



DECISION No. *Abis* /D/FEICOM/CA OF **23 JUL 2021**
To institute the Assistance Code of the Special Council
Support Fund for Mutual Assistance intended for
Councils (CIF-C)

BOARD OF DIRECTORS / CONSEIL D'ADMINISTRATION

THE BOARD OF DIRECTORS,

- Mindful of the Constitution;
- Mindful of Law No.2009/019 of 15 December 2009 on Local Fiscal System and its subsequent implementing instruments;
- Mindful of Law No.2019/024 of 24 December 2019 on the General Code of Regional and Local Authorities;
- Mindful of Decree No.2006/297 of 20 September 2006 appointing members of the Board of Directors of FEICOM;
- Mindful of Decree No.2006/299 of 20 September 2006 appointing Mr. AKOA Philippe Camille as General Manager of the Special Council Support Fund for Mutual Assistance;
- Mindful of Decree No.2018/635 of 31 October 2018 on the reorganization of the Special Council Support Fund for Mutual Assistance;
- Mindful of Decree No.2019/235 of 08 May 2019 appointing Mr. ELANGA OBAM Georges as Chairperson of the Board of Directors of the Special Council Support Fund for Mutual Assistance;
- Mindful of Decree No.2011/1731/PM of 18 July 2011 laying down the terms and conditions for pooling, distribution and payment of proceeds from Council Taxes Subject to Equalization;
- Mindful of Decree No.2018/635 of 31 October 2018 reorganizing the Special Council Support Fund for Mutual Assistance;
- Mindful of Order No.005/MINFI of 19 September 2018 appointing Mr. ABELAMBET Roméo Narciste as the Specialized Financial Controller of the Special Council Support Fund for Mutual Assistance;
- Mindful of Order No.00218/MINFI of 07 July 2020 appointing Mrs KOUAM Brigitte Nicole epse KAM as the Accounting Officer of the Special Council Support Fund for Mutual Assistance;
- Mindful of Decision No.001/D/FEICOM/CA of 15 November 2007 to institute the Assistance Code of the Special Council Support Fund for Mutual Assistance (CIF) and its subsequent amendments;
- Mindful of Resolution No.005/R/FEICOM/CA/PCA of 23 July 2021 to institute the Assistance Code of the Special Council Support Fund for Mutual Assistance intended for Councils (CIF-C);
- Considering service requirements:



HEREBY DECIDES AS FOLLOWS:

PREAMBLE: THE FINANCING POLICY OF FEICOM

- 1) The Assistance Code of the Special Council Support Fund for Mutual Assistance intended for Councils, abbreviated as CIF-C, lays down the policy and terms under which the Special Council Support Fund for Mutual Assistance (FEICOM), grants funding to Councils, City Councils and Council groupings with a legal existence, herein after referred to as « Councils ».
- 2) FEICOM's financing policy lays down the principles which guide its operations for the benefit of Regional and Local Authorities (RLAs). It identifies priority areas for action.
- 3) The populations, in all their components, i.e. women, men and vulnerable groups, are the final beneficiaries of all projects financed by FEICOM.
- 4) RLAs recipients of FEICOM financing are committed to contributing to the preservation of the environment by developing environmentally sustainable projects.
- 5) RLAs beneficiaries of FEICOM infrastructure or equipment must show proof of specific human and financial resources for its maintenance.
- 6) FEICOM may provide free supportive counselling to RLAs in the identification, maturation and implementation of their development projects.
- 7) FEICOM's financing policy is in line with International Agendas, public policies, laws and regulations, development planning documents and FEICOM's strategy, including:
 - The Sustainable Development Goals;
 - The Beijing Action Platform (1995);
 - The African Union Agenda 2063;
 - The New Urban Agenda 2016-2030;
 - The Addis Ababa Programme of Action on financing Sustainable Development;
 - Cameroon Development Vision by the year 2030;
 - Law No.2017/010 of 12 June 2017 on the General Rules and Regulations governing Public Establishments and Public Enterprises;
 - Law No.2018/012 of 11 July 2018 on the Financial Regime of the State and other Public Entities;
 - Law No.2018/011 of 11 July 2018 to lay down the Cameroon Code of Transparency and Good Governance in public finance management;
 - Law No.2019/024 of 24 December 2019 on the General Code of Regional and Local Authorities;
 - Decree No.2018/635 of 31 October 2018 on the reorganization of the Special Council Support Fund for Mutual Assistance;
 - Decree No.2019/322 of 19 June 2019 establishing the categories of Public enterprises, the remunerations of managers, the allowances and advantages of managers;
 - Decree No.2020/375 of 07 July 2020 on the General Regulation of Public Accounting;
 - The gender national policy;
 - The National Development Strategy 2020-2030 (SND30);
 - Sector strategies of ministries;



- The emergency plan for the reconstruction and rehabilitation of basic infrastructures in the North-West and South-West Regions;
 - Order No.0000200/MINFI of 04 May 2020 classifying Public Establishments in Cameroon.
- 8) The general objective of the financing policy of FEICOM is to contribute effectively and efficiently to the harmonious development of all RLAs on the basis of national solidarity and inter-regional and inter-council balance.
- 9) The specific objectives of the financing policy of FEICOM are to:
- Define FEICOM's priority assistance sectors in line with its strategy;
 - Improve the planning of the funding of the organization's assistance intended for RLAs;
 - Carry out optimum allocation of resources mobilized or provided by Government;
 - Make transparent, inclusive, efficient and effective use of all the resources provided;
 - Mobilize all dedicated and additional funding sources at the national and international levels.
- 10) FEICOM's funding policy is based on four (04) major principles:
- National solidarity and inter-regional and inter-council balance;
 - Transparency;
 - Gender mainstreaming, social inclusion and protection of the environment;
 - Sustainable performance.
- 11) National solidarity, inter-regional and inter-council balance aim at the harmonious development of all RLAs. They involve the promotion of inter-municipal and inter-regional projects and inclusion of Regional and Local Authorities, the most disadvantaged in connection with a specific financing offer.
- 12) Transparency is materialized by the dissemination of the conditions to access FEICOM's financing. To this effect, appropriate documentation is made available to all clients free of charge and explained during counselling sessions. Requests for funding above CFA F 30 million are granted by FEICOM's Financial Assistance Committee (CCFF) comprising representatives from ministries, RLAs and FEICOM.
- 13) Gender mainstreaming, social inclusion and protection of the environment are also taken into consideration in the award of funding by FEICOM.
- 14) Sustainable performance lays emphasis on the social responsibility of the enterprise and the creation of a long term value for all the stakeholders.
- 15) FEICOM financing policy includes the following components:
- Component 1: Access to social services and sustainable basic infrastructures;
 - Component 2: Promotion of local economic development;
 - Component 3: Contribution to the implementation of decentralization and promotion of local governance;
 - Component 4: Mobilization of resources.
- 16) Access to social services and sustainable basic infrastructures has the following specific objectives:
- to promote an integrated project approach;



- to promote inter-council and inter-regional projects;
 - to promote the projects of Regions.
- 17) The promotion of local economic development aims to support RLAs to enable them to fully play both the role of initiator and that of catalyst for local economic stakeholders, without substituting themselves to economic actors per se, through the financing of income-generating projects, in particular, agricultural, fishery/fish farming and pastoral activities, market services, economic infrastructures and projects on the processing of local products, etc.
- 18) The contribution to the implementation of decentralization and the promotion of local governance aims at improving management performances of RLAs. It is done through the financing of organizations and institutions supporting decentralization and building the capacities of the staff of RLAs. FEICOM also provides supportive counselling and carries out socio-economic studies on local development.
- 19) The mobilization of financial resources is done in accordance with the relevant statutory and regulatory provisions.
- 20) Depending on the nature of the project, the structuring of the financing granted to Councils comprises at least one of the following elements at variable proportions:
- Council's contribution;
 - Solidarity contribution;
 - Loan share.
- 21) The Council shall contribute for the reconstitution of inter-council funds by the payment of the « Contribution for Rebuilding Cash-flow» (CRT) calculated on the loan share. Its rate may not exceed 3% per annum excluding tax for projects funded by resources from local taxes.

As concerns borrowed resources, CRT takes into account borrowed resources, risks, costs and other fees and possibly a beneficiary margin.

- 22) A guarantee fund shall be set up to facilitate the mobilization of funds and guarantee the repayment of the loans contracted by Councils from FEICOM or other financial donors. The fund shall be created by a resolution of the Board of Directors, which shall set out the eligibility criteria, operation, contribution and management modalities.
- 23) Policy admits, by virtue of the principle of solidarity, debt alleviation for Councils in difficulty, under some terms and conditions. These include rescheduling, temporary suspension of repayment schedules in principal and/or interest, total or partial cancellation of debts, postponements of repayments, etc.

Each method of debt relief adopted corresponds to a specific supporting measure resulting from the analysis of the indebtedness of the RLAs concerned. Without being exhaustive, these measures could include capacity building, targeted additional funding, grace periods, redeployment of cancelled amounts, targeted supportive counselling, etc.

- 24) This Policy shall be evaluated and shall give room to the production of a diagnosis report with improvement proposals addressed to the Board of Directors.



PART I: GENERAL PROVISIONS

CHAPTER I: PURPOSE AND DEFINITIONS

Article 1: CIF-C determines (i) funding windows, (ii) conditions of access to funding windows, (iii) terms and conditions for provision of funding and, (iv) policy of repayment of funding granted to Councils.

Article 2: Under this Code, the following terms shall mean:

1. **Addendum:** legal act that amends the content and performance of the initial contract without changing its purpose.
2. **Agreement:** legal act signed between FEICOM and the Council or Council grouping to enforce their mutual commitments within the framework of a tangible or non-tangible project.
3. **Annuity:** the annual amount of repayment including the Contribution for Rebuilding the Cash-Flow.
4. **Basic social services:** a set of services that are essential to promote human dignity, quality of life and sustainability of livelihoods.
5. **Borrowing capacity with FEICOM:** maximum level of debt that a Council or Council grouping may be granted while remaining able to sustain the debt service. It is calculated on the basis of equalization resources redistributed by FEICOM and, as the case may be, other financial resources entered in the budget and in the administrative account.
6. **Capacity-building project:** initiative whose implementation aims to train or improve the knowledge and skills of local elected officials and Council staff so that they can perform the tasks assigned to them.
7. **Cash advance:** short term funding including recurrent, operating or functioning expenses loans granted to Councils or their groupings.
8. **Commercial facility project:** buildings and infrastructures intended for collective use whose operation enables a Council or a Council grouping to generate financial benefits.
9. **Contribution for Rebuilding the Cash-flow (CRT):** Council's contribution for replenishing the inter-council fund.
10. **Council's contribution (APC)** refers to share of the financial assistance provided by the Council, City Council or Council grouping.
11. **Credit line:** agreement whereby FEICOM and/or its partners undertake to finance council or inter-council projects, for a given amount and a defined duration, depending on identified needs or programmes.
12. **Debt due:** debt due repayment as per the contractual terms.



13. **Decentralised cooperation project:** initiative led by Councils not belonging to the same Division. It can also connect Cameroonian Councils with Councils of other countries.
14. **Deferral:** contractual time frame granted by FEICOM to a Council or a Council grouping between the provision of funds and the start of loan repayment.
15. **Economic action of Councils:** exercise of powers intended to carry out income-generating projects in order to have additional resources and contribute to the creation of decent local jobs.
16. **Effects/Impact:** changes and transformations observed in the process of solving identified problems.
17. **Eligible project:** the one led by a Council or Council grouping, within the framework of the powers devolved.
18. **Equity participation:** acquire shares in a company as an investor to facilitate its establishment or development.
19. **Financial assistance:** financial resources made available to a Council or Council grouping in order to carry out an activity or a project. Financial assistance may take the form of a subsidy (solidarity contribution), a loan or a combination of both.
20. **Income-generating project:** a profit-making project for a Council or a Council grouping a facility or infrastructure whose operation is intended to yield financial benefits.
21. **Inter-council funds:** share of local tax resources intended for the funding of council and inter-council projects. These resources represent a share of resources allocated to FEICOM by the law on local fiscal system.
22. **Inter-council project:** initiative led by at least two (02) Councils belonging to the same Division, in order to achieve commons objectives.
23. **Loan:** share of the financial assistance fully repayable.
24. **Local economic development:** development component that focuses on the mobilization of endogenous resources and knowledge, as well as local skills to attract investment to generate inclusive economic activity and growth and promote equitable redistribution of resources.
25. **Maturation of projects:** process in which a project is designed, developed, planned and executed, while ensuring its sustainability.
26. **Mature project:** the one where all the processes are controlled and allows to achieve the objectives set out.
27. **Non-income-generating project:** a facility or infrastructure with a social purpose whose operation is not intended to yield financial benefits.



- 28. Objective cost:** estimated overall cost of a project that can be borne by the project owner according to a well-defined programme, expected performance and financial resources he/she is capable to mobilize. This includes all services, works and supplies that are needed to carry out the project.
- 29. Over-indebtedness:** the level of indebtedness of a Council or a Council grouping that does not allow the repayment of debts without compromising its operation.
- 30. Participation:** involvement of beneficiaries and stakeholders in the various phases of the project.
- 31. Project:** set of activities directed towards one or several objectives.
- 32. Rescheduling:** modification of an agreement between parties on the amount and repayment schedule of the debt due.
- 33. Socio-public facility:** buildings and infrastructures which are part of the council property meant to ensure a service of general interest and social cohesion.
- 34. Solidarity Contribution:** non-refundable part of financial assistance provisioned from the inter-council fund.
- 35. Solvency:** the ability of a Council or Council grouping of to repay the financial assistance obtained from FEICOM when due, without jeopardizing its operation.
- 36. Supportive counselling:** the information and know-how that FEICOM offers to Mayors, RLAs staff and other development stakeholders through advice to enable the full exercise of the powers devolved by the State.
- 37. Sustainability:** lasting effects and impact of a project over time.
- 38. Sustainable development:** development which meets the needs of the present without compromising the capacity of future generations from meeting theirs.
- 39. Utility equipment project:** includes rolling stock, machinery and all kinds of vehicles, including the accessories necessary for their operation.
- 40. Window** is a range of products subject to the same criteria for eligibility to funding.

PART II: WINDOWS FOR FUNDING INTENDED FOR COUNCILS

Funding granted by FEICOM to Councils is divided into Windows as follows:

- Social development projects window;
- Local economic development projects window;
- Urban development projects window;
- Operating expenses support window;



- Solidarity and external actions of councils window;
- Partnership projects and programmes window;
- Low-income councils window
- Support for the maturation of projects window.

CHAPTER II: SOCIAL DEVELOPMENT PROJECTS WINDOW

Article 3: The **Social development projects window** shall fund social projects. These include in particular: (i) basic infrastructure projects, (ii) social public facility projects and (iii) projects for the preservation of the environment.

Article 4: (1) **Basic infrastructure projects** shall include:

- infrastructure to access drinking water and sanitation;
- production infrastructure, transport and distribution of renewable energies not giving rise to financial gain;
- opening and maintenance of rural earth roads;
- pedestrian and other urban mobility infrastructures;
- public sanitation structures, engineering and crossing structures;
- school infrastructures;
- management infrastructures for socially vulnerable people;
- health centres of council interest.
- other basic infrastructure projects.

(2) The structuring of funding of **basic infrastructure projects** shall be as follows:

- Council's Contribution (15% of cost of project);
- Solidarity Contribution (85% of cost of the project).

(3) Integrated school infrastructure projects shall benefit from the funding structuring cited in paragraph 2 of article 4.

(4) Integrated health infrastructure projects shall benefit from the funding structuring cited in paragraph 2 of article 4. They are capped at CFA F two hundred million (200,000,000).

Article 5: (1) **Socio-public facilities projects** shall include:

- Town Halls and buildings housing public services;
- Libraries, museums, community and multi-purpose halls, other socio-cultural spaces that do not generate revenue, etc.;
- Multi-sports, fields, stadiums, grand stands, sports centres and courses, other socio-sports infrastructures;
- Other non-income generating public equipment.

(2) The structuring of the funding of **socio-public facilities projects** is as follows:

- Council's Contribution (15% of the cost of the project);
- Solidarity Contribution (65% of the cost of the project);
- Loan share (20% of the cost of the project).



(3) The repayment time of the loan share of funding for **socio-public projects** shall not exceed twenty (20) years. The funding agreement shall specify the duration for repayment per nature of project.

Article 6: (1) **Projects for the preservation of the environment** shall include:

- Nursery production and reforestation operations;
- Landscaping of green spaces, parks and gardens;
- Development of sustainable tourist sites;
- Management of solid and unrecycled waste;
- Solar street lighting;
- Projects to improve energy efficiency;
- Projects to reduce air pollution;
- Projects aimed at preserving ecosystems and biodiversity;
- The protection and rehabilitation of cultural heritage included in the national or world inventory;
- The construction and development of sustainable cemeteries and their associated equipment;
- Other projects relating to the preservation of the environment.

(2) The structuring of funding of **projects for preserving the environment** shall be as follows:

- Council's Contribution (15% of the cost of the project);
- Solidarity Contribution (65% of the cost of the project);
- The loan share (20% of the cost of the project).

(3) The repayment time of the loan share of the funding of the **projects for preserving the environment** shall not exceed twenty (20) years. The funding agreement shall specify the repayment time per nature of project.

CHAPTER III: LOCAL ECONOMIC DEVELOPMENT PROJECTS WINDOW

Article 7: (1) The **Local Economic Development Projects Window** shall finance among others (i) local economic equipment and infrastructure projects, (ii) local economic promotion projects (iii) agricultural, fisheries/fish farming and pastoral projects.

(2) FEICOM may be a shareholder in local economic development projects.

(3) All the projects whose economic and financial profitability is projected in a business plan are considered to fall under the category of projects promoting local economy.

Article 8: (1) **Local Economic Facilities and Infrastructure Projects** shall include:

- markets for manufactured goods;
- wholesale markets;
- warehouses for agro-pastoral or manufactured products;
- small hotels and eco-tourism establishments;
- rest areas;
- motor parks and bus stations;
- multi-service heavy-duty vehicle fleets;
- party and performance halls;



- development and servicing of residential layouts;
- municipal production forests;
- other local economic facilities and infrastructure projects.

(2) The structuring of funding of local economic facilities and infrastructure projects shall be as follows:

- Council's Contribution (15% of the cost of the project);
- Solidarity Contribution (20% of the cost of the project);
- Loan share (65% of the cost of the project).

(4) The repayment time of the loan share of the financing of **local economic equipment and infrastructure projects** shall not exceed twenty-five (25) years. The funding agreement shall specify The repayment time per nature of each project.

Article 9: (1) **Local economic promotion projects** shall be projects whose economic and financial profitability is evidenced by the business plan and of which the operation repays the loan. They shall include:

- direct financial support to private initiatives presented by the Council;
- support to the creation of local public enterprises;
- equity investments in public, semi-public and private commercial and industrial entities;
- acquisition of land reserves;
- second generation crop, livestock and fisheries/fish farming;
- development and servicing of commercial and industrial parks;
- modern commercial centres;
- hotel and eco-tourism establishments;
- conference centres and exhibition parks;
- agricultural, fisheries/fish and livestock equipment;
- industrial and handicraft equipment;
- entertainment and leisure parks;
- craft and agro-industrial processing units for agricultural, livestock, fish/fisheries, wood and non-wood products;
- craft and industrial processing units for other local products;
- mining and quarrying units;
- industrial slaughterhouses;
- other local economic promotion projects.

(2) The financing of **local economic promotion projects** is a 100% refundable loan.

(3) The repayment time of the financing for **local economic promotion projects** shall not exceed twenty-five (25) years. The funding agreement shall specify the duration for repayment per nature of project.

Article 10: (1) **Agricultural, fisheries/fish and livestock subsistence farming projects** taking into account the issue of job sensitive to gender, youth and disadvantaged groups shall include:

- subsistence agricultural, fisheries/fish and livestock farms;
- traditional food markets;
- community warehouses for agro-pastoral products.
- other subsistence agricultural, fisheries/fish and livestock projects.



(2) The structuring of funding of **subsistence agricultural, fisheries/fish and livestock projects** shall be as follows:

- Council's Contribution (15% of the cost of the project);
- Solidarity Contribution (65% of the cost of the project);
- Loan share (20% of the cost of the project).

(3) The repayment time of the loan share of the financing of subsistence agricultural, fisheries/fish and livestock projects shall not exceed twenty (20) years. The funding agreement shall specify the duration for the repayment per nature of project.

CHAPTER IV: URBAN DEVELOPMENT PROJECTS WINDOW

Article 11: The **Urban Development Projects** window shall finance (i) urban planning documents, (ii) urban infrastructure and facilities projects and (iii) digital territory projects, not giving rise to the perception of financial added value.

Article 12: (1) **Development planning documents** shall include:

- Urban Planning Master Plans;
- Land Use Plans or Summary Town Planning Layouts;
- Sector Plans;
- Council Environmental Action Plans;
- Urban restructuring, consolidation or renovation plans;
- Urban transport plans;
- Council Development Plans.

(2) The structuring of the financing for **development planning documents** is a 100% refundable loan share.

(3) The repayment time of the loan share of the financing of **Development Planning Documents** shall not exceed six (06) years

Article 13: (1) **Urban infrastructure and facilities projects** shall include:

- opening and maintenance of urban roads;
- connection to urban energy supply, drinking water and sanitation networks operated by public service concession holders;
- urban parking lots;
- road traffic regulation, signalling and urban addressing equipment;
- urban lavatories and furniture;
- other urban infrastructure and facilities projects.

(2) The structuring of the financing for **urban infrastructures and facilities projects** shall be as follow:

- Council's Contribution (15% of the cost of the project);
- Solidarity Contribution (20% of the cost of the project);
- Loan share (65% of the cost of the project).



(3) The repayment time of the loan share for the financing of **urban infrastructures and facilities projects** shall not exceed twenty (20) years

Article 14: (1) **Digital territory projects** shall include:

- acquisition and installation of local telecommunication networks;
- construction and management of community telecentres;
- cybercafés;
- construction and management of incubators of computer solutions;
- computerization of council services;
- development of applications;
- other digital territory projects.

(2) The structuring of the financing of the **digital territory projects** shall be as follows:

- Council's Contribution (15% of the cost of the project);
- Solidarity Contribution (20% of the cost of the project);
- Loan share (65% of the cost of the project).

(3) The repayment time of the loan share of the financing of **digital territory projects** shall not exceed ten (10) years

CHAPTER V: OPERATING EXPENSES SUPPORT WINDOW

Article 15: (1) The **operating expenses support window** shall finance (i) cash advances, (ii) utility equipment projects.

Article 16: (1) **Cash advances** shall cover:

- Council's Contribution;
- salary arrears;
- council counterparts for projects financed by other organizations or programmes;
- payment of various bills;
- cultural events;
- building the capacities of council staff and local elected officials;
- contribution fees of member Councils of some national and international unions of Municipalities having an established reputation;
- mission for the prospection of cooperation opportunities;
- any other overdraft facility.

(2) The structuring of financing of **cash advances** shall be a 100% refundable loan.

(3) The repayment time of the financing of « Council's Contribution » and « council counterparts for projects funded by other bodies or programmes » shall be four (4) years.

(4) The repayment time of the financing of other « **cash advances** » shall not exceed two (02) years.

Article 17: (1) **Utility equipment projects** shall include:

- liaison vehicles;
- trucks and other utility vehicles;
- motorcycles and tricycles;



- small equipment (office furniture, computer equipment, maintenance equipment, etc.)
- other utility equipment projects.

(2) The structuring of the financing of **utility equipment projects** is a 100% refundable loan.

(3) The repayment time for the financing of **utility equipment projects** shall be as follows:

- office furniture: ten (10) years maximum;
- computer equipment: three (3) years maximum;
- vehicles, motorcycles and tricycles, trucks and other utility vehicles: four (4) years maximum.

CHAPTER VI: SOLIDARITY AND INTERNATIONAL ACTIONS OF COUNCILS WINDOW

Article 18: The **Solidarity and external actions of Councils window** shall finance (i) support projects to the international actions of Councils and (ii) solidarity projects between RLAs.

Article 19: (1) **Support projects to the international actions of Councils** shall include:

- transportation fees, transit expenses and customs duties for material or equipment from a donation;
- income generated by guarantees granted to obtain international funding;
- travel expenses for the effective signing of a twinning agreement or project funding;
- other international actions of Councils.

(2) The structuring of the funding of **projects for support to the international actions of Councils** shall be as follows:

- Council's Contribution shall be 15% of the cost of the project;
- Solidarity Contribution shall be 50% of the cost of the project;
- Loan share shall be 35% of the cost of the project.

(3) The repayment time of the loan share of funding for support to the **international actions of Councils** shall not exceed six (06) years.

Article 20: (1) **Solidarity projects between RLAs** shall include:

- projects led by a Council Union;
- projects led by several Councils of the same Division or the same Region.
- other solidarity projects between RLAs.

(2) The structuring of the funding of **solidarity projects between RLAs** shall depend on the relevant funding window.

(3) The repayment time of the loan share of the funding of **solidarity projects between RLAs** shall depend on the type of project.

(4) Contribution for Rebuilding the Cash-flow on the loan share of inter-council projects shall be 2% per annum excluding taxes.



CHAPTER VII: LOW-INCOME COUNCILS WINDOW

Article 21: (1) Shall be considered as low-income Councils those with the lowest Additional Council Taxes (ACTs) and other Council Taxes Subject to Equalization (CTSE) and/or own-resources contained in the administrative accounts for the last three years.

(2) The list of low-income Councils shall be drawn up by the Board of Directors of FEICOM at the beginning of each financial year.

(3) Projects falling under the local economic development window and operating expenses support window shall not be considered as low-income Councils' projects.

(4) The structuring for the funding of **low-income Councils' projects** shall be a Solidarity Contribution amounting to 100% of the cost of the project.

(5) No low-income Council shall receive financing for more than CFA F 200 million during a financial year.

CHAPTER VIII: PARTNERSHIP PROJECTS AND PROGRAMMES WINDOW

Article 22: (1) The partnership projects and programmes window shall consist of credit lines drawn from the resources from donations and legacies, subsidies and loans contracted by FEICOM or handed over by the State within the framework of national and international cooperation.

(2) The conditions for access to these resources and the nature of the projects funded under this window shall be specified between FEICOM and each donor under specific agreements.

CHAPTER IX: PROJECTS MATURATION WINDOW

Article 23: (1) The projects maturation window shall finance project studies.

(2) **Studies** shall include:

- programming studies and architectural and technical design studies;
- topographical surveys;
- geological, geotechnical surveys and water research;
- socio-economic feasibility studies, surveys, market surveys and business plans;
- environmental and social studies;
- expertise provided by engineering firms and other experts;
- various studies.

(3) The structuring of funding of studies is a 100% refundable loan.

(4) The amount of studies shall not exceed CFA F 300,000,000.

(5) The structuring of funding for additional studies recommended by FEICOM shall be consistent with that of the projects for which they are carried out.

(6) The repayment time of the funding of projects maturation studies shall not exceed six (06) years.



PART III: CONDITIONS FOR ACCESS BY COUNCILS TO FUNDING WINDOWS

CHAPTER X: GENERAL CONDITIONS FOR ACCESS TO FUNDING WINDOWS

Article 24: (1) To request for funding assistance, the Council must present a file composed of the following documents:

- a reasoned funding request, presented by the Council Executive Head or the Head of the Council Union Executive;
- an application form for financial assistance duly filled and signed by the Council Executive Head or the Head of the Council Union executive (to withdraw from Regional Agencies);
- a deliberation of the Municipal Council duly approved by the supervisory authority, specifying the nature, the location and the cost estimate of the project, and authorizing the Council Executive Head, to source for the funding needed to carry out the said project. In case of a Council grouping, a deliberation of each of the Councils members of the union/grouping duly approved by the supervisory authority;
- a reasoned opinion of the divisional sector official, if necessary;
- the last three administrative accounts approved by the supervisory authority, of which the oldest shall not be dated more than 05 years. In the event of a Council grouping, the same provisions shall apply to each of the member Councils;
- a planning document (Mid-Term Budget Framework, Council Development Plans, urban planning documents, annual investment plan, etc.) in force, if need be;
- a copy of the budget of the current year approved by the supervisory authority and its annexes showing that the project is earmarked in investment plans;
- a file comprising technical and financial documents relating to the projects proposed;
- a summary statement of projects funded by FEICOM in the Council over the last 05 years. It should be specified if these projects are still operational.

(2) The planning documents and the administrative accounts updated referred to in paragraph 1 shall be produced only once during the submission of the first funding request of the year.

(3) However, the Minister in charge of Regional and Local Authorities may grant to a Council not having three (03) years of existence or hit by a disaster, a waiver from presenting planning documents.

CHAPTER XI: GENERAL CONDITIONS FOR ACCESS TO FUNDING WINDOWS

Article 25: In addition to the documents listed in section 25 above, the applicant shall be required to provide the following additional documents:

(1) Concerning the payment of salary arrears

- the list of Council staff;
- the details of the payroll statements dating less than three (03) months signed by the Mayor, the Divisional Delegate in charge of Labour and the relevant Senior Divisional Officer.

(2) Concerning cooperation, studies or training missions of the local elected officials and/or Council staff

- the letter of invitation or registration of the organising body specifying the dates, places and



- themes of the event;
- the detailed programme of the activities to be carried out;
- the attestation that the expenses relating to the mission have not been taken charge signed by the Municipal Treasurer;
- the mission order;
- for members of the Council Executive, the authorization to travel out of the country signed by the Supervisory Ministry;
- the detailed statement of expenses (mission costs, transport costs, registration fees, pro-forma invoices) signed by the Mayor.
- production of an expenditure account.

(3) Regarding land acquisition operations

a) In case there is a land certificate:

- a copy of the land certificate of the land seller;
- the commitment to sell the land.

b) In case the land is part of the national property:

- a Declaration of Public Utility;
- an estimate of cadastral work;
- an estimate of the survey and property valuation commissions;
- a decree of compensation and incorporation, if applicable.

(4) Concerning building projects

a) The ownership title or any other document attesting to an ongoing transfer or registration procedure, or certificate of abandonment of customary rights for land located in rural areas.

b) For prior studies:

- a topographical survey report;
- environmental impact assessment or an environmental impact notice depending on the scale of the project, in accordance with the rules and regulations in force;
- in the case of a two-storey building, provide the results of the geotechnical studies and the calculation notes.

c) For rehabilitation and renovation projects, produce a situational plan.

d) For graphic and written documents of architectural and technical studies, to be carried out by accredited experts registered with their respective national orders:

- A Detailed Preliminary Project, for projects of more than CFA F 100,000,000 and Establishments receiving the Public;
- A Summary Preliminary Project, for projects of less than CFA F 100,000,000.

e) For schools and health centres

- creation acts;
- furniture and equipment necessary for the commissioning and/or proper functioning of the structure.



(5) Concerning roads, crossing structures, sanitation, access to drinking water and electrification

- the certificate of abandonment of customary rights signed by the competent authority for certain structures to be constructed outside the public domain;
- prior studies including:

a) For roads, crossing structures and sanitation projects:

- a topographical survey report;
- environmental impact assessment or an environmental impact notice depending on the scale of the project, in accordance with the rules and regulations in force;
- a report of geo-technical studies;

b) For projects to access drinking water:

- a topographical survey report;
- environmental impact assessment or an environmental impact notice depending on the scale of the project, in accordance with the rules and regulations in force;
- a report of hydrologic studies;
- a water quality analysis report;
- the network plan.

c) For electrification projects:

- a topographical survey report;
- the network plan.

d) For graphic and written documents of architectural and technical studies, to be carried out by accredited experts registered with their respective national orders:

- A Detailed Preliminary Project for water supply networks, crossing structures, road infrastructures, sanitation and electrification projects;
- A Summary Preliminary Project for boreholes.

(6) Concerning projects for servicing, subdivision, urban or rural development, green spaces, tourist sites

- the ownership title or any other document attesting to an ongoing transfer or registration procedure, or certificate of abandonment of customary rights for land located in rural areas;
- the approved urban planning certificate issued by the relevant authority;
- a copy of the application file for a subdivision or development approved by the relevant authority;
- graphic and written documents of Detailed Preliminary Project or Summary Preliminary Project level, for complex projects, carried out by accredited experts registered with their respective national orders.

(7) Concerning income-generating projects

In addition to the administrative and technical documents required for projects falling under the local economic development window, the following documents shall be provided:

- a projected cash-flow statement in line with FEICOM framework for local economic facilities and infrastructure projects;
- a business plan including a market study in accordance with FEICOM framework for local economic facilities and infrastructure projects.



(8) Concerning utility equipment projects

- descriptive and quantitative estimates of material (pro-forma invoice);
- Prime Minister's approval to acquire the requested equipment.

(9) Concerning projects maturation

- Terms of reference for the study identifying the experts to mobilize;
- Bill of quantities and cost estimates.

Some prior studies must be carried out by accredited experts registered with their respective national orders.

CHAPTER XII: EVALUATION CRITERIA FOR FUNDING REQUESTS

Article 26: Funding requests shall be evaluated based on the following criteria: compliance, feasibility, expected impact, participation, governance, gender mainstreaming and sustainability. To this end, the following shall be considered in the evaluation:

(1) Regarding compliance

- the completeness and regularity of the documents in the file, as specified in Articles 24 and 25 above;
- the status of the applicant.

(2) Regarding feasibility

- technical feasibility;
- financial feasibility;
- the capacity of the Council to sustain the loan;
- environmental feasibility.

(3) Regarding the impact expected

- presenting the current social, economic, environmental and institutional situation;
- presenting the activities to carry out;
- presenting the desired situation.

(4) Regarding participation

- the level of stakeholders' involvement in the various phases of the project;
- the existence of a mechanism for consultation between stakeholders.

(5) Regarding governance

- regularity in the production of administrative accounts;
- the existence of the project in a planning document;
- the state of other projects funded by FEICOM in the Council;
- taking the project into account in the Council's Mid-Term Expenditure Framework of the Council;
- budgeting of the resources needed for maintenance of infrastructures.



(6) Regarding gender mainstreaming

- equal access of male and female beneficiaries and vulnerable social groups to the benefits generated by the project;
- taking into account the particularities and specificities of the different social groups benefiting from the project

(7) Regarding sustainability

- alignment with sector requirements and priorities;
- the viability of the management system proposed (operating method, mobilization of contributions, involvement of all interested stakeholders, maintenance conditions etc, ..).

Article 27: Internal procedures shall specify the terms and conditions for the evaluation of applications for funding based on the above criteria.

CHAPTER XIII: PROCEDURE FOR EXAMINING FILES

Article 28: Complete funding request files shall exclusively be submitted in Regional Agencies against acknowledgement of receipt. Any file submitted directly in the Head Office shall be returned to the relevant Regional Agency.

Article 29: (1) Files deemed compliant shall be forwarded by the Regional Agency to the Head Office. The Regional Agency shall notify the applicant.

(2) For non-compliant files, the applicant shall be notified by the Regional Agency and invited to make the necessary corrections.

Article 30: (1) FEICOM's Financial Assistance Committee (CCFF) and the General Manager are authorized to grant funding within the limits of their respective powers.

(2) The files validated by General Manager, whose amount is above CFA F 30 million, shall be forwarded to CCFF for review and decision.

(3) Compliant files, the amount of which is below or equal to CFA F 30 million, shall be forwarded to the General Manager for decision.

Article 31: Subject to the availability of financial resources, CCFF or the General Manager may suggest that the applicant resizes their project.

Article 32: (1) A specific text shall specify the powers and operating procedures of CCFF.

(2) For the purpose of efficacy and objectivity, the evaluation of funding application files by CCFF shall be guided by methodological tools as provided for under article 26 herein above.

PART IV: CONDITIONS FOR THE PROVISION OF FUNDING

Article 33: Any award of funding shall be notified and then formalized by the signing of an agreement between FEICOM and the beneficiary Council.



Article 34: The funding agreement must include provisions relating to:

- the purpose of the funding;
- the duration of the agreement;
- the project outline;
- the cost of the project;
- the structuring of the funding;
- terms and conditions for the release of funds;
- terms and conditions for the repayment of funding;
- special conditions of the project;
- special conditions of the project
- the obligations of the Council;
- the obligations of FEICOM;
- the settlement of disputes;
- special conditions for projects of which the implementation involves other partners;

Article 35: Within twelve (12) months from the date of signature of the agreement, the beneficiary Council must start the execution of the project for which funding has been granted.

PART V: FINANCIAL ASSISTANCE REPAYMENT POLICY

Article 36: (1) The repayment of financial assistance is progressive with constant quarterly instalments.

(2) Repayment is done over a period that corresponds to the assumed life of the project financed that emerges from the standards for each type of operation (project or investment), and included in the General Tax Code of Cameroon, article 7 (D).

Article 37: The repayment schedule of the loan share shall be annexed to the funding agreement.

Article 38: (1) Repayment shall be made quarterly by deducting from Additional Council Taxes and other Council Taxes Subject to Equalization or by direct payment in the coffers of FEICOM's Accounting Unit.

(2) However, early repayments shall be allowed, upon payment of an advance repayment allowance at the written request of the Council Executive Head.

(3) The principle of rescheduling through modification by mutual agreement of the amount and due dates shall be accepted. It shall entail the payment of a minimum supplementary cost on the period of repayment.

Article 39: (1) When funding is granted to a municipal public establishment or a Council Union, repayment of the loan share shall be carried out proportionately to the commitment share of each member Council.

(2) In the event of the insolvency of the municipal or inter-council public establishment, or Council Union, instalments shall be borne proportionately to the commitment share of each member Council.



PART VI: TRANSITIONAL, MISCELLANEOUS AND FINAL PROVISIONS

Article 40: Funding agreements under execution shall be governed by the provisions in force at the time of their signature.

Article 41: Additional Council Taxes and other Council Taxes Subject to Equalization pooled by FEICOM shall guarantee the repayment of financial assistance granted.

Article 42: No Council or council grouping may benefit from financing exceeding 10% of the budget for municipal investments during the same financial year.

Article 43: (1) The provisions of this Decision shall enter into force from the date of its signature.

(2) All previous provisions repugnant hereto are hereby repealed.

Article 44: The General Manager of FEICOM shall be responsible for the implementation of this Decision, which shall be registered and published wherever necessary.

Yaoundé, on **23 JUL 2021**

**For the Board of Directors,
The Chairperson,**



Georges ELANGA OBAM