

**Exploring Lease Finance, Crowd funding, and Public–Private Partnerships (PPPs) as Alternative Sources of Finance for Community Development Projects in Regional and Local Authorities in the Northwest Region of Cameroon: Implications for NDS30**

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**Abstract**

*Access to sustainable financing remains a major challenge for regional and local authorities in Cameroon in their efforts to implement community development projects. Traditional financing sources, including central government transfers and commercial bank loans, have often proven inadequate to meet growing infrastructure and service delivery needs. These constraints have contributed to delays in project implementation and limited development outcomes, particularly in the Northwest Region. This study explores three alternative financing mechanisms—lease finance, crowdfunding, and public–private partnerships (PPPs)—as potential instruments for strengthening local development financing within Cameroon’s decentralized governance framework. Using an exploratory research design grounded in a systematic review of empirical literature and relevant theoretical perspectives, the study examines the applicability, strengths, weaknesses, and contextual suitability of these financing mechanisms for community development initiatives. The findings indicate that lease finance and PPPs provide structured long-term financing opportunities and facilitate risk sharing between public and private actors, thereby enhancing the capacity of local authorities to undertake capital-intensive infrastructure projects. Crowdfunding, on the other hand, offers a complementary grassroots financing mechanism capable of mobilizing community contributions and diaspora resources while promoting citizen participation in development initiatives. Despite these opportunities, institutional weaknesses, limited financial literacy, weak digital infrastructure, and regulatory gaps continue to constrain the effective adoption of these mechanisms. The study therefore recommends targeted policy reforms, strengthened institutional capacity, and improved regulatory frameworks aligned with*

*Cameroon’s National Development Strategy 2030 (NDS30) to facilitate the effective integration of alternative financing mechanisms into local development planning.*

**Keywords:** lease finance, crowdfunding, public–private partnerships, community development, decentralized governance, Cameroon;

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## 1. Introduction

Financing community development is fundamental to the attainment of inclusive growth, social equity, and poverty reduction in developing economies. In Cameroon, the decentralization policy framework assigns substantial development responsibilities to regional and local authorities, positioning them as key agents in the provision of basic infrastructure and essential public services. However, the pursuit of sustainable community development in the Northwest Region is increasingly constrained by persistent fiscal limitations, thereby necessitating a critical re-examination of financing strategies that are consistent with the objectives of the National Development Strategy 2030 (NDS30) (Engström & Mustanlemi-Laakso, 2024).

Local councils in Cameroon play a pivotal role in the delivery of services such as water supply, sanitation, primary healthcare, and rural infrastructure. Despite this mandate, they face considerable challenges in mobilizing adequate financial resources to respond to expanding community needs (Takwa et al., 2020). These challenges are compounded by a structural overreliance on conventional revenue sources, including taxes, rates, and administrative fees, which are often insufficient to support capital-intensive development projects (Nnamani et al., 2019). Furthermore, intergovernmental fiscal transfers remain unpredictable and frequently inadequate, exposing local governments to chronic budgetary shortfalls and project implementation delays.

Against this backdrop, there is an increasing imperative to explore innovative and diversified financing mechanisms capable of supplementing traditional public finance. Alternative instruments such as lease finance, crowdfunding, and public–private partnerships (PPPs) present viable opportunities for expanding the fiscal space of local authorities by mobilizing private capital, community contributions, and long-term contractual investments (Frisa, 2019; Wansi & Burrell, 2023). Lease finance enables local authorities to acquire productive assets without incurring substantial upfront costs, thereby smoothing capital expenditure over time. Crowdfunding leverages digital platforms and social networks to pool small-scale contributions from citizens and diaspora communities, fostering

participatory development and strengthening social accountability. PPPs, in turn, provide structured frameworks for collaboration between public entities and private investors in the financing, construction, and management of infrastructure and service delivery projects.

These alternative financing mechanisms are particularly relevant within the context of Cameroon’s NDS30, which emphasizes decentralized development, private sector participation, and innovative financing as core strategies for achieving structural transformation and inclusive growth. However, the adoption and effectiveness of such mechanisms at the subnational level remain underexplored, especially in fragile and resource-constrained contexts such as the Northwest Region. Existing studies on local government finance in Cameroon have largely focused on taxation and intergovernmental transfers, with limited attention given to non-traditional financing instruments and their implications for community development outcomes.

This study therefore seeks to fill this empirical and policy gap by exploring lease finance, crowdfunding, and PPPs as alternative sources of finance for community development projects in regional and local authorities in the Northwest Region of Cameroon. Using an exploratory research design grounded in relevant theories and empirical literature, the study examines the potential, constraints, and institutional conditions under which these mechanisms can enhance local development financing. The paper further draws implications for the implementation of NDS30, offering policy-relevant insights into how financing innovation can strengthen decentralized development and improve service delivery at the community level.

## **2. Literature Review**

### **2.1. Financing Community Development in Decentralized Contexts**

The decentralization process in Cameroon assigns regional and local authorities significant responsibilities in the provision of essential public services and the promotion of community development. Local councils are expected to deliver services such as water supply, sanitation, local infrastructure, and community welfare programs. However, despite these mandates, local governments face considerable challenges in mobilizing adequate financial resources to fulfill their statutory obligations (Takwa et al., 2020). In many cases, the fiscal capacity of local authorities remains weak due to limited internally generated revenue and heavy reliance on transfers from the central government.

Empirical evidence indicates that the fiscal frameworks supporting decentralization in Cameroon remain insufficient to meet the growing

development needs of local communities. For example, Eteme and Mountouzache (2024) note that regional and local authorities often struggle to account effectively for their revenue contribution rates due to weak administrative systems and limited proactive financial management. The persistent tension between the central government's deconcentration policies and the desired fiscal autonomy of local authorities further complicates the development of sustainable local financing strategies (Eteme & Mountouzache, 2024). Consequently, local governments frequently operate under significant fiscal constraints that limit their ability to undertake capital-intensive development projects.

Another major challenge relates to the heavy dependence of local governments on statutory transfers such as the Common Decentralization Fund. Although these transfers are intended to support local development, empirical evidence suggests that actual disbursements often fall short of the thresholds mandated by national legislation (Eteme & Mountouzache, 2024). This creates uncertainty in development planning and contributes to delays in the implementation of critical infrastructure projects. Additionally, structural weaknesses such as inadequate tax collection capacity, limited administrative autonomy, and insufficient technical expertise further undermine the financial sustainability of local authorities (Yombi et al., 2019; Manga & Fouopi, 2025).

Beyond fiscal constraints, governance challenges also affect the ability of local authorities to mobilize and manage development resources effectively. Political interference, weak administrative oversight, and limited institutional capacity frequently undermine fiscal autonomy and hinder the efficient allocation of public resources (Delewa, 2019). Moreover, donor-driven development agendas often prioritize sectors that may not align fully with the immediate socio-economic needs of local communities, thereby limiting the effectiveness of externally financed projects (Moussa, 2018).

Given these challenges, scholars increasingly argue that local governments must diversify their resource base by adopting innovative financing mechanisms capable of supplementing traditional tax-based revenues and intergovernmental transfers (Smoke, 2019). Alternative financing mechanisms such as lease finance, crowdfunding, and public–private partnerships have therefore gained increasing attention as potential instruments for strengthening the financial capacity of decentralized governments.

## 2.2. Lease Finance as an Alternative Financing Mechanism

Lease finance represents an important alternative mechanism through which local authorities can acquire essential infrastructure and capital assets without incurring

substantial upfront costs. Under leasing arrangements, municipalities obtain the right to use equipment or infrastructure over a specified period in exchange for periodic payments, thereby spreading capital expenditure across the useful life of the asset (Smoke, 2019). This approach enables local governments to overcome liquidity constraints while maintaining the capacity to deliver essential public services.

The adoption of lease finance is particularly relevant in resource-constrained environments where traditional debt financing is difficult to obtain. In many developing economies, local authorities face strict borrowing limits and limited access to commercial credit markets due to weak financial positions and lack of collateral (Srithongrungrung et al., 2020). Leasing arrangements provide a flexible alternative by allowing municipalities to transform capital-intensive investments into manageable operational expenditures.

Empirical studies indicate that leasing can support the acquisition of critical infrastructure and service delivery equipment, including medical machinery, road maintenance equipment, and energy systems (Cardente et al., 2016; Nair et al., 2004). In contexts where rural enterprises or local governments struggle to provide traditional collateral, leasing arrangements enable asset acquisition based on expected future utility rather than immediate liquidity (SindaniWafula et al., n.d.). Such arrangements allow municipalities to upgrade infrastructure and improve service delivery without significantly increasing their debt burden (Poniatowicz et al., 2017).

Additionally, lease finance can support long-term fiscal planning by aligning payment schedules with the productive life of assets, a principle often referred to as the “golden rule of financing” (Komissarova, 2017). This approach ensures that expenditures correspond with the benefits generated by the assets, thereby improving financial sustainability.

Despite these advantages, the implementation of lease finance in decentralized contexts presents several challenges. Effective leasing arrangements require strong financial management systems capable of monitoring multi-year contractual obligations. However, many local governments lack the accounting infrastructure and technical expertise necessary to manage such arrangements effectively (Anttila&Oulasvirta, 2025). Furthermore, evolving international accounting standards increasingly require the recognition of lease liabilities on balance sheets, which may complicate fiscal management for municipalities with limited administrative capacity (Leventis et al., 2016). Consequently, the successful adoption of lease finance depends heavily on institutional capacity, regulatory clarity, and effective financial oversight mechanisms.

### 2.3.Crowdfunding and Community-Based Financing

Crowdfunding has emerged as an innovative financing mechanism that enables communities to mobilize financial resources through digital platforms. This approach allows individuals to contribute small amounts of money to support development projects, thereby aggregating micro-investments into significant funding pools. In the context of local development, crowdfunding can serve as a tool for mobilizing community participation and strengthening social accountability in public investment processes.

One of the key advantages of crowdfunding lies in its ability to democratize access to capital. By enabling direct interaction between project promoters and contributors, crowdfunding platforms reduce reliance on traditional financial intermediaries and create opportunities for broader citizen participation in development financing. In sub-Saharan Africa, this mechanism has the potential to mobilize remittances and diaspora capital, which often remain underutilized in formal development finance systems (Radynskyy et al., 2024).

Crowdfunding is particularly suited for financing small-scale community projects such as sanitation facilities, rural electrification, and local social services. These initiatives typically require relatively modest financial resources but can generate significant social benefits when implemented effectively. In addition, civic crowdfunding initiatives often encourage community members to contribute not only financial resources but also voluntary labor and local knowledge, thereby enhancing project ownership and sustainability (Louman et al., 2020).

Nevertheless, the effectiveness of crowdfunding as a development financing tool is influenced by several structural factors. One major constraint is the limited technical capacity of local authorities to design and manage digital fundraising campaigns. Studies indicate that many local governments lack the legal knowledge and administrative expertise required to implement crowdfunding initiatives effectively (Radynskyy et al., 2024). Furthermore, the absence of supportive regulatory frameworks and secure digital infrastructure often restricts the scalability of crowdfunding platforms in developing regions (N’Kupo et al., 2023).

Other structural barriers include limited technological literacy, inadequate internet access, and low levels of institutional trust among potential contributors. Research suggests that the success of crowdfunding campaigns is highly dependent on strong social networks, transparent project communication, and effective engagement with local stakeholders (Louman et al., 2020;

Asmiyono&Rahmawati, 2025). Consequently, while crowdfunding presents promising opportunities for community-based financing, its effectiveness depends on supportive institutional and technological environments.

#### 2.4.Public–Private Partnerships and Infrastructure Financing

Public–private partnerships (PPPs) have become an important financing instrument for addressing infrastructure deficits in decentralized governance systems. PPPs involve collaborative arrangements between public authorities and private sector actors for the design, financing, construction, and operation of public infrastructure or service delivery projects. Through these partnerships, governments can leverage private sector capital and expertise to deliver projects that would otherwise be difficult to finance through public budgets alone (Smoke, 2019).

In many developing economies, PPPs have been used to support the development of infrastructure sectors such as water supply, sanitation, energy, and transportation. By sharing project risks and responsibilities between public and private actors, these partnerships can improve efficiency and enhance the long-term sustainability of infrastructure investments (Bank, 2021).

However, the successful implementation of PPPs depends heavily on institutional capacity and governance quality. Empirical studies indicate that many subnational governments in sub-Saharan Africa struggle to attract private sector investment due to weak regulatory frameworks, limited project preparation capacity, and low creditworthiness (Mpapalika, 2020). These challenges are often compounded by political interference, poor cost recovery mechanisms, and insufficient transparency in procurement processes (Mutandwa & Vyas-Doorgapersad, 2023).

Furthermore, PPP projects in developing countries frequently prioritize large-scale commercially viable investments, sometimes at the expense of smaller community-level infrastructure projects (Smoke, 2019). As a result, while PPPs can contribute significantly to infrastructure development, their effectiveness in supporting grassroots community development depends on the design of appropriate governance frameworks and regulatory safeguards.

#### 2.5.Synthesis and Research Gap

The literature reviewed highlights the growing recognition of alternative financing mechanisms as important tools for strengthening local government finance in decentralized governance systems. Lease finance provides a flexible mechanism for acquiring infrastructure assets without imposing significant upfront fiscal burdens. Crowdfunding offers opportunities to mobilize community

resources and enhance citizen participation in development financing. Public–private partnerships enable local authorities to access private sector capital and technical expertise for infrastructure development.

However, despite the potential benefits of these mechanisms, their adoption in many developing countries remains limited due to institutional constraints, regulatory gaps, and capacity limitations. In Cameroon, existing research has largely focused on traditional sources of local government finance, such as taxation and intergovernmental transfers, with relatively little attention given to alternative financing instruments and their implications for decentralized development.

This study therefore seeks to address this gap by exploring the potential of lease finance, crowdfunding, and PPPs as alternative sources of finance for community development projects in regional and local authorities in the Northwest Region of Cameroon. By examining the opportunities and constraints associated with these mechanisms, the study contributes to the broader discourse on innovative financing strategies for achieving the objectives of Cameroon’s National Development Strategy 2030.

### **3. Theoretical Framework**

This study draws on Resource Dependence Theory, Institutional Theory, and Fiscal Federalism Theory to explain how regional and local authorities can mobilize alternative financing mechanisms—specifically lease finance, crowdfunding, and public–private partnerships—to support community development projects in alignment with the objectives of Cameroon’s National Development Strategy 2030 (NDS30). These theoretical perspectives provide complementary insights into the financial, institutional, and governance dynamics shaping the adoption of innovative financing strategies at the subnational level.

#### **3.1. Resource Dependence Theory**

Resource Dependence Theory (RDT) provides a useful framework for understanding how organizations respond to external resource constraints. The theory posits that organizations are rarely self-sufficient and must therefore establish strategic relationships with external actors to secure critical resources necessary for survival and growth (Akoh, 2024). Within the context of decentralized governance, regional and local authorities often depend heavily on central government transfers and limited internally generated revenue, making them vulnerable to fiscal uncertainty.

Applying RDT to the financing of community development projects in the Northwest Region suggests that local authorities must proactively manage external dependencies by diversifying their sources of finance and forming strategic partnerships with private investors, financial institutions, and community stakeholders (Kachumi et al., 2025). Through such strategies, municipalities can reduce overreliance on central government funding while enhancing their financial autonomy and capacity to implement development projects.

In this regard, alternative financing mechanisms such as lease finance and public–private partnerships become strategic instruments through which local authorities can access external capital and technical expertise. By leveraging leasing arrangements, municipalities can acquire infrastructure and service delivery equipment without incurring significant upfront costs. Similarly, PPPs allow local governments to mobilize private sector investment for infrastructure development while sharing risks and responsibilities with private partners (Koehnen, 2018).

From a resource dependence perspective, these mechanisms enable local governments to reposition themselves from passive recipients of state transfers to active agents capable of negotiating mutually beneficial partnerships with external actors (Shafiq et al., 2023). Such strategic engagement is essential for stabilizing project financing structures and ensuring that external investment aligns with regional development priorities established under the NDS30 framework.

### 3.2. Institutional Theory

Institutional Theory offers an important lens for understanding how the adoption of innovative financing mechanisms is shaped by the broader institutional environment in which local governments operate. According to this perspective, organizational behavior is influenced not only by efficiency considerations but also by the need to conform to prevailing social norms, legal frameworks, and administrative traditions in order to gain legitimacy (Mago&Modiba, 2024).

In the context of Cameroon’s public sector, the introduction of financial innovations such as crowdfunding and public–private partnerships is not purely a technical or economic process. Rather, it involves a gradual process of institutionalization in which new practices must align with existing governance structures, regulatory frameworks, and bureaucratic cultures (Akanga, 2017). This process often determines whether innovative financing models are accepted, resisted, or adapted within public administration systems.

Within the Northwest Region, Institutional Theory provides a framework for examining how sociopolitical pressures, regulatory reforms, and governance norms influence the willingness and capacity of local authorities to adopt

alternative financing mechanisms. External shocks—such as fiscal crises, decentralization reforms, or policy shifts associated with the implementation of NDS30—may act as catalysts that encourage public institutions to experiment with new financing approaches (Mugarura et al., 2020; Nielsen, 2017).

Furthermore, institutional alignment plays a crucial role in ensuring the sustainability of such innovations. For example, the successful implementation of PPP projects requires transparent procurement procedures, clear regulatory frameworks, and administrative capacity to manage complex contractual arrangements. Similarly, crowdfunding initiatives depend on public trust, regulatory oversight, and effective digital governance systems.

By highlighting the interaction between financial innovation and institutional legitimacy, Institutional Theory explains why the adoption of alternative financing mechanisms may vary across regions and administrative systems. In the Cameroonian context, it underscores the importance of aligning innovative financing strategies with established governance practices in order to enhance social acceptance and long-term sustainability.

### 3.3.Fiscal Federalism Theory

Fiscal Federalism Theory provides an analytical framework for understanding the distribution of fiscal powers and responsibilities between central and subnational governments. The theory focuses on how revenue generation, expenditure assignments, and intergovernmental transfers influence the financial autonomy and effectiveness of decentralized governance systems (Delewa, 2019).

In Cameroon, the decentralization framework assigns significant service delivery responsibilities to regional and local authorities while maintaining considerable fiscal control at the central government level. This often results in vertical fiscal imbalances, where local governments have extensive expenditure responsibilities but limited authority to generate adequate revenue independently. Such imbalances constrain the ability of municipalities to finance community development projects and create strong incentives for exploring alternative funding sources.

Fiscal Federalism Theory therefore provides a useful lens for assessing how the existing intergovernmental fiscal framework affects the capacity of local authorities to adopt innovative financing mechanisms such as crowdfunding and PPPs (Akapelwa&Mwange, 2023). In particular, the theory highlights how fiscal equalization mechanisms, intergovernmental transfers, and regulatory constraints influence the extent to which local governments can access external capital markets or engage private sector partners (Abdillahi, 2025).

The concept of second-generation fiscal federalism is particularly relevant in this context. Unlike traditional approaches that focus primarily on the allocation of fiscal functions, second-generation fiscal federalism emphasizes the role of incentives, accountability structures, and institutional capacity in shaping the effectiveness of decentralized governance systems (Pali et al., 2025). From this perspective, the success of alternative financing mechanisms depends not only on the availability of capital but also on the governance structures that influence local decision-making and financial accountability.

Within the framework of NDS30, fiscal federalism also highlights the importance of strengthening the fiscal autonomy and administrative capacity of local authorities to manage diversified financing arrangements. Without adequate fiscal discretion and technical capacity, local councils may struggle to integrate innovative financing mechanisms into their broader development strategies.

Overall, Fiscal Federalism Theory underscores the structural constraints that shape the financial behavior of local governments. It explains how the existing intergovernmental fiscal structure in Cameroon influences the ability of regional authorities to pursue alternative financing pathways and how reforms aimed at strengthening fiscal decentralization could enhance the effectiveness of community development initiatives.

#### 3.4.Theoretical Synthesis

Taken together, these three theoretical perspectives provide a comprehensive analytical framework for examining alternative financing mechanisms for community development in the Northwest Region of Cameroon. Resource Dependence Theory explains how local authorities strategically engage external actors to access critical financial resources. Institutional Theory highlights the role of governance structures, regulatory frameworks, and sociopolitical norms in shaping the adoption of financial innovations. Fiscal Federalism Theory, in turn, situates these dynamics within the broader intergovernmental fiscal system that defines the financial autonomy of decentralized governments.

This theoretical synthesis suggests that the successful mobilization of lease finance, crowdfunding, and public–private partnerships depends on a combination of strategic resource management, institutional legitimacy, and supportive fiscal decentralization policies. Consequently, the exploration of these alternative financing mechanisms offers valuable insights into how regional and local authorities can strengthen their financial capacity to support community development initiatives and contribute to the broader objectives of Cameroon’s National Development Strategy 2030.

## **4. Methodology**

### **4.1. Research Design**

This study adopts an exploratory qualitative research design grounded in a systematic review and synthesis of secondary data. Exploratory research is particularly appropriate in contexts where empirical evidence remains limited and where emerging phenomena require conceptual clarification and theoretical interpretation. In the case of Cameroon, scholarly attention to alternative financing mechanisms for community development at the subnational level remains relatively scarce. Consequently, an exploratory approach allows for the identification, examination, and contextual interpretation of innovative financing instruments such as lease finance, crowdfunding, and public–private partnerships (PPPs) within the broader framework of decentralized governance.

The exploratory design is further justified by the study’s objective of examining how alternative financing mechanisms can support the implementation of community development projects in regional and local authorities in the Northwest Region of Cameroon. By drawing on existing empirical studies, policy analyses, and theoretical frameworks, the study seeks to develop a comprehensive understanding of the opportunities, constraints, and institutional dynamics influencing the adoption of these financing mechanisms. This approach enables the research to generate policy-relevant insights that can inform the implementation of Cameroon’s National Development Strategy 2030 (NDS30).

### **4.2. Data Sources**

The study relies on secondary data sources obtained through a systematic review of academic and policy-oriented literature. These sources include peer-reviewed journal articles, books, policy reports, and official government documents relevant to local government finance, decentralized governance, and innovative financing mechanisms.

Academic sources were primarily drawn from peer-reviewed journals covering fields such as public finance, development economics, local governance, and infrastructure financing. These studies provide empirical and theoretical insights into the application of lease finance, crowdfunding, and PPPs in both developed and developing countries. Particular attention was given to literature addressing financing challenges in sub-Saharan Africa and decentralized governance contexts comparable to Cameroon.

In addition to scholarly sources, policy reports from international development organizations were also consulted. Reports from institutions such as the World Bank, the African Development Bank, and other development agencies provide

valuable insights into infrastructure financing strategies, public–private partnership frameworks, and local government fiscal reforms across developing economies.

Furthermore, official Cameroonian policy documents constituted an important component of the data sources. These include national development policy frameworks such as the National Development Strategy 2030 (NDS30), decentralization policy documents, and legislative frameworks governing local government administration and public finance. These sources provide the institutional and policy context necessary for analyzing the potential role of alternative financing mechanisms in supporting community development within Cameroon’s decentralized governance system.

#### 4.3. Analytical Approach

The study employs a qualitative thematic analysis combined with comparative synthesis to examine the potential of alternative financing mechanisms for community development. The analytical process involved several stages.

First, relevant literature was systematically reviewed to identify key themes related to local government finance, decentralized governance, and alternative financing mechanisms. This process involved coding and categorizing findings from the literature according to thematic areas such as financing constraints, institutional capacity, governance structures, and financial innovation.

Second, a comparative assessment was conducted to examine the characteristics, advantages, and limitations of the three financing mechanisms under consideration: lease finance, crowdfunding, and public–private partnerships. This comparative approach enabled the study to highlight the relative strengths and weaknesses of each mechanism within the context of decentralized development financing.

Third, a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analytical framework was applied to evaluate the feasibility of adopting these financing mechanisms in the Northwest Region of Cameroon. The SWOT analysis facilitated a structured assessment of the internal capabilities of local authorities and the external environmental factors that may influence the implementation of alternative financing strategies.

Through this multi-layered analytical approach, the study synthesizes theoretical insights, empirical findings, and policy considerations to generate evidence-based recommendations for strengthening community development financing under the NDS30 framework.

## **5. Findings and Discussion**

### **5.1 Lease Finance as a Mechanism for Local Infrastructure Development**

The analysis reveals that lease finance presents a promising mechanism for enabling local authorities to acquire essential infrastructure and equipment without incurring substantial upfront capital expenditures. Leasing arrangements allow municipalities to spread the cost of acquiring assets over time through periodic payments, thereby improving financial flexibility and enabling councils to undertake development projects despite limited liquidity.

In the context of the Northwest Region of Cameroon, lease finance could be particularly useful for acquiring assets such as road maintenance equipment, waste management vehicles, water supply infrastructure, and energy systems required for local service delivery. By converting large capital investments into manageable operational expenditures, leasing arrangements can help local governments overcome budgetary constraints and accelerate infrastructure development.

From the perspective of Resource Dependence Theory, lease finance allows local authorities to strategically access external resources while maintaining operational control over development projects. This reduces reliance on unpredictable central government transfers and provides municipalities with greater autonomy in implementing community development initiatives.

However, several institutional and market constraints limit the widespread adoption of lease finance in Cameroon. One major challenge is the limited presence of specialized leasing firms and financial institutions capable of providing leasing services to local governments. Additionally, weak contract enforcement mechanisms and legal uncertainties may discourage private financial institutions from entering into long-term leasing agreements with public entities.

Accounting and regulatory challenges also present important barriers. The management of leasing arrangements requires robust financial management systems capable of monitoring long-term liabilities and contractual obligations. Many local councils currently lack the technical capacity and accounting infrastructure necessary to manage such complex financial arrangements effectively. Consequently, while lease finance offers significant potential, its successful implementation will require improvements in financial governance and regulatory frameworks.

## 5.2 Crowdfunding and Community Participation in Development Financing

Crowdfunding represents an innovative financing mechanism that enables communities to mobilize financial resources through collective contributions. By leveraging digital platforms and social networks, crowdfunding allows individuals to contribute relatively small amounts of money toward the financing of community development projects.

One of the key advantages of crowdfunding is its potential to enhance citizen participation in development processes. In decentralized governance systems, community involvement plays an important role in ensuring that development initiatives reflect local priorities and needs. Crowdfunding initiatives can therefore strengthen the relationship between local governments and citizens by promoting participatory development financing.

In the case of the Northwest Region, crowdfunding could also provide an effective mechanism for mobilizing financial contributions from diaspora communities. Cameroonians living abroad often maintain strong ties with their local communities and may be willing to support development projects through digital fundraising initiatives. Such diaspora engagement could provide an additional source of financing for small-scale projects such as school rehabilitation, community health facilities, and rural water supply systems.

Nevertheless, the effectiveness of crowdfunding in Cameroon is constrained by several structural and institutional factors. First, limited digital infrastructure and internet penetration restrict the ability of many communities to participate in online fundraising campaigns. Second, trust deficits between citizens and public institutions may discourage individuals from contributing to government-led crowdfunding initiatives.

Furthermore, the absence of clear regulatory frameworks governing digital fundraising platforms creates legal uncertainties that may hinder the growth of crowdfunding initiatives. Institutional Theory suggests that the successful adoption of crowdfunding mechanisms requires regulatory legitimacy, transparency, and accountability in the management of community contributions. Without such institutional safeguards, crowdfunding initiatives may struggle to gain widespread public acceptance.

## 5.3 Public–Private Partnerships and Infrastructure Financing

Public–private partnerships represent one of the most widely used mechanisms for financing large-scale infrastructure projects in developing economies. PPPs involve collaborative arrangements between public authorities and private sector

investors for the design, financing, construction, and management of infrastructure or service delivery projects.

The findings suggest that PPPs hold considerable potential for addressing infrastructure deficits in the Northwest Region. Through PPP arrangements, local governments can leverage private sector capital, technical expertise, and managerial efficiency to deliver projects that would otherwise be difficult to finance through public budgets alone.

From a Fiscal Federalism perspective, PPPs provide a mechanism through which local authorities can partially offset vertical fiscal imbalances resulting from limited revenue-raising powers. By engaging private investors in infrastructure development, municipalities can expand their investment capacity without placing excessive pressure on limited public budgets.

However, the successful implementation of PPP projects depends on several critical institutional conditions. First, local governments must possess the technical capacity to design, negotiate, and manage complex PPP contracts. Weak institutional capacity in this area often results in poorly structured agreements that expose governments to financial risks.

Second, private investors are generally reluctant to invest in environments characterized by political instability or regulatory uncertainty. In the Northwest Region, ongoing socio-political challenges may therefore reduce investor confidence and limit the attractiveness of PPP opportunities.

Third, PPP arrangements require transparent procurement procedures and effective regulatory oversight to ensure that public interests are adequately protected. Without strong governance frameworks, PPP projects may lead to cost overruns, inefficient service delivery, or unequal risk allocation between public and private partners.

Overall, the analysis suggests that while PPPs offer significant potential for infrastructure financing, their success depends on improvements in governance capacity, regulatory clarity, and investment climate conditions.

## **6 Policy Implications and Recommendations for NDS30**

The findings of this study have several important policy implications for the implementation of Cameroon's National Development Strategy 2030 (NDS30), particularly with regard to strengthening the financial capacity of regional and local authorities.

First, there is a need for comprehensive legal and regulatory reforms to support the adoption of alternative financing mechanisms. Clear regulatory frameworks governing lease finance, crowdfunding platforms, and public–private partnerships would enhance investor confidence and provide local governments with the legal certainty required to engage in innovative financing arrangements.

Second, capacity building initiatives are essential for enabling local authorities to effectively manage alternative financing mechanisms. Training programs should focus on areas such as financial management, project appraisal, risk assessment, and contract negotiation. Strengthening the technical capacity of municipal staff would improve the ability of local governments to design and implement complex financing arrangements.

Third, the government should introduce private sector incentive mechanisms aimed at encouraging investment in community development projects. Such incentives may include tax benefits, risk-sharing arrangements, and guarantees that reduce the financial risks associated with infrastructure investments in decentralized regions.

Fourth, improving digital infrastructure is critical for enabling the development of crowdfunding platforms and other technology-driven financing mechanisms. Expanding internet access and digital literacy would facilitate broader participation in community fundraising initiatives and strengthen citizen engagement in development processes.

Finally, alternative financing mechanisms should be strategically integrated into local development planning frameworks. Regional and local authorities should incorporate leasing arrangements, crowdfunding initiatives, and PPP opportunities into their development plans in ways that align with the objectives of NDS30. Such strategic alignment would ensure that innovative financing mechanisms contribute directly to national development priorities while addressing the specific needs of local communities.

## **7 Conclusion**

This study explored the potential of alternative financing mechanisms—specifically lease finance, crowdfunding, and public–private partnerships—as complementary sources of funding for community development projects in regional and local authorities in the Northwest Region of Cameroon. The findings highlight that while traditional sources of local government finance remain important, they are often insufficient to meet the growing infrastructure and service delivery needs of decentralized communities.

Lease finance offers opportunities for local authorities to acquire essential infrastructure assets while minimizing upfront capital expenditures. Crowdfunding provides a participatory financing mechanism capable of mobilizing community and diaspora contributions for small-scale development initiatives. Public–private partnerships, on the other hand, enable governments to leverage private sector investment and expertise for large-scale infrastructure projects.

However, the adoption of these financing mechanisms is influenced by a range of institutional, regulatory, and capacity-related challenges. Weak legal frameworks, limited technical expertise, and governance constraints may hinder the effective implementation of innovative financing strategies at the local level.

Addressing these challenges requires comprehensive policy reforms aimed at strengthening regulatory frameworks, building institutional capacity, and improving digital and financial infrastructure. When effectively integrated into the decentralized development framework, alternative financing mechanisms can enhance fiscal autonomy, promote citizen participation, and attract private sector investment.

Ultimately, aligning these innovative financing strategies with the objectives of Cameroon’s National Development Strategy 2030 can significantly enhance the ability of regional and local authorities to finance sustainable community development projects and contribute to the broader goals of inclusive economic growth and national transformation.

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