REPUBLIQUE DU CAMEROUN

Paix-Travail-Patrie

REPUBLIC OF CAMEROON

Peace-Work-Fatherland

JOINT-CIRCULAR LETTER N° 00008734 /CL/MINFI/MINDDEVEL OF 11 AOUT 2025
relating to the preparation of the budgets of Regional and Local Authorities for the 2026 Financial Year.

The Minister of Finance
and
The Minister of Decentralisation and Local Development.

To

- **The Governors of the Regions;**
- **The Presidents of Regional Councils;**
- **The Presidents of Regional Executive Councils;**
- **The Senior Divisional Officers ;**
- **The City Mayors ;**
- **The Mayors of Sub Divisional Councils;**
- **The Mayors of Councils.**

1. This joint circular letter concerns the preparation of the budgets of Regional and Local Authorities (RLAs) for the 2026 financial year.

2. It outlines the macroeconomic context, defines the objectives of local public action and sets out the practical provisions governing the preparation of RLAs budgets for the 2026 financial year.

3. It is in accordance, notably, with the provisions of the following texts:
- Law No. 2024/020 of 23 December 2024 on local taxation;
- Law No. 2019/024 of 24 December 2019 establishing the General Code of Regional and Local Authorities;
- Law No. 2018/011 of 11 July 2018 on the Code of Transparency and Good Governance in the Management of Public Finances in Cameroon;
- Law No. 2018/012 of 11 July 2018 on the Financial Regime of the State and other Public Entities;
- Law No. 76/004 of 08 July 1976 amending and supplementing certain provisions of Law No. 74/78 of 05 December 1974 relating to the

oversight of Authorising Officers, Financial Managers and Credit Administrators of Public Funds and State-owned Enterprises;

- Law No. 74/78 of 05 December 1974 on the oversight of Authorising Officers, Financial Managers and Credit Administrators of Public Funds and State-owned Enterprises;
- Decree No. 2025/01081 of 17 June 2025 laying down the rules governing the public investment project maturation process;
- Decree No. 2021/3353/PM of 17 June 2021 establishing the Budgetary Nomenclature of Regional and Local Authorities;
- Decree No. 2021/3352/PM of 17 June 2021 establishing the Accounting Plan for Regional and Local Authorities;
- Order No. 0000314/MINFI of 25 March 2025 establishing Local and Individual Tax Centres;
- Joint Order No. 00031/AC/MINDDEVEL/MINFI of 03 March 2021 setting the budget calendar for Regional and Local Authorities;
- Circular No. 00000992/MINFI/MINDDEVEL of 04 July 2025 specifying the implementation modalities of Law No. 2024/020 of 23 December 2024 on local taxation;
- Joint Instruction No. 00007/IC/MINFI-MINDDEVEL of 31 January 2023 concerning the preparation and formulation of budgets for Regional and Local Authorities;
- Joint Instruction No. 0000929/MINFI/MINDDEVEL of 14 September 2023 concerning the keeping of the general accounts of Regional and Local Authorities.

4. Furthermore, it aligns fully with the guidelines of the budgetary policy defined by the President of the Republic, as set out in Circular No. 001 of 18 July 2025 relating to the preparation of the State budget for the 2026 financial year.

I. GENERAL PROVISIONS

5. The process of preparing the budgets of Regional and Local Authorities for the 2026 financial year falls within the continued implementation of the Nation's economic, social and cultural development policy, underpinned by the National Development Strategy 2020–2030 (NDS30). It also takes place in a context marked by: (i) the persistence of both internal and external crises; (ii) the continued implementation of the Presidential Plan for the Reconstruction and Development of Regions affected by security crises; and (iii) the anticipated renewal of the Executive Bodies of Regional and Local Authorities.

6. The preparation of the budgets of Regional and Local Authorities for the 2026 financial year aims to provide them with budgets that generate tangible socio-economic impact, notably through the implementation of projects with high growth potential. Particular emphasis must also be placed on strengthening social cohesion and deepening the decentralisation process, with a view to promoting good governance in the management of Local Finances.

7. The preparation of the budgets of Regional and Local Authorities for the 2026 financial year must be carried out using a programme-based approach, both in the drafting process and in their presentation, in accordance with the requirements of public finance reform. In addition, the budgets must be accompanied by the appendices provided for under Articles 418 and 420 of the law establishing the General Code of Regional and Local Authorities.

8. In all circumstances, the budgets of Regional and Local Authorities for the 2026 financial year must ensure the continuity of public service, as prescribed by principles of administrative governance.

II. ON THE MACROECONOMIC CONTEXT

A- At the International level

9. The preparation of the budgets of Regional and Local Authorities for the 2026 financial year is taking place within an international economic context marked by moderate recovery and persistent uncertainties, primarily linked to:

   - the conflicts in Ukraine and the Middle East, which continue to disrupt global supply chains and affect energy and commodity markets;
   - the continued adoption of tight financial conditions by central banks, through high interest rates, despite the modest monetary policy observed in many advanced economies;
   - the intensification of geo-economic fragmentation, reflected in a rise in protectionist measures and trade tensions, particularly in the United States, resulting in restrictions on international trade and investment flows;
   - the deterioration of climatic conditions, as evidenced by the increasing frequency of extreme weather events, which adversely affect agricultural yields and food security, particularly in developing countries.

10. According to the April 2025 edition of the World Economic Outlook published by the International Monetary Fund (IMF), global growth is expected to slow once again in 2025, due to the significant uncertainties weighing on the global economic environment. Indeed, the global economic growth rate is projected at

2.8% in 2025, down from 3.3% in 2024 and 3.5% in 2023. This slowdown is expected to affect all major economic groupings.

11. With regards to prices, following the high levels recorded in recent years, inflation has seen a marked decline, standing at 5.7% in 2024, compared to 6.7% in 2023 and 8.7% in 2022. It is projected to fall further to 4.3% in 2025, in line with the anticipated effects of the restrictive monetary policies implemented by central banks.

12. In 2026, the IMF forecasts a moderate recovery in global economic activity, with a projected growth rate of 3.0%. Inflation is expected to average 3.6% globally.

13. Crude oil prices are expected to continue declining in 2025, with the annual average projected at 66.94 US dollars per barrel, down from 79.17 US dollars in 2024. This decline reflects moderate global demand and a relatively stable supply. Furthermore, non-fuel commodity prices are expected to rise by 2.5% in 2025, driven in particular by increases in agricultural and metal price.

B- At the Regional (Community) Level

14. The IMF projects economic growth within the CEMAC zone at 2.4% in 2025, down from 2.9% in 2024, due to falling hydrocarbon prices and climatic uncertainties.

15. As regards inflation in the CEMAC zone, it is expected to decline to 3.2% in 2025, compared to 3.9% in 2024. It is projected at 3.0% for 2026.

C- At the national level

16. The Cameroonian economy is expected to strengthen in 2025, with a projected growth rate of 3.9%, up from 3.5% in 2024. This improvement will be driven by a more dynamic non-oil sector (+4.1%), supported by a recovery in both public and private investment, alongside the stabilisation of inflation around 3.8%.

17. The oil sector is anticipated to remain in decline (-4.3%), although this contraction will be significantly less severe than in 2024. Both the budgetary and external deficits are expected to remain under control, with an overall budget deficit of -0.8% of GDP and a current account deficit of 3.2% of GDP, within a framework of macroeconomic consolidation.

18. Regarding prices, inflation is forecast to fall to 4.5% in 2025, down from 7.4% recorded in 2023, following fuel price adjustments and their subsequent effects on other everyday consumer goods. Projections for 2025 indicate a continued downward trending inflation, with a rate expected at 3.8%. This moderation will

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be supported by the delayed effects of restrictive monetary policies implemented by the BEAC, stabilisation of global commodity prices and the impact of national measures taken by the government to combat the rising cost of living.

19. In 2026, the macroeconomic outlook remains positive, linked to the implementation of the NDS30, which is expected to foster structural transformation of the economy and support growth. However, there remain significant risks to performance deterioration, notably those related to: (i) protectionist trade policies; (ii) declining global demand; (iii) tightening financing conditions and falling commodity prices; (iv) persistent security challenges; and (v) shocks related to climate change.

D- At the local level

20. Economic growth in 2026 is expected to be driven by enterprises across all socio-economic sectors, with particular emphasis on the primary sector. Enterprises in the secondary and tertiary sectors generally foster the development of other economic activities in the municipalities where they operate. However, it should be noted that these various sectors face numerous challenges, notably climatic, energy-related, infrastructural, and security issues.

21. By sector of activity, the following developments are anticipated across the respective branches:

- **Primary sector:** "Forestry and logging" (growth rates estimated at +1.8% in 2025 and projected at +2.8% in 2026); "Fishing and aquaculture" (+4.2% and +4.4%); "Livestock and hunting" (+3.7% and +3.7%); "Food crop agriculture" (+3.6% and +3.3%); and "Industrial and export agriculture" (+6.2% and +4.8%).
- **Secondary sector**: "Construction and public works" (+4.6% and +4.7%); "Other manufacturing industries" (+3.4% and +4.4%); "Electricity production and distribution" (+4.8% and +5.5%); "Agro-food industries" (+4.2% and +4.9%); "Water production, distribution and sanitation" (+4.4% and +4.4%).
- **Tertiary sector:** "Trade and vehicle repair" (+3.6% and +3.7%); "Transport, warehousing and communications" (+3.1% and +3.8%); "Restaurants and hotels" (+5.3% and +5.1%); "Education" (+4.6% and +5.0%); and "Health and social services" (+3.5% and +3.1%).

22. Furthermore, several projects and programmes are being implemented nationwide aimed at improving agricultural production, increasing the output of animal products, ensuring food security and enhancing producers' incomes. These initiatives span all sectors and include, among others:

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- **Primary Sector:**

The continuation of the project to develop 15,280 hectares of irrigated agricultural land in the Adamawa region; continuation of the Land Development and Large Producer Settlement Programme in the "Central Agro-Park Plain," whose first phase involves developing 200,000 hectares of farmland and settling 40 large-scale producers across the Mbéré, Djérem, and Mbam& Kim divisions; expansion of the use of the FODECC-EDEN RED platform to facilitate producers' access to inputs for all agricultural crops; strengthening producer support through the implementation of the Continental Fish Farming Promotion Project (PROFIP); the Livestock and Fish Farming Value Chain Development Project (PDCVEP); the Rice Value Chain Development Project (RVCDP); construction of two oil and rubber processing factories by the CDC; the Sustainable Development Project for the Cassava Value Chain in Cameroon; the Agricultural Belt Development Project around major cities in Cameroon; commencement of the project to develop 10,000 hectares of irrigated zones in the Logone Birni area; the Agricultural Value Chain Development Project (PD CVA) for the Centre, East, Littoral, South, and South-West regions; and the National Project for the Improvement of Vegetable Crop Production (PNAPCM), spanning the Centre, East, Far North, Littoral, West, South, and South-West regions.

- **Secondary Sector:**

The construction of the 400KW Nachtigal-Bafoussam electricity transmission line; development of the Kikot (500MW) and Grand Eweng (1034MW) hydroelectric plants and associated lines; Photovoltaic Electrification Project covering 200 localities; construction of the 225KW Ebolowa-Kribi and 90KW Mbalmayo-Mekin electricity transmission lines; construction and rehabilitation of the Japoma Drinking Water Supply Station; the Rural Water Supply and Sanitation Project in Cameroon (PAER-MRU); continuation of iron ore mining projects at Mbalam-Nabeba, Kribi-Lobé, and Bipindi-Grand Zambi; the Reconfiguration, Expansion, and Modernisation Project for potable water supply systems in Douala and Yaoundé; and construction of the deep-water port of Limbe.

- **Tertiary Sector:**

The development of the integrated industrial zone at the Kribi deep-water port; enhancement of operational capacities at the Naval Shipyard and completion of phase 2 of the Limbe Oil Yard; rehabilitation of SONARA; operationalisation of economic zones and technopoles such as the OuassaBabouté (Tabéné) technopole; and development of the airports at Bertoua, Tiko and Kribi.

23. To encourage the various actors and sectors of the national economy, the Government has implemented several support measures, notably: (i) extending the simplified advance margin regime, previously reserved exclusively for large enterprises under the actual regime, to SME distributors in order to bolster their cash flow and improve fiscal equity; (ii) exempting locally produced flours from VAT; (iii) introducing an ad valorem excise duty at a reduced rate of 12.5% on imported ballpoint pens; (iv) adopting exemptions from customs duties and taxes on the importation of spare parts intended for enterprises established in priority development zones; (v) instituting a 50% reduction in customs duties and taxes on the importation of raw materials destined for enterprises located in priority development zones; (vi) adopting customs duty and tax exemptions as support for certain priority sectors, including agriculture, livestock, fishing, aquaculture, human and veterinary health, advanced wood processing, and medical equipment.

24. Regarding prices, inflation has been chiefly driven by increases in the cost of local goods and services. Local products recorded a rise of 4.5%, compared to a 3.8% increase for imported products. Additionally, staple food products essential to daily consumption have not been spared this trend. Their prices have risen due to several factors, including higher costs for fertilisers, seeds, and other imported agricultural inputs, climatic conditions, as well as increased transportation and logistics costs, which directly affect producers and ultimately consumers.

25. Inflation rates vary considerably across regions, ranging from 2.2% in Bertoua to 5.9% in Maroua. The least affected cities include Bertoua (2.2%), Garoua (3.0%), and Ngaoundéré (3.4%), while the most affected are Maroua (5.9%), Bamenda (4.9%), Buea (4.4%), Douala (4.3%), Bafoussam (4.2%), and Ebolowa (4.1%). These regional disparities are primarily attributable to variations in transportation costs, product availability and specific supply chain characteristics unique to each geographic area.

26. The core inflation rate (excluding petroleum products, domestic gas, and fresh produce) stands at 2.6%, indicating that the current inflationary dynamics are not confined solely to price fluctuations in fresh produce or energy. They also reflect increases in other components of the consumption basket. Nonetheless, prices for fresh produce continue to rise, with an increase of 11.3%, while energy prices have surged by 5.8%.

27. Furthermore, it is worth noting that cocoa prices exceeded 5,000 FCFA per kilogramme at the start of 2024 and have remained around this level in 2025. This trend is expected to continue into 2026, in light of the Government's policy to maintain efforts aimed at improving the cocoa sector's situation and ensuring benefits for all producers nationwide.

28. As a reminder, cocoa production areas are located in eight (08) regions of the country, namely: Adamawa, Centre, Littoral, East, North-West, West, South, and South-West. The Government's measures to promote the quality of locally produced cocoa continue and include, notably:(i) regular payment of quality premiums to farmers producing grade 1 cocoa;(ii) construction and maintenance of centres of excellence that guarantee the quality assurance process for cocoa;(iii) direct subsidies to farmers through the Producer Window, managed by the Cocoa and Coffee Value Chain Development Fund (FODECC).

29. Moreover, plantain banana prices have risen significantly since the first quarter of 2025, negatively impacting the household consumption basket. Indeed, plantain banana is a staple food in Cameroon and one of the most widely consumed products. To address this, the sector aims for a gradual increase in production to reach 10 million tonnes by 2035, as part of the Government's import-substitution strategy. The objective of this strategy is to strengthen the country's economic self-sufficiency and reduce dependence on imported foodstuffs. Increasing production also seeks to bolster agro-industry and create employment opportunities. To support producers, the Government provides financing, training, and quality seeds.

III. OBJECTIVES OF LOCAL PUBLIC ACTION

30. Local public action in 2026 must continue to pursue the objectives of promoting development and strengthening local governance, with the aim of improving the living conditions and environment for the population. Furthermore, it should generate tangible socio-economic impact within Regional and Local Authorities, recognising their role as centres of economic growth while strictly respecting their devolved powers.

31. Local public action should also emphasise citizen participation, particularly by taking into account the priorities of the population regarding basic social services, infrastructure and energy when selecting projects for inclusion in the budget. Similarly, it should contribute to strengthening social cohesion through the implementation of inclusive and employment-generating interventions.

32. Moreover, in order to achieve the Sustainable Development Goals (SDGs), especially the promotion of diversity, inclusion and respect for the principles of equality and integration, the budgets of Regional and Local Authorities must incorporate climate and gender-sensitive considerations. These include factors such as sex, age, vulnerable persons, internally displaced persons, minorities, and refugees. The said budgets must be consistent with the relevant planning and regulatory frameworks.

33. Ultimately, local public action must integrate all these requirements across its various pillars, namely: (i) strengthening governance and administration; (ii) improving the provision of basic social services; (iii) promoting economic development and environmental protection; and (iv) fostering citizenship, culture, sports, tourism and youth support.

34. Regarding the strengthening of governance and administration, existing achievements must be sustained and further efforts envisaged. In this respect, particular emphasis should be placed on improving transparency and the sound management of local finances through the following actions:

- Ensuring alignment between the actions and activities within Regional and Local Authorities programmes and national public policies;
- Developing budgetary tools that enable projections of resources, costs and cash flows, as well as integrating resource allocation strategies to maximise returns while minimising risks;
- Adopting a multi-year approach to expenditures and revenues as outlined in the planning documents, without compromising budgetary balance;
- Methodically preparing budget framework documents, notably the Medium-Term Budget Framework (MTBF) and the Medium-Term Expenditure Framework (MTEF), in accordance with the appropriate methodological requirements, taking into account the development plan, financing elements and the overall financial indebtedness level of the Regional and Local Authority and its public institutions;
- Incorporating projects originating from neighbourhood or village committees;
- Adhering strictly to budgetary principles;
- Ensuring rational management of material and patrimonial resources;
- Rationalising human resources by prioritising performance and competence, while placing particular emphasis on capacity building for staff, in accordance with prevailing regulations;
- Prohibiting any recruitment by Regional Councils pending the establishment of related regulatory procedures;
- Complying with existing regulations concerning budgeting for salaries, allowances and other benefits of staff and elected local officials;
- Establishing municipal police services in line with Decree No. 2022/354 of 9 August 2022, which sets out the modalities for the exercise of municipal policing, within the limits of local resources and municipal needs;

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- Implementing plans to clear outstanding salary, commercial, fiscal, and social debts owed to third parties, as well as budgeting for other mandatory expenditures stipulated by law;
- Reducing budgetary allocations earmarked for dispute-related expenses; accordingly, Regional and Local Authorities should generally avoid situations likely to strain their resources;
- Setting up audit systems, monitoring and evaluation mechanisms, including any other forms of control over local actions and activities;
- Organising, prior to the budget vote, the Budget Orientation Debate (BOD) aimed at reviewing the budget framework documents prepared under the authority of the executive, in compliance with legal requirements;
- Taking into account the conclusions arising from the Budget Orientation Debate and citizen consultations;
- Optimising the operation of administrative services within the Regional and Local Authority;
- Contributing to the operationalisation of Local Tax Centres and Individual Taxpayer Units by providing taxpayer files;
- Effectively applying provisions related to the local taxation law, notably through the establishment of Local Tax Monitoring Units;
- Budgeting for the necessary resources to ensure the effective functioning of Local Tax Monitoring Units and for campaigns to update taxpayer files;
- Establishing and securing land reserves.

35. With regards to improving the provision of basic social services, the focus should be on:

- Strengthening healthcare provision through the improvement, maintenance, and upkeep of infrastructure, as well as continuing to upgrade the technical capacity of healthcare facilities under the authority of the Regional and Local Authorities;
- Promoting equal access for all to civil registry services, notably by continuing public awareness campaigns to encourage the registration of civil status events and by effectively applying the principle of free issuance of all civil status documents;
- Allocating necessary resources within their respective budgets to ensure the effective implementation of the provisions of Law No. 2024/016 of 23 December 2024, relating to the organisation of the civil registration system, including funding for the training of Regional and Local Authority staff;
- Equipping themselves with infrastructure for the digitalisation of civil registry services, in accordance with relevant laws and regulations;
- Enhancing access to education, with particular emphasis on inclusive education that integrates socially vulnerable groups, including children

living with disabilities or from parents with disabilities, internally displaced persons, the impoverished, minorities and vulnerable indigenous populations;

- Continuing the construction of potable water supply points to expand access to drinking water in rural and peri-urban areas;
- Promoting technical and vocational training across all social strata (adults, youth, men, women, persons with reduced mobility);
- Ensuring the development and implementation of waste management plans;
- Mobilising communities, associations, and neighbourhood or village committees to lead pre-collection and collection of household waste.

36. Regarding economic development and environmental protection, the focus is on:

- Developing the local economic fabric whilst safeguarding the environment and natural resources. This includes taking necessary measures to control bushfires, prevent uncontrolled logging in Regional and Local Authorities managing communal and community forests and promoting reforestation activities;
- Strengthening the inclusive nature of economic growth by prioritising a High Labour Intensity (HLI) approach and local development in the design and execution of investment projects;
- Establishing mechanisms to promote agriculture in both rural and urban settings by facilitating the availability and accessibility of agro-pastoral inputs for all;
- Promoting the consumption of local products through the organisation of fairs, exhibitions and sales of locally produced goods;
- Rehabilitating and maintaining existing infrastructure;
- Planning and organising spaces within Regional and Local Authorities to encourage, on the one hand, the implementation of second-generation agriculture and increase local supply of staple goods and food products and on the other, to strengthen storage, packaging, and distribution capacities for foodstuffs;
- Promoting job creation conditions;
- Encouraging income-generating activities;
- Enhancing the contribution of women and youth to socio-economic development, notably by supporting female entrepreneurship in rural areas;
- Encouraging and facilitating the formation of cooperatives and community interest groups;
- Allocating budgetary resources for energy transition projects (solar, biogas, energy-efficient renovation of public buildings) and circular economy initiatives;

- Providing funding for the implementation of modern digital tools to facilitate urban planning and the dematerialisation of procedures for improved monitoring of delivered services;
- Developing bankable projects, supported by technical assistance to secure innovative financing, complementing traditional tax transfers and grants, in accordance with applicable regulations;
- Ensuring the security of local information systems and the protection of citizens personal data;
- Developing or updating local land-use plans and securing land reserves to maximise economic and social benefits.

37. Regarding the promotion of citizenship, culture, sports, tourism, and youth support, the focus should be on implementing actions aimed at:

- Guiding young people through civic education and organising awareness campaigns on the dangers of drug use;
- Promoting and establishing centres for vocational training and crafts to facilitate youth socio-professional integration and self-employment;
- Promoting and creating recreational spaces and holiday camps;
- Encouraging sport through the creation and construction of sporting facilities;
- Fostering a socio-cultural environment conducive to respecting the rights of both men and women;
- Promoting and valuing culture, the arts, and national languages, notably through the organisation of cultural and artisanal fairs and events;
- Supporting youth entrepreneurship;
- Preventing urban violence and backing youth initiatives in disadvantaged neighbourhoods.

IV. PRACTICAL PROVISIONS FOR BUDGET PREPARATION

38. In preparing the budgets for the 2026 financial year, the Regional and Local Authorities (RLAs) must strictly adhere to budgetary principles, leveraging local potentials to ensure optimal resource mobilisation while maintaining expenditure quality.

A- With regards to revenue

39. Revenue forecasts must be realistically assessed based on:

- Objectives and collection of tax revenues arising from the effective application of the local taxation law;
- Collection of non-tax revenues;

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- Review of previously mobilised revenues, considering past trends in collectible revenues;
- Outstanding amounts to be collected, representing revenues issued but not yet recovered by the RLA's accountant for various reasons;
- Local growth indicators relating to the primary, secondary and tertiary sectors.

40. State tax services and RLAs must systematically hold consultations to develop realistic forecasts. They should also collaborate with sectoral administrations to explore new revenue streams.

41. Priority remains the optimal mobilisation of revenues, while ensuring, in cooperation with relevant State services, enhanced support for the local economy by supervising small and medium enterprises to mitigate economic impacts from both external and internal crises.

42. Transfers of allocated tax revenues to the Regions will become effective from 2026, progressively, in accordance with the provisions of the local taxation law.

43. RLA resources comprise tax revenues, income from the exploitation of public domain and services, grants and subsidies, as well as other revenues.

a- Tax revenues and income from the exploitation of the domain and services

44. Tax revenues for RLAs consist of all compulsory levies collected on their behalf by State tax services, as well as those temporarily collected by RLA accountants.

45. The revenues from the exploitation of the domain and services include income from the regional or communal public domain, the regional or communal private domain, and service-related revenues.

b- Grants and subsidies

46. The Common Decentralisation Fund (CDF) for 2026, included in the budgets of relevant ministries, must be reflected as revenue in RLA budgets.

47. The General Operating Grant (GOG) allocated by City Councils to Sub divisional Councils remains mandatory. City Councils must therefore allocate resources for its effective transfer to Sub divisional Council.

48.Indexation, distribution, and transfer modalities of the GOG must comply with Order No. 000011/A/MINDDEVEL of 16 February 2021, as amended by Order No. 000130/A/MINDDEVEL of 16 June 2022.

49.The GOG transferred by City Councils constitutes a resource for Sub divisional Councils and must be included in their budgets.

50.Regarding subsidies, any resource from the State or any other public body must be mandatorily included in RLA budgets, based on formal agreements or conventions between RLAs and these administrations.

c- Other revenue

51.Other RLA revenue notably from forestry, wildlife, fishing, livestock, cadastral, mining sectors, and dividends must be budgeted based on duly signed contractual documents and the average realisations in approved administrative accounts over the past three (03) financial years.

52.RLAs and their establishments must inform the Ministers responsible for RLAs, Finance, External Relations, and Investments of any funding received related to decentralised cooperation, external actions, and partnerships with private bodies, in accordance with applicable regulations. This obligation also applies to all indicated partners, including international donors.

53.Any resource from decentralised cooperation and partnerships must be recorded in RLA budgets, based on regularly signed formal agreements or conventions.

54.Donations, bequests and trust funds require an approved deliberation before acceptance and budget inclusion prior to use. However, RLA executives may provisionally accept donations or bequests and request authorisation from the deliberative body before utilisation.

B- With regards to expenditures

55.Budget choices must prioritise efficient spending and improved quality of local public services through transparent and effective fund allocation and management. Special attention should be given to expenditures that benefit a broad segment of the population.

56.Expenditure forecasts must be all-inclusive (including all taxes) and aligned with the actual level of own-source revenues generated by RLAs, State-allocated resources and funding expected from partners.

57.RLAs must prioritise in their 2026 budgets the allocation of credits for carrying forward commitments (Outstanding Realisable Balances - ORBs) from 2025 and earlier financial years. ORBs include outstanding payments and Committed Non Authorised Expenditures (CNAEs).

58. Outstanding payments refer to expenditures duly covered by the public accountant on authorised budget credits but unpaid before the end of the fiscal year. CNAEs are expenditures duly committed and liquidated on authorised budget credits but not authorised before the end of the fiscal year.

59.A **minimum quota** of 30% of the total arrears and debts of RLAs must be budgeted for 2026, without compromising budget execution balance.

60. Credits must be allocated for producing accounts and budgetary information, including preparing administrative accounts, management accounts, inventory work, and financial statements, within regulatory limits.

61.RLAs must budget for the inventory, valuation, and integration of their fixed assets (land, buildings, vehicles, equipment, works, artworks, software, etc.) and liabilities (financial debts, litigation, etc.) to master and consolidate their patrimony.

62. Regarding clearing floating State debt audited from 2000 to 2019, the commercial debt component of RLAs will be shared 70% by the State and 30% by the debtor RLA. The 30% share borne by RLAs will be withheld at source from the Common Decentralisation Fund for 2026.

63. Budgeting resources for ongoing projects must be prioritised to allow their completion within planned deadlines.

64.RLA expenditures consist of operating expenses and investment expenditures.

a) Operating expenses

65. Operating expenses relate to service running costs that renew without affecting assets. They enable RLAs to meet their current charges and obligations.

66. State representatives and RLAs must ensure approved credit amounts match real and priority operational needs, respecting the following legal ratios from the General Code of Regional and Local Authorities:

- ***For Regions:*** operating expenses **must not exceed** 40% of total expenditure and personnel expenses must not exceed 30% of operating expenses;
- ***For Councils:*** operating expenses **must not exceed** 60% of total expenditure and personnel expenses **must not exceed** 35% of operating expenses.

67.RLAs must budget for all obligatory expenses as prescribed by current legislation.

68.Projected recruitments must consider real RLA needs and budget availability. Personnel costs (salaries and benefits) must comply with authorised personnel expenditure ceilings and be based on a realistic annual recruitment plan.

69.The budgeting for RLA shares to cover for waste collection services, must align with the State subsidy, as set out in the Finance Law.

70.To ensure optimal functioning of municipal and regional services, RLAs must budget the necessary resources to finance these services, including statistical units for data production, municipal police services, and primary and secondary civil status centres.

71.Operating costs for internal public procurement committees must be borne by the contracting authority. RLAs must include budgetary resources to cover these costs.

72.The City Councils of Yaoundé and Douala must allocate budget credits for public procurement regulation fees in accordance with Decree No. 2011/1339/PM of 23 May 2011, which exempts RLAs from market regulation fees and granting the benefit of the acquisition cost for tender documents of the contract to RLAs.

73.RLAs must also budget resources for monitoring the execution of their public investment projects.

74.Councils, City Councils, and Sub divisional Councils planning to establish municipal police services must allocate budget resources for training police officers.

b) Investment expenditures

75.Investment expenditures cover costs related to the construction and acquisition of equipments, buildings, infrastructure and materials for work in economic, social, health, educational, cultural and sporting domains.

76.Local investment expenditures must primarily strengthen existing infrastructure and complete ongoing projects to optimise social and economic returns.

77.Project inclusion in the RLA investment budget must respect current regulations on project maturation, programming and budgeting.

78. Investment project selection must consider the RLA's capacity to manage future operating and maintenance costs.

79. New RLA development projects for 2026 must be derived mainly from planning documents and meet requirements for harmonious, balanced, solidary and sustainable territorial development within transferred competences.

80. New project inclusion is conditional on RLAs' budgetary capacity to sustainably finance implementation per execution schedules without compromising existing project funding.

81. RLAs must refrain from budgeting investment projects not included in Council and Regional Development Plans.

82. State representatives, deliberative bodies and RLA executives must ensure respect of legally set investment ratios: minimum 40% of total expenditure for Councils and minimum 60% for Regions.

83. Resources allocated to RLAs within the MINDDEVEL budget must fund multi-sectoral public investment projects within their transferred competences.

84. Resources allocated to RLAs in other administration budgets must fund sectoral public investment projects exclusively within those administrations' competences. Project planning and selection must be supported by competent technical bodies per regulations.

85. Projects adopted by RLAs with transferred resources must be validated within a consultation framework chaired by the State representative, including relevant sectoral administrations.

86. A copy of the minutes from the consultation framework must be sent to MINEPAT, MINFI, MINMAP, and relevant sector ministries for authorisation and expenditure tracking purposes.

V. MISCELLANEOUS AND FINAL PROVISIONS

87. Council budgets and programmes must align with those of their corresponding Regions and similarly, Regional budgets must be consistent with those of Councils within their territorial jurisdiction.

88. The Special Finance Controller and the Head(s) of Tax Centres assist RLAs in budget preparation, providing advisory support on the sincerity and sustainability of revenue and expenditure forecasts, within their respective domains.

89. The 2026 RLA budget, produced in twelve (12) copies, must be voted on by 15 December 2025 at the latest and approved by the State representative within fifteen (15) days, but no later than 30th December 2025.

90. One copy of the approved budget for each RLA must be transmitted by the RLA executive to the Ministers responsible for Finance and Regional and Local Authorities.

91. State representatives, regional and council executive heads, must ensure strict compliance with the orientations set out in this Circular Letter.

92. The Minister in charge of finance and the Minister in charge of Regional and Local Authorities attach great importance to the strict implementation of the orientations contained in this Circular Letter.

The Minister of Decentralisation and Local Development,

RÉPUBLIQUE DU CAMEROUN
Republic of Cameroon
Paix-Travail-Patrie
Peace-Work-Fatherland
Le Ministre
MINISTRY OF DECENTRALIZATION AND LOCAL DEVELOPMENT
MINISTÈRE DE LA DÉCENTRALISATION ET DU DÉVELOPPEMENT LOCAL

Georges ELANGA OBAM

The Minister of Finance,

RÉPUBLIQUE DU CAMEROUN
REPUBLIC OF CAMEROON
LE MINISTRE
The Minister
MINISTRY OF FINANCE
MINISTÈRE DES FINANCES

Louis Paul MOTAZE

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