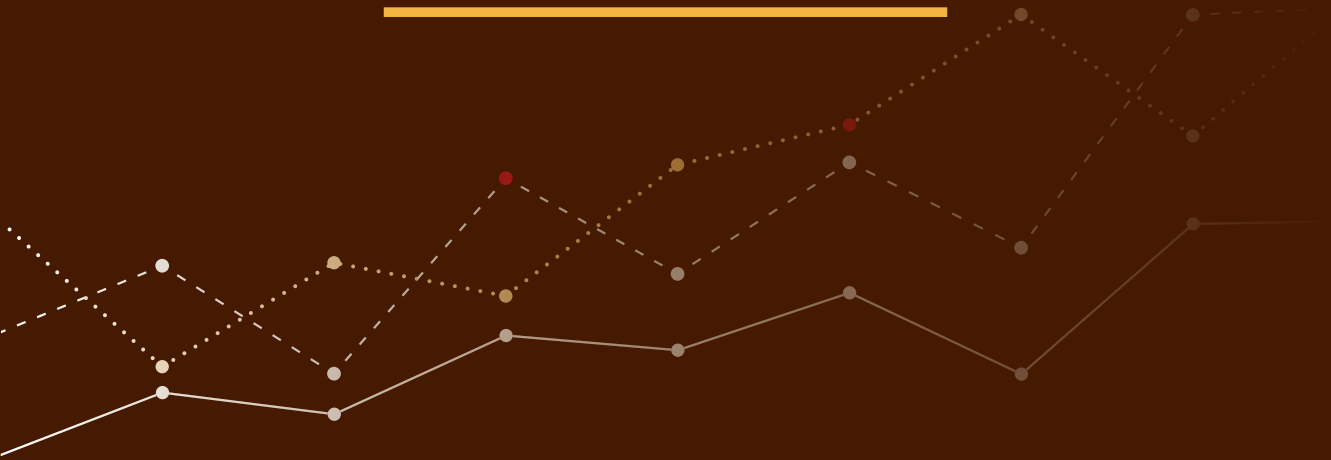
- **Part I:** the context and regulatory framework for the allocation of funds transferred to local government authorities, which outlines the legal, institutional and financial foundations of decentralisation in Cameroon;

- **Part II:** an assessment of the current distribution system, highlighting the stakes, challenges, advantages and disadvantages of current practices;
- **Part III:** the proposed operational methodology, which details the six-step allocation process, from identifying local priorities to final validation of the budgetary allocations to be budgeted.

By providing all stakeholders with a common and harmonised framework, this manual aims to enable resource transfers to become a true lever for a sustainable local development that is inclusive and consistent with the objectives of the 2030 National Development Strategy and the vision of an emerging Cameroon by 2035.

PART I

LEGAL FRAMEWORK FOR THE DISTRIBUTION OF TRANSFERRED BUDGETARY ALLOCATIONS TO (RLA's)



PART I

LEGAL FRAMEWORK FOR THE DISTRIBUTION OF TRANSFERRED BUDGETARY ALLOCATIONS TO (RLA's)

This section presents the legal framework governing the transfer of resources to Regional and Local Authorities (RLA's). It is based on the legal foundations and resource allocation models used in other countries.



LEGAL BASIS AND GUIDING PRINCIPLES FOR THE TRANSFER OF RESOURCES TO RLA'S

Established by Cameroon's 1996 Constitutional Law, decentralisation consists of transfers by the State to local authorities of specific powers and appropriate resources, with the aim of promoting development, democracy and good governance at the local level.

This transfer of powers is governed by Law No. 2019/024 of 24 December 2019 on the General Code for Regional and Local Authorities (GCRLA's) and by rules set out in specific related laws.

Thus, the GCRLA's establishes specific powers in the fields of social, educational, health, sports, cultural, economic, craft and tourism for each type of local authority, namely the Regions (Articles 267 to 273) and the Municipalities (Articles 156 to 163), including City Councils (Article 241).

1. Guiding principles for the transfer of resources to RLA's

In accordance with Article 12 of the GCRLA's, the resources necessary for the implementation of the powers transferred to local authorities are allocated to them either through tax transfers, allocation, or both. This transfer of resources is governed by three (3) main guiding principles:

1. **Free administration (Articles 8 and 11 of the GCRLA's):** having their own budgets and resources being autonomous.

2. **Combination (Art 21 GCRLA's)** : any transfer of powers to a local authority shall be accompanied by the transfer from the State to that authority of the resources and means required for the effective execution of the transferred powers. This principle requires that the effective implementation of powers and the transfer of resources occur simultaneously.
3. **Equivalence (Art. 27 GCRLA's)**: each transfer of functions must be accompanied by an allocation of resources at least equivalent to the State's expenditure prior to the transfer.

2. Tax transfer

Local taxation refers to all legal mechanisms governing the collection of local taxes for the benefit of RLA's. It is governed by Law No. 2024/020 of 23 December 2024 on local taxation.

With a view to ensuring a harmonious development across the entire country, the aforementioned law strengthens the horizontal equalisation mechanism (solidarity mechanism between local authorities) and vertical equalisation mechanism (ensured by the transfer of part of the State's resources to local authorities in order to reduce disparities in wealth between them).

Thus, there are two types of taxes dedicated to financing Councils, urban communities and regions:

- ▲ levies collected by the tax authorities and transferred to local authorities by the Treasury: these are taxes specific to RLA's
- ▲ levies for a horizontal equalisation under the principle of solidarity and fairness between municipalities, which are transferred to the special council support fund for municipal assistance (FEICOM) and paid back by it to the RLA's: this is known as effective taxation. Articles 122 and 134 of the Local Taxation Law specify the shares of local taxes subject to this equalisation for municipalities (including urban councils) and regions, respectively.

SUPERVISED ON THE DIFFERENT SHARES OF LOCAL TAXES SUBJECT TO FISCAL ADJUSTMENT

For councils, urban communities and councils in sub-divisions (Section C of Art 122)

- ▶ the share of stamp duty on publicity allocated to councils
- 42% ▶ of the additional municipal money
- 50% ▶ of the share of the annual forestry fee allocated to municipalities
- 100% ▶ of vehicle registration fees
- 100% ▶ of the local development tax

For the Regions (Art 134 section C)

- 50% ▶ of the proceeds from oil, gas and mining royalties allocated to the Regions
- 70% ▶ of the income from the Special Fund for financing water and sanitation development projects
- 70% ▶ of the revenue from the annual licence fee for games of gambling and entertainment
- 70% ▶ of airport stamp duty revenue
- 70% ▶ of the revenue from the share of the special tax on petroleum products allocated to the Regions
- 70% ▶ of the revenue from the share of radio frequency fees allocated to the Regions

The mechanism for distributing tax revenues to RLA's is governed by the General Tax Code (GTC), in its Book III devoted to local taxation, and by the Customs Code.

3. Transfer according to allocation

The law on the GCRLA's established a General Decentralisation Grant (GDG) intended to partially finance decentralisation (Article 25 GCRLA's). The amount of this allocation is calculated on the basis of budgetary revenue (cash basis) from the general state budget, excluding loans, allocation, miscellaneous revenue and allocated revenue. (Section 149 of the law on municipal revenues)

While the law is clear on the allocation of resources and the basis for calculating the DGD, it appears to be silent on the transfer mechanism. However, the law establishing the GCRLA does not specify how these transfers will actually be carried out.

GOVERNED BY: OTHER SOURCES OF FUNDING TO THE RLA'S

In addition to resources from the State, local authorities can finance their development through various means, namely: decentralised cooperation, associations or partnerships.

- ▶ Partnerships with national or international organisations for the financing of local development. Generally speaking, these are the actors involved in implementing decentralisation through support for the planning process, capacity building and the financing of development projects and programmes. These include: AFD, GIZ, KFW, the EU, etc. These institutions use FEICOM as the project manager for their activities, through conventions.
- ▶ Decentralised Cooperation. It is a form of transnational cooperation that includes all friendly relations, or partnerships, established between local authorities in one country and equivalent or non-equivalent authorities in other countries. It takes the form of an agreement between two local authorities.



RESOURCE ALLOCATION MODELS FOR RLA'S USED IN OTHER COUNTRIES

A review of the various mechanisms for transferring financial resources from the State to local authorities reveals an agreement on the existence of two types of State allocation:

- **Allocated allocation or conditional transfers:** these involve linking a grant or allocation to a specific area of responsibility, or dedicating transfers so that they can only be used for specific purposes.
- **Unallocated allocation or unconditional transfers:** these consist of transferring resources in bulk for various purposes, which local executives are in charge of distributing.

However, the criteria for allocating this allocation differ from one country to another.

1. The Case of France

In France, there are two main types of allocation:

- **Overall operating grant:** this comprises a package allocated to all RLA's (calculated on the basis of the population and surface area) and an equalisation package targeted at the poorest RLA (calculated on the basis of financial potential);
- **Global Equipment Grant,** for the financing of specific mandates.

Thus, the distribution of transfers to the RLA's in France is based on the following criteria:

- Population and area (flat-rate grant);
- Fiscal wealth per capita (fiscal/financial potential);
- Social criteria (average income, unemployment, RSA recipients);
- Territoriality (urban poor, isolated rural areas, priority areas).

2. The case of Morocco

In Morocco¹, financial transfers from the State to local authorities are made according to distribution criteria established on the basis of the principle of solidarity between

¹Information from the study on the current state of the transfer of financial resources from the State to local authorities in Mali conducted by OXFAM: <https://www.maliapd.org/plateforme-gt/wp-content/uploads/2018/11/Etude-sur-l%E2%80%99C3%A9tat-actuel-du-transfert-des-ressources-financi%C3%A8res-de-l%E2%80%99Etat-aux-Col.pdf>

local authorities based on two dimensions: fiscal equalization (compensating for inequalities in resources) and incentives (accompany the action of RLA's in matters of development).

There are three types of transfers:

- Overall allocation awarded to local authorities based on certain criteria :

Flat rate:

This flat-rate allocation guarantees each municipality a minimum level of resources

15%



Fiscal effort:

the aim is to encourage councils to develop their own means of mobilising resources

15%



Fiscal potential:

This criterion introduces a system of equalisation aimed at correcting inequalities in the distribution of taxes. Most of these allocation benefit municipalities with a tax revenue below the average observed in this area

70%



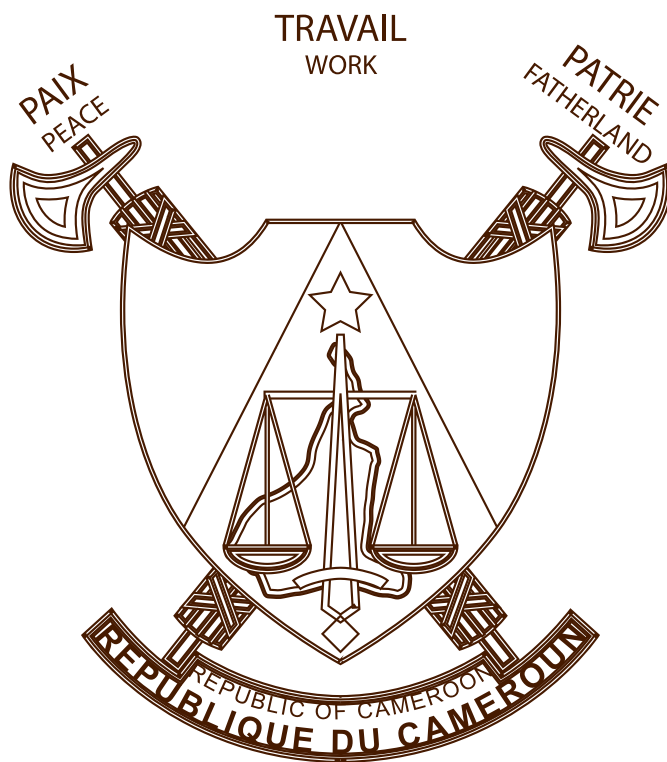
- Specific budgetary allocations for the financing of responsibilities assigned to local authorities.

3. The Case of Mali

In Mali², The current system provides for several types of transfers of financial resources from the State to local authorities, namely:

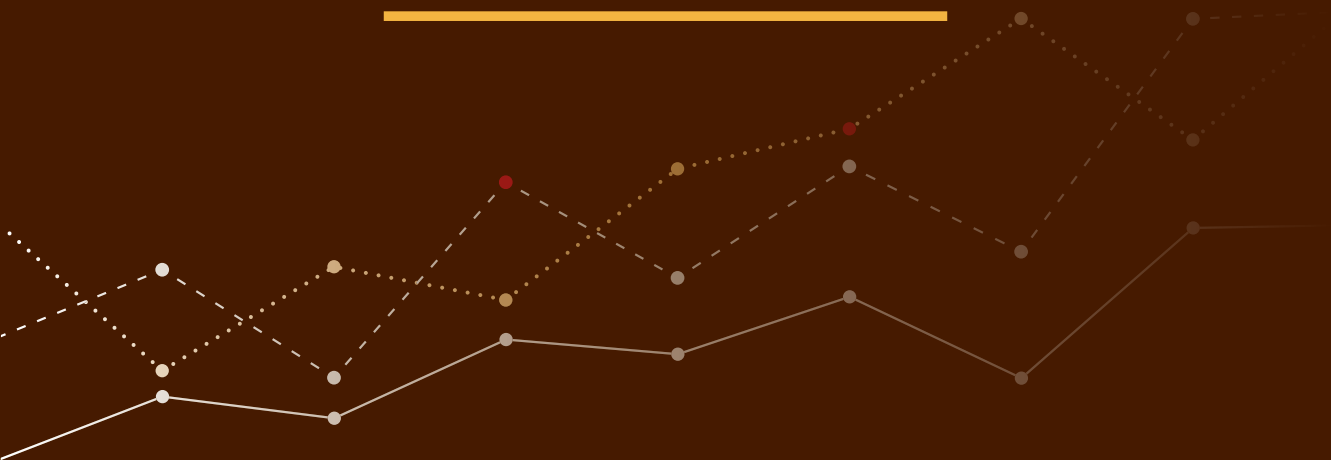
- transfers related to transferred functions, which concern the implementation of eleven transferred sector-based functions. These transfers are distributed according to population, surface area, level of basic infrastructure (access to water, healthcare, schools), poverty rate and socio-economic indicators.
- Unconditional transfers that are not linked to the assumption of a transferred functions and enable local authorities to carry out development projects in line with their development plans and needs.

²Presentation on the organisation of local finances from the Moroccan national portal for RLA's: <https://www.collectivites-territoriales.gov.ma/sites/default/files/pnct/2022-04/Organisation%20finance%20locale%20fr%201.pdf>



PART II

DIAGNOSIS OF THE DISTRIBUTION OF FUNDS TRANSFERRED TO REGIONAL AND LOCAL AUTHORITIES



PART II

DIAGNOSIS OF THE DISTRIBUTION OF FUNDS TRANSFERRED TO REGIONAL AND LOCAL AUTHORITIES

This section will present an overview of the distribution of funds transferred to RLA's, its advantages and disadvantages.



OVERVIEW OF THE ALLOCATION OF FUNDS TRANSFERRED TO RLA'S IN CAMEROON

In Cameroon, the funds transferred (both operating and investment funds) to local authorities are of two main types:

In accordance with Article 12 of the GCRLA's, the resources necessary for RLA's to exercise their authority are allocated to them either through tax transfers or allocation.

With regard to the transfer of taxation, this is carried out through the equalisation mechanism and is excluded from the calculation of the General Decentralisation Grant (GDG).

The allocation refers to the DGD intended for the partial financing of decentralisation, in accordance with Article 25, paragraph 1 of the GCRLA's. It incorporates two key aspects: operations and investment. Each year, the Finance Law sets a percentage of government revenue allocated to Allocation allocated to RLA's. Practically, the DGD is subdivided into two components:

- ▲ **Multi-sector allocation:** these are resources that are not distributed according to specific areas of responsibility but are allocated equally to all RLA's according to their category (between the 360 Municipal Councils 14 City Councils on the one hand, and between the 10 regions on the other). These budgetary allocations are included in the budget of MINDDEVEL;
- ▲ **Sector-based budgetary allocations:** these are budgetary allocations included in the budgets of ministerial departments that have transferred part of their public policy to the RLA's.

The budgeting of multisector-based budgetary allocations follows standard rules. The resources allocated are at least equivalent to the expenditure incurred by the State during the financial year immediately preceding the date of transfer of powers (Article 27, paragraph 2 of the GCRLA). On this basis, and after a review that could adjust this resource either upwards or downwards, we obtain the total amount of resources transferred for the year by the sector-based administrations.

Each year, the Prime Minister, Head of Government, notifies the budgetary framework for resources to be transferred to RLA's to each administration with functions and resources to be transferred, through basic budgets.

Subsequently, each administration defines its own distribution key in order to allocate resources to the beneficial RLA's, taking into account the constraints of the relevant budget, the priority areas specific to the transferred functions and the specific characteristics of the RLA's concerned.

Proposals made by the administration, which are planned on a three-year basis, are included in the MTEF and are analysed during a conference on the budgeting of transferred resources. These conferences are aimed at ensuring fairness in the distribution of RTs among RLA's.

At the end of these conferences, the approved allocation of RTs is entered into the administration's budget in the form of allocation and notified to local executives with a in order to implement in projects.

NB

The above allocation process applies only to sector-based budgetary allocations.

In other words, multi sector-based allocation are distributed equally among municipalities, City Councils and Regions. Furthermore, the process of allocating operational allocation appears to be less coordinated in terms of allocation mechanisms and procedures.



STRENGTHS AND WEAKNESSES OF THE PROCESS OF ALLOCATING TRANSFERRED RESOURCES IN CAMEROON

The process of allocating resources transferred to RLA's has some strengths, but also many shortcomings.

1. Advantages of the transferred resource allocation process

The main advantages the process of distribution of RT which can be cited are as follows:

- ▲ **A continuity in the level of resources available to administrations.** As a result, using historical resource volumes as a starting point ensures a degree of continuity in functions funding from each year and facilitates budget planning for functions.
- ▲ **a pro distribution key ready for each administration for the allocation of allocation guaranteeing each sector (education, health, infrastructure, etc.)** the use of resources according to a well-defined criterion, thereby facilitating follow-up and control;
- ▲ **the awarding of a multisector-based grant guaranteeing a minimum level of resources to each RLA;**
- ▲ **notification of the number of resources transferred to RLA's by sector-based administrations:** Administrations are notified in advance of the funds to be transferred, in order to ensure that decentralisation funding does not decline to the detriment of other priorities pursued by the administrations concerned.

2. Shortcomings in the process of allocating transferred resources

The main shortcomings identified in the TR allocation process are listed below:

- ▲ **low degree of fairness:**

The work carried out within the framework of the RLA's conferences over the past three years at MINEPAT has shown that in certain administrations, there are more than 300 municipalities that have never received any resources during the last five years.

Clearly, the distribution based on criteria chosen solely by the administration sometimes appears unacceptable to the needs of RLAs and creates disparities between them. For example, a municipality that has already received significant funding in the past could continue to receive higher funding even if it no longer needs it, while other municipalities with increasing needs could be underfunded.

▲ The Spreading :

The total amount of resources allocated for the financing of transferred powers appears to be insufficient to date given the ever-increasing needs of RLAs.

In addition, some administrations, with a view to financing a large number of RLAs, allocate amounts to them that do not permit for the creation of basic infrastructure for the sector concerned.

▲ the recurrence of the inadequacy between the needs of the RLA at the base and the budgetary allocations transferred:

Resources transferred by some administrations are frequently not in line with the priorities expressed by the RLA's.

Actually, during a mission to assess the resources transferred by MINEPAT in 2024, it emerged that 49% of the Councils consider that the budgetary allocations transferred to them do not correspond to the areas deemed priority. This significant proportion highlights a discrepancy between national budgetary allocations and the specific needs of the Councils, which can hinder local development in strategic areas.

▲ an egalitarianism without efficiency:

The egalitarian distribution of multi sectoral budgetary allocations among RLA's is implemented without considering the effectiveness of the latter in meeting the specific needs of RLA's.

By Monitoring and evaluation, statistics show that projects funded by multi sectoral funding have a low implementation rate. This one is more concerning regarding the City Councils.

However, approximately 77% of the municipal officials interviewed during the assessment mission of the resources transferred by MINEPAT in 2024 believe that it would be important to simultaneously maintain the multi sectoral allocation and the sector-based budgetary allocations.

▲ a lack of transparency in the allocation criteria used by the administrations:

The lack of a transparent procedure for the distribution of budgetary allocations among the RLA's maintains the disparities in the allocation of resources and makes it difficult to evaluate the effectiveness of this distribution.

Moreover, the criteria used by the administrations are neither documented nor shared between the actors involved in this process.

Moreso, according to the results of the aforementioned mission assessing the resources transferred, the assessment of the preferences of the Councils regarding approaches to the distribution of state reveals a marked preference for a distribution based on national priorities or local specificities. This approach is considered the most advantageous by 46.38% of the Councils, highlighting a desire for targeted allocation based on the needs and particularities of each Council. The egalitarian distribution, chosen by 24.64% of Councils (17 employees), comes second, indicating that some municipalities prefer a uniform distribution of resources. Equalization, supported by 17.39% of respondents, is also appreciated, reflecting a recognition of the disparities between Councils. Finally, the allocation of allocation on a rotating basis and other specific options are the least popular, reflecting less preference for these approaches.



STAKES AND CHALLENGES OF AN EQUITABLE DISTRIBUTION OF RESOURCES TRANSFERRED TO RLA'S

Fairness in the distribution of allocation transferred to RLA's is a major issue to ensure a harmonious local development. However, in order to achieve this goal, some challenges need to be addressed.

1. Challenges of the fair distribution of transferred resources

The equitable distribution of allocation transferred to RLA's raises several issues, including :

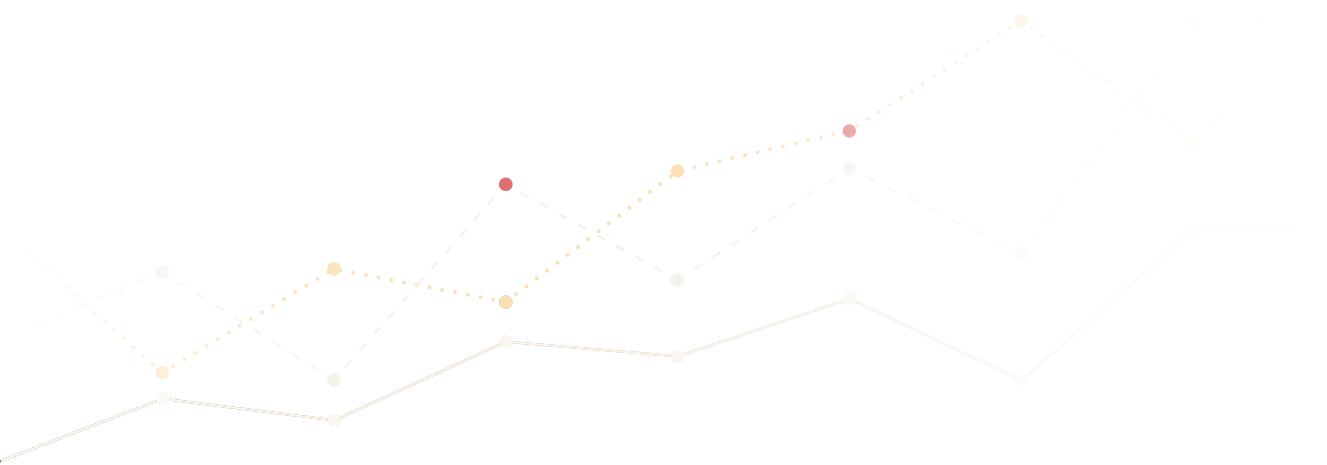
- ▲ the reinforcement of local autonomy in order to permit RLA's to plan and finance their priorities without dependence on the central State;
- ▲ the reduction of inequalities, which helps to correct imbalances between wealthy urban areas and poor rural areas, in accordance with the provisions of Article 55(4) of the Constitution, which states that "the State shall ensure the harmonious development of all decentralised local authorities on the basis of national solidarity, regional potential and interregional balance";
- ▲ Territorial equity ensures that all RLA's, regardless of their size or level of wealth, have sufficient resources to provide basic public services.
- ▲ improving the quality of public services: health, education, local infrastructure, etc., through allocation adapted to actual needs;

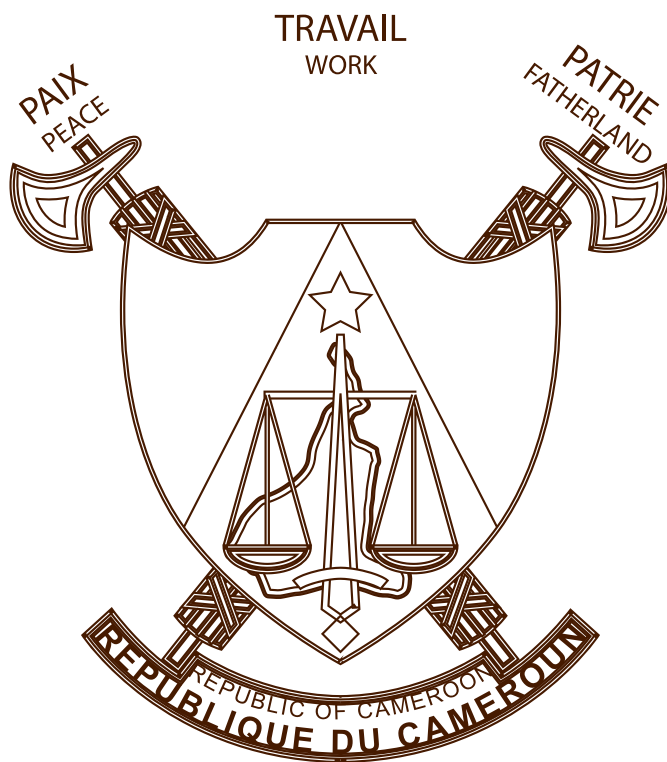
- ▲ the trustworthiness and legitimacy of the decentralisation process: a distribution system based on clear and established principles that is transparent and fairly reinforces the commitment of local stakeholders and citizens on the one hand, and increases the trust in state institutions on the other;
- ▲ Stimulating local development: providing each RLA with resources that are performance-based encourages competition among stakeholders, which enhances local potential and supports inclusive growth in local communities.

2. Challenges relating to this distribution of resources transferred to the RLA's

Despite the distribution of transferred funds being based on clear and shared principles, challenges still exist:

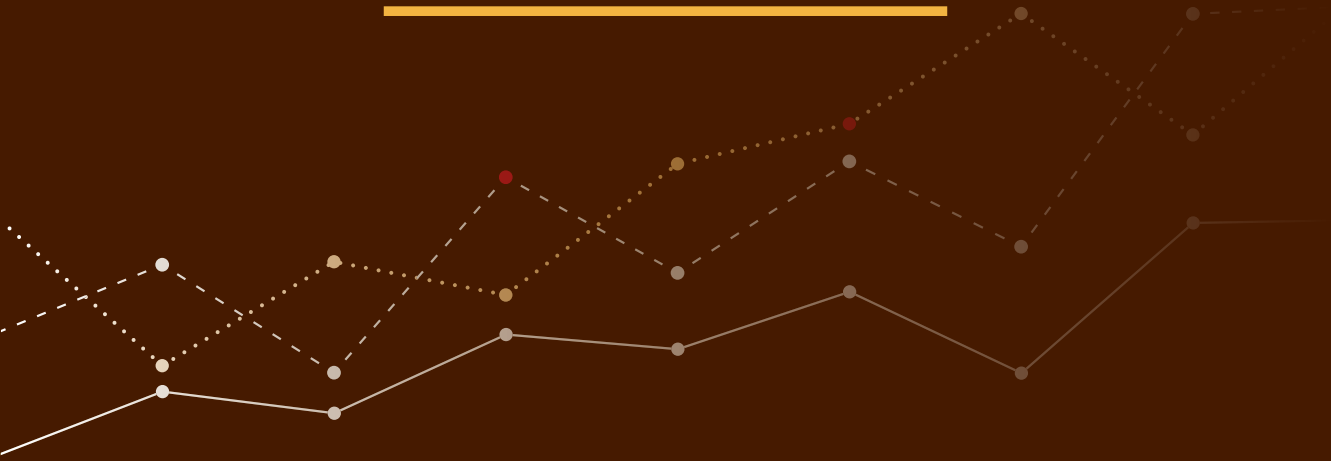
- ▲ Increase in the volume of transferred allocation: although needs are expanding and resources are limited, efforts must nevertheless be made to increase the volume of TRs to enable RLA's to respond effectively to development issues.
- ▲ the availability of technical staff at the local level: however relevant the mechanism for distributing transferred allocation may seem, without qualified staff, the preparation and implementation of RLA's projects cannot be optimised, hence the need to have a local civil service.





PART III

METHODOLOGY FOR ALLOCATING RESOURCES TRANSFERRED TO RLA's



PARTI III

METHODOLOGY FOR ALLOCATING RESOURCES TRANSFERRED TO RLA'S

This chapter sets out the framework and principles that manual the allocation of resources transferred from the entire State Budget to the RLA's.

A



GUIDING PRINCIPLES FOR THE ALLOCATION OF RESOURCES TRANSFERRED TO RLA'S

The distribution of resources transferred to the RLA's can only be conceived from a budgetary logic that is legal and equitable. The approach adopted follows five guiding principles, namely:

- i. **equal access:** all (RLA's) can benefit from the resources transferred by the State, not in a uniform manner, while respecting its needs and constraints from a general or specific nature of the RLA;
- ii. **transparency of rules:** the criteria, procedures and mechanisms for allocating resources transferred from the State to RLA's are clear, accessible, known in advance and similarly applied;
- iii. **predictability of the amounts:** The RLA's have a constant and stable visibility on the financial resources that will be transferred to them by the State. Thanks to the estimation sheet made available to them, they can simulate in advance the expected amounts by simply entering the required variables.
- iv. **Simplicity of the Estimation:** The mechanisms of distribution and transfer of resources, including tools, are made simple, accessible and easy to be applied, by the State and the RLA's;
- v. **The Accountability of actors (Performance and accountability):** Resources transferred to RLA's must be used effectively to achieve the objectives of local development, such as the provision of infrastructures and social services. Furthermore, local authorities have to justify to the State and citizens on how funds received are used.
- vi.



THE METHODOLOGY OF ALLOCATION

The proposed methodology describes the overall logical approach and steps below: (1) determination of the allocated budget; (2) breakdown of the whole budget between the multi sectoral allocation and the sector-based allocation; (3) declination of budgetary allocations in the Medium-Term Budgetary Framework (MTBF) and (4) final distribution among RLA's.

1. Step 1 : Determination of the whole budget transferred

The Table of State Financial Operations (TOFE) constitutes the first technical anchor for the distribution as it is one of the basic documents for drafting up the budget framework of the State. Actually, it traces all the revenues, expenditures and budget balances, making it possible to determine the budgetary and financial situation of the State. The distribution of resources transferred to the RLA's is part of this overall framework of the state's budgetary balance.

Thus, the TOFE constitutes the macroeconomic base from which the financial capacity of the State to meet its commitments towards RLA's is calculated. The resources intended for these entities appear in the section meant for TR. The total transferable amount is calculated from the revenue of the treasury budget of the entire budget of the State, net of refunds of VAT credits, control, collection and litigation costs, as well as entire obligations. Are excluded, loans, donations, statutory receipts and assigned revenues, in accordance with the finance law and the law on local revenues of 2024. (Article 149, Law No. 2024/O20 of December 23, 2024 on local revenues).

The fraction of the total transferable budget is determined in accordance with Article 25 paragraph 3 of Law No. 2019/O24 of 24 December 2019 on the General Code of RLA's.

2. Step 2: breakdown of the entire budget between the multi sectoral allocation and the sector-based allocation

With a view to improving an equal and transparent access of transfers from the State budget to the RLA's and ensuring continuity in the financing of certain public policies at local level, the overall budget is broken down into two additional budgetary allocations, namely:

- ▲ multisectoral allocation: it guarantees minimum and regular access to all RLA's, in order to reduce disparities and avoid territorial exclusion. It may incorporate an incentive component, with a view to encouraging performance, transparency and good governance;
- ▲ sector-based allocation: it primarily finances the functions transferred (health, education, environment, etc.), in line with local and national priorities.

The setting of the proportions for the distribution of the total transferable envelope between the two budgetary allocations allows, depending on the orientation chosen for the medium-term budgetary policy of the State, either prioritize the financing of interventions formulated according to sectoral policy manual lines or give priority to interventions formulated according to local RLA's policies. This being said, three cases are possible:

- ▲ Indifference on the basis of the formulation of funded interventions: egalitarian distribution of the overall transferable envelope between multi sectoral allocation and sector-based allocation;
- ▲ Priority for the financing of interventions formulated in accordance with sector-based policy manual lines: the proportion of sector-based allocation is higher than that of multi sectoral allocation;
- ▲ Priority to finance interventions formulated according to the manual lines of local policies of RLA's: the proportion of multi sectoral grant is higher than that of sector-based allocation.

Table 1: Example of the main distribution of allocation to multi sectoral and sector-based allocation

Distribution key	Multi sectoral distribution	Sector-based grant	Objective
Equality	50 %	50 %	Equilibrium between fixed and based strategy
Priority to the Jurisdictions	30 %	70 %	Priority is given to actual functions.
Equal Support access support to resources	60 %	40 %	Prioritizes the fixed base

3. Step 3: Declination of the budgetary allocations in the MTBF

a) Distribution of multisectoral and sector-based budgetary allocations among RLA's

The multi sectoral and sectoral budgetary allocations are broken down by category of RLA (Regions, Municipalities and City Councils), according to a distribution key.

The choice and determination of the distribution key depend on the orientations of the medium-term State budgetary policy, which includes the distribution of costs between categories of RLA for the achievement at local the level of national MTBF development priorities..

Table 2: Example of allocation keys for multi sectoral grant between RLA's

public policy objective	Category of the RLA	Distribution of multi sectoral allocation	Distribution of sector-based allocation
National priority for the implementation of structuring projects at the regional level	Regions	45%	45%
	Councils	45%	65%
	City Councils	10%	
National priority aimed at the implementation of proximity projects	Regions	30%	25%
	Councils	60%	75%
	City Councils	10 %	

b) Distribution of sector-based allocation by administration

This section details the steps that permits determining the RT budget by administration. These steps range from the needs of RLA's to the decision on the volume of RTs by administration.

i. Identification of local priorities for the triennium

This first step is devoted to the collection of the need for RLAs. Thus, each RLA transmits to MINEPAT and MINFI a predefined number (n, for example 5) of priority functions to be financed by the resources transferred from the State budget, for each of the next three years.

ii. Consolidation and ranking of priorities

At this stage, up to MINEPAT and MINFI to:

- ▲ Consolidate data from RLA and link each function to the relevant sector-based administration.
- ▲ Assign a score to each functions according to its rank in local prioritization (e.g.: Priority 1 = 5 pts, Priority 2 = 4 pts, Priority 3 = 3 pts, Priority 4 = 2 pts, Priority 5 = 1 pt);
- ▲ Rank the most popular functions at the local level, based on frequencies and scores, and deduce a ranking of administrations.

iii. Selection and validation of priorities to be done for the triennium

At this stage, it is a question of determining the sustainable number of priorities to be financed, based on the ranking obtained and the overall budget framework, in order to avoid sprinkling resources and to strengthen the coherence between the needs expressed by the RLA and the mandate funded.

The selection is made during a working session with MINEPAT, MINFI, MINDDEVEL, representatives of the RLA (CVUC, ARC and AMVC), as well as all the administrations whose priorities have been transferred to the RLA.

The priority that are most popular locally can be complemented by strategic (NDS30) or urgent priority, not prioritized by the RLAs but deemed essential by the state. Their addition must be duly justified and not exceed a predefined threshold (e.g. 10%).

The sector-based allocation is allocated to sector-based administrations in the MTBF according to the prioritized local need selected by the RLA for the triennium and fiscal sustainability. The equilibrium is done over three years, with an indicative trajectory per administration.

$$\text{Montant_Adm}_i = \text{sum of Montants_Fonctionss_selectionnées par Adm}_i$$

$$\text{Montant_Fonctions_selectionnée} = \frac{\text{Score_Fonctions_selectionnee}}{\text{Somme_Score_Fonctionss_selectionnees}} \times \text{Sector-based grant amount}$$

4. Step 4: Distribution of budgetary allocations between RLA's

a) Distribution of the multi sectoral allocation within the approach of the RLA

Within each category, the proposed distribution key is mixed, in order to guarantee each RLA of a category, a financial base (egalitarian basis) while modulating the rest according to the lowest level of the RLA and performance criteria.

Table 3: Example of fixed base and variable base of allocation for key multi sectoral allocation

Distribution key	Fixed Base	Variable base (incentive and equity)	Objective
Key 1	50 %	50 %	Balance between guaranteed minimum and incentive.
Key 2	60 %	40 %	Emphasis on the guaranteed minimum
Key 3	40 %	60 %	Emphasis on incentive and gap reduction

Proposed variables for the variable base:

▲ Local tax potential (PFL):

- **Definition** The PFL measures the estimated capacity of resources from local taxes in accordance with the distribution made by MINDDEVEL and according to the provisions of the law on local revenue.
- **Logical aspect of the variable:**
 - ✦ The more the PFL is high, the RLA has a significant tax base and therefore easier to own proper resources.
 - ✦ The more the PFL is low, the more the RLA is structurally disadvantaged and needs a compensatory equalization.
- **Expected Impact:** Favour low tax income RLAs for equal needs.
- **data source:** annual distribution data produced by MINDDEVEL and DGI, orders and decisions on tax equalization revenue.

▲ Fixed Base Execution Rate (FBR):

- **Definition:** It is the financial and physical achievement of the previous multi sectoral grant of the RLA.
- **Logical aspect of the variable:**
 - ✦ A high TXE reflects good project planning, execution and monitoring capacity.
 - ✦ A low TXE reflects delays, poor management or lack of technical capabilities.
- **Expected Impact:** Create an incentive signal. As a result, high-performing RLA's receive more resources, while those who do not consume properly are penalized.
- **Source of data:** Budgetary implementation (MINEPAT, MINFI, MINDDEVEL), follow-up reports.

▲ Effectiveness of the programme budget (EBP):

- **Definition:** this criterion measures the level of adoption and implementation of budgetary programme tools by the RLA:
 - ✦ existence of a MTBF
 - ✦ existence of a MTEF
 - ✦ Regular meeting of the performance review
 - ✦ Presentation of the budget in the form of a programme budget.
- **Logical aspect of the variable:**
 - ✦ A RLA with an operational programme budget demonstrates its ability to manage resources efficiently and transparently.
 - ✦ A RLA that has not yet implemented these tools needs support, but should not be "rewarded" with more resources.
- **Expected Impact:** Foster good financial governance, a culture of results and accountability.
- **Sources of data** Surveys by MINEPAT, MINFI, MINDDEVEL

▲ Resource mobilization capacity (RMC):

- **Definition:** measures the performance of a RLA at generate and to declare non-tax sources (products of the domain, royalties, services, rents, operating income, etc.).
- **Logical aspect of the variable**
 - ✦ Any RLA that mobilizes its own resources well demonstrates a effort to mobilize locally owned resources.
 - ✦ They are rewarded for their performance in order to strengthen and improve their financial autonomy.
- **Expected Impact:** Stimulate RLA's to diversify and secure their revenues, reduce excessive dependence on state allocation.
- **Source of data** the administrative accounts of RLA's, local financial boards, MINDDEVEL.

NB

The performance or wealth variables can be modified depending on their obsolescence or the budgetary reforms implemented at the level of RLA's.

Example: Key 2

Variables	Weight	Objective
PFL	45 %	overall fairness
Execution rate (Taxes)	15 %	incentive to performance
EPB	25 %	incentive for performance-based management
CMR	15 %	encouraging financial autonomy

$$\text{Score_CTD}_i = 45\% \text{ PFL_CTD}_i + 25\% \text{ EBP_CTD}_i + 15\% \text{ CMR_CTD}_i + 15\% \text{ TXE_CTD}_i$$

$$\text{Montant_CTD}_i = 60\% \frac{\text{Base fixe}}{\text{Nbre total CTD}} + 40\% * \text{Base variable} * \frac{\text{Score_CTD}_i}{\text{Somme Score des CTD}}$$

b) Distribution of sector-based allocation among RLA's

This breakdown shall specify how the sector-based appropriations are allocated to the beneficial RLA, on the basis of harmonised and objective criteria

In addition, no RLA can receive resources that it has not prioritized, with the exception of cases of important strategic needs funded by the State, in order to address the inadequacy between the needs of RLA's and the allocation transferred by the State.

Two options, depending on the availability of a synthetic index are considered:

Option 1: IDL sector-based availability

When the sector-based Local Development Index (LDI) is available and reliable, the proposed distribution variables are:

▲ LDI sector-based (LDIS);

- **Definition:** The index is composed by sector (health, education, water, etc.) and by RLA, constructed from relevant access/outcome indicators.
- **Logic fact of variables:**
 - ✦ **Priority need:** the lower the IDLS, the higher the allocation priority.
 - ✦ **Strengthens equalization towards the most retarded RLA in the sector concerned.**
- **Expected Impact:** Target sector-based deficits where they are most marked to reduce access inequalities.
- **Sources of data** MINDDEVEL.

▲ Sector-based RT execution rate (TXES) (%);

- **Definition:** this is the rate of execution of the allocation to the administrations concerned by the RLA.
- **Logic fact of variables:**
 - ✦ Measures the absorption of sector-based capacity and reliability of its execution on functions.
- **Expected Impact:** Encourage the proper implementation of projects funded by sector-based allocation.
- **Sources of data** MINEPAT/MINFI Budget Monitoring and Implementation Report

▲ Priority of the Functions

- **Definition:** Rank assigned by the RLA's to the jurisdiction during local prioritization
- **Logic fact of variables:**
 - ✦ Ensures an alignment with democratically expressed local preferences.
 - ✦ Avoid funding non-priority projects not considered for RLA's (unless duly justified strategic exceptions).
- **Expected Impact:** Strengthen the relevance of funding and its alignment with local needs at the grass roots level.
- **Sources of data** RLA's questionnaires sent to MINEPAT and MINFI

Option 2: Sector-based availability of LDI

In the absence of a robust LDI, transparent and verifiable proxies can be used. The proposed distribution variables are :

▲ Surface area (km²)

- **Definition:** Surface area of the RLA (in km²), officially measured.
- **Logical facts variables:**
 - ✦ Larger RLA's incur higher fixed and service costs (dispersion, distances, maintenance).
 - ✦ For equal needs, a large area justifies a higher allocation to ensure coverage.
- **Expected Impact:** Reduce inequalities in spatial access and support RLA's with strong territorial influence.
- **Sources of data** NIS

▲ Population

- **Definition:** The population living with the RLA
- **Logical indicator:**
 - ✦ The population reflects potential demand for services; the higher it is, the greater the need for funding.
 - ✦ Avoid underfunding densely populated RLA.

- **Expected Impact:** Align the allocation with the size of demographic needs.
- **Sources of data BUCREP, NIS**
 - ✦ Niveau d'équipement de la CTD ou tout autre variable capable de mesurer les disparités entre les CTD pour une compétence donnée (MD);

▲ **RLA's equipment level or any other variable capable of measuring disparities between RLA's for a given domain (MD):**

- **Definition:** this is a variable used to determine the level of equipment/ infrastructure provision relevant to the skill in question (schools, health posts, water points, latrines, landfill centres, etc.), compared to the target population. Like the school card, the health card, etc.
- **Logical facts variables:**
 - ✦ The lower the equipment level (deficit), the higher the allocation priority.
 - ✦ The objective is to reduce inter-RLA disparities on the targeted domain.
- **Expected Effects:** Accelerate the catching up of access/quality deficits in equipment/infrastructure.
- **Data source:** Sector-based Ministries (health card (MINSANTE), school cards (MINESEC-MINEDUB), reports of the Fisheries and Aquaculture Technical Departments (MINEPIA), city contracts and planning documents (MINDHU), reports of the Technical Departments (MINADER), the national sports infrastructure development program and the statistical yearbook (MINSEP), etc.)

▲ **Territory of the RLA:**

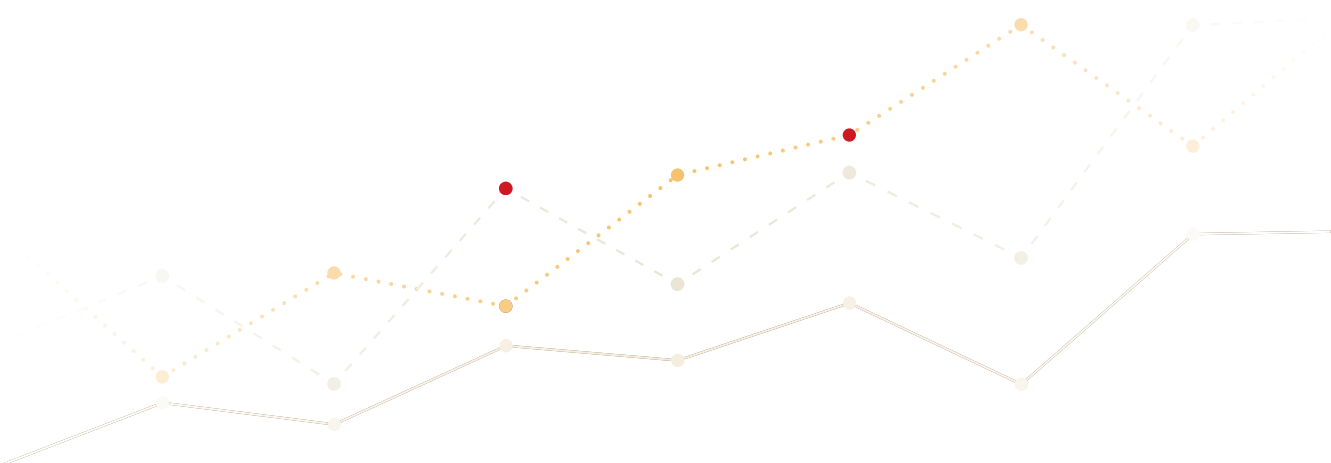
- **Definition:** Measures on the accessibility of the RLA (quality/state of the road network, average time to the capital or a service centre, seasonal access).
- **Logical facts variables:**
 - ✦ Isolation increases logistical costs and compromises the continuity of services. It has an impact on the cost of carrying out projects.
 - ✦ The most landlocked RLA must be well equipped to compensate for these additional costs.
- **Expected Impact:** Improve equal access to public services in remote areas considering additional costs generated by the isolation.
- **Data source:** MINTP

▲ Administration RT execution rate (%) (TXES):

- **Definition:** this is the rate of execution of the allocation to the administrations concerned by the RLA.
- **Logical facts variables** Measures the absorption, capacity and reliability of execution on competent sector-based.
- **Expected Effects:** Encourage the proper implementation of projects funded by sector-based allocation.
- **Data source:** MINEPAT/MINFI Budget Monitoring and Implementation Report

▲ Priority of the functions:

- **Definition:** Rank assigned by the RLA's to the jurisdiction during local prioritization
- **Logical facts variables:**
 - ✦ Ensures an alignment with democratically expressed local preferences.
 - ✦ Avoid funding non-priority projects not considered for RLA's (unless duly justified strategic exceptions).
- **Expected Effects:** Strengthen the relevance of funding and local ownership.
- **Data source:** RLA's questionnaires sent to MINEPAT and MINFI



Example: Option 1

Variables	Weight	Objective
LDIS	45 %	Promotes overall fairness
Level of execution (Taxes)	30 %	Incentive measure to performance
Priority	25 %	Priority measure

$$\text{Score_CTD}_i = 45\% * \text{IDLS_CTD}_i + 30\% * \text{Taux Exe_CTD}_i + 20\% * \text{Priorité_CTD}_i$$

$$\text{Montant_CTD}_i = \frac{\text{Score_CTD}_i}{\text{Somme Score des CTD}} * \text{Amount according to functions}$$

Example: Option 2

Variables	Weight	Objective
Level of equipment	35 %	Promotes overall fairness
Population	10 %	Promotes overall fairness
Surface Area	10 %	Promotes overall fairness
Landlocked	15 %	Promotes overall fairness
Execution rate (TXES)	15 %	Performance incentive measure
Priority	15 %	Promotes the alignment of needs and resources

$$\text{Score_CTD}_i = 35\% * \text{Niveau d'équipement_CTD}_i + 15\% * \text{TXES_CTD}_i + 15\% * \text{Priorité_CTD}_i + 15\% * \text{Enclavement_CTD}_i + 10\% * \text{Population_CTD}_i + 10\% * \text{Superficie_CTD}_i$$

$$\text{Montant_CTD}_i = \frac{\text{Score_CTD}_i}{\text{Somme Score des CTD}} * \text{Amount_Jurisdiction}$$



OPERATIONAL APPROACH TO TR ALLOCATION

The TR allocation process follows a procedure that ranges from the expression of RLA's requirements to the determination of the volume of TRs per RLA's. It varies depending on the public entity (State or RLA).

1. Approach at towards the State

The approach at level of the central government is as follows:

STEP 01

Determination of the volume of TR

At the beginning of the financial year, the TOFE specifies the volume of resources transferred to the RLA's. Subsequently, a regulatory text from MINFI and MINEPAT will set, on the one hand, the distribution factors for the overall TR budget between sector-based and multi sectoral budgetary allocations, as well as their distribution by the category of the RLA's and on the other hand, the composition of the multi sectoral allocation in fixed and variable terms.

STEP 02

Collection and analysis for the requirements of RLA's

Before 31 March of year N, MINFI and MINEPAT shall, by a joint circular letter, notify the RLA's in order to request their priority commitments in terms of both investment and operations. This circular letter is accompanied by a needs assessment form, listing all the transferred responsibilities, on which each RLA must prioritise a predefined number of priority responsibilities to be funded by resources transferred from the state budget for the next three years. The number of responsibilities to be selected is specified in the aforementioned circular letter, along with the procedures and deadline for RLA's to submit their requirements.

Once all the requirements expressed by the RLA's have been collected, a technical team will consolidate the data and link each responsibility to the relevant sector-based administration. A grade will be assigned to each responsibility according to its priority ranking, which will enable all responsibilities to be classified and consequently, the administrations to be ranked.

Subsequently, the results of the collection of needs expressed by the RLA's, in particular the most popular responsibility, are presented during a consultation with MINEPAT, MINFI, MINDDEVEL, representatives of the RLA's (CVUC, ARC

and AMVC), as well as all the administrations whose responsibilities have been transferred to the RLA's. During this meeting, the number of responsibilities requested by the RLA's for funding over the three-year period are selected, based on the overall TR budget. Similarly, sector-based administrations may, on the basis of substantiated evidence, request funding for a functions that has not been prioritised. Their addition must be duly justified and must not exceed a predefined threshold.

Following this consultation, TR allocation is allocated to sector-based administrations within the MTBF. Administrations whose transferred responsibilities have not been selected will not receive allocation for the resources transferred to their MTBF. The framework for the administrations is communicated to them no later than 20 April of year N.

The volume of each responsibility is communicated to the administrations and recorded in their MTBF.

STEP 03

Breakdown of allocation between RLA's

Regarding multi sectoral allocation

In accordance with the regulatory text of MINFI and MINEPAT, the multi sectoral allocation is first distributed by RLA's category, then on a fixed and variable basis among all RLA's.

To this end, an equal amount is allocated to each RLA's based on its category. Subsequently, the volume of the variable base is determined according to four (4) predefined criteria, namely: fiscal potential, the execution rate of the multi sectoral allocation for year N-1, the effectiveness of the programme budget and the capacity to mobilised resources. The weight of each criterion is defined in the aforementioned regulatory provisions.

Thus, the volume of multi sectoral grant of each RLA is determined.

Regarding the sector-based allocation

According to the regulatory law by MINFI and MINEPAT, the sector-based allocation is distributed categorically by the RLA's. Subsequently, the MTBF is communicated to the sector-based administrations. These carry out the breakdown of RT allocation by RLA, based on harmonized criteria and defined objectives, namely: population, area, level of equipment, isolation and priority of the skill. The weight of each criterion is defined in the aforementioned regulatory text. The beneficiary RLA's are those that prioritised functions when expressing their needs.

The breakdown of resources by RLA's carried out by the administrations is analysed during a specific conference on the budgeting of transferred resources, which is held no later than 15 August of year N. The purpose of this conference is to ensure compliance with the distribution keys and the use of the defined criteria.

At the end of these conferences, the approved allocation of RTs is included in the administration's budget in the form of allocation and notified to local executives with a view to their implementation in projects by latest 15 November of year N.

2. Approach at the level of the RLA's

The approach at the level of the RLA's as follows:

STEP 01

Expression of need by RLA's

Upon referral to MINEPAT and MINFI at the beginning of the financial year, the RLA's prioritise a defined number of jurisdictions to be funded by budgetary allocations over the three-year period. This choice is made on the basis of planning documents drawn up by the RLA's and is validated by the municipal or regional executive. The terms and deadlines for transmission are in accordance with the MINEPAT-MINFI circular letter.

STEP 02

Determination of multi sectoral allocation by RLA's

Based on the TOFE and the distribution keys defined in a regulatory text issued by MINFI and MINEPAT, the RLA's assess the volume of the multi sectoral allocation that will be allocated to them. Information on the fixed base volume and variable criteria is known to the RLAs, enabling them to easily make projections for a three-year period.

STEP 03

Determination of sector-based allocation by RLA's

Once identified, the financial jurisdiction to be funded over the triennial are issued to the RLA's. Depending on their priorities, they can determine if they will benefit from a grant or for a specific jurisdiction.

STEP 04

Breakdown of project allocation

Latest 15 October of year N, the RT budget are forwarded to the RLA's for variation into projects. Projects are selected during a dedicated consultation process organised around the Governor or SDO. The proceedings of this consultation shall be noted in the minutes and forwarded to MINEPAT and MINFI latest on 15 November of year N.

D



ANALYSIS OF THE ALLOCATION METHODOLOGY

The methodology for allocating resources transferred to RLA's has both advantages and disadvantages.

1. Advantages of the methodology

This methodology for allocating transferred resources makes it possible to have:

- ▲ **Objectivity and fairness:** The approach is based on quantifiable criteria and concrete data rather than considerations that are not always predefined. This makes the process transparent and fair, strengthening trust between the State and the RLA's.
- ▲ **Effectiveness and impact:** By targeting funding towards the highest priority areas and the best-performing municipalities, funds are allocated where they are most likely to produce results. This minimises a waste of resources and maximises the impact on local development.
- ▲ **Long-term planning:** The three-year approach of the Medium-Term Expenditure Framework (MTEF) enables RLA's to plan their projects over several years. This gives them a clear view of their future resources and encourages more structural investments rather than short-term projects.
- ▲ **Performance incentives:** The methodology is designed to help local governments improve their management. They are encouraged to strengthen their taxation systems, implement their projects effectively, and master program-based budgeting tools in order to achieve better scores and, consequently, secure more funding.

2. Disadvantages and possible solutions

Some drawbacks have been identified in the methodology for allocating RTs. However, to remedy this, possible solutions are outlined. These are:

- ▲ **Complexity of the method:** The use of multiple criteria, mathematical formulas, and weightings can be difficult for local stakeholders and administrations to understand, which can lead to errors and mistrust. To overcome this, it is crucial not only to organize training workshops on the manual and worksheet, but also to conduct a pilot phase of implementation to better establish certain aspects, in terms of the rates and percentages to be applied, as well as the reaction of executives.
- ▲ **Risk of dispersed funding:** The budget allocated to certain competencies may be divided into amounts that are too small to have an impact for which it was intended to cover the entire RLA's. This makes it difficult to finance basic infrastructures. In order to overcome this shortcoming, it is essential to implement the standard cost index for public investment drafted by MINEPAT.
- ▲ **Unreliable data:** The exact distribution entirely depends on the quality of the data (population, tax revenues, budget execution, etc.) provided by RLAs, sector-based administrations, and other concerned structures. Therefore, it is crucial that the data comes from previously identified sources. Likewise, the creation of a centralized digital platform is essential. This platform would enable data to be collected, verified, and validated in a standardized manner and in real time. MINEPAT, MINFI, and MINDDEVEL should go through it in order to ensure the consistency of the information, and each sector-based ministry would share the performance indicators of previous projects.

CONCLUSION

This Methodological Manual for the Distribution of Transferred Resources, developed in accordance with the legal provisions set forth in the General Code for Regional and Local Authorities (GCRLA's), is based on an assessment of current mechanisms and operations.

The methodology adopted is based on a progressive and structured approach, manuald by the principles of fairness, transparency, forecasting, simplicity, and accountability. It is structured around four major stages, namely: (i) determining the overall allocation to be transferred based on the TOFE and available resources; (ii) dividing this allocation between multi sectoral funding (fixed basis for all RLAs) and sector-based funding (focused on priority areas); (iii) implementation in the Medium-Term Budget Framework (MTBF) to ensure consistent and sustainable three-year planning; (iv) final allocation among RLAs, according to a criteria combining territorial equality, local priorities, project implementation performance, and efforts to mobilize their own resources.

This approach enables budgetary continuousness, territorial equality, and performance incentives to be combined, while limiting the dispersion of funding. It also gives RLA's multi-year visibility, enabling them to invest in structural projects.

Its effective implementation requires the commitment of all stakeholders, both at the central and local levels, as well as the implementation of the proposed tools and methods. This also requires rigorous monitoring and evaluation, frequent updates of the data used, and continuous adaptation of the system to the realities of our country and changes in public policy.

By adopting and implementing the principles and procedures outlined in this manual, Cameroon is equipping itself with a strategic tool to optimise the use of transferred resources, reduce regional inequalities and accelerate the implementation of the objectives of the NDS 2030. In this way, it strengthens local governance and makes decentralisation a real driver of inclusive and sustainable development.

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