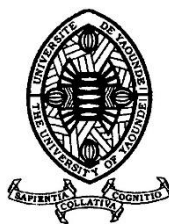


THE UNIVERSITY OF YAOUNDE I

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POST-GRADUATE SCHOOL FOR SOCIAL  
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UNITÉ DE RECHERCHE ET DE FORMATION  
DOCTORALE EN SCIENCES HUMAINES  
SOCIALES

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DEPARTEMENT D'HISTOIRE

**MUTUAL COMMUNITY GROWTH  
(MC<sup>2</sup>) AND RURAL DEVELOPMENT IN  
BAMENDJOU AND BANDJA (1995-2020)**

Dissertation in History defended on the 26<sup>th</sup> of June 2024

Specialization: **Economic and Social History**

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**JULY 2024**

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**To**  
**My parents, Augustin and Anne Aonsi**

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## ABSTRACT

The development of the rural zone of Cameroon has been a preoccupation of micro finance in Cameroon especially in the west region of Cameroon. As a result, it made us to carry out a research topic which is been entitled “Community Growth Mutual (MC<sup>2</sup>) and rural development in Bamendjou and Bandja (1992-2020)”. It thereby seeks to investigate and examine MC<sup>2</sup> action in the socio-economic development in Bamendjou and Bandja. Hence the research question that guides this dissertation work is to know: how the MC<sup>2</sup> micro finance bank is efficient in the rural development of Bamendjou and Bandja subdivisions. By observing the main question, the main objective of this research works is, the role of the MC<sup>2</sup> microfinance in the rural development of Bamendjou and Bandja. In other to have a good understanding of the main question, a survey that was carried out during our trip on the field, interview with people having account and working in MC<sup>2</sup>, we as well associated it with archives and documents that permitted us to know about the actions of MC<sup>2</sup> in Upper plateau and Upper Nkam (Bamendjou and Bandja). The theories used to clarify the work was liberalism and functionalism. In order to conclude with the analyses of the research, we have come to the conclusion according to the research result that MC<sup>2</sup> which is a micro finance is registered as a very important actor in the socio-economic development and surely the main financial agency in a concert and direct ways in Bamendjou and Bandja. Therefore, just as other financial agencies, its collaboration with the population is firstly for the interest of the micro-bank and later for the population.

## RESUME

*Le développement rural au Cameroun a été une préoccupation de la micro finance notamment dans la région de l'ouest Cameroun. Cela nous a amené à réaliser un thème de recherche qui s'intitule : 'mutuelle communautaire de croissance (MC<sup>2</sup>) et le développement rural a Bamendjou et Bandja 1992-2020. Ce thème de mémoire cherche ainsi à enquêter et examiner l'action de MC<sup>2</sup> dans le développement socio-économique à Bamendjou et à Bandja. D'où la question de recherche qui guide ce travail est de savoir : comment la microfinance MC<sup>2</sup> a-t-elle contribué au développement des arrondissements de Bamendjou et Bandja. En observant la question principale, l'objectif principal de ce travail de recherche est le rôle de la MC<sup>2</sup> dans le développement rural de Bamendjou et Bandja. En outre, pour bien comprendre la question principale, une enquête qui a été réalisée lors de notre descente sur le terrain, des entretiens avec des personnes ayant compte et travaillant au MC<sup>2</sup> dans le haut plateau et le haut nkam. Les théories utilisées pour clarifier l'œuvre était le libéralisme et le fonctionnalisme. Afin de conclure avec les analyses de la recherche, nous sommes arrivés à la conclusion selon le résultat de la recherche que MC<sup>2</sup> qui est une microfinance est enregistrée comme un acteur très important dans le développement socio-économique et surement la principale agence financière dans un concert et direct voies à Bamendjou et Bandja. Par conséquent, tout comme les autres institutions financières, sa collaboration avec la population est d'abord dans l'intérêt de la micro banque et ensuite de la population.*

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## LIST OF ABBREVIATIONS, SIGLUM AND ACRONYMS

<b>ADAF</b>	Appropriate Development for African Foundation
<b>AMC2</b>	Association of MC2
<b>AMENCAM</b>	Association of Microfinance Institutions in Cameroon
<b>AU</b>	African Union
<b>BICEC</b>	<i>Banque International du Cameroun pour l'épargne et le crédit</i>
<b>CAMCCUL</b>	Cameroon Cooperative Union league
<b>CEMAC</b>	Economic and Monetary Community of Central Africa
<b>CIG</b>	Common Initiative Group
<b>COBAC</b>	Central African Banking Commission
<b>CVECA</b>	Self Reliant Saving and Credit bank
<b>FIDIS</b>	Social Intervention Fund
<b>FIMAC</b>	Factor Membrane Attack Complex
<b>IFRS</b>	International Financial Reporting Standards
<b>IMF</b>	International Monetary Fund
<b>GIC</b>	<i>Groupe D'initiative Commune</i>
<b>LDC</b>	Less Developed Countries
<b>MC2</b>	Mutuelle Communautaire de Croissance
<b>MDG</b>	Millennium Development Goals
<b>MFI</b>	Microfinance Institution
<b>MINADER</b>	Ministry of Agriculture and Rural Development
<b>MUFFA</b>	<i>Mutuelle des Femmes Africaines</i>
<b>MUFID</b>	<i>Mutuelle Financière de Développement</i>
<b>NEPAD</b>	New Partnership for African Development
<b>NGO</b>	Non Governmental Organisation
<b>OHADA</b>	<i>Organisation pour l'harmonisation en Afrique du Droit des Affaires</i>
<b>PADC</b>	Pennsylvania Avenue Development Corporation

<b>PCAS</b>	Credit Association Solidarity project
<b>PNVRA</b>	National Agricultural Research and Extension Programmes Support Project
<b>ROSCA</b>	Rotating Savings and Credit Associations
<b>SAAR</b>	<i>Société Africaine D'assurance et de Réassurance</i>
<b>SAP</b>	Structural Adjustment Programme
<b>SHG</b>	Self Help Group
<b>SME</b>	Small and Medium Enterprises
<b>UNO</b>	United Nation Organization
<b>WB</b>	World Bank

**GLOSSARY**

<b>Tchoua'a</b>	savings between group of people (association)
<b>Njangi</b>	savings between group of people
<b>Sofofa</b>	friend of kings

**GENERAL INTRODUCTION**

## BACKGROUND OF THE STUDY

In the perspective of offering adapted financial services to rural and small economic operators, the MC<sup>2</sup> was created. Initially, microfinance was always presented as a means of inclusion of population excluded from the traditional banking system by offering them possibilities of access to financial services. Rapid change and sustainable development throughout the world have enabled microfinance to continue to grow and become more professional, especially in a rapidly changing socio-economic context, the increase in the number of poor people, strong social and banking exclusion<sup>1</sup>. The micro finance institutions, due to their rapid expansion, are now facing increased competition and the less experienced as a result are leaving the market. From the 1990s until 2011, the MC<sup>2</sup> micro finance appears more and more a tool for emancipation and promotion of the status of women. The objectives are multiple aiming to fully include women in the social movement and reduce their marginalisation to the smallest possible expression. The MC<sup>2</sup> institutions aimed at providing farmers with adequate and sustainable financial services<sup>2</sup>.

Microfinance in the national economy has a decisive role. This offers the population various services. In Cameroon, after the economic crisis of 1986, there was the impoverishment of the population and the crisis of social security. The Cameroonian state could no longer assume the costs of social security, the state being helped by the economic organizations of civil society. Among these, we can mention a microfinance institution which has positioned itself in a context of economic crisis as the new actors in rural development aid. MC<sup>2</sup> is a microfinance created in 1992 with the aim of providing concrete solutions to initiatives in rural areas<sup>3</sup>.

Microfinance institutions have come up as seen the multiple people excluded from the formal financial system, these Microfinance Institutions (MFIs) are in categories ranging from one to three. The Community Growth Mutual (MC<sup>2</sup>) was created in 1992 to solve the problem of those excluded from the formal financial system and it was created during the period which Cameroon was facing its economic crisis<sup>4</sup>. The first MC<sup>2</sup> agency was created In Baham in the West Region of Cameroon and after that period many other agencies were created in the national and continental level. MC<sup>2</sup> is based on the needs of rural populations in Cameroon

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<sup>1</sup> P. Fokam, *what if Africa wakes up*, Paris, Maison-neuve and Larose, 2003, p.202

<sup>2</sup> *Ibid*, p.203

<sup>3</sup> E. Hasen, "Microfinance et développement au Cameroun : l'efficacité de la mc2 dans la communauté de Batoufam", Yaoundé, 2014, p.9

<sup>4</sup> *Ibid*, p.11

excluded from the financial system. As a result, through the day to day co-management approach within MFIs, rural populations now have the opportunity to take charge of their common destiny and that of their community. MC<sup>2</sup> grants credits to actors and sectors of activity in the rural world. MC<sup>2</sup> agency initiatives are a collection of strategies put in place to ensure community development, which is based on the bottom to top model. The MC<sup>2</sup> agencies take into consideration the socio-cultural values of each village in which it is established<sup>5</sup>.

Many reasons pushed us to choose this topic.

## **JUSTIFICATION OF THE STUDY**

This section consists of highlighting the deep motivations that contributed to the choice of the topic. The interest of the present topic aroused from a desire to satisfy a curiosity and the choice of this topic also was guided by many facts observed.

The MC<sup>2</sup> microfinance represents an endogenic approach of development which is considered as a village bank, it is a poverty relief institution which helps the rural population to take care of themselves and develop their activities and this microfinance works according to the law and tradition of the community where it is implanted.

The reason why we choose this topic was because the MC<sup>2</sup> was a microfinance greatly talked about on television, this therefore made us to want to know more about this institution which was a great instrument for poverty reduction and it was a village bank to give access to bank operations to the rural populations which were left out and equally the fact that a big microfinance like MC<sup>2</sup> started in the form of “njangi”, this made us want of know what really happened , thus making us to choose this topic .

Also, what pushed us towards this topic was the fact that the MC<sup>2</sup> microfinances employs many youths of many areas in the whole country, this caught our attention and made us to choose this topic to understand the impacts of this microfinance on the population where it is based. More so, the fact that our parents are affiliated to this microfinance greatly influenced the decision on choosing this topic for our research work.

A simple observation enabled us to appreciate the socioeconomic character of the MC<sup>2</sup> which does not cease supporting the actors of small and medium size enterprises. To really extend its action for the fight against poverty across the African continent, the MC<sup>2</sup> is not limited to Cameroon, it has established itself in other countries on the African continent such

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<sup>5</sup> D.Lekane, “Microfinance et développement communautaire au Cameroun : le cas du réseau des Mutuelles Communautaires de Croissance MC<sup>2</sup>”, thesis of doctorat /PhD in Geography, Univerity of Yaounde 1, 2011, p.5



as Guinea Conakry, Zambia and Liberia just to name a few. A general view of all these actions carried out by the MC<sup>2</sup> in Cameroon and on the continent has therefore pushed us to carry out this research, being in the impossibility to treat all the general actions, we based ourselves on a precise area and a specific time frame.

The microfinance MC<sup>2</sup> gives a particular follow up to its clients in the realisation of their projects contrary to other microfinance which are there for transaction. With the help of the Non-Governmental Organisation (NGO) Appropriate Development for Africa Foundation (ADAF) the clients and the employees of MC<sup>2</sup> benefits from many services of ADAF like the training of the personnel, the study of rural projects of development the ADAF Non-Governmental Organisation also plays an intermediary role for the MC<sup>2</sup> to international organisations<sup>6</sup>.

Also, for more than 25 years, the MC<sup>2</sup> as a microfinance has made its way through its products and services that it offers to its customers across the Cameroonian territory. As a woman, this microfinance caught our attention insofar as it grants us an important particularity. Most women in contemporary African societies increasingly suffer from a phenomenon of marginalization, exposing the woman to all sorts of problems such as poverty and misery. To overcome this situation, the MC<sup>2</sup> found it judicious to create a female branch in its action which is called *Mutuelle Financière des Femmes Africaines* (MUFFA). The objective of such an innovation is to provide financial services and offer financial assistance to women because as they say poverty mostly touches the rural people and this rural population made up mostly of women<sup>7</sup>.

Equally, one of the motivations for the choice of this topic is for academic purpose. Every student in the university of Yaoundé 1 at level 5 or masters 2 is called to write, submit and defend a dissertation at the end of the master's cycle which will permit he/she to enter in the PhD cycle. So, through this theme, we wish to obtain our certificate and end the master's cycle. In the same line, this dissertation present in the department of history will be an add on the scientific research in the domain of microfinances in Cameroon. This research enters in a well-defined geographical and temporal space.

In order to better understand this topic, it is better to define some key words of the theme.

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<sup>6</sup> P. Fokam, *what if Africa....*, p.195.

<sup>7</sup> P. Mafottsing and J. Kouosseu, "Financing of women agricultural and empowering of women in western Cameroon from 1990s to 2011", *Revue des etudes Multidisciplinaires en Sciences Economiques et Sociales*, vol 5, No 2, 2020, p.277.

## CONCEPTUAL FRAMEWORK

The clarification of concepts is an important step in any research. It helps in removing the complexity of concepts. In order to better understand our topic, we will define the operating concepts which is mutual, community, rural development.

Mutual as defined by the oxford dictionary is an action that affects two or more people equal or something shared by two or more people. In the Cambridge dictionary mutual is defined as of two or more people or groups doing the same thing to or for each other<sup>8</sup>. Several disciplines have given meaning to this term. Thus, for the legal science, mutual is a group with civil capacity, the creation of which is subject to a prior declaration, for the social economy, the mutual is a group of non-profit law legal persons whose membership is voluntary with the aim of mutual aid<sup>9</sup>.

A community is a human group whose members are united by social link. The notion of community is also a concept of law which designates a group of people possessing and enjoying in an undivided way a common heritage. Kathleen Macqueen defines community as a group of people with diverse characteristics who are linked by social ties, share common perspectives, and engage in joint action in geographical locations or settings. The word appeared in the 13<sup>th</sup> century, probably by reflection, after the adjective communal from the old French community<sup>10</sup>. In the Cambridge dictionary community is defined as the people living in one particular area or people who are considered as a unit because of their common interests, social group, or nationality<sup>11</sup>. In oxford dictionary community is defined as all the people who in a particular area, country, it is also defined a group of people who shared the same religion, race, job<sup>12</sup>. In sociology, community is defined as a set made up of various social configurations.

The concept of development designates a global set of technical, social, territorial, demographic and cultural changes marking out the growth of production. Many definitions of development have been seen since the 1950s. According to positive definitions, development on substance consists of the improvement by men and women capable of realizing their human potentials<sup>13</sup>.

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<sup>8</sup> <https://www.dictionary.cambridge.org>. consulted on 28/03/2022 at 5:30 pm

<sup>9</sup> <https://www.wikipedia.org>. consulted on 28/03/2022 at 6:00 pm

<sup>10</sup> K. Macqueen et al, ‘‘What is community? an evidence-based definition for participatory public health’’, 2001, p.12.

<sup>11</sup> <https://www.dictionary.cambridge.org>. consulted on 28/03/2022 at 7:00 pm

<sup>12</sup> <https://www.oxforddictionary.com>. consulted on 28/03/2022 at 7:30 pm

<sup>13</sup> Dictionnaire des relations internationales ; approches concepts doctrines ;2e Edition, 2006, p.123.

Rural development is the process of improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas. Rural development has traditionally centered on the exploitation of land intensive natural resources such as agriculture and forestry. According to Arpita Sharma rural development can be defined as helping rural people set the priorities in their own communities through effective and democratic bodies by providing the local capacity; investment in basic infrastructure and social services, justice, equity and security, dealing with the injustice of the past and ensuring safety and security of the rural population, especially that of women<sup>14</sup>. In the Collins English dictionary, rural development is social or economic activities or initiatives designed to improve the standard of living in areas far away from large towns or cities.<sup>15</sup>

## **SCOPE OF THE STUDY**

In a historical research work, it is important to define the scope, this scope is both geographical and temporal. In our study we will be limited to Bamendjou and Bandja sub divisions and the time of our study ranges from 1992 to 2020.

### **Geographical scope**

Our study is limited to the Bamendjou and Bandja subdivisions in the Upper Plateau division and the Upper Nkam division respectively, all in the West region of Cameroon.<sup>16</sup> Bamendjou has a population of 34,269 inhabitants and a density of 174 inhabitants per km<sup>2</sup>. Bandja has a population of 30,931 inhabitants. These localities have dry season which goes from October or November to March or April and a rainy season which begins in March or April until October or November. Temperature fluctuates between 11 oc and 30 oc.<sup>17</sup>The vegetation of Bandja and Bamendjou is similar to that of the Sudan savannah, influenced by rainfall altitude. There is space forest areas grassland characterised by species adapted to the wet land ecosystem. Grass field form the majority of vegetation, the species present here are the pennisenium forms and other thickfuls of grass-man through agricultural activities has modified the vegetation by burning. Rough savannah grass grows on the hills. Soft grass on farmlands, elephant stalks are found along the banks of the rivers. Other plants include kolanut trees and eucalyptus trees in their great numbers.<sup>18</sup>

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<sup>14</sup> A. Sharma, "Rural development meaning, definition and concepts", 2016, p,16.

<sup>15</sup> <https://www.collinsenglishdictionary.org>. consulted on 13/04/2022 at 8:40 am

<sup>16</sup> <https://Wikipedia.org> consulted on 14/04/2022 at 2:30 pm.

<sup>17</sup> <https://wikipedia.org>. consulted on 14/04/2022 at 3:11 pm

<sup>18</sup> <https://www.wikidepiadia.com> consulted on 24/08/2022 at 7:00 am.

The soil of Bandja and Bamendjou village has different soil texture depending on the area within the village. The area around the inhabited zone is browning colour while the soil beneath the dense forest with trees is black in colour. Both species are fertile and favours agricultural activity which is the dominant activity in the Bandja and Bamendjou village. The soil is light and scatters in grain thereby making tilling into ridges easy. The native used the soil in various ways but the main usage is for agricultural purposes. Apart from coffee which grows well in these villages, the people also cultivate cocoa, banana, oil palm, cassava, sweet potatoes, yams, vegetables of various kinds. Therefore, the fertile nature of the soil is an impetus to the economic activities of the Bandja and Bamendjou people.<sup>19</sup>

After given the geographical scope of the study, we are going to treat the time scope of the study.

### **Time scope**

In this work the time scope ranges from 1995 to 2020. In relation to the justification of our time scope, Joseph Ki-Zerbo declares *‘l’historien qui veut reconstituer le passé sans repères chronologiques est comparable a un voyageur qui effectue un parcours dans une voiture sans compteur’*<sup>20</sup> The year 1995 marks the creation of the MC<sup>2</sup> agency in Bamendjou in the Upper plateau division. During this period, there was the liberalisation of finances and associations. The year 2020 represents the year MC<sup>2</sup> became a network in order to put in place the regulations of the Central African Banking Commission (COBAC) related to the conditions of microfinances in central Africa<sup>21</sup>. Also, this time limit is justified by the fact that MC<sup>2</sup> changed its name to *Mutuelle financier de developpement* (MUFID). So MC<sup>2</sup> of Bandja changed to MUFID Bandja and MC<sup>2</sup> of Bamendjou changed to DEKAPLAH meaning *la maison, l’argent, du peuple* and withdrew itself from the MC<sup>2</sup> and nowadays MUFID network.

### **LITTERATURE REVIEW**

Given the importance of MFIs as an aspect of the economy of nations, it has not escaped the attention of researches. They have addressed it from different stand points depending on the area. It is in this same line that Paul N’Da says that *‘la revue critique de littérature consiste à faire le point des connaissances sur le sujet choisi ou le domaine*

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<sup>19</sup> *Ibid.*

<sup>20</sup> J. Ki-Zerbo, *Histoire de l’Afrique noire d’hier a demain*, Paris, Hatier, 1972, p.16.

<sup>21</sup> Règlement COBAC EMF R-2017/01, p. 1

*concerne*'<sup>22</sup>. The current study makes a reference of scholarly literature on related works which gives lights into our comprehension of the microfinance sector in Cameroon and in the localities of Bamendjou and Bandja. Regrettably, the few works that exist in the history of Bamendjou and Bandja pays little attention to the MFI sector and its impacts. It is for this reason that the researcher has to concentrate in this area of study.

Lekane in his thesis examines the MC<sup>2</sup> microfinance bank, he talks on the microfinance and its impact on community development, the initiatives of the MC<sup>2</sup> in the villages of Cameroon, the financing of projects. He presents its objectives, structure and functioning of the microfinance, equally, Lekane talks on the network of the MC<sup>2</sup> in Cameroon and also examines the outcome of its initiatives. Also, Lekane treats the impacts of the microfinance, and the prospects of MC<sup>2</sup> in Cameroon. This will help us in our work in examining the role of MC<sup>2</sup> in the rural development of Bamendjou and Bandja, it will also be beneficial for us in that it will help us understand the impacts of the microfinance, the challenges and prospects. He examined the above but did not work on the impact of MC<sup>2</sup> in the rural development of Cameroon and the localities of Bamendjou and Bandja which makes our work different from his own.<sup>23</sup>

Elisabeth Hansen examines the efficacy of MC<sup>2</sup> in Batoufam. She presents the MC<sup>2</sup> model, the use of the loans of the microfinance, the success of the loans and the changes caused by the loans given to the population, she also talks on the obstacles for the success of the loans. The author equally talked on the challenges faced by the farmers in Batoufam and the way forward of the MC<sup>2</sup> microfinance bank in Batoufam. This work will help us to better understand the challenges faced by farmers in order to receive loans from the MC<sup>2</sup>. But she did not work on the structure, functioning and objectives of the MC<sup>2</sup> which makes our work different.<sup>24</sup>

Paul Fokam in his book titled “‘what if Africa wakes up?’” Examines the idea that Africa has been facing an economic downfall since the 1970s. For him, international organisations are not the only ones used in order to overcome poverty in Africa. This is the reason why the author saw the need to create an establishment of an endogenous development policy that can truly enable the African continent to develop. In the same light, the author presents the MC<sup>2</sup> model as an appropriate instrument or solution for Africa. He examines the

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<sup>22</sup> P. N'Da, *Méthodologie et guide pratique de recherche du mémoire et de la thèse de doctorat*, Paris, Harmattan, 2007, p.109.

<sup>23</sup> D. Lekane, “Microfinance et développement”

<sup>24</sup> E. Hansen, “Microfinance et développement au Cameroun”

foundations of MC<sup>2</sup>, the goals, the missions and the functioning of the microfinance. For him, through the habits of savings, investments and entrepreneurship, development will be self-sustaining and the financial resources will reach the entire mass of the poorest who constitutes the majority of the population. He specified that only work, knowledge and a community and endogenous development model like that of the MC<sup>2</sup> can create wealth. This book is very important for our work because firstly, it is written by the founder of the MC<sup>2</sup> microfinance and secondly, it deeply examines the microfinances such as its foundations, missions, objectives, goals and its contribution to poverty reduction in Africa <sup>25</sup>

Stephane Kengmo in his dissertation talks on the implication of MC<sup>2</sup> in the socio-economic development of the population of the Upper Plateau and the Koung-hi. He examines the context of creation of MC<sup>2</sup>, the process of implantation and the functioning of the model, he goes further in examining the financing of projects and the difficulties faced by MC<sup>2</sup>, the prospects of the microfinance. This work will help us to better understand the socio-economic impacts of the MC<sup>2</sup> microfinance, but the author did not treat the impact of the MC<sup>2</sup> on the development in other parts of the west region like in the Upper Nkam, which makes our work different.<sup>26</sup>

Lekane in his article, *Mutuelles Communautaire de Croissance (MC<sup>2</sup>) et le développement rural a Baham* analysis the MC<sup>2</sup> microfinance of Baham, he studied the nature of the MFI and the functioning, how it was created, the management and the structures. Also, he examined the impact of MC<sup>2</sup> in the agro-pastoral development of Baham through the issuing of loans and subsidies given to the farmers and also to the animal breeders. In this article we equally see the economic situation of Baham before the creation of MC<sup>2</sup>.<sup>27</sup>

Fotabong in his article talks on the history of the MC<sup>2</sup> micro bank, he emphasized on the Einstein's formula used by the promoter Dr Paul Fokam to develop MC<sup>2</sup>, equally the objectives of the micro bank are seen in his article, one of the objectives being economic and financial sustainability from the perspective of the micro bank, the individual and group members. Fotabong examines the stages in the development and the advantages of the MC<sup>2</sup> micro bank. Again, the features of the MC<sup>2</sup> microfinance are seen in his article.<sup>28</sup>

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<sup>25</sup> P. Fokam. *What if Africa Wakes up?*, Paris, Maison neuve et Larose, 2003.

<sup>26</sup> S. Kengmo, "la mutuelle communautaire de croissance (mc<sup>2</sup>) et le développement socioéconomique des hauts-plateaux et du koung-khi (1992-2020)". Dissertation of Masters in History, University of Yaoundé 1, 2021.

<sup>27</sup> D. Lekane, "Mutuelles communautaires de croissance (MC2) et le développement rural a Baham", 2003.

<sup>28</sup> L. Fotabong, "A critical analysis of the MC2 micro bank model", 2011.

Djourn Serge in his article, *mutuelles communautaire de croissance*(MC<sup>2</sup>), Cameroon: Decentralized community banks for remote outreach, the author defines MC<sup>2</sup> by the famous formula, he talks on the evolution of the MFI, he also talked on the economic context of Cameroon with the law MFIs, on the same line he talked on the local context of the creation of the MC<sup>2</sup> microfinance, in this article the author equally examined the activities of the microfinance in remote areas, he analysis the linkages and networking of the MC<sup>2</sup> MFI and how they promote development.<sup>29</sup>

Marie Antoinette Simonet in her article *conquete et fidelisation des clients dans les etablissement de microfinance au Cameroun: cas des MC<sup>2</sup> a L'ouest Cameroun* examines the historical context of the emergence of microfinances in Cameroon, also the services offered by the MFIs in the west region of Cameroon are treated. In the same line, the author examined the methods to conquer and gain the fidelity of clients by the MC<sup>2</sup> microfinance which is through the marketing of the MFI. This marketing is done internally and externally. Equally in this article Simonet explains the perceptions of the clients there is the place of “big investors” and the “small clients”. This article is important for this work in that it will help us trace the historical foundation of microfinances in Cameroon in general and MC<sup>2</sup> in particular, the methods used by the MFI to conquer clients.<sup>30</sup>

Fotabong in his article, *Compared Microfinances Models, MC<sup>2</sup> model versus other microfinance models* mentioned the models of microcredit and microfinance like the Grameen Bank model of Bangladesh, the MC<sup>2</sup> model its mode of operation, strength and weaknesses. Also, he treats the way of functioning of village banks models.<sup>31</sup>

Joseph Mbouomboue Ndam in his book examines the perception of microfinances by the public, the analysis of the microfinance offers. In this book we can equally see the microfinance support and supervision, the role of donators in microfinance. He equally treats the microfinance and the financing of Small and Medium Enterprises (SME) and of the rural sector, the actions of the microfinance are equally seen in the financing of agriculture and women entrepreneurship. This book will greatly help us to understand the role of microfinances in the development of economies and rural areas.<sup>32</sup>

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<sup>29</sup> S. Djourn. “Les mutuelles communautaire de croissance (MC2), Cameroon : Decentralized community banks for remote outreach”,2008.

<sup>30</sup> M.A. Simonet, “Conquête et Fidelisation des clients dans les établissements de microfinance au cameroun : cas des MC2 a L'ouest Cameroun”,2011.

<sup>31</sup> L. Fotabong, “Comparing Microfinances models, MC2 Model versus other microfinances models”, 2011.

<sup>32</sup> J. Ndam, *La microfinance a la croisee des chemins*, Paris, Harmattan, 2011.

Bolleri Pym in his book, *Le statut juridique des établissements de microfinance (EMF) en zone CEMAC* talks on the enactment of a legal status for MFIs in the Economic and Monetary Community of Central African States (CEMAC) in order to monitor the activities of microfinances and its actors. He talks on the rules of the access of the microfinance activity, also he examined the specialisation of the MFIs activities in the CEMAC zone, and the financing of economic initiatives by microfinances. Furthermore, he analysis the differentiation of the MFIs in the rules of the CEMAC, on the same line the diversities on the rules of MFIs and the amelioration of the judicial regime of MFIs are seen in the book of Pym. This work is important for us in the sense that it will help us treat the judicial and rules questions of this topic.<sup>33</sup>

Isabelle Barres in her book titled *Measuring the performance of microfinances institutions a framework for reporting, analysis and monitoring*, thinks that like any global sector, microfinances need to have recognized standards from which MFIs can be assessed. Common standards allow leaders and administrators of institutions to more accurately assess the performance of their organisation. MFIs that follow industry standards are more transparent, these standards make it harder to hide poor performance make it easier to set benchmarks for good practice. For MFIs, the existence of sectoral standards can facilitate the publication of information intended for donors, lenders and investors provided that the recipients of the report recognise these standards. Common references allow MFIs to speak the same language as other microfinance actors, whether they are neighbours or across the ocean. This observation does not escape in the context of our study insofar as MC<sup>2</sup> microfinance, like the rest of the MFIs in the sub-region, obeys standards established by OHADA for the sub-region. But, although standards exist, microfinance institutions do not face the same realities in the world and therefore these standards find themselves being flouted.<sup>34</sup>

Domeguiele-Wingoum Some in his dissertation marks an important point by affirming that a good number of researchers have highlighted several essential points questioning the effectiveness of microfinance with regards to its target population, the poor including the most vulnerable. The main conclusions of this research tend to show that even a perfectly designed microfinance program is unlikely to have a positive impact on the poor if it does not

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<sup>33</sup> B. Pym, *le statut juridique des établissements de microfinance (EMF) en zone CEMAC*, Paris, Harmattan, 2016.

<sup>34</sup> I. Barres, "Measuring the performance of microfinances institutions a framework for reporting, analysis and monitoring, the SEEP Network", 2005.



seek to reach them specifically through appropriate product design and targeting. The idea put forward here is that microfinance programs can themselves be exclusionary either directly because of their approach and/or the nature of their products, or indirectly because the poor themselves tend in this context to exclude themselves from these programs believing that they are not made for them. But this is a somewhat too pessimistic vision of the action of microfinance institutions in the fight against the poor and in participation in the development of the underprivileged classes because a good number of MFIs participate massively in the development of populations and effectively combat poverty. The MC<sup>2</sup> as a microfinance institution known throughout the Cameroonian territory for years meets the needs of the populations through its multiple products.<sup>35</sup>

According to the report prepared by Women's World Banking on behalf of the Africa Microfinance Action Forum (AMAF), "Diagnosis for action: Microfinance in Africa" all countries in Africa, a growing number of low-income people now have access to an increasingly wide range of financial products. Some business models have largely proven their success and are spreading rapidly. Community loan funds, for example will be scaled up to reach 30 million poor people. With the right support structure, credit unions can serve millions of people in low-income markets. In particular, some MFIs developed with only national resources have demonstrated their ability to reach a very large number of clients and seem to be able to do so efficiently even in the most difficult environments. However, these institutions face many constraints, such as the scarcity of competent staffs at the level of loan officers, middle managers and senior management. Moreover, the training needs for next decade are enormous.<sup>36</sup>

Serge Messomo Elle as seen in his article examines the role of MFIs on creation and expansion of micro-enterprises in Cameroon using the schumoter model and the verstraete and fayolle model of definitions of entrepreneurship. He presents legal MFIs in Cameroon, he analysis MFIs and empirical review. Also, the services offered to microenterprises by MFIs are examined in this article. The author also presents the way forward for MFIs by giving some recommendations to be considered by MFIs. This work is important for us in that it will

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<sup>35</sup> Y. Domeguiele-Wingoum, "La Responsabilité sociale des organisations de microfinance : quels criteres pour une meilleure contribution de la microfinance a l'inclusion financiere ? L'exemple du Burkina Faso", Dissertation of Masters in Development Etudies, University of Geneva,2008.

<sup>36</sup> Anonyme, "Womens's World bank on behalf of the AFrican Microfinance Action Forum (AMAF), Diagnosis for action: microfinance in Africa".

help us know the services given by MFIs and also some of the perspectives for the microfinances sectors in Cameroon in general and our localities in particular.<sup>37</sup>

Isabelle Piot-Lepetit and Joseph Njongang in their article titled “performance assessment and definition of improvement paths for microfinance institutions: an application to a network of village banks in Cameroon”, examined the financial and social performance of a network of village banks in Cameroon and the provision of data driven guidance to managers helping them in their decision-making process. An analysis framework in three stages is developed, first a Data Envelopment Analysis (DEA) analysis is implemented for measuring efficiency, identifying best practices and setting goals to less efficient MFIs. The authors examined the MC<sup>2</sup> network in Cameroon and the impacts and perspectives of the MC<sup>2</sup> microfinance.<sup>38</sup>

In the article, financing of women’s agriculture and empowerment of women in West Cameroon from the 1990s until 2011, the authors present the evolution of the status of women agricultures in West Cameroon, financial institutions and their role in female agriculture. They examine the MUFFA of Bafoussam which finances women Common Initiative Groups (CIG). The MC<sup>2</sup> is also analysed in this article with the credit and loans given to men and women to boost their activities, equally, the authors treat the empowerment of women through agricultural financing in western Cameroon from the 1990s. This will help us know the types of credits and loans given to men and women in the west region which contributes to the rural development in localities where loans are given.<sup>39</sup>

Fidelis Mutua in his dissertation, effect of microfinance services on poverty reduction in Makueni County, examines microfinances as a poverty alleviator instrument, the author presents the background of microfinances, presents the Grameen Bank Model, MC<sup>2</sup> Model and Village Bank Model. The impacts of micro-insurance on poverty alleviation. Also, the author presents some recommendations for microfinance institutions on the policy and others.<sup>40</sup>

Linda Mayoux in her article, examined the experience of seven microfinance programmes in Cameroon and are promoted by multilateral and bilateral donor agencies as a

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<sup>37</sup> S. Messomo Elle, “Microfinance and Entrepreneurship in Cameroon”,2002.

<sup>38</sup> I. Piot-Lepetit, J. Njongang, “Performance assessment and definition of improvement paths for microfinance institutions: An application to a network of village banks in Cameroon,2020.

<sup>39</sup> J. Kouosseu, P. Mafotsing Fokwa, “Financing of women’s agriculture and empowerment...”

<sup>40</sup> F. Nduku Mutua, “Effect of microfinance services on poverty reduction in Makueni County”, dissertation in the department of business administration, South Eastern Kenya University,2017.

means of inserting poverty alleviation. The author examines women empowerment by microfinances in Cameroon and this is done through loans given to women for activities like subsistence farming, poultry farming, brewing corn beer, provision store, knitting and tailoring and trade in clothes and this greatly contributes to the socio-economic development of the populations.<sup>41</sup>

The authors of the article COBAC control measures on the performance of microfinance institutions, presents the COBAC's control measures on MFIs by studying the prudential regulations, the history of MFI in Cameroon. Also, in the article the impact of COBAC regulations on MFIs can be seen. They examined some models of microfinances and tested the significance of the models, gave some recommendation for MFIs in order to better manage their institutions following the regulations given by the COBAC.<sup>42</sup>

### **STATEMENT OF THE PROBLEM**

The problem in a research work is an essential component. It is more over in this sense that Michel Beaud declares that *<<la problématique est pour le travail de thèse aussi importante que le cerveau ou le système nerveux pour un être humain.>>*.<sup>43</sup> The statement of the problem is a part which aims at elucidating the problem that brings up the start question. Also, it is the angle of analysis from which the phenomenon will be studied.

After the economic crisis of the 1980s in Cameroon, certain resolutions were adopted to solve the economic crisis, where we saw the creation and establishment of various microfinances in general and MC<sup>2</sup> in particular. Micro finance banks in Cameroon in general and in Bamendjou and Bandja in particular are created to offer adequate financial assistance to rural populations. These populations of the rural sector are mostly based on primary activities like agriculture. The MC<sup>2</sup> micro finance in Bamendjou and Bandja has greatly favoured the economic and social activities of the farmers using the microfinance through the loans and subsidies given to them by the bank<sup>44</sup>. The agricultural and animal rearing are great sectors in the economy of these localities and Cameroon at large. We realised that some actors such as the State, elites and other partners who are implicated in the process of the development of these various sub divisions have not yet found a suitable tool of the socio-economic development as was mentioned in the various missions and goals of MC<sup>2</sup> in

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<sup>41</sup> L. Mayoux, "Tackling the Down Side: Social Capital, Women's Empowement and Microfinance in Cameroon" in *Development and change* vol.32, Cowley Oxford UK, Blackwell Publishers, 2001.

<sup>42</sup> F. Nkiendom et al, "COBAC control measures on the performance of microfinance institutions", 2018.

<sup>43</sup> M. Beaud, *L'art de la thèse*, Paris, la découverte, 1986, p.31.

<sup>44</sup> P. Fokam, *what if Africa wakes up*, p.193.

Bamendjou and Bandja. This study seeks to address the central contention; how has the microfinance come about, how is the microfinance functioning, the mitigated report of the MC<sup>2</sup> in the rural development of Bamendjou and Bandja subdivisions. This brings us to this question; how is the microfinance efficient in the rural development of Bamendjou and Bandja subdivisions? And the subsidiary questions are; how has the microfinance come about? how is the microfinance functioning? And what are the shortcomings of the microfinance and what is the way forward of the microfinance? These questions constitute the core of our scientific work with steps which relies on a well precise methodology.

## **METHODOLOGY OF THE STUDY**

A research work must have a method in order to be credible and coherent. In realizing this study, the synchronic and diachronic approaches were adopted to analyse the data and the quantitative and qualitative method were used to collect information. We equally used the interdisciplinary method, this method is meant to use other scientific disciplines like geography, economics, anthropology and sociology to carry out our research efficiently. A historian who works on economic questions has many sources, and these sources are primary and secondary.

Primary sources were collected in archives, for example the Yaoundé national archive, the west regional archive, the divisional archive and the sub divisional archive of Bandja, the archive of the ministry of agriculture and rural development (MINADER), the archives of MC<sup>2</sup> of Bandja and Bamendjou. Concerning the oral sources, they were collected during the field work. This field work was done in the form of interviews and focus groups with the help of questionnaires, question guide. Oral tradition, discourses and interviews constitutes an important source of history.

The secondary sources were collected in textbooks, journals, articles, dissertations and theses in libraries for example the library of the faculty of arts, letters and human sciences, the library of the department of History, the library of the university of Yaoundé 2, the Paul Ango Ela library, the International Relations Institute of Cameroon (IRIC) library, the French Institute of Cameroon (IFC) library, the *cercle histoire,geographie, archaeologie* library (CHGA). Apart from the libraries, data collection was equally done through the internet. The internet was an important source of information. For our work to be consistent we had some objectives of the study.

## OBJECTIVE OF THE STUDY

The main objective of this research is to find out the role of the MC<sup>2</sup> microfinance in the rural development of Bamendjou and Bandja.

### Specific objectives

- 1- To trace the historical, socio-cultural and legal factors for the creation of microfinances in general and the MC<sup>2</sup> microfinance in particular in Cameroon.
- 2- To examine the actors and partners of the MC<sup>2</sup>, the functioning and structuration of the microfinance
- 3- To investigate the efficiency of the MC<sup>2</sup> microfinance in the socio-economic development of the localities of Bamendjou and Bandja.
- 4- To identify the challenges faced by the microfinance and its clients called mutualists and analyze the way forward for the MC<sup>2</sup> microfinance in the localities of Bamendjou and Bandja and Cameroon at large.

The theoretical frame of the work is important in a research work.

## THEORITICAL FRAMEWORK

Any scientific work and especially in economic and social history must be based on a theoretical basis allowing a good account of the question treated. The choice of a theory depends above all on the relevance of this one by rallying to the reality under study. As such, Michel Beaud thinks that *“la qualité d’une théorie ne peut se juger à sa seule cohérence interne, mais par rapport à sa capacité de rendre compte du réelle”*.<sup>45</sup> To better understand the impact of the MC<sup>2</sup> microfinance in the socio economic development of Bamendjou and Bandja, we used the liberalism and functionalist theories.

The functionalist theory obeys to the rule that the elements of a society coexist, cooperate and are very indispensable to each other. This theory was developed and driven by thinkers like Alfred Reginald, Robert king and many others in reaction to certain evolutionists of the 20<sup>th</sup> century. The MC<sup>2</sup> microfinance as an element of the society, plays an indispensable role in the localities of Bamendjou and Bandja. We use this theory in the context of our study to show the major role that MC<sup>2</sup> plays in the rural development of these

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<sup>45</sup> M. Beaud, *L’Art de la thèse*, p.70.

localities. It therefore makes a brief analysis of the technics adapted by this microfinance institution (MFI) with regard to the implementation of projects.

Liberalism is a theory that presents the markets as an environment of rivalry that does not require the interaction of the State. It is a rivalry of interest and need. The liberal theory had for precursor Adam Smith, Jean Baptiste Say and David Richardo. Smith presents the market as an invisible hand that operated in markets in such a way that individualistic behaviour there automatically leads to the best of collective situations. This theory emerged in the 19<sup>th</sup> century. It intervenes within framework of our research insofar as the MC<sup>2</sup> is a private institution whose mission is to ensure the rural development of the localities of Bamendjou and Bandja through their actions. Every scientific work has significances and our work does also.

### **SIGNIFICANCE OF THE STUDY**

The present study is scientifically important in historiography and is of more interest when it comes to the socio-economic development of Cameroon in general and Bamendjou and Bandja in particular, because it highlights the place of MC<sup>2</sup> in the advancement of these localities, with the help of its partners. This work permits to enlarge the field of economic historiography on MC<sup>2</sup> microfinance and its's impact on development. This study is important in that it will be put in the faculty of arts library of the university of Yaoundé 1 and the department of history library and other libraries. Equally it will help the MC<sup>2</sup> microfinance in the sense that, the way forward will help the institution to ameliorate many aspects of the mini bank.

The research will help other financial institutions, notably in the Bandja and Bamendjou community to find the way forward of microfinance institution in order to enhance development. It will be kept in universities and other private libraries for consultation. The identification of factors responsible for the withdrawal of customers will help the microfinance to prevent withdrawals and have more customers and also it will help in the better management of the microfinance and a better relation with customers. Every scientific work has many challenges and the challenges that we faced were as follows.

### **PROBLEMS ENCOUNTERED**

This research work was not an easy task since we faced challenges during the field work, gathering of sources, in the analysation of data and during the written part.

The researcher had some difficulties getting material especially from written sources reason being that not much has been written about microfinances in Bamendjou and Bandja subdivisions and also the few ones had very little material which means that the researcher had to focus more on oral interviews. The interviewees were not willing to provide information reasons being they wanted the interviewer to give something before some information could be given. Also, some of the interviewees were not willing to give their identity. This challenge from the local farmers made this very difficult because the researcher's main source of information was through oral interviews. The researcher had to beg and convince in order to have some information from the interviewees.

The areas where some of the informant lived were very bad and some nearly inaccessible. Some informants travelled to distant farms and only returned in the evening or weekend, since it is predominantly agricultural society. To overcome this problem, different dates and venues were chosen. This was to have enough time to discuss with the informant. The different venues were to enable the interviewer to meet the interviewee easily.

Also, we faced difficulties in having access to the various archives of the microfinances. The MC<sup>2</sup> microfinance been a financial institution, the directors were not willing to give access to the microfinance reason been that the information in the microfinance were confidential and they were afraid financial information of the mutualist will be spread out and some people saw the researcher as an inspectors and thus were reluctant to give us informant even though we presented the research attestation and wrote letters for an authorisation to consult the archives. These really slowed down our research. Our work has a well detailed plan.

## **PLAN OF THE WORK**

This study is organised in four parts with a general introduction, which embodied the background of the study, the justification of the study, statement of the problem, conceptual framework, theoretical framework, literature review, the sources and methodology, scope of the study, significance of the study, problems encountered, the plan of the work.

Chapter one studies the major factors of the creation and implantation of MC<sup>2</sup> in Cameroon and in the localities of Bamendjou and Bandja. The chapter discusses the historical, legal, social, cultural factors for the creation of MC<sup>2</sup>.

Chapter two focuses on the actors and structuration of MC<sup>2</sup> in Bamendjou and Bandja. In this chapter we talked on the various actors and partners of MC<sup>2</sup> and equally the organisation, structure, functioning and objectives of MC<sup>2</sup> was examined.

Chapter three analyses the socio-economic realisations of MC<sup>2</sup> in the localities of Bamendjou and Bandja. How the microfinance impacted in the rural development of these localities is seen in this chapter.

Chapter four gives analyses of a critical evaluation of MC<sup>2</sup> microfinance in Bamendjou and Bandja. The challenges and the way forward of MC<sup>2</sup> in Cameroon in general and Bamendjou and Bandja in particular was treated.

The general conclusion gives a summary of all the findings.

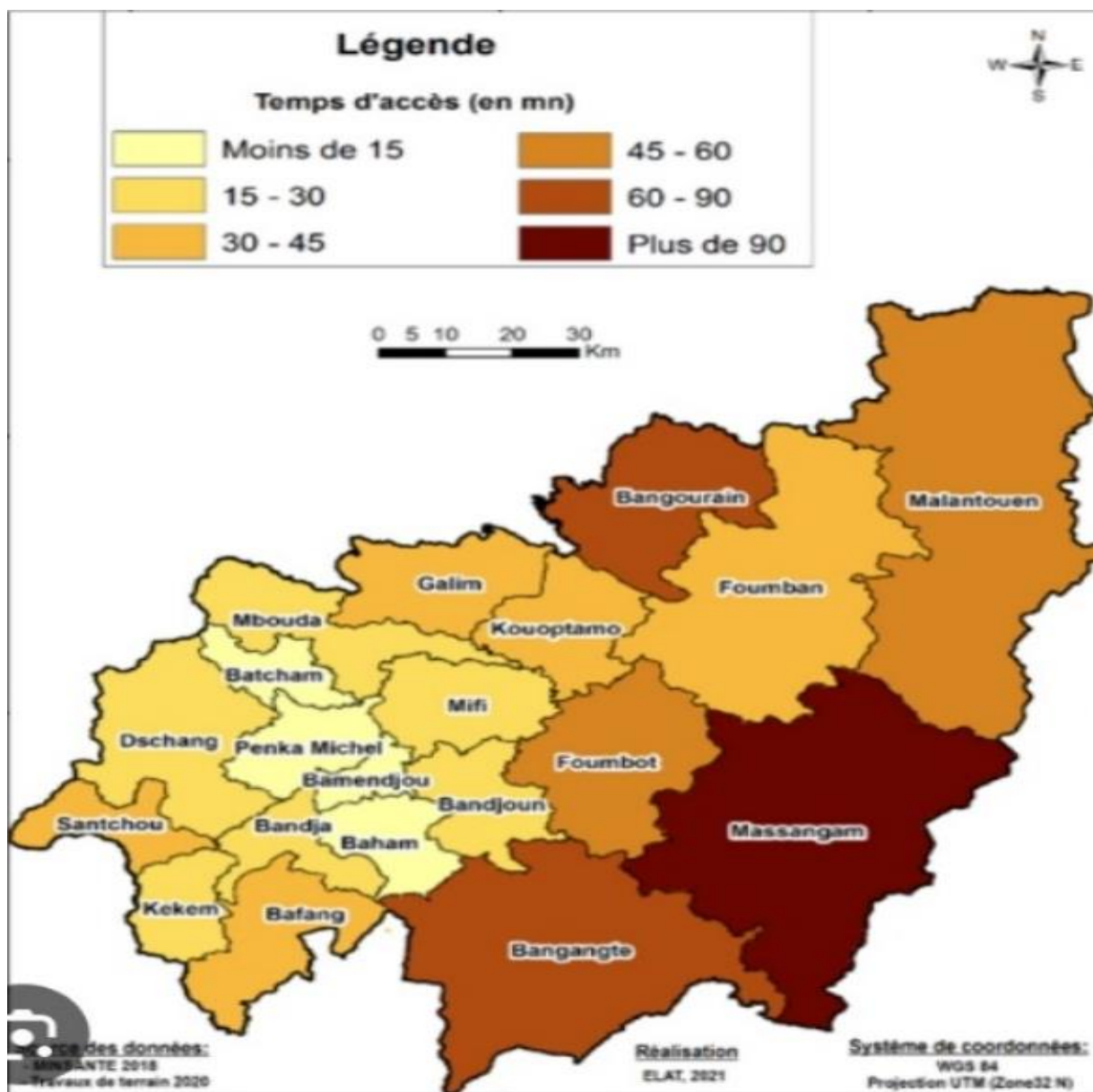


**CHAPTER 1**  
**FACTORS FOR THE CREATION AND IMPLANTATION OF**  
**MC2 IN CAMEROON AND IN THE LOCALITIES OF**  
**BAMENDJOU AND BANDJA**

## Introduction

This chapter examines the reasons for the creation of microfinances in Cameroon including the MC<sup>2</sup> microfinance, we will trace the historical, social, cultural and legal factors that contributed for the creation of the MC<sup>2</sup> microfinance in Cameroon and in the localities of Bamendjou and Bandja. From these reasons we will know the reasons for the coming up of the MC<sup>2</sup> microfinance in the 1990s.

**Picture 1:** The map of the West Region including Bamendjou and Bandja



**Source:** [www.wikipedia.com](http://www.wikipedia.com), consulted on 06/07/2024 at 5h00 pm.

The above map shows the West region of Cameroon in which is located Bamendjou and Bandja our study zone, Bamendjou is in the upper plateau division and Bandja is located in the Upper Nkam division.

### **I- The evolution of Microfinance and MFIs in Cameroon**

Microfinance appeared in its traditional form (tontine) dates back more than a century in Cameroon. In 1963, under the influence of Dutch missionaries in the English-speaking part of Cameroon, it started in formal form with the creation of the first credit cooperative called ‘‘credit union’’ or *caisse populaire*. But it was not until the early 1990s that microfinance diversified thanks to law no: 90/053 of December 19, 1990 on freedom of association and n0 92/006 of August 14, 1992 relating to companies. Cooperatives and common initiative groups. In addition, three main elements have favoured the emergence and expansion of microfinance. First, the crisis in the banking sector at the end of the 1980s which led to restructuring and numerous bankruptcies.

<sup>1</sup> These bankruptcies caused fears in low income populations and especially the dismissal of many experienced bank executives. The latter will reconvert themselves by creating microfinance entities in an uncontrolled manner. The restructuring plans have resulted in the exclusion of a large part of the population from access to banking services and an increase in under banking, especially in rural areas. Since then, microfinance structures have become increasingly attractive due to their proximity and the simplification of their commercial approach. The microfinance activity in Cameroon as in other member states of the Economic and Monetary Community of Central Africa (CEMAC), has developed in a particularly unsuitable legal framework. The microfinance sector will change and diversify thanks to the laws of December 19, 1990 and August 14, 1992. It is in this context that we will see the appearance of MC<sup>2</sup> microfinance.<sup>2</sup> The MC<sup>2</sup> microfinances are rural development micro banks created and managed by a community in keeping to their local values and customs. The principal promoter of this concept, Dr. Paul K. Fokam drew inspiration from the Einstein’s famous formula: Victory over Poverty (VP) is possible if the Means (M) and the Competences (C) of the Community (C) are combined. Hence the formula  $VP = M \times C \times C = MC^2$ . In other words, MC<sup>2</sup> is a community based micro banking approach whereby people and mostly the underprivileged endeavour to be self-reliant, create wealth with a view to improving their living conditions in a sustainable manner. The model has two versions: a rural

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<sup>1</sup> D. Akume, B. Annicet, ‘‘Governance and performance of MFIs: the case of Cameroon’’, *research journal of finance and accounting* 8,2017, pp.21-30.

<sup>2</sup> *Ibid.*

version, MC<sup>2</sup> and an urban version called MUFFA. The second version of the model is exclusively for women because studies and personal research of the founder show that women in urban areas are those most hit by poverty. Through MUFFA, these women have easy access to financial services which help them to start job creation and wealth generating small business activities since poverty mostly touches women.<sup>3</sup>

MFIs are organisations such as credit unions, downscaled commercial banks, and financial cooperatives that provide financial services to the poor. These organisations might vary in their legal structure, mission, methodology, and sustainability, but they all have one thing in common, they provide a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to the poor and low-income households and their micro-enterprises at cheap and affordable interest rates. Microfinance or Microcredit is not a new phenomenon as it is widely portrayed to be. Microfinance or Microcredit can be traced as far back as the 18th Century, when Jonathan Swift established the Irish Loan Fund System with the aim of providing loans to poor farmers who had no collateral and otherwise was unable to get loans. Through this Irish Loan Fund System, 20% of Irish households and farmers was able to get small loans. This was followed by Friedrich Wilhelm Raiffeisen in the mid-19th century, who developed the financial Cooperative in Germany and which later spread to the rest of Europe.<sup>4</sup>

Even though Microfinance and MFIs started earlier in other countries around the world, it started in Cameroon in September 1963 with the St. Anthony's Discussion Group. This idea was introduced in Njinikom in the North West Province (today known as the North West Region) of Cameroon by a certain Rev. Father Anthony Jansen, a Roman Catholic priest from Holland. Initially, 16 members of this discussion group started with some small contributions that amounted to FCFA2,100 (US \$3.5; the exchange rate at time of writing is US\$1 = FCFA582).<sup>5</sup>

However, it was not until the late 1980s, as a result of the commercial banking sector in Cameroon experiencing a serious crisis, with many major banks becoming illiquid and/or insolvent that Microfinance and MFIs really gained ground. At the root of the banking crisis in Cameroon was multifaceted government intervention, inadequate management, and a virtual lack of enforcement of banking regulations. Ever since, the Microfinance market and the number of MFIs in Cameroon have been increasing. Today, there are over 850 registered

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<sup>3</sup> L. Fotabong, Comparing Microfinances models:MC2 model..., p.5.

<sup>4</sup> C. Shu, B, Oney, "outreach and performance analysis of microfinance institutions in Cameroon", *economic research* 27,2014, pp.111-115.

<sup>5</sup> *Ibid.*

MFIs in Cameroon (statistics compiled by this researcher from official government figures). Cameroon is a member of CEMAC (*Centre Monétaire d'Afrique Centrale* or Monetary Authority of Central African States). Other member countries are Gabon, Chad, Central African Republic, The Republic of Congo, and Equatorial Guinea. Within the CEMAC sub region, Cameroon's MFIs constitute the largest in the area with deposits of more than 68% of the area total and loan portfolio of more than 78% of the area gross total.<sup>6</sup>

Unfortunately, the late 1990s witnessed some of the biggest losses incurred by the MFIs in Cameroon. These losses were the result of a range of errors by the MFIs underpricing the risk of the uncollateralised loans they give to the poor and directly competing for customers by opening offices around the country. The MFIs experienced high arrears in loan repayment and bad debts which amounted to around a quarter of the overall total loan portfolio and losses registered in the sector. This situation thus prompted changes in the regulation, supervision, monitoring, control and governance of MFIs in Cameroon.<sup>7</sup>

While the microfinance regulations in Cameroon have a positive influence in professionalizing the microfinance sector, it seems to have also created hurdles for MFIs to fulfil their social mission of financial inclusion. The evolution of activities of the microfinance sector over the years led to changes in the regulatory environment through the establishment of new regulations that progressively professionalize the sector and controlled certain derives. Financial inclusion and tight regulation in terms of board members, qualification and loans requirement. Regulation still need to reflect more the specificities of the microfinance sector and be matched with adequate supervision in order to achieve financial inclusion and safeguarding the financial system.<sup>8</sup>

### **1-The emergence of governance practices for MFIs in Cameroon**

One of the main challenges of microfinance institutions remains their survival and to meet this challenge, MFIs need to be competitive. The poor performance of MFIs is mostly attributed to their operational process and their decision making. The governance of microfinances is thus considered as a risk for microfinances. Despite this, governance is still little explored in these organisations. Governance mechanism depending on the legal status of the MFIs to make them more efficient from the social as well as the financial stand point.<sup>9</sup>

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<sup>6</sup> F. Akanga, "Microfinance accountability in Cameroon: a cure or a curse for poverty alleviation?", journal of accounting and organizational change 13,2017, pp.120-128.

<sup>7</sup> *Ibid.*

<sup>8</sup> S. Singhe, C. Louche, The development of Microfinance in Cameroon: Focus on regulation, Strategic Change, 2020, p.345.

<sup>9</sup> L.Wamba et al, "Governance and performance of MFIs: the Cameroon case,2018, p.11.

Immediately after independence, the economies of the sub-Saharan African countries were booming and growing faster than countries of Asia, Latin America and Eastern Europe. According to Akanga, this trend changed between 1970 and 1990, when the world was faced with an economic recession and these African countries lost an estimated \$70 bn per year and half of their world market share to other developing countries. This situation is described in Akanga's article as, left citizens of African countries as perpetual consumers and labourers rather than self-sufficient and sustainable individuals.<sup>10</sup>

During the recession, Africans abandoned their farms, which was a major source of income and capital for the continent in pursuit of more industrialised forms of production, further creating misery and poverty to the extent that today in Africa, Akanga describes it,

“In every twelve hours, 3000 people, which is the same number of people killed in the World Trade Centre on September 11, 2001 perish from AIDS, and every year 150,000 African mothers, which is half the number of people who drowned in the Asian Tsunami of 2004 die giving birth”.

Faced with the loss of \$70 bn per year, an amount which exceeds the total amount of foreign aid spent by the rest of the world on Africa, Asia, and Latin America combined, Africans turned to the World Bank (WB) and International Monetary Fund (IMF) for support to salvage what was left of the ailing African economy. The WB and IMF were set up as an arm of the United Nations Organisation (UNO) Breton Woods agreement in 1944, not as a bank operating banking services, but as a cooperative with the conviction of the Western powers to raise the living standards of the poorest countries. These institutions were not ready to lend “freely” to African countries because they thought that, “development lending would not be very productive if it supported economies that were headed into trouble”. But realising that the African economic problem, which further worsened between 1980 and 1990 was almost becoming a “permanent economic problem”, the WB and IMF decided to intervene through support for government budgets. This support came in the form of Structural Adjustment Programmes (SAP) that extend beyond financial issues and touch on geo-political issues as well. Even with SAP, things did not get any better for Africa. While other economies of the less developed countries (LDCs) such as in Asia, Eastern Europe and Latin America were growing, those of African countries were shrinking and the governments did not bother to explain to their citizens what exactly was going on, but rather preferred to blame others for the economic mess. Viewing the ineffectiveness of governments of these LDCs to implement

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<sup>10</sup> F. Akanga, “Governance of microfinance institutions (MFIs) in Cameroon: what lessons can we learn, Enterprise Development and Microfinance, 2016, pp.220-229.

development programmes that could lead their people out of poverty, the WB, IMF and most donor organisation decided to intervene in these LDCs through non- governmental organisations (NGOs). Most of the support by these NGOs to the poor in these LDCs was channelled through MFIs, as they were seen as being directly involved with the wellbeing of the poor.<sup>11</sup>

Unfortunately, Microfinance that has been seen by many especially after the experience of Professor Yunus and the Grameen Bank as helping lift the poor out of poverty has not helped alleviate poverty in Africa and Cameroon in particular. The main reason is the lack of sustainable growth and a system of good governance within African states and the MFIs. The New Partnership for African Development (NEPAD) was introduced as the best hope for African countries to achieve sustainable growth and promote good governance practices within organisations operating in Africa as agreed at the G8 Summit at Kananaskis in June 2002. NEPAD's aim was to open African markets for foreign investments that could help boost their economies and consequently help African economies achieve the overall 7 percent annual growth rate necessary to meet one of the Millennium Development Goals (MDG) which is halving poverty by 2015 (a deadline subsequently extended to 2017 through UN Resolution 63/230 of 17 March 2009). To help African countries achieve this growth rate, there was this enhanced partnership promise to transform the aid relationship.<sup>12</sup>

One other aim that the NEPAD agreement was intended to achieve was “restoring and maintaining macroeconomic stability, especially by developing appropriate standards and targets for fiscal and monetary policies, and introducing appropriate institutional framework to achieve these standards”. One such standard was the OHADA (French acronym *l'Organisation pour l'Harmonisation en Afrique du Droits des Affaires*) accounting treaty. Although the treaty was established in 1993, immediately after the G8 Kananaskis summit, African countries hastily adopted the OHADA treaty so as to qualify for aid.<sup>13</sup>

The OHADA accounting treaty as adopted by African countries and implemented in Cameroon is a blend of the Anglo-Saxon model of accounting with the French accounting system approach by codifying some of the provisions of International Financial Reporting Standards (IFRS) and incorporating them as Articles within the framework of OHADA in line with the French civil law tradition “wherein codes and statutes are highly structured and systematized”. The OHADA treaty is currently ratified by 17 African countries: 14 of which

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<sup>11</sup> F. Akanga, “Governance of microfinance institutions (MFIs) in Cameroon: what lessons can we learn, Enterprise Development and Microfinance, 2016, pp.220-229.

<sup>12</sup> *Ibid*

<sup>13</sup> *Ibid* p.231.

are Francophone African states, one Spanish-speaking country (Equatorial Guinea), one Portuguese-speaking country (Guinea Bissau), and one bilingual country (Cameroon) that has both French and English as official languages.<sup>14</sup>

Unfortunately, a treaty that was intended to achieve sustainable growth and promote good governance practices in organisations operating African states is still not ratified by all 52 member states of the African Union (AU). The main reason why not all members of the AU have ratified this treaty lies at the level of Article 42, which states that the working language of the treaty is French. The main reason that Article 42 of the OHADA treaty is seen as a major problem for former British colonies is because of two ambiguities that arise from the implementation of the treaty; these are linguistic and conceptual. Linguistics were realised to pose a major problem for organisations operating in Anglophone Africa especially as the OHADA (Accounting Plan) treaty has no authoritative version in English and any attempt at translating the provisions of the treaty into English gives a completely different sense of the treaty. This therefore means that any organisation from Anglophone Africa that adopts the treaty will have to incur costs to hire consultants for the interpretation and implementation of the treaty within their organisation.

At the level of conceptual thinking, accounting in Francophone Africa and Anglophone Africa has different connotations with the use of certain accounting terms. For example, an accounting term such as “income” in English, if translated into French means either “product or revenue”. These two terms under both the Anglophone and Francophone accounting systems might mean the same, but conceptually, they require two different methods of treating the term. Another fundamental conceptual ambiguity that arises from the OHADA treaty is at the level of treatment of income and revenue. Under the French accounting system, income is treated as a production factor and recognised whether it was sold or not, whereas under the Anglophone (British) accounting system, income is recognised only when it is sold if used in production terms. As a result of these conceptual differences between the two accounting systems in Africa, under the British accounting system, gross profit is calculated based on the entire operations of the organisation whereas the Francophones regard gross profit as only relating to goods and services purchased from external sources for resale by the organisation.<sup>15</sup>

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<sup>14</sup> OHADA, “Acte Uniforme Relatif Aux Droits des Sociétés Coopératives. Yaoundé: OHADA”, 2011, pp. 1-96.

<sup>15</sup> *Ibid.*



It is in this ambiguous accounting atmosphere that the OHADA treaty was adopted and implemented in Cameroon. Even though it was initially intended for large organisations and corporations, it became mandatory for MFIs operating in CEMAC sub-region and Cameroon from July 2011. The OHADA treaty regulating the activities of Cooperative Societies in Cameroon is intended to be a guideline for the various regional monetary authorities to use in developing regulations governing the activities of MFIs in their various regions. This treaty is divided into four major parts (general guidance on formation of Cooperative Societies in Africa; guidance as to what should be done in case of dissolution of any Cooperative Society; penalties and sanctions; and other issues relating to the activities of Cooperative Societies in Africa) and into 390 Articles. In compliance with this treaty, CEMAC subregion, of which Cameroon is a member state, adopted the COBAC regulations on Cooperative Societies adopted and implemented in 2002.<sup>16</sup> Even though this treaty was adopted and implemented in Cameroon and the CEMAC sub region well before the OHADA treaty, this regulation is in line with the guiding principles of OHADA treaty on cooperative societies.

As the sole monetary authority in the CEMAC sub-region and an organisation regulating the activities of Commercial banks, COBAC was called in to regulate the MFI industry in the CEMAC sub-region following huge losses incurred by MFIs in the late 1990s. As a result of the convention of 17 January 1992 requesting the harmonisation and regulation of the banking activities of the MFIs in the Central African States, and following irregularities that marred accountability in the MFI sector, COBAC instituted the regulation governing the exercise and control of Microfinance Institutions activities in the CEMAC sub region. In doing so, COBAC modelled some of the articles in their regulation on the French law on associations of 1930 and the Cameroon law on associations of 1990. The reason that such regulation was important in the CEMAC sub-region was because most of the MFIs operating in the sub-region were believed to have reached financial sustainability and were now trying to operate as either commercial banks or Financial Institutions. This led to a rise in competition between these MFIs thus affecting lenders, decreased accountability and distorted governance practices within the sector. As a result of the rise in the number of MFIs operating in the sub-region, most of these MFIs competing directly for poor clients; therefore, they were unable to price the risk associated with the uncollateralised loans they provided to these poor clients. Some of these poor therefore took advantage of the situation to take out multiple loans from different lenders and when it was time to repay, they were unable to do so. This resulted in the high

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<sup>16</sup> COBAC Regulations, 2002. P.3.

level of bad debts incurred by MFIs and high delinquency rate witnessed in the late 1990s. In order to recover these loans, MFIs were forced to employ various unorthodox methods.<sup>17</sup> In order to control this systematic abuse of lenders and protect the interest of the poor, COBAC put in place a series of regulations: firstly MFIs are forbidden to use the appellation of “bank” or “Financial Institution” and their denominations be followed by the phrase “Microfinance Institution” (COBAC, 2002, Article 6). Secondly, MFIs are grouped into three different categories, each of which has a fixed minimum capital requirement (this minimum capital requirement has since 2012 been increased by parliamentary act) and type of transaction they are required to offer their clients (COBAC, 2002).<sup>18</sup>

Other important aspects of the COBAC regulations relating to the conditions governing the exercise and control of Microfinance activities in the CEMAC sub-region include differentiating between MFIs that do operate as independent MFIs and those that decide to exercise their activities under an umbrella organisation, such as the CamCCUL and MC<sup>2</sup> networks. If MFIs decide to join forces to exercise their activities under an umbrella organisation, Article 15 clearly spells out the prerogatives of the umbrella organisation and affiliates, such as how to protect the network financial liquidity, what happens to the financial stability of the network should one or more affiliates become bankrupt, conditions of internal control of the network, the definition of which accounting plan, norms and procedures to follow within the network, how accounting documents can be consolidated following the stated procedures laid down by the Banking Commission and many more.

As a result of these regulations, the Microfinance market in Cameroon has been open to private individuals who alongside the indigenes strive to create lasting institutions that can help fight poverty. As Schaveling argues, this situation has resulted in different stakeholders getting involved in the sector with different costs associated with their activities. Therefore, in order to understand the governance challenges faced by different MFIs in different circumstances, we should understand the stakeholder base governance.<sup>19</sup>

## **2- State Governance on microfinances in Cameroon.**

Microfinance can be able to contribute to the development of better governance by helping foster internal demand for political changes regarding financial repression, including easing interest rate controls. However, the argument that microfinance is completely separate

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<sup>17</sup> B.S. Schaveling, J., A. Nijhof, et al, “Governance and microfinance institutions, Corporate Governance”, *The International Journal of Business in Society*, Vol. 14, n°5, 2014, pp.637- 652.

<sup>18</sup> *Ibid*

<sup>19</sup> *Ibid*

from government influence eventually fails, particularly as efforts are made to expand the sector to a broader client base and deeper lending pool.<sup>20</sup> At a basic level, it is true that, while microfinance can perform independently of formal regulation institution, microfinance institutions operating in bad legal and policy environment are likely to fare much worse than their counterparts elsewhere. In order to have a successful micro-credit sector as a whole, the government is a necessary implement of social, economic and financial policy. The government's ability to control the economy and even the availability of information on that economy means it controls the environment in which the microfinance institutions operates. Financial governance greatly affects microfinances even if the country is economically and socially healthy.<sup>21</sup> Financial crises caused by faulty governance affect the poor, the target market of microfinance, more than the rich because the poor have little to no savings and live financially moment to moment, whereas the rich have accrued wealth in other forms that cushion the impact of crises. But even in the absence of crisis, the wealthy is still in a better position because they can rely on relationships an ample asset in the face of information poor and weak legal markets. These connections and assets are made in a corrupt environment of poor state government which perpetuates a static economic reality as opposed to mobile economic potential, one of the goals of micro credit.<sup>22</sup>

The governance of microfinance remains a main challenge for the state of Cameroon and the main challenge of microfinances is their survival and to achieve their goals and this makes microfinances to be competitive.<sup>23</sup>

## **II-HISTORICAL FACTORS**

The historical factors for the creation of MFIs in Cameroon and the MC<sup>2</sup> network in general was due to concrete situations that occurred in the past and to understand the coming of microfinances in the country, we have to know the history of MFI.

### **1-History of MFIs in Cameroon.**

Since the 1980s when the microfinance revolution began, much has been accomplished, but the field became more refined in the 1990s as a result of shifts in

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<sup>20</sup> C. Ruffing, "Cool head, warm heart: governance and the missions of microfinance in the case of MC<sup>2</sup> micro banks, Cameroon", *Independent Study Project*, Yaoundé, 2009, pp15-25.

<sup>21</sup> *Ibid.*

<sup>22</sup> L. Wamba, "Governance and Performance of MFIs: the Cameroon case", *Journal of Management and Governance*, 2018, pp. 19-25.

<sup>23</sup> *Ibid.*

paradigms, strategies and development practices.<sup>24</sup> Microfinance can be traced as far as the late 70s when a small group of young men in Bangladesh joined together to make a secret pledge in which they decided to fight against poverty. Microfinance in Cameroon was introduced in the form of njanji groups and cooperative credit union. The first micro-finance institution in Cameroon was created in 1963 by Anthony Jansen, a Dutch Catholic Priest.<sup>25</sup> MFIs can be traced as far back as 1963 when the first credit union was established at Njinikon in the North West Region, and as union members continues to multiply, in 2000, the banking Commission estimated that the number of MFIs operating in Cameroon was 652 and today numbered/estimated at 645 both registered and unregistered MFIs. However, in 1998 the Law 98/99 was passed to recognize MFIs as entities within the financial domain and placed under the control of the Ministry of Finance than Ministry of Agriculture. Following this Law, COBAC was officially recognized as an authority to figure out MFIs and capable of dissolving them if they did not adhere to COBAC rules and regulations. Finally, in 2002, regulation number 01/02/CEMAC/UMAC/COBAC clearly defines and controls the activities of MFIs in Central Africa including Cameroon. Following the 1980s crises in Cameroon that resulted to the closure of many branches of commercial and developmental banks in rural areas and some cities, top executives lost their jobs and later formed cooperative credit unions and functions as mini-banks. Hence with the expansion of MFIs in Cameroon, roles of different stakeholders became visible and resulted to the Network of MFIs made up of institutions developed endogenously as MC<sup>2</sup>, CAMCCUL (Cameroon Cooperative Credit Union League), the Self Directed village Savings and Credit (CVECA) supported through the decentralized rural credit project of the Ministry of Agriculture and Rural Development with the support of BICEC and two other French institutions and two independent MFIs created by individuals and located mostly in urban areas<sup>26</sup>

Financial and economic crisis of the year 80s and early 90s in Cameroon was the real “spring-board” of the movement of the microfinance institutions in Cameroon. This crisis had social, regulatory, financial, economic and institutional impact on the microfinance environment in Cameroon. The movement of microfinance institution in Cameroon has its root in the year 60s through the creation of the first cooperative in 1963 by a Dutch catholic Father Alfred Jansen in Njinikom; North-west region of Cameroon. This cooperative is the

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<sup>24</sup> M. Zeller, R. Meyer, “The triangle of microfinance: financial sustainability, outreach and impact, *Intl Food Policy Inst*, 2002, p.14.

<sup>25</sup> A. Samba, “Developing the risk Management in MFIs in Cameroon”, Satakunnan ammattikorkeakoulu, 2017, pp.4-5.

<sup>26</sup> F. Nkiendem et al, “Cobac control measures on the performance of MFIs”, 2018, p.697.

founding- father of CAMCCUL (Cameroon Cooperative Credit Union League)<sup>27</sup>. The need to create MC<sup>2</sup> in rural areas in Africa is justified by the absence or weakness of instruments for mobilizing savings in disadvantaged areas. In fact, to reduce poverty in rural areas, it is necessary to create instruments capable of increasing the financial capacity of the poor by developing their savings spirit and facilitating their access to credit. The *Mutuelles Communautaire de Croissance* (or MC<sup>2</sup>) network is a community-based development model conceived to fight against poverty by mobilizing savings and resources within rural communities. Founded in 1992, this network of village banks provides microfinance services in rural Cameroon with the objective of improving living conditions of targeted populations and promoting agriculture and rural development. opened in Baham, after the success of this other localities took the initiatives to create their own MC<sup>2</sup> microfinance in their areas and the number of members rose over years. Financial assistance was provided by the Afriland First Bank, a commercial bank, which plays the role of external auditor and facilitates banking procedures. The non-governmental organization ADAF (Appropriate Development for Africa Foundation) provides support for capability building, staff training, and accounting procedures.

## **2-Banking situation in Bamendjou and Bandja before the coming of MC<sup>2</sup>**

Before the creation of microfinances in general and MC<sup>2</sup> in particular the rural populations were suffering from the lack of a formal financial institution. The financial issues of the population could be only treated in Bafoussam which was the nearest place where they could see a bank or microfinance bank and they had many difficulties, since they had to travel in order to do any transaction and this travelling was risky. With all these difficulties the population of Bamendjou and Bandja before the creation of MC<sup>2</sup> used to keep their money in what was called ‘*tchoua’a*’. The *tchoua* is an old form of organisation of the financing of the city and economic agents in the traditional Bamileke society. It is primarily a game for the direct benefit of members, it is a form of saving and financing of activities during active period and not only during old age. The *tchoua’a* is a cultural and social association for the benefit to its members. This banking form also had its short comings like the embezzlement of funds by people and the abandoned of the contribution by members. Equally, with the

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<sup>27</sup> S. Messomo, ‘‘Microfinance and Entrepreneurship in Cameroun’’, 2002, p.2.

problems faced by the population in the MFIs or banks was the difficulty in obtaining loans and when even these loans were given the interest rate was very high.<sup>28</sup>

### 3-Reasons for the creation of MC<sup>2</sup> in Bamendjou and Bandja

The need to create MC<sup>2</sup> in rural areas in Cameroon is justified by the absence or weakness of instruments for mobilizing savings in disadvantaged areas. In fact, to reduce poverty in Bamendjou and Bandja, it is necessary to create instruments capable of increasing the financial capacity of the poor by developing their savings spirit and facilitating their access to credit.<sup>29</sup>

#### a- The creation of MC<sup>2</sup> Bandja

The creation of the MC<sup>2</sup> microfinance in Bandja followed the steps for the creation of an MC<sup>2</sup> agency that is, it was through the mobilisation of funds, the creation of a committee, the counselling of the population just to name a few. The MC<sup>2</sup> of Bandja was opened in 1997.

**Picture 2 :** MC<sup>2</sup> of Bandja



**Source:** A picture taken by Linda Aonsi, during field work, 28/10/2022.

#### b. The creation of MC<sup>2</sup> Bamendjou

The creation of the MC<sup>2</sup> in Bamendjou just like every rural area experienced the same process for the creation of the microfinance thanks to the elites of the community. The microfinance was opened in 1995.

<sup>28</sup> M. Nzemen, *Tontines et Développement ou le défi financier de l'Afrique*, Yaoundé, presses universitaires du Cameroun, 1993, pp.19-20.

<sup>29</sup> <https://www.financialafrik.com> consulted on 23/03/2022 at 3:30-40 pm.

**Picture 3:** MC<sup>2</sup> of Bamendjou now Dekaplah



**Source:** Taken by Linda Aonsi, during field work, 20/08/2022

### III-Legal factors for the creation of MC<sup>2</sup>

Over the last two decades the microfinance sector in the CEMAC zone had faced many problems with the collapse of many operators in the 1990s as the region went through great economic crisis. These economic crises saw the collapse of many banks. In response to the difficulties of this sector, the COBAC launched a program of reformation of microfinances in Central Africa,<sup>30</sup>The development of a microfinance needs the intervention of public authorities for the implementation of a rule appropriate to MFI. The development of microfinance in the member states of the economic and monetary community of central Africa (CEMAC) remained embryonic until 1990, while on the international scale, this activity was booming. In Cameroon the law of August 14,1992 provided for provision applicable only to savings and credit cooperatives, leaving aside many structures that have opted for a different legal form. In terms of banking regulations, the 1992 convention, governing the activities of banks and financial institutions, has proven to be unsuited to this new form of financial activity.<sup>31</sup>

The COBAC regulations for microfinance institutions

<sup>30</sup> M. Mbemap, “The regulatory landscape of microfinances in the CEMAC region”, 2009, p.3.

<sup>31</sup> B. Pym, *Le statut juridique des établissements de microfinance en zone CEMAC*, Paris, Harmattan, 2016, pp.33-35. Ibid

### i- Organisation of the Microfinance Sector in Cameroon

In Cameroon, microfinance firms are either divided into networks or operate individually. The networked institutions, like MC<sup>2</sup> and MUFFA, tend to have more of a social-mission. The later have many operational and financial advantages over those microfinance institutions that operate individually. Those that choose to operate outside a network tend to be more project and profit oriented.<sup>32</sup>

#### a-Categories of microfinance institutions in Cameroon

Under the Monetary Authority. Microfinance institutions are divided into three categories. Category one firms are associations, meaning they provide savings, loans and non-financial services only for their members. MC2s are category one firms. Also known as cooperative. Category two are *Société anonymes*, meaning they offer savings and loans to the general public. Category three firms do not offer any savings, only loans. An institution must apply to a specific category.

**Table 1:** The categories of microfinances in Cameroon.

Categories	Characteristics	Requirements
1 <sup>st</sup> category	Savings collection from their members and credit operations only with them.	No requirement caution but a minimum capital adequacy is needed. They must keep reserves (at least 20% of their results each year) to cover loses.
2 <sup>nd</sup> category	Savings collection and provision of credits to members and non-members	Requirement caution of 50million francs CFA to be held in a bank.
3 <sup>rd</sup> category	Institutions providing only credit services to the public	Requirement caution of 25million francs CFA to be held in a bank.

**Source:** Archive of MC2 Bandja.

The above table shows the categories of microfinance institutions in Cameroon which ranges from the first, second and third category. It equally explains the characteristics of the categories and the requirements for the microfinance to be in the first, second or third category.

<sup>32</sup> Interview with Rose Djoumbi, manager MC2 Bandja, 54 years, 04/03/2023.



## **b-Justification of the model MC2**

The MC2 microfinance is a microfinance of the first category which works in network with the other agencies of the same microfinance.

### **ii-The MC<sup>2</sup> network in Cameroon**

The *Mutuelles Communautaire de Croissance* (or MC<sup>2</sup>) network provides microfinance services through independent village banks. Founded by P.K. Fokam in 1992, the network aims to fight against poverty by mobilizing savings and resources within rural communities in Cameroon. The objective of the MC<sup>2</sup> network is the improvement of living conditions of targeted populations and the promotion of agriculture and rural development. Thus, village banks belonging to this network face a double bottom line with an economic objective based on financial sustainability and a social objective of targeting the poor by providing support for the development of micro and small-scale activities in rural Cameroon. The MC<sup>2</sup> structure was first deployed at Baham in the Western region of Cameroon, and then, encouraged by the success, similar initiatives were taken all over the country. The number of members rose sharply over years. In 2007, the network counted 65 rural micro-banks located in the 10 regions of Cameroon and owned by 78,925 members from various communities, along with 24% of women and 12% of groups or associations. Financial assistance is provided by the Afriland First Bank, a commercial bank, which plays the role of external auditor and facilitates banking procedures.<sup>33</sup>

The non-governmental organization ADAF (Appropriate Development for Africa Foundation) provides support for capability building, staff training, and accounting procedures. ADAF staff make regular visits to the village banks and provide help for specific issues. It is the village population that can take the initiative of creating a new MC<sup>2</sup>. Each mutual fund is an association owned by its members that comprise the whole rural community, including urban people originated from it. The participation of urban people is considered as critically important, particularly as a driving force and a guarantee of credibility during initial phases: motivation of the population and capital investment. Even though, national and international partners provide subventions for the establishment of a new MC<sup>2</sup> through ADAF, each MC<sup>2</sup> is autonomous and independent from subsidies at the end of the fifth year in activity. Thus, the MC<sup>2</sup> network is composed of rural microfinance institutions set up and managed by the population living in or originated from the areas where they are

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<sup>33</sup> I. Le petit, J, Nzongang, “Performance Assessment and Definition of improvement paths for microfinance institution: an application to a network of village banks in Cameroon”, 2020, p.6.

deployed with the technical assistance of a non-governmental organization ADAF and the sponsorship of the African First Bank. The MC<sup>2</sup> network has grown through three phases that include: (1) sensitizing the poor population to the concept of village bank, (2) mobilizing resources, especially through micro-savings, and (3) financing individual income-generating activities. In 2010, the fourth phase of development of this network had been launched: the promotion of community economic projects. Thus, the MC<sup>2</sup> network will now not only financially support the development of micro- and small-scale activities, but also projects aiming to boost development and job creation in rural Cameroon.<sup>34</sup>

**Picture 4: The logo of MC<sup>2</sup> microfinance**



**Source:** [www.wikipedia.com](http://www.wikipedia.com) consulted on 23/07/2022 at 6h00 pm.

**a-The founding father of MC<sup>2</sup> Paul Fokam Kammogne**

A particular attention is given to the founding father of the MC<sup>2</sup> microfinance. Like in history they say facts are said by men. This is the reason why attention is paid to the latter. In the evolution of Cameroon history, there are many figures considered as great in the history of the country. Paul Fokam Kammogne is a great figure in the economic history of Cameroon. For him, Africans have to fight for their growth and development and they should develop strategies in order to fight against poverty and by so doing, he came up with the idea of creating the MC<sup>2</sup> network since it is a poverty relief instrument, which will help the unprivileged to get out of poverty, through the savings and loans given by the microfinance.

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<sup>34</sup> I. Le petit, J, Nzongang, “Performance Assessment and Definition of improvement paths for microfinance institution: an application to a network of village banks in Cameroon”, 2020, p .7.

**Picture 5 :** The founding father of MC<sup>2</sup> microfinance, Paul Fokam



**Source:** [www.wikipedia.com](http://www.wikipedia.com) consulted on 06/07/2024 at 7h00 pm.

He is a native of Baham and he is also called sofofo (meaning friend of kings). He was born on July 28, 1948. The MC<sup>2</sup> model is the realization of his thesis he defended and obtained his PhD in management sciences at the University of Bordeaux in 1989. He is the author of many books, to better understand his motivations, it is important to state his vision of financial issues. Paul Fokam generally thinks that the informal sector, rejected but established economies is the laboratory of an intense informal economy.<sup>35</sup> In fact for him, it is a sector that has to be supervised, insofar as it circulated a very high rate of liquidity on a daily basis. This is the reason why is giving himself the means to formalize the sector and adding some special touches. His remarks show that for him, savings are the foundation for all development. It is seen in the day to day life that no individual can engaged him or herself in an activity without having funds. We therefore understand that his vision of the financial world is in itself the justification of his involvement in the MC<sup>2</sup> project which is under the

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<sup>35</sup> S. Kengmo, “mutuelle Communautaire de croissance et le developpement”, pp.41-43

supervision of the Afriland First bank. He did not come out with the project alone, he was helped by economic experts, traditional rulers for the founding of the MC<sup>2</sup> microfinance.<sup>36</sup>

### **b-The founders of MC<sup>2</sup> Bandja**

The MC<sup>2</sup> of Bandja went through many stages before its creation. The creation process was a long and difficult moment for the populations since the people had to concentrate themselves to the cause of the microfinance through their time and their finances. There were many people involved in the creation process of the MC<sup>2</sup> of Bandja and these people are considered as the founders of the microfinance. There was the president of the founders Jean Chewa, and others like Anselme Malanou who was equally the first president of the board of directors.<sup>37</sup>

### **c-The founders of MC<sup>2</sup> Bamendjou**

The MC<sup>2</sup> microfinance of Bamendjou was created in 1995, the creation of this microfinance went through many processes as all other MC<sup>2</sup> microfinance, they had many people that put a lot energy to see the birth of the microfinance, these people are considered as the founding fathers of the microfinance. These people were engaged in the creation process because they knew it was an instrument to reduce poverty of the people since it was going to help in the socio-economic development of the Bamendjou subdivision. The people that were in front in the creation process were the chef of the village chef Jean Rameau sokojo, Jerome Matsinkou and Jean Claude Kountche.<sup>38</sup>

### **iii-Process for the creation of an MC<sup>2</sup>**

The micro-bank is more developed and corrects the imperfections of micro-credit and micro finance. It rests on the premise that, savings is the engine of progress and awareness is fuel to keep the engine rolling, while loans serve as a lubricants and finally appended and related service solution to the problem of poverty. MC<sup>2</sup> model is not a packaged readymade one size fit all, although the core principles remain the same from one community to the other. Setting up MC<sup>2</sup> micro-bank involves five stages.

-Stage One- Sensitising the Poor and Raising their Awareness

In the first stage of the MC<sup>2</sup> micro-bank development, the target community population particularly the poor are sensitized and their awareness raised on:

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<sup>36</sup>S. Kengmo, “mutuelle Communautaire de croissance et le developpement”, pp.41-43.

<sup>37</sup> Interview with Elias Yamgueu, 56 years, accountant of mc2 Bandja, Bandja,27/07/2022.

<sup>38</sup> Interview with Mathias Miafo,52 years, manager of former MC2 Bamendjou, Bamendjou, 15/07/2022.

-The importance of savings in their struggle for self-reliance. This is done through community gatherings, association gatherings and empowerment forums<sup>39</sup>.

-The need to first rely on oneself before expecting any external assistance.

-The pride in remaining the sole masters of their own destiny.

Thus, in the first stage awareness is created. This is the fuel to keep the engine (savings) rolling in the second stage.

**Stage Two: Mobilising Resources** At the second stage of the micro-bank development the engine (savings and resources) is mobilized. This involves getting stakeholders committed, raising the start-up capital, paying individual shares subscription and fees, registering the micro-bank, and opening of individual accounts. An office proposes a construction budget for the MC<sup>2</sup> building. These resources mobilized in stage two will enable the micro-bank commence the lending functions in the third stage of the micro-bank development.<sup>40</sup>

**Stage Three: Three-Financing Individual Income Generating Activities** In stage three, the micro-bank starts granting credits to individual's income generating activities using the resources mobilized in stage two. At this level the micro-bank now completes its intermediary function of facilitating resources from areas of excesses to areas of deficits.

#### **Stage Four: Financing Common Interest Economic Projects**

In the fourth stage of micro-bank development, the micro-bank institution becomes involved in community development economic activities such as the construction of hospitals, health centres, community halls, schools, and public taps etc. However, communities are cautioned that the best moment to engage in the fourth stage of MC<sup>2</sup> development is some two to three years after it has achieved administrative and financial autonomy. That is when the MC<sup>2</sup> can meet its various expenses (salaries, electricity, telephone bills and other consumables).<sup>41</sup>

At this level, any MC<sup>2</sup> should be capable of raising enough money from loans and other facilities offered to pay off fixed charges and even show a surplus that can be considered a profit. These surpluses should be built for a minimum of two years. It is at this

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<sup>39</sup> L. Fotabong, "The microfinance market" p.32-39.

<sup>40</sup> Interview with Andre Finkam, manager of MC<sup>2</sup> Bahouan. 51 years, Bahouan, 18/07/2022.

<sup>41</sup> Interview with Andre Finkam, manager of MC<sup>2</sup> Bahouan. 51 years, Bahouan, 18/07/2022.

stage that the impact of the MC<sup>2</sup> micro-banking approach is deeply felt. For example, imagine a community capable of raising its own financial resources for the construction of a small hydro project.

Stage Five: Carrying Out Social Development Projects At the final stage of MC<sup>2</sup>, community social projects are being financed and carried out with the resources generated in stage three and four. That is the results of performance registered under stage three and four are primary for this phase to be carried out.<sup>42</sup>

### **Conclusion**

In this chapter titled factors for the creation and implantation of MC<sup>2</sup> in Cameroon and in the localities of Bamendjou and Bandja, we examined the historical, socio-cultural and legal factors for the creation of microfinances in Cameroon, we talked of the evolution of MFIs in Cameroon, the implantation of the microfinance in Bamendjou and Bandja were also discussed in this chapter.

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<sup>42</sup> L. Fotabong. “Comparing Microfinances”, p.6.

**CHAPTER 2**  
**ACTORS AND STRUCTURATION OF MC<sup>2</sup> IN THE**  
**LOCALITIES OF BAMENDJOU AND BANDJA.**

## **Introduction**

The MC<sup>2</sup> microfinance in its functioning has the actors of the microfinance, the partners which are both national and international partners and the structuration of the microfinance. The actors and partners greatly contributed to the wellbeing of the microfinance. In this chapter, we will work on the question, who are the actors and partners of the MC<sup>2</sup> microfinance and how does the microfinance functions and what is the structuration of the microfinance.

The first part of the work will talk on the actors of the microfinance, the second on the partners, the third on the functioning and later the structuration.

### **I-Actors and Partners of MC<sup>2</sup>**

The MC<sup>2</sup> microfinance has actors and partners which played great roles in the functioning of the MFI. The actors of the microfinance are the clients of the microfinance which are called mutualists. The partners are national and international who works hand in gloves with the microfinance for the microfinance and the population in order to fight against poverty.

#### **A-Actors of the MC<sup>2</sup> microfinance.**

Microfinance in Cameroon functions differently based on their objectives and missions. The MC<sup>2</sup> microfinance has as objective to fight against poverty and to help the rural population attain development. The actors of the MC<sup>2</sup> network are the clients of the microfinance which are called mutualist. These are the people that works for the creation and survival of the institution and without them, there is no microfinance. Before the creation of an MC<sup>2</sup> agency, many factors are placed into consideration and one of them is a minimum sum of money to be deposited in the account before the opening of the microfinance. This sum of money is contributed by the mutualist, they proceed by creating accounts and depositing minimum 10000 FCFA. <sup>1</sup>

Furthermore, the mutualists are considered as the actors of the microfinance in the sense that they are responsible for the major decisions making of the institution. They work for the wellbeing of the microfinance and they are the general assembly of the microfinance.

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<sup>1</sup> Interview with Elias Yamgoue, accountant mc2 Bandja, 56years, bandja,07/07/2022.



The general assembly is made of mutualists and they organize meetings in which they talk matters of the microfinance<sup>2</sup>

### **B-Partners of the MC<sup>2</sup>**

The MC<sup>2</sup> microfinance had many partners for the well-being and the good functioning of the microfinance which were both national and international partners.

#### **i-National partners of MC<sup>2</sup>**

There are three national partners that plays an important role in the functioning of the MC<sup>2</sup> network, these national partners are the NGO ADAF, the commercial bank Afriland first bank and SAAR (*Société Africaines d'assurance et réassurance*), the farm school, also the state accompanies the microfinance and the Association of Microfinance Institution in Cameroon (AMENCAM) supports it.

#### **a-The NGO ADAF**

ADAF is a nongovernmental organization of Cameroon which had as fundamental mission for the MC<sup>2</sup> microfinance to sensitize the elites, the search for partners and the training of managers for the microfinance.

#### Sensibilization of the elites and the search for partners

The Non-Governmental Organization ADAF has an important position in the life of the rural communities in Cameroon which needs the creation of a MC<sup>2</sup> agency. This important role they play here is to sensitize the elites living both in the urban areas and in the rural areas for the contribution for the funds of the institution, the construction and the securing of the site for the village bank. The Non-Governmental Organization ADAF strengthens the institution capacities of the Cameroon MC<sup>2</sup> network through the training of staff and administrators from the executive and the board of directors. It assesses, controls and ensures the accounts of each MC<sup>2</sup>. In the same line, ADAF trains and help farmers in rural areas to improve their living conditions for example by having access to techniques and banking facilities and also the development of rural areas. These actions come from the awareness of the MC<sup>2</sup> microfinance and its partners of the MC<sup>2</sup> network.<sup>3</sup>

This NGO carried out an MC<sup>2</sup> feasibility study and this study shows that, the number of mutualists, the income level of rural people, the quality of village human resources and the

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<sup>2</sup> Interview with Elias Yamgoue, accountant mc2 Bandja, 56years, bandja,07/07/2022.

<sup>3</sup> D. Lekane, "Microfinance et développement" pp.104-109.

financial mobilization capacity of city dwellers and rural dwellers can favorably influence the creation of an MC<sup>2</sup> in each village of Cameroon. It follows from the same study that the concern for participatory local development, the degree of attachment to one's land as well as self-affirmation in the village can promote the dissemination of the MC<sup>2</sup> model over the vast territory of Cameroon. In terms of psychological motivations, we observed among urban mutualists the obligation to transfer funds on the grounds of paying multiple social taxes to the family remaining in the village, at this point, their status as shareholders and active mutualists within the MC<sup>2</sup> of their village, can promote their entry by election or cooptation to the board of directors.<sup>4</sup> This new responsibility will influence their way of being and will probably reinforce their civic motivations. They will be able to respond positively to the request of their village community MC<sup>2</sup> in terms of promoting opening of actions, agropastoral productions in their countryside.<sup>5</sup> Finally, the economic motivation expressed by city dwellers in the direction of their village of origin are explained by the disengagement of the state with regard to the financing of the sector of activities in the rural world. Therefore, the local populations, the urban and traditional elite according to the socio-cultural values of their village, decide to put together their personal savings in order to create their savings and credit structure, henceforth at the service of each and every member of the rural community.<sup>6</sup>

#### Training of MC<sup>2</sup> network managers

The NGO ADAF collected, centralized and handled the computer processing of accounting data to ensure monitoring and evaluation. This is how it carried out management audits through the MC<sup>2</sup> network thanks to unannounced missions. These missions made it possible to verify the authenticity and regularity of accounting documents in order to reinforce the improvement of accounting procedures in relation to COBAC prudential standards.

Through its expertise in information and communication technology and computer management, ADAF participates in the purchase, installment of the tool, software and in training of the managers of the MC<sup>2</sup> network. The process of connecting MC<sup>2</sup> branches in Cameroon with computers has great advantages of facilitating the accounting management of financial operations. This action aims to reduce manual tasks, it also avoids cluttering the offices of the NGO ADAF and MC<sup>2</sup> with paper.<sup>7</sup>

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<sup>4</sup> D. Lekane, "La mutuelle communautaire", p.4.

<sup>5</sup> S. Kengne, "La mutuelle communautaire", pp.56-59.

<sup>6</sup> *Ibid.*

<sup>7</sup> D. Lekane, "Microfinance et développement" pp.107-109.

When an MC<sup>2</sup> agency is created, the board of directors organizes a staff recruitment test for the executive secretariat. The NGO ADAF provides this staff with six months training with a practical internship in Afriland First Bank and later in one of the MC<sup>2</sup> branches. This NGO equally takes care of the retraining of the MC<sup>2</sup> staff.<sup>8</sup>

### **b-Afriland First Bank**

Afriland first bank is a private international bank which is based in Cameroon under the law of Cameroon. this bank plays the role of an external auditor of the MC<sup>2</sup> network. The Afriland first bank work in the MC<sup>2</sup> microfinance just like the central bank works with the commercial banks thanks to it know how. The bank secures the financial assets, the transfer of funds and the refinancing of the MC<sup>2</sup> network in Cameroon. It equally ensures the foundation of the agents of the MC<sup>2</sup> microfinance in terms of banking operations, ensures the security of the operations of the microfinance through regular checks, and prudential laws are out in place which the microfinance has to respect, the bank also ensures the opening of the MC<sup>2</sup> to the banking system on a national and international scale, provides the necessary assistance for the realization of community projects.<sup>9</sup>

#### Securing the financial assets of the MC<sup>2</sup> network

Afriland first bank as the highest body of the MC<sup>2</sup> network, has as role to review the cash registers of all deposits of savings from mutualists of all the MC<sup>2</sup> agencies in Cameroon to ensure their security. This bank pays savings for the benefit of MC<sup>2</sup> at the interest rate of 2.5%. the Afriland first bank also grants and organizes practical courses in banking operation and techniques, intended for the managers of the MC<sup>2</sup> microfinance, thus commercial provides secretarial services for the accounts of the MC<sup>2</sup> agencies. This is why it has to perform regular checks and ensures compliance with the prudential laws respected in order to make the Cameroonian MC<sup>2</sup> microfinance efficient.<sup>10</sup>

#### Transfer of funds from the MC<sup>2</sup> network

The Afriland First Bank which is a private bank, benefits from the partnership of Money Gram which is an international electronic money transfer service, this is the reason why it collects and conveys financial assets in terms of donations and various social financial taxes, coming from city dwellers or emigrated people for the benefit of their relative who

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<sup>8</sup> D. Lekane, ‘‘Microfinance et d veloppement’’pp.107-109.

<sup>9</sup> P. Fokam, *what if Africa wakes up*, p.213.

<sup>10</sup> *Ibid*

remained in the village. Through the Afriland First Bank, city dwellers with an MC<sup>2</sup> in their village can access this services and transfer funds to their own account. Which makes it possible to solve family problems and equally makes it able to finance socio-economic activities of the individual or the community at large in their village in domains like retirement housing, classroom, donation of medicines, funerals. <sup>11</sup>

#### Refinancing of the MC<sup>2</sup> network

The MC<sup>2</sup> network has weaknesses in terms of credit portfolio. the Afriland first bank aware of this weakness supports the agencies in the refinancing and co-financing of development projects above 25 million CFA francs, because the microfinance cannot afford this amount of money for a project and this is why this type of project that needs enough funds has to be expertise and financially assisted by the private bank throughout its realization. <sup>12</sup>

**Picture 6:** Logo of Afriland first bank



Source: [www.wikipedia.com](http://www.wikipedia.com) consulted on 26/01/2023 at 7pm.

*The Société Africaine d'Assurance et de Réassurance (SAAR)*

The MC<sup>2</sup> network had signed an all risk insurance contract with the African Insurance and Reinsurance Company abbreviated in French SAAR with the intention of restoring hope to victims of fraud from certain microfinance institution and cooperative, since with the liberalization and the liberty to form association with the decree signed in 1992, we saw the creation of many cooperatives, with the loss of their funds. The contracts concern the securing of the savings of the mutualists or during their transportation towards the Afriland Frist Bank agencies. The MC<sup>2</sup> had also subscribed to the risk premiums to the SAAR to cover unpaid

<sup>11</sup> Interview with Elias Yamgoue, 56years, accountant MC2 Bandja, Bandja, 03/03/2023.

<sup>12</sup> Interview with Mathias Miafo, 52 years, manager of MC2 Bamendjou, Bamendjou, 08/07/2022.

loans in the event of a claim and the death of the debtor. This non-financial service gives credibility to the MC<sup>2</sup> with its mutualists and external partners. Securing goods and operations within the MC<sup>2</sup> is also a fundamental prerequisite for ensuring the sustainability of these micro banks.<sup>13</sup>

**Picture 7:** Logo of SAAR



Source: [www.wikipedia.com](http://www.wikipedia.com) 26/01/2023 at 8pm.

The farm school is an institution that supports the MC<sup>2</sup> through the training of mutualist in the agropastoral field since 1994. It is also a national partner of the MC<sup>2</sup> microfinance. This training is done through experimental support, innovative ideas, agronomic know how after the granting of credit. Indeed, this is done through various training courses organized by the MC<sup>2</sup> as seminars, which has as aim to improve the performances of mutualists. Also, the farm school has trained and supported several groups of mutual farmers like the Common Initiative Group (CIG) arkings, the popular provender. The purpose of this supervision is to apply in the field the theories learned during the training seminars organized by the MC<sup>2</sup>.<sup>14</sup>

The state through the ministry of agriculture and rural development (MINADER) is a privileged partner to the MC<sup>2</sup> network and they communicated greatly with the microfinance, this is seen through the various programs that the ministry had put in place to help the farmers, these programs are; the FIMAC, PNVRA and PADDC projects. There is line of credits which was made available by the Cameroonian government. The ministry of agriculture and rural development has also decentralized the supply of credits and also at the level of the decentralized financial system. The project FIMAC had as aim to set up a permanent mechanism for financing projects designed by the rural groups and the cultivate the saving and credit idea. This ministry and the MC<sup>2</sup> microfinance had signed many plate forms. The

<sup>13</sup> D. Lekane. "Microfinance et developpement" pp.107-109

<sup>14</sup> S. Kengne, "Mutuelle communautaire", p.62.

FIMAC credits have contributed to supplying the MC<sup>2</sup> funds. Therefore, the microfinance helps the MINADER to reach the groups or the common initiatives groups of the rural populations. This decentralization has greatly benefited the local financing structures.<sup>15</sup>

The National Association of Microfinance Establishment in Cameroon (ANEM-CAM) is an association and a partner of the MC<sup>2</sup> network which was created in 2003 in Yaoundé. An executive bureau as elected at the general assembly of 23 May 2003 comprising of nine members. The objective of this association is to work alongside the state with a view to rehabilitate and cleaning up the microfinance sector in Cameroon and it has as objective also to facilitate the collaboration between Cameroon MFIs with the COBAC.<sup>16</sup>

### **International partners**

The MC<sup>2</sup> networks works in partnership with many international NGO which supports the initiative of the MC<sup>2</sup> micro bank since this microfinance works for the benefit of the disadvantaged populations and the poor. The Central African Banking Commission (COBAC) can also be considered as an international partner of the MC<sup>2</sup> network. These Non-Governmental Organization are; CORDAID, SOS FAIM, the Gastby foundation, Peace Corps and the Deutsche Gesellschaft fur international Zusammenarbeit.

The Belgian Non-Governmental Organization SOS FAIM enabled the launch in 1999 the MC<sup>2</sup> agencies the credit association solidarity project (PCAS), its objective was to enable the underprivileged, including women and groups to have access to financial services offered by the MC<sup>2</sup>, through this 79 members of Common Initiative Groups (CIG) benefited from this type of credits.<sup>17</sup>

The Non Governmental Organization CORDAID is a Dutch Non-Governmental Organization that signed in April 2000 with the Non-Governmental Organization Appropriate Development for African Foundation in a partnership frame, a project whose overall objective was to improve the standard of living of the population of Cameroon. The achievement of this project required the creation of the MC<sup>2</sup> microfinance, the capacity building of the Non-Governmental Organization ADAF for better monitoring of the MC<sup>2</sup>s and the granting of medium and long-term finances. This made this Non-Governmental Organization an important partner for the MC<sup>2</sup>.<sup>18</sup>

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<sup>15</sup>S. Kengne, “Mutuelle communautaire”, p.62

<sup>16</sup> P. Fokam, *what if Africa wakes up*, p.106.

<sup>17</sup> D. Lekane “Microfinance et developpement”, p.117

<sup>18</sup> D. Lekane “Microfinance et developpement”, p.117

The Non-Governmental Organisation Cameroon Gastby Foundation. This is an organization which is in partnership with the Non-Governmental Organisation ADAF and MC<sup>2</sup>. This Non-Governmental Organization since November 1994, has been in the services of the MC<sup>2</sup> microfinance through the granting of loans and in the financing of micro enterprises through special credit lines and through this supporting the projects of women. The promotion of these micro enterprises was done through self-help groups (SHG) model, which are saving groups especially made up of women as experienced by MFI in Asia and west Africa. On 31/12/2006 the number of supervised women groups greatly increased. Open days activities were organized by the NGO in the MC<sup>2</sup>s to raise awareness as much as possible among the population and especially the women about the opportunities offered by this project in improving their environment and their living condition.<sup>19</sup>

The peace groups. This is a group of people under the services of the US, they work with small development enterprises in Cameroon and the MC<sup>2</sup> network is one of them. They worked in Cameroon since 1962 and worked with the microfinance by organizing training sessions on agropastoral activities.<sup>20</sup> This was activities which really helped the mutualists to better perform their activities and have better results since the population is rural and untrained people.

The Deutsche Gesellschaft für internationale Zusammenarbeit is a German Non-Governmental Organization, there are a strategic partner to the MC<sup>2</sup> microfinance, they carried out many projects in Cameroon since they are interested in the local development of the country. They work with the MC<sup>2</sup> agencies especially the MC<sup>2</sup> our study area that is the Bamendjou and Bandja MC<sup>2</sup>. As a result, the NGO offered many services to the microfinance for example, they carried out training on the use of credits and on entrepreneurship in general, raising awareness to the population so that they register to the microfinance in order to obtain financing and embark on the entrepreneurial field. The Deutsche Gesellschaft für internationale Zusammenarbeit Non-Governmental Organization also greatly contributed in providing with raw materials to the population in their various sectors of activities, in the agropastoral field they offered equipment for the farm, medicines and vaccines for the animals.<sup>21</sup>

The COBAC can be considered as an indirect partner of the MC<sup>2</sup> microfinance. It is an institution which places an important role to the regulation of financial institutions. It is

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<sup>19</sup> D. Lekane, “microfinance et développement...”, p.117.

<sup>20</sup> J. Amin, “Serving in Africa: Us peace corps in Cameroon”, Africa spectrum 48,2013, p.81.

<sup>21</sup> S. Kengne, “La mutuelle Communautaire”, pp.66-67.

responsible for controlling all financial activities in central Africa. Thus, it has a power on the administrative life of microfinances and it has to take care of the prudential standards. They equally have as role to state the amount of money a microfinance needs to have at the creation in order to be operational. These operations are carried out on the one hand through control missions organized by the COBAC and on the other hand through the activity reports that this institution receives from the ministries in charge of microfinance institution which is the ministry of finance.<sup>22</sup>

### **Setting up the MC<sup>2</sup>**

In order to set up the MC<sup>2</sup> microfinance, it goes through a request for authorization to open the MC<sup>2</sup> and the fixing of a date for the holding of the Constitutive General Assembly. The preparation of the documents necessary for the holding of the Constitutive General Assembly, then the declaration of the MC<sup>2</sup> to the competent authority (verification of the declaration and obtaining a receipt deposit) the agents of the MC<sup>2</sup> are then trained and the premises of the MC<sup>2</sup> set up in the host locality.<sup>23</sup>

### **Objectives and Missions of MC<sup>2</sup>**

The MC<sup>2</sup> microfinance is a microfinance created to fight against poverty and to better do this, they had objectives and missions well elaborated, that will help to understand the purpose of the micro bank and help in the functioning and wellbeing of the MFI.

### **Objectives**

The MC<sup>2</sup> microfinance like any other microfinance of the first category has their objectives set during their creation which they have to achieve. The objectives of the MC<sup>2</sup> microfinance has two aspects, namely: an economic objective and a social objective.

The MC<sup>2</sup> microfinance had for main objective the fight against poverty. The major objective of the MC<sup>2</sup> is to fight against poverty. Although the main targeted people are the poor in rural areas, particularly women, their members are not limited only to this category of poor, but extended to the whole village population, including the urban elites who originated from the communities concerned. This choice is justified by the desire to achieve financial balance, the participation of the elites being important in particular as a driving force and

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<sup>22</sup> Interview with Berone Tatsinkou, chef of agency MC<sup>2</sup> Bamendjou, 38years, Bamendjou, 15/07/2022.

<sup>23</sup> Interview with Rose Djoumbi, director of MC<sup>2</sup> Bandja, 54years, Bandja, 22/07/2023.



guarantor of credibility in the startup phase. The MC<sup>2</sup> therefore adopt an open and inclusive approach.<sup>24</sup>

The economic objective relates to economic and financial viability. The objective is the raising of funds, this is done in the form of collecting savings. In this microfinance it is a question of financing legal economic activities of the localities. The financing is done using the funds previously collected to help the poor populations especially those of Bamendjou and Bandja to take care of themselves by financing their small income generating activities. This makes the poorest populations to get out of poverty.<sup>25</sup>

The social objectives concern actions aimed at helping the disadvantaged people. The Social Intervention Fund (FIDIS) plays a very important role in this social objective of the MC<sup>2</sup> microfinance. This is actually the funds reserved for social investments carried out by the MC<sup>2</sup>. This is one on community and individual basis through infrastructural development for the interest of the community. Therefore, the MC<sup>2</sup> aimed at bringing the population together around the same goal in order to reduce rural exodus, which is greatly seen in the localities of Bamendjou and Bandja since the youth goes to the urban areas for greener pastures due to lack of opportunities in their original zones. The MC<sup>2</sup> microfinance emphasizes on education and health, emphasis is also done on the school level, the MC<sup>2</sup> carried actions such as the construction and equipment of schools.<sup>26</sup> This is seen in schools in the Bandja Subdivision, they gave 200 benches to the government bilingual high school Bandja, they equipped the nursery school of Bandja. Also, they equipped the computer room of the government bilingual high school of Bamendjou with 50 computers. In the health, we have the building of certain parts of hospitals, the equipment of health centers and hospitals, the micro banks also gave subsidies for screening campaigns for several diseases. More so, the social objectives also involve other measures namely, the reduction of interest rates, exceptions made at the level of the conditions for granting credits through the notion of guarantor and special credits for social projects.<sup>27</sup> The MC<sup>2</sup> in order to consider their actions had set missions and objectives.

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<sup>24</sup> P. Fokam, *What if Africa wakes up*, p.229.

<sup>25</sup> S. Kengne, “La mutuelle Communautaire”, p.52.

<sup>26</sup> P. Fokam, *What if Africa wakes up*, pp.202-235.

<sup>27</sup> P. Fokam, *What if Africa wakes up*, pp.202-235.

## Missions

The primary mission of the MC<sup>2</sup> is to provide rural populations with an instrument of development that will promote the development of the individual and of the rural community as a whole. This economic development process is centered on phases which Paul Fokam in his book titled *what if Africa wakes up?* classifies it in the five stages for the economic development process. For him, the first phase for economic development is the sensitization of the elites and rural population. This sensitization goes through the giving of the MC<sup>2</sup> information, the methods and ways, the challenges to face and overcome, the modalities of the help of the NGO ADAF and the bank Afriland First Bank who are like sponsors of the microfinance.<sup>28</sup>

After sensitizing the populations, there is the mobilization of savings and deposits, these savings and deposits area source of investment in any economy. The MC<sup>2</sup> is an instrument for mobilizing resources available in the form of savings and deposits to ensure their security and make them available to operations with financing needs. When the money is deposited in the microfinance, it is allocated in the financing of economic activities that creates wealth. This phase essentially aims to help the villager to finance his agriculture, livestock, trade and small industry projects. Although in this phase, there is an emphasis on funding individual activities, many group projects are funded.<sup>29</sup>

In order to achieve economic development, the next step after financing projects is the realization of community economic projects. In accordance with the philosophy of a rural development bank, the MC<sup>2</sup> network in coordination with ADAF and the sponsor Afriland First Bank must develop community economic projects likely to enhance local resources in order to generate the added value needed to finance development. The development of community social projects thanks to the resources generated. The social aspects of activities within a community is essential and fundamentally depends on the result of economic performance. If it is established that the economic without the social is not sustainable, it is also clear that without resources on the economic level, the social is not sustainable. This is why given the importance of this component, the additional income generated by the economic component will be partially used for the realization of social projects according to the needs of the community in the following domains: health, education, infrastructure etc.<sup>30</sup>

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<sup>28</sup> *Ibid.*

<sup>29</sup> Interview with Maurice Mougoué, vice president of the board of directors, 62 years, Bandja.05/08/2022.

<sup>30</sup> Interview with Maurice Mougoué, vice president of the board of directors, 62 years, Bandja.05/08/2022.

### **Functioning and structuration of MC<sup>2</sup>**

The MC<sup>2</sup> microfinance of Bamendjou and Bandja had the same functioning like the rest of the MC<sup>2</sup> microfinances in Cameroon. The microfinance is managed by specific organs and the adhesion needs some conditions.

### **Functioning of the MC<sup>2</sup> microfinance**

In the MC<sup>2</sup> microfinance, those that can join the microfinance are farmers, breeders, housewives, craftsmen, traders on condition that they accept the status, subscribe to the membership fee which is 2500 FCFA, make a payment of 10000 ( 10 shares) to the establishment fund and agree to regularly save at least 1000 FCFA per month. There is a standard statute for MC<sup>2</sup> which outlines the main lines. These operate on the principle of one person, one vote. Financial control; Afriland First Bank carries out the external audit of MC<sup>2</sup>. Just as the central bank controls commercial banks, so does Afriland First Bank with respect to MC<sup>2</sup>.<sup>31</sup>

### **Structuration of the MC<sup>2</sup> of Bamendjou and Bandja**

The functioning of an MC<sup>2</sup> is assured by four main management organs. These organs are; the general assembly, counsel of the elders, the board of directors, the monitoring committee and the executive council which is the structuration of the microfinance. These management organs define and orientate the managerial politics of the microfinance and ensures the wellbeing of the microfinance.

### **The General Assembly**

The general assembly is the supreme decision-making organ in the MC<sup>2</sup> microfinance. It is made of all the mutualists of the locality. In this general assembly, the mutualists decides on all the legal and administrative issues of the micro bank, including the adoption or the modification of the company statutes and internal regulations, they equally decide on the election and disqualification of administrators, the appointment of people in charge to control the accounts, the solving of issues within the microfinance. Ultimately, the general assembly defines and directs the managerial policy of the growth mutual. It is headed by a president, which is the president of the administrative counsel and the general assembly meet at least once a year.<sup>32</sup>

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<sup>31</sup> P. Fokam, *What if Africa Wakes up*, p.209.

<sup>32</sup> Interview with Elias Yamgueu, accountant MC<sup>2</sup> Bandja, 56 years,03/03/2023.

### **The board of directors**

The board of directors is an organ of the microfinance made up of 6 to 10 members choosing by the general assembly for a period of 3 years renewable ones. It defines the general policy of the institution, they are responsible for conveying general meetings, in this meeting, and they elect the executive council, setting the interest rate for the savings and loans accounts given by the mutualists. They are there to accept or deny loans projects put by the mutualist in the microfinance. The board of directors also plays the role of loan or credit committee, it is made of people that knows the place and the mindset of the people and therefore they are there to examine everything before given or refusing a loan.<sup>33</sup> The board of directors is headed by a president called chairman of the board of directors, he/she is assisted by a deputy, their role is to convey and chair general meetings. Like the council of elders, the board of directors must have as member a founding member of the mutual. The board of directors has to have a good relation with the executive council for the wellbeing of the microfinance.<sup>34</sup>

### **The council of elders**

The council of elders is a body mostly made up of the oldest people in the MFI. It is made up of 5 to 10 people depending on the locality, of good character and whose responsibility is proven. These people are elected by the general assembly, they are chosen from mutualists with a moral ascendancy over the community concerned. It represents the conflict resolution body between the MC<sup>2</sup> agency, its mutualists or between mutualist. It is a jurisdiction body placed under the high authority of the traditional chiefs and provides wise solutions to any disputes that may occur within the MC<sup>2</sup> village societies. It derives its legitimacy as well as its instruments of action and application of the law, from the habits and customs of the area the MC<sup>2</sup> in located. In this council of wise men, there is the existence of a committee of wise men of which there are at least four, moral and traditional dignitaries, internal and external elites. The council of elders is in charge of the socio-cultural and religious values into the management of the MC<sup>2</sup> microfinance, this is why, its decisions are approved by the board of directors.<sup>35</sup>

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<sup>33</sup> D. Lekane, "Microfinance and developpement." p.69.

<sup>34</sup> Interview with Carlos Tchakoua, credit agent MC<sup>2</sup> Bandja, 32 years, Bandja, 07/08/2022.

<sup>35</sup> Interview with Carlos Tchakoua, credit agent MC<sup>2</sup> Bandja, 32 years, Bandja, 07/08/2022.

### **The monitoring committee**

It is made up of serious of integrated people with flawless moralities. As a result, they are responsible for monitoring the activities of the microfinance. Its members are like the auditors of the microfinance and they equally have a good knowledge of the community and this permits them to know who has a good character and who does not. Who pays his loans or does not? So, they are in charge of the controlling of financial activities of the microfinance.<sup>36</sup>

### **The executive council**

The executive council is the body that ensured the running of the MC<sup>2</sup> microfinance in a day to day manner. This executive body is made up of several members and these members varies from one MC<sup>2</sup> agency to the other, but in most cases, they are made up of: a general manager, a secretary, an accountant, a cashier, a loan officer, a teller, a security officer and a maintenance officer. They are appointed by the administration committee for an indefinite period of time and are responsible for the day to day management of the microfinance.<sup>37</sup> At the head of a MC<sup>2</sup> is the general manager. He/she is responsible for managing the mutual in accordance with the requirements to the articles of association and internal regulations of the micro bank. The latter must be a member of the MC<sup>2</sup> and has to pay his contribution and this will help increase the funds of the establishment. The work of the manager here is to receive, study and transmit to the board of directors the credit application files, to follow the recovery of loans and credits, to promote the growth of the mutual by giving appropriate advices to mutualists, to establish management reports which he/she gives to the board of directors among other things.<sup>38</sup>

The cashier is responsible for carrying out withdrawal, payment of funds from one person or a group of people, deposits operations, he or she is liable for any lack cash. He must be able to report at any time on the funds to the director general and equally justifying at any time the balance of funds.<sup>39</sup> The accountant is responsible for keeping the accounts and also keeping the accounting reports and document. The accountant is also there to check if the accountant rule of the COBAC is respected. He or she carries out checks in the level of the cashier. The teller is responsible for receiving, directing and advising new members users or anybody wishing to benefit from the services of the financial institution. His work in the

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<sup>36</sup> *Ibid*

<sup>37</sup> Interview with Berone Tatsinkou, chef of agency MC<sup>2</sup> Bamendjou, 38 years, 20/03/2023.

<sup>38</sup> *Ibid*

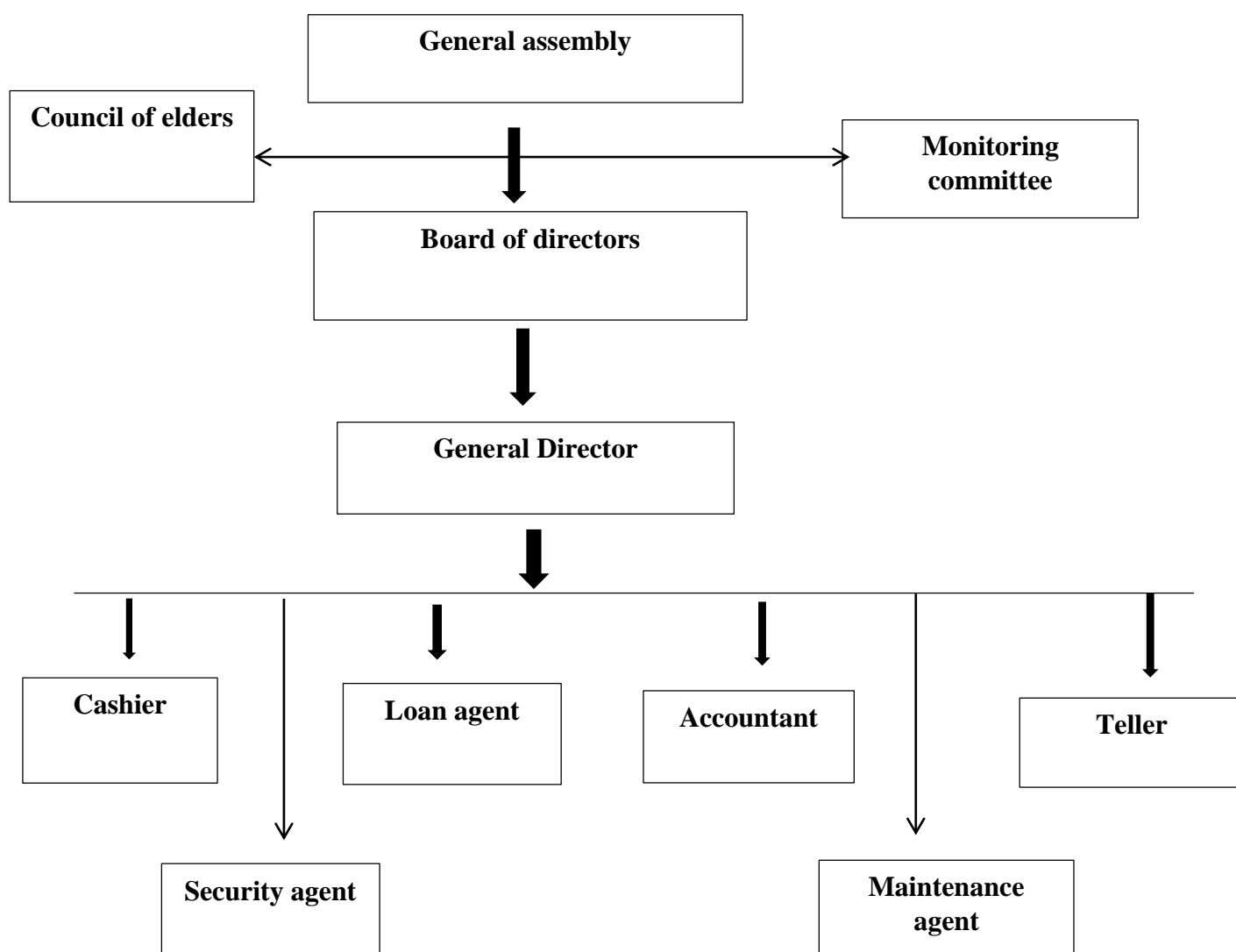
<sup>39</sup> Interview with Berone Tatsinkou, chef of agency MC<sup>2</sup> Bamendjou, 38 years, 20/03/2023.

microfinance is for example help people to fulfill the conditions to create and account or have a loan or help mutualist to fill deposit or withdrawal forms since most of the mutualist are old aged people.

One of the members of the microfinance is the loan agent who is in charge of credit or loan issues. He receives loan applications, examines them and with the general manger too, and he submit the file to the general meeting. And it is there that they decide if the loan has to be given or not. At the lowest level of the executive council, we have the security and cleaning (maintenance) agents. The security agent is there to secure the place, people and properties; he is also responsible to maintain order within the microfinance. The cleaning agent is there to maintain the place clean, implementing hygiene in the premises. We have to note that the cleaning agent is not in all the MC<sup>2</sup> agencies, where the cleaning agent is absent; the security agent equally does the job of the cleaning agent.<sup>40</sup>

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<sup>40</sup> D. Lekane, ‘‘La mutuelle communautaire...’’, pp.71-73.

**Graphic 1:** organigram of the structure of the MC<sup>2</sup> microfinance

**Source:** Done by Linda Aonsi from field work on August 2022.

This organigramme of the MC<sup>2</sup> microfinance shows the flow of power from the highest authority to the smallest. As seen on the figure, some organs work hand together and no one is bigger than the other for example the case of the executive organ.

### **Services of the MC<sup>2</sup> microfinance**

The services and the products that the MC<sup>2</sup> microfinance had put in the disposition of their clients in Bamendjou and Bandja, had made politics of the microfinance credible. The regulations of CEMAC of 2002 imposes some types of services rendered by microfinances, the microfinance is therefore today a tool of financing which can be very viable but needs some assistance to be really strong. In the MC<sup>2</sup> microfinance of Bamendjou and Bandja, the services offered there are: the ordinary saving account which is accessible to all members of

the local mutual. The MC<sup>2</sup> microfinance as a micro bank offered to their mutualists diverse financial services which was: savings, credits (loans), transfer of funds.

### **The financial services of the MC<sup>2</sup> of Bamendjou and Bandja**

The MC<sup>2</sup> microfinance offers the services of a classic traditional bank to their mutualists which ranges from deposits (savings, flash cash), borrowing at very short term, short term (medium term) and long term. The need to secure fund in this microfinance made the institution to put an amount to be deposited at the creation of an account which they called social parts of 1000frs and for the creation of an account, they have to deposit at least 10 social parts.

### **Securing funds in the MC<sup>2</sup> microfinance**

The MC<sup>2</sup> microfinance as a financial institution which is of the first category and renders services to the rural population and the population can safely keep their money in this microfinance. The MC<sup>2</sup> offers many services to the population which ranges from collecting savings, giving loans and all other services offered by banks since it is a micro bank. The microfinance had come to solve the problem of tontines in which there was embezzlement and the money was not secured with no guarantee this is the reason why the collection of savings is one of the key services of this microfinances. The deposit services are mostly made from savings account, associated deposit accounts and flash cash<sup>41</sup>

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<sup>41</sup> Archive of MC<sup>2</sup> Bandja, ‘‘unit procedure manual’’, p.14.

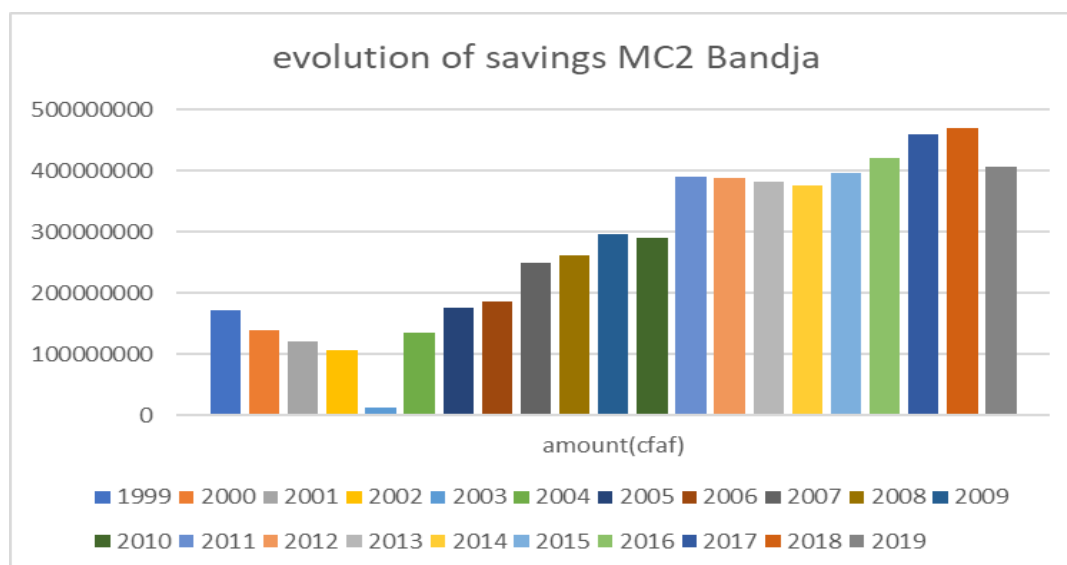


**Table 2:** Number of savings deposited at the MC<sup>2</sup> of Bandja.

<b>Year</b>	<b>Amount (FCFA)</b>
<b>1999</b>	171,351,039
<b>2000</b>	139,015,219
<b>2001</b>	120,918,582
<b>2002</b>	105,605,822
<b>2003</b>	111,408,910
<b>2004</b>	135,114,023
<b>2005</b>	175,527,507
<b>2006</b>	186,715,895
<b>2007</b>	249,954,699
<b>2008</b>	261,722,325
<b>2009</b>	296,244,810
<b>2010</b>	289,796,526
<b>2011</b>	390,293,804
<b>2012</b>	388,654,819
<b>2013</b>	381,675,599
<b>2014</b>	376,610,770
<b>2015</b>	395,695,570
<b>2016</b>	421,029,553
<b>2017</b>	459,845,058
<b>2018</b>	469,130,230
<b>2019</b>	407,023,834

**Source:** Archive of MC<sup>2</sup> Bandja.

The table above shows the evolution of the savings deposited in the MC<sup>2</sup> microfinance; we can see that the amount of money deposited was increasing as the years went on. In 1999 the savings were at 171,351,039 and it increased until in 2019 it was at 407,023,834. This is because as time goes on, the population keeps registering to the microfinance and this explains the increase in the number of money deposited.

**Graphic 2:** The evolution of savings deposited at the MC<sup>2</sup> of Bandja

**Source:** Made from data Collected during field work by Linda Aonsi 22/08/2022.

The above graphic shows how the finances deposited in the MC<sup>2</sup> microfinance and it is clearly seen that the money increased from 1999 to 2019. The reason for this increase over time is due to the fact that the population gets conscious of the importance of savings and gain trust in the microfinance as time goes on.

**Table 3:** The number of savings in the Bamendjou MC<sup>2</sup>

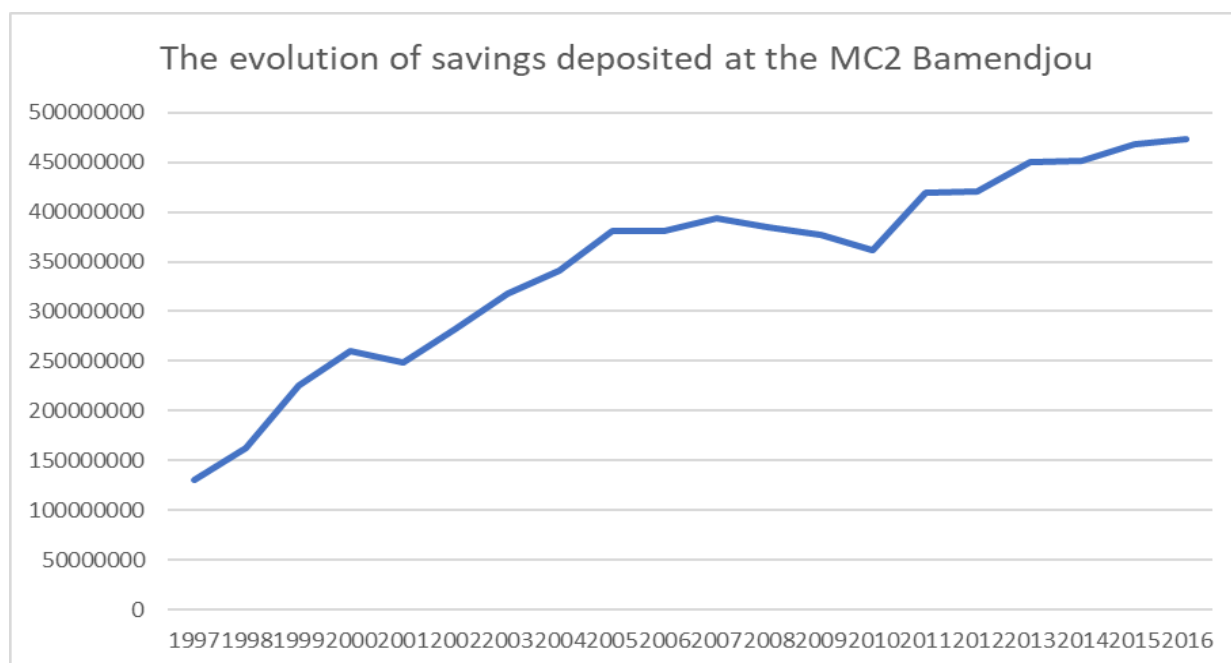
Year	Amount (FCFA)
1997	130,468,247
1998	162,370,519
1999	224,961,672
2000	260,732,819
2001	248,846,472
2002	282,339,406
2003	318,451,318
2004	340,918,556
2005	381,104,705
2006	380,918,172
2007	393,462,321
2008	382,672,841

2009	376,741,192
2010	361,194,246
2011	419,248,192
2012	421,021,251
2013	450,621,342
2014	451,608,104
2015	468,330,230
2016	472,838,246

**Source:** Archive of MC<sup>2</sup> Bamendjou.

The table above show the savings deposited by the mutualists in the MC<sup>2</sup> of Bamendjou from 1997 to 2016. These savings goes from 100 to 400 million since as time goes on people are aware of the microfinance and are willing to save their money in the MFI due to the fact that it a secure place to keep their money reasons why the savings increases over time.

**Graphic 3:** the evolution of savings deposited at the MC<sup>2</sup> Bamendjou



**Source:** Made from data collected during field work 28/08/2022

The above graphic shows how the savings deposited in the MC2 of Bamendjou increases over time as seen on the graphic with the blue indicator of savings. These savings are from the year 1997 to the year 2016.

#### Savings account on book

The creation of an account needs a minimum sum of 10000frs of money to be deposited in the account. The mutualist can deposit their money in this account and have direct access to the account without condition. The interest rate of the saving account is given between 1.5% to 2.5%.<sup>42</sup>

**Photo 8:** Saving booklet, old and new one.



**Source:** Taken by Aonsi Linda during field work 17/08/2022.

The saving booklet above are used by the microfinance to write the about of money given and the date on which the money is given, so that the mutualists can easily know how much he has in his account and it helps also the microfinance for transparency of funds.

#### Associated deposit account

The associated deposit is a product of the MC<sup>2</sup> microfinance to limit the physical transport of money by the mutualist. This account is there to receive operation of money

<sup>42</sup> S. Kengne, “La mutuelle Communautaire” p.95.

transfers, giving of cheque. The minimum amount of 25,000frs is given obligatory at the creation of this account.<sup>43</sup>

#### Flash cash account

The flash cash account is an expressed means of cash payment. This is a way of payment which can be compared to the banknotes but it also offers to his owner greater security against theft and counterfeiting. This type of account can be open by anybody both natural and legal person. The minimum amount to be deposited at the opening of this account is 25000fcfa.<sup>44</sup>

#### Payment of school fees

The MC<sup>2</sup> microfinance also makes operations of school fees payment. Many schools in the localities of Bandja and Bamendjou pays their school fees in the microfinance. This is a really great thing for the population, since the mutualist just have to withdraw money from his or her account and pay the child's school fee in the institution.<sup>45</sup>

#### Payment of salaries

Many people working in the localities of Upper Plateau and Upper Nkam divisions received their salaries through the MC<sup>2</sup> agency. The MC<sup>2</sup> network are capable of paying the salaries of the mutualists every month in the demand of the mutualist. This permits the person to run away from taxes of employees in the urban areas and thus the MC<sup>2</sup> microfinance can be considered as godsend in the sense that the person saves time and money by entering directly into possession of their salary on the spot. Also, in this case the mutualist is advantaged due to the fact that he or she can be granted loans for projects.<sup>46</sup>

#### Insurance

The insurance of many companies is paid in the MC<sup>2</sup> microfinance, the microfinance carries out all types of insurances for cars and bikes, thanks to the partner of the microfinance SAAR, they are able to give insurance services to its mutualists.

### **Interest rate policy of the MC<sup>2</sup> network**

The interest rates in the MC<sup>2</sup> are set by members of the board of directors. They vary from one MC<sup>2</sup> to the another. Concerning the savings deposited at the microfinance, the

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<sup>43</sup>Interview with Hortance Tcheusseu, teller agent MC2 Bandja,42years, Bandja, 19/08/2022.

<sup>44</sup> D. Lekane, "Microfinance et developpement"p.96.

<sup>45</sup> Interview with Helene Ngandeu, teacher, 47 years, Bandja,12/08/2022.

<sup>46</sup> S. Kengne, "La mutuelle communautaire"p.63.

interest rate ranges between 2,5 to 4%. The interest rates for loans are between 12 to 16% with all taxes included. These interest rates are below market rates and MC<sup>2</sup>s are encouraged to maintain them at this level. The logistics behind this approach are that:<sup>47</sup>

- Rural financial savings are not significantly influenced by the level of interest rates. Other factors such as security and access to credit are much more. The imposition of high interest rates on the poor is not normal as a strategy to fight against poverty, when it is accepted that low interest rates is an accelerator of growth. It would therefore be necessary to seek ways and means making possible to offer credit to the poor at reasonable rates, in order to make it possible to offer credit to the poor at reasonable rates so that it will make it possible to invest in rural areas, to make growth happen, thus attaining sustainable development.
- Financial balance can be achieved if efforts are made to increase the volume of deposits and loan portfolio, this amount will make them able to play on a balance of scale and the experience of the MC<sup>2</sup> microfinance shows that is it possible.<sup>48</sup>

### **The philosophy of credit in the MC<sup>2</sup> microfinance**

The structure of the MC<sup>2</sup> model have the mission of collecting savings and granting popular loans in order to promote the social and economic well-being of rural populations. As a result of this vision assumes that the community itself takes charge, because it is unavoidable that any development process initiated without the participation of the target concerned is automatically doomed to failure. In the MC<sup>2</sup>, the spirit sought it that each borrower be aware of the fact that; the loan he/she is requesting is part of the common heritage which must be safeguarded, otherwise the structure will decline and die, also the person asking for loan must know that, this loan must be used judiciously and serve as a basis for progress towards a more comfortable well-being for him and his family. This is why all loan applicants must commit to honoring their commitments when due so as not to block other mutualists.<sup>49</sup>

To turn away from this common path is to work for the backwardness of the village and the community. Which is contrary to the ethics of the well-being of the individual in particular and the community in general. It is absolutely important that the council which

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<sup>47</sup> P. Fokam, *What if Africa wakes up*, p.226.

<sup>48</sup> P. Fokam, *What if Africa wakes up*, p.226.

<sup>49</sup> Archive of MC<sup>2</sup> Bamendjou, “unit procedure Manuel, p.76.

decides to grant the credit surrounds itself with all the necessary precautions and avoids any complacency. Rigor and objectivity in collegiality must constantly guide him so that he avoids leading the boat down the drain. To tell the truth, only the choice of good credit decisions and the judicious use of credits by mutualists concerned about the future will lead to the improvement of their living conditions and therefore will maintain like an unlimited flame to the sustainability of the mutual.<sup>50</sup>

### **Evolution of the performance of MC<sup>2</sup>**

The quality of the loan portfolio is an important element to take into account when analyzing the financial performance of a financial institution. The monitoring of credit operations at the MC<sup>2</sup> level is ensured both by the MC<sup>2</sup> credit committee and by ADAR and Afriland First Bank, which acts as advisers and controller of the regularity of operations in accordance with the standards,

The default rate for the entire network as June 30, 2002 varies between 95 and 98% (the calculation is made one month after the due date). An examination of default rates by sector of activity indicates that the agricultural and livestock sector, contrary to what is generally accepted in theory, achieves the highest reimbursement rate: thus, coming before trade, social, services, processing and craftsmen.<sup>51</sup>

The feasibility studies done before the launching of an MC<sup>2</sup> micro bank generally indicates that it will reach the break-even point after 4 to 5 years of activity. An analysis of the rate of coverage of operating costs in the MC<sup>2</sup> network shows that this has improved considerably over time and stand at 109% at 30 June 2000. Taking the MC<sup>2</sup>s individually, we note that 22 out of 36 exceeded the 100% mark. MC<sup>2</sup> which are still below the donation bar, except in three cases, all under two years old.<sup>52</sup>

A calculation of return on equity indicated that for the entire network, this has improved over time, going from -10.8 on June 30, 1995 to +2.7 in June 1998 then 12% in June 2000. The network's balance sheet total improved considerably rising from 649 million FCFA in June 1995 to 2.5 billion FCFA in June 1998 then 3.95 billion FCFA in June 2000. The productivity of the personnel also increased between June 1995 and June 1998, the number of members, savings and loans per employee in the MC<sup>2</sup> network increased by

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<sup>50</sup>*Ibid*

<sup>51</sup> P. Fokam, *What is Africa wakes up...* pp.226-228.

<sup>52</sup> *Ibid.*

209%,185% and 168% respectively. For the same period, the values of savings mobilized and outstanding loans per employee increased by 159% and 296% respectively.<sup>53</sup>

### **Conclusion**

This chapter examined the actors, partners, structuration and functioning of the MC<sup>2</sup> microfinance. The actors of the microfinance are the mutualists of the microfinance which makes up the general assembly and without them there will be no existence of the microfinance. We equally talk on the services rendered by the institution such as payment of school fees, salaries.

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<sup>53</sup>P. Fokam, What is Africa wakes up... pp.226-228.



**CHAPTER 3**  
**REALISATIONS OF  $MC^2$  IN BAMENDJOU AND BANDJA**

## INTRODUCTION

The MC<sup>2</sup> agency in Cameroon has contributed greatly in the finances on the economic (individual and communities) and social (individual and communities) domain in the development of Cameroon and most especially that of Bamendjou and Bandja. The various finances had done by MC<sup>2</sup> agency in the economic project include pisciculture, agriculture, transport of various good and services, commercial product and many more. As well as in the social domain, they contribute by giving gift to schools, hospitals and many more. The question is to ask, how then and what are the method used by MC<sup>2</sup> to contribute in the economic and social domain?

In this regard, we are going to divide the chapter into two sub-parts that is: the contribution of MC<sup>2</sup> in the economic domain in the town of Bamendjou and Bandja (1) and in the order part look at the various contribution of MC<sup>2</sup> in the social domain of this areas (2).

### I. MC<sup>2</sup> AGENCY AND HER CONTRIBUTION IN THE ECONOMIC DEVELOPMENT OF BAMENDJOU AND BANDJA

Due to the role of the Commission Bank of Central Africa (COBAC) n° 01/02/CEMAC/UMAC/COBAC of 13 April 2002 which is relative to the various control of the different activities carried out by CEMAC just as the role of COBAC 2002/01 that is applicable to the microfinance and precise in the role that all the microfinance nowadays are actors of finances.<sup>1</sup> As such, this gave the right to MC<sup>2</sup> to be an important actor and strategic to the population of Bamendjou and Bandja through the finances in the economic domain. In this same direction, the chief of Bamendjou during our interview said that: “ MC<sup>2</sup> have a good program and do a good job by financing the citizens in their various activities domain and due to this agency many people were able to plan for a better life”.<sup>2</sup> This various activities mentioned by the chief are: agriculture, pottery, pisciculture and orders which will be develop below.

#### 1. MC<sup>2</sup> and her finances in agriculture and breeding project

MC<sup>2</sup> has really contributed in financing the various projects on agriculture and breeding in Bamendjou and Bandja. This various contribution will be analyzed below.

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<sup>1</sup>COBAC regulations 2002, p.4.

<sup>2</sup> Interview with Sokujou, chef of Bamendjou, 82years, Bamendjou, 03/03/2023.

## A. Agriculture

Agriculture is one of the important activities of the population in our case study chosen. In the book *Le dynamisme Bamiléké* of J. L. Dongmo he underline the fact that the method of carrying out agricultural activities in this different zone is really intensive.<sup>3</sup> Thus according to D. W. Adams, he thinks that : it is a sure giver or creation of riches.<sup>4</sup> Through this, it is been seen that MC<sup>2</sup> have decided to finance rentable project such as this agriculture. In addition to that of the natural factor, MC<sup>2</sup> equally finance this sector because the agricultural cycle is not long except the cultivation of banana and cacao.<sup>5</sup> But as for what concern the other agricultural activities such as beans, corn, groundnut and so many others, the farmers are given a credit for a maximum period of semester. MC<sup>2</sup> not ending with the finances of individuals, they also sponsor *groupment d'initiative commune* (GIC) benefited about 40million frs of credit in order to develop their agriculture in Bamendjou<sup>6</sup> and in case of Bandja about 20million frs was given.<sup>7</sup> Hence, the pictures below shows the finance project of MC<sup>2</sup> to both the individuals and the society of Bamendjou and Bandja.

**Picture 9: Financed project of MC<sup>2</sup> to the society**



**Source:** Taken by Linda Aonsi during field work on 16/07/2022

<sup>3</sup> J.L. Dongmo, “Le dynamisme bamiléké”, p.126.

<sup>4</sup> D. W. Adams, “Comment établir des marchés financiers ruraux durables ?” *Cahiers de la Recherche Développement, Montpellier*, n° 34, 1993, p.66.

<sup>5</sup> *Ibid*, pp. 79-81

<sup>6</sup> Interview with Sabine Yeumako, Farmer, 44 years, Bandja, 03/02/2023.

<sup>7</sup> Interview with Mgatchou, Farmer, 56years, Bandja, 03/02/2023.

The picture A is that of the society of Bamendjou in which MC<sup>2</sup> finance the cultivation project of cabbage the society there by receives finances of 15million FCFA. This help to buy hand labour for the farm work and also help them to by seed. The other part of the money help to buy trucks and for the transportation of goods to Yaounde and order regions for sells.<sup>8</sup> As for that of Bandja seen in picture B, we can see how MC<sup>2</sup> finance the cultivation project of beans. This society where been given an amount of 500 000frs in the cultivation of beans. This amount is regularly given to the society in this area.<sup>9</sup> The pictures below shows the finances of MC<sup>2</sup> to the individuals of Bamendjou and Bandja.

**Picture 10: Finance done by MC<sup>2</sup> to individuals for agriculture in 2020.**



**Source:** Album of MC2 Bandja consulted on 16/05/2023.

The first picture above shows the finances of MC<sup>2</sup> in Bamendjou. This finance was given to Judith Tanswasi in which she said that she was been given an amount of 300.000frs for the project of her farm for maize and beans cultivation.<sup>10</sup> Apart from that of the first picture, we can see a man in the second picture which was being taken in Bandja. During our interview with this man called Mgatchou he made mention with the fact that he was being finance an amount of 250.000frs for cultivation of Irish potatoes and the buying of equipment for his farm in 2020 and this made him to have money for the daily needs of him and his

<sup>8</sup> MC<sup>2</sup> archive of Bamendjou “document on the evaluations of credit given 2020”

<sup>9</sup> Interview with, Siegomnou, 53years, Farmer, Bamendjou, 12/03/2023.

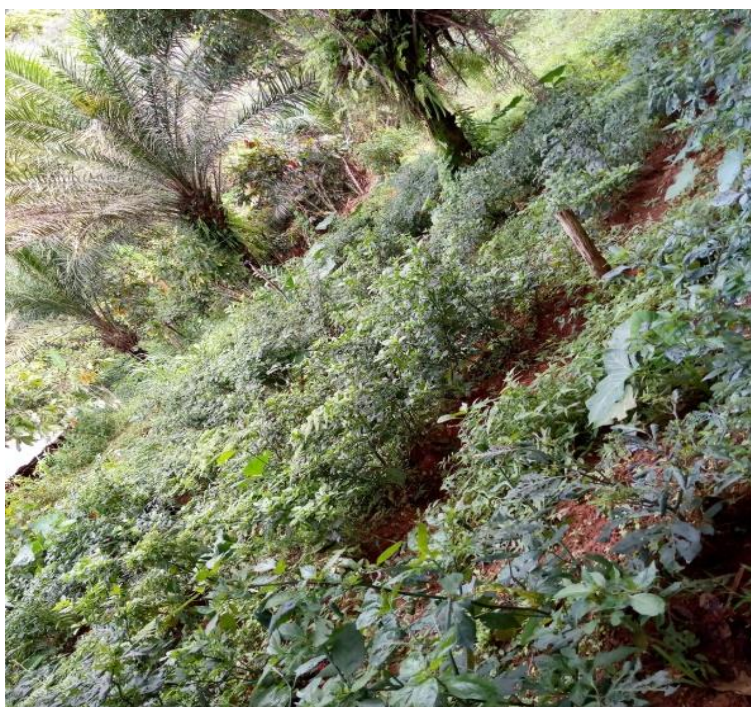
<sup>10</sup> Interview with Tanswasi Judith, 51years, Farmer, Bamendjou, 14

family and this equally permitted him to send his children to school.<sup>11</sup>The pictures below shows an okra and a pepper farm made from the financial aid given by MC<sup>2</sup> Bandja.

**Picture 11:** Okra cultivation done by individuals financed by MC<sup>2</sup>.



**Picture 12:** pepper cultivation done by individuals financed by MC<sup>2</sup>.



**Source:** Taken by Linda Aonsi during field work 16/05/2023

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<sup>11</sup> Interview with Mgatchou, ...

The cultivation of pepper and okra is mostly made for home consumption in Bamendjou and Bandja but the project was submitted to the MC<sup>2</sup> microfinance and they decided to grant the mutualist loans to carry out the cultivation for sell and it helped the population because they will not pay the transport to go and buy elsewhere and it was cheaper in the zone. The MC<sup>2</sup> financed many agricultural projects and we can boldly say that agriculture is the domain where they financed most of the projects both in Bamendjou and in Bandja. The picture number 12 below is a coffee plantation financed by the MC<sup>2</sup> of Bamendjou to its mutualist.

**Picture 13:** Coffee production financed by MC<sup>2</sup>



**Source:** Taken by Linda Aonsi during field work 16/05/2023

Coffee production in the upper nkam division and in the west region in general is a very high-income generating activity. The production of coffee was financed to a farmer, mutualist of the MC<sup>2</sup> of Bandja. A loan of 1 million FCFA was given for the cultivation and this cultivation was a success since he could use the money and pay back his loan and the activity is still generating income.

Apart from the finances of agriculture by MC<sup>2</sup> in these two areas, we are going to show their contribution in the pastoral activities

### **B. The finances of MC<sup>2</sup> in the domain of pastoral activities**

There are many types of breeding activities that have been financed by MC<sup>2</sup>. This breeding includes porcine, volatile, aquaculture and many more. Thus, MC<sup>2</sup> had really brought her support to these two areas in the pastoral sector through secure schools. Hence since 1994, MC<sup>2</sup> was that institution which has as vocation to train the mutualists in the various technics in the domain of agro pastoral. This secure school has for objective to apply

the various theory that was thought during the training seminary that is been financed by MC<sup>2</sup> which thereby has for advantage to ameliorate and increase the revenue of the mutualists.<sup>12</sup>

Bamendjou and Bandja which are found in (high plateau and upper nkam) respectively are the first in the production of aviculture in the territory of Cameroon.<sup>13</sup> Hence, talking about breeding in this areas, the motivation of MC<sup>2</sup> in the financing of the breeding project take into account the various demand and the need of the consumers in the internal and external demand. Nevertheless, Bamendjou and Bandja use certain method in breeding such as the traditional method. This method is done using traditional technics that was being transferred from parents to children and the animals consume are generally her home market.<sup>14</sup> Most often it is known as family breeding. There have been an evaluation concerning it, and it has been notice that, the avicultural sector in the Bamendjou produce about 20000 hens and Bandja produce about 45000hens which is for the domestic and foreign consumption.<sup>15</sup>Regine Youdom a family breeder, during an interview told us that in this type of activities, we do not need so much finances from MC<sup>2</sup> even though this agency help families in their breeding activities.<sup>16</sup> Picture 13 below shows the breeding of pigs and chicken financed by the MC<sup>2</sup>.

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<sup>12</sup> D. Tsobgou Lekane, “Mutuelle Communautaire de Croissance (MC<sup>2</sup>) ”, pp. 70-80.

<sup>13</sup> A. Ngatchou, E. Ngandeu, “Rapport de la première évaluation du secteur avicole au Cameroun”, *Organisation des Nations Unies pour l’Alimentation et l’Agriculture*, 2006, p. 5.

<sup>14</sup> R. Tchatchoua, “Restituer l’adoption des propositions techniques de la recherche dans les stratégies d’adaptation des exploitants agricoles familiaux ”, *Revue d’Elevage et de Médecine Vétérinaire des Pays Tropicaux*, Vol 64, 2011, p. 4

<sup>15</sup> A. Ngatchou et E. Ngandeu, “Rapport de la première évaluation du secteur avicole au Cameroun”, pp. 6.

<sup>16</sup> Interview with Regine Youdom, Breeder 56years, Bandja, 04/03/2023.

**Picture 14: Breeding finance by MC<sup>2</sup>**



**Source:** Taken by Linda Aonsi during field work 14/05/2023

From the above pictures, we observe two different types of pictures in which the first represent the breeding of pigs in Bamendjou. This was taken in this house of Norbert Ngueliebou in which he mention the fact that, due to the presence of MC<sup>2</sup> he was able to lunch this activities of pigs and went further by saying that, he took 200000frs from MC<sup>2</sup> and bought little pigs and today with the sale of those pigs, he was able to send his children to school.<sup>17</sup> In the other picture is the picture of chickens that was taken in the place of Therese in which during our exchange, she told us that she was finance an amount of 150000frs for her project by MC<sup>2</sup> and today she is not only selling in Bandja but selling out of her zone.<sup>18</sup>

<sup>17</sup> Interview with Norbert Nguiejebou, 29 years, Breeder, Bamendjou, 13/20/2023.

<sup>18</sup> Interview with Therese, Seller, 31years, Bandja, 20/02/2023.



**Picture 15: Breeding of chickens financed by MC<sup>2</sup>**



**Source:** Taken by Linda Aonsi 14/05/2023

**Picture 16: Breeding of rabbits financed by MC<sup>2</sup>**



**Source:** Taken by Linda Aonsi 14/05/2023

From the above pictures, we can see fowls and rabbits. The breeding of fowls is a very common activity in the divisions of upper nkam and upper plateau, so the mutualist Tchoupe ask for a loan of 500000frs to rare fowls and for the rabbit raring, a credit of 300000frs was

given for the buying of animals and their feeds in 2019 and he continued the activities up till date.

Below is the number of people in which MC<sup>2</sup> finance their various activities in the agro pastoral.

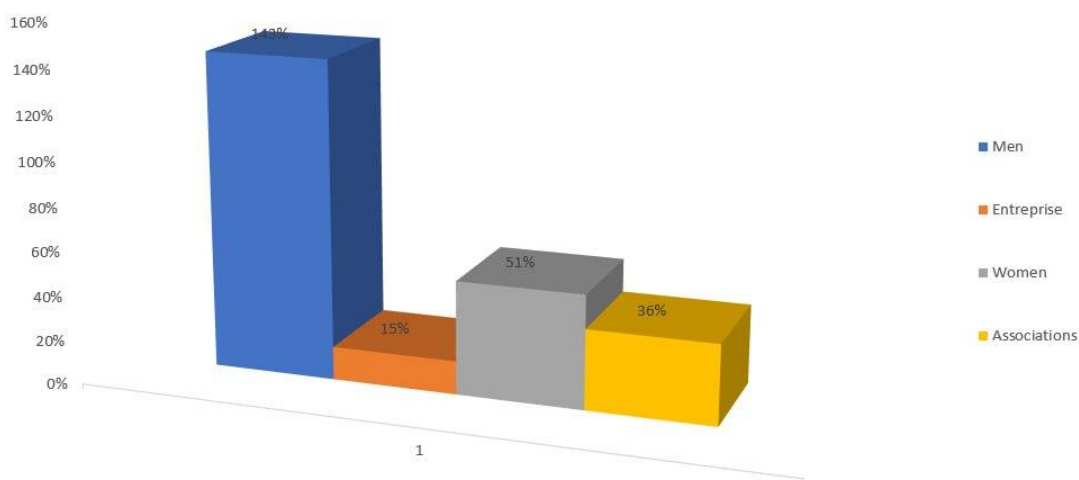
**Table 4: MC2 and her credit given in the agro pastoral at Bandja**

Types	Number of people	Amount (FCFA)
Women	25	37.050.000
Men	134	166.710.000
Associations	30	37.895.889
Enterprise	10	22.510.000
		264.165.889

**Source:** Archives of MC<sup>2</sup> at Bandja, ‘File of evaluation of credit given, 2010-2020.’

The table above presents the credit given to the citizens of Bandja in the agro pastoral project by MC<sup>2</sup> in which it is observe that more of men demand finance of their project to MC<sup>2</sup> followed by Association and later women finally enterprises. This will be well shown in the below diagram.

**Graphic 4: The finances of MC<sup>2</sup> on the agro pastoral at Bandja**



**Source:** Done by Linda Aonsi from archival information gotten at MC<sup>2</sup> Bandja

The graphic below shows the number of people that is (women, men, associations and enterprises) that MC<sup>2</sup> finance. In the table, it is seen that men are more finance by the agency

followed by the associations later women and less of enterprises due to the fact that there are less enterprises in the area.

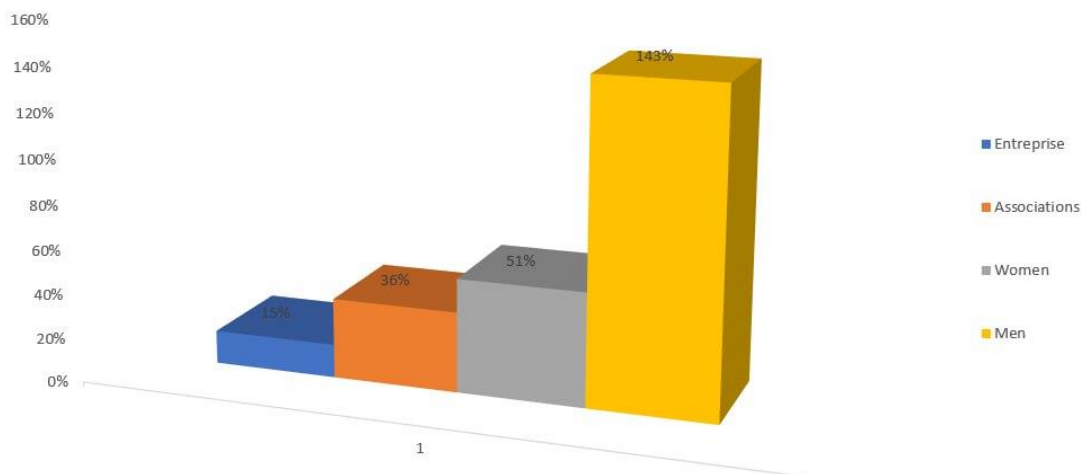
**Table 5: MC<sup>2</sup> and her credit given in the agro pastoral at Bamendjou in 2020**

Types	Number of people	Amount (FCFA)
Women	51	40.250.000
Men	143	187.710.000
Associations	36	38.695.889
Enterprise	15	15.021.000
		281.676.889

**Source:** Archives of MC<sup>2</sup> at Bamendjou, “File of evaluation of credit given, 2010-2020.”

Similar to that of Bandja, in Bamendjou the MC<sup>2</sup> equally finance women, men, associations and enterprises whereby, they finance more men, followed with women, later association and lastly enterprises. The graphic below will better explain the way loans were given in Bamendjou.

**Graphic 5: The finances of MC<sup>2</sup> on the agro pastoral at Bamendjou**



**Source:** Done by Linda Aonsi from archival information gotten at MC<sup>2</sup> Bamendjou

After treating the finances done by MC<sup>2</sup> in the domain of agropastoral domain, we are going to examine the MC<sup>2</sup>'s contribution in the commercial and handicraft domain below.

## 1. MC<sup>2</sup> AND HER FINANCES IN THE CONTRIBUTION IN THE COMMERCIAL AND HANDICRAFT

The MC<sup>2</sup> agency has done really contributed in the economic domain in the areas of Bamendjou and Bandja through the financing of various project in the commercial and handicraft domain. Hence in order to have a good look on the contribution of the commercial and handicraft domain done by MC<sup>2</sup>, we are going to analyze it below.

### A. Finances on commercial project carried out by MC<sup>2</sup>

The MC<sup>2</sup> agency found in these two areas that is Bamendjou and Bandja had finance seller's association and individuals in their commercial project. In these areas, the commercial activities that are really in action include alimentation, selling of detached piece and brewing industry.<sup>19</sup> Thus today due to these activities of commerce in these areas, MC<sup>2</sup> had put in place an important seller in the localities. In respect to the various finances of MC<sup>2</sup> in the various sectors, the commercial sector that is really financed by them. This is as such because, they have less risk as compared to others activities and that of the agro pastoral in which we can clearly see the impact on the profit due to the presence of pest and epidemic and some product that are not of use in the domain.<sup>20</sup>

**Picture 17: MC<sup>2</sup> and her finances to individual commercial project**



<sup>19</sup> Archive of MC<sup>2</sup> Bandja and Bamendjou, “document follow the evaluation of credit given between 2010 - 2020”

<sup>20</sup> Interview with Rosalie Sielatchom, trader, 48years, Bandja, 05/03/2023.

**Source:** Taken by Aonsi Linda during field work 15/05/2023

From the picture above in which picture A is a commercial shop that was finance by MC<sup>2</sup> in Bandja and this sector receive 43% of the finances. While as in the case of Bamendjou seen in picture B, it is a shop that was finance by MC<sup>2</sup> to an individual. Thus, in Bamendjou, the commercial sector received about 54% of the finances.

The agency did not end on the commercial activities, but they equally went further to finance handicraft works which will be analyze below.

### **B. MC<sup>2</sup> and her finances handicraft project**

MC<sup>2</sup> went further in the economic activities to finance the handicraft project. Hence in what concern this handicraft domain, it concerns the arts which represent in general the culture of west Cameroon. During our interview Tchakoua told us looking at the handicraft we observe decorator and manufacturer of dress and accessory of traditional dance, traditional object, decoration object made with wood that sometimes represent by bag spiritual animal.<sup>21</sup> But we must notice that the entire handicraft finance by MC<sup>2</sup> to the people is mostly for commercial purposes is due to the cultural value and quality. The credit finance by MC<sup>2</sup> is directed to the individual project. The type of the handicraft financed by the MC<sup>2</sup> will be seen in the table below

**Table 6:** Representation on the handicraft project

<b>Category of project</b>	<b>Type of project</b>
Production sector	<ul style="list-style-type: none"> <li>-Object in wood (bench and chair)</li> <li>-forge (shaft, cutlass and daba)</li> <li>- Sculpture (tam-tam, tambour, stool and statuette)</li> <li>-fabrication of pot and utensils of the kitchen</li> <li>- Basketry of wood, pottery</li> </ul>
Service sector	<ul style="list-style-type: none"> <li>- Hair style of Women and Men</li> <li>- Women and Men Sewing</li> <li>- Photography</li> </ul>

<sup>21</sup> Interview with Carlos Tchakoua, Credit agent, 32years, Bandja 07/03/2023.

**Source :** S. Kengmo Tsopnang, “La Mutuelle Communautaire”, p.85.

Form the table above, we can observe the various artistic domain that was financed by MC<sup>2</sup>. In the production service Although many of this artistic art are product in many of the region of Cameroon, the majority of this product comes from the west region passing from the national road 3 of the country.<sup>22</sup> As a result of this artistic product, today MC<sup>2</sup> gave 9million FCFA to finance the handicraft project of the individuals.<sup>23</sup> This arts and its production satisfy the need of the population in the handicraft product. Below are pictures of people doing handicraft financed by the MC<sup>2</sup>.

**Picture 18: MC<sup>2</sup> and her finances on handicraft project**



**Source:** Album of MC<sup>2</sup> Bamendjou and Bandja respectively, taken on 15/05/2019.

In the service sector as seen in the table above, MC<sup>2</sup> follow those of the Bandja and Bamendjou in the service sector. The service here includes the promotion of catered service. MC<sup>2</sup> due to this service, decide to invest and finance in this sector since it is a prominent sector. In the domain of transport service MC<sup>2</sup> had done although in other to increase the

<sup>22</sup> S. Kengmo Tsopnang, “ La Mutuelle Communautaire”, p.86.

<sup>23</sup> D. Tsobgou Lekane, “Microfinance et développement”, p. 166.

economy of our case study. By so doing, one of our interviewees told us that due to the agency, he was able to buy five motor bikes for his enterprise under sells condition in 2018.<sup>24</sup>

MC<sup>2</sup> apart from financing individual, association and enterprise in the economic development, MC<sup>2</sup> went further to put a hand in the social domain of Bamendjou and Bandja. The question we ask ourselves is what is the social domain that MC<sup>2</sup> finance in the case study chosen? In order to have a good light on the contribution of MC<sup>2</sup> in the social project of our case study, we will analyze them in the next sub-part.

## **II: THE SOCIAL DEVELOPMENT PROJECT CARRIED OUT BY MC<sup>2</sup> AGENCY IN BAMENDJOU AND BANDJA**

The action carried out by MC<sup>2</sup> in our case study does not only limit in the economic development as we see above but rather continue its move in the social development. That is why this chapter is all about the economic and social development. There is question for use in this part to show the various social activities carried out by MC<sup>2</sup> in Bamendjou and Bandja. Below, we are going to analyze the various contribution of MC<sup>2</sup> in the social development of the case study both in the health, education, secondary lodgment and the organization of party and funeral.

### **A. The health project financed by MC<sup>2</sup>**

Concerning the health project, there had been so many critical such as the chirurgical operation, case of HIV and even worst accident and since it is difficult for the hospital to carry such type of operation and as well difficult for the family to have such an amount in for the operation of their member, MC<sup>2</sup> came into action. This agency grants finances to so many families in the health domain. Hence, Alain Tiekoue told us that “MC<sup>2</sup> is a blessing to the people of Bandja since he was one of the beneficial of the health care done by MC<sup>2</sup> and that he own is life to this agency”.<sup>25</sup> Added to what A. Tiekoue told us, Marie Kouemo of Bamendjou told us that the MC<sup>2</sup> did a great job in which this agency contributed to the health of her grandmother since they gave her 500000 FRS for the operation of her grandmother.<sup>26</sup>

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<sup>24</sup> Interview with P. Kamga, brewer ,56years, Bandja, 10/06/2023.

<sup>25</sup> Interview with, Alain Tiekoue, retirement, 62years, Bandja, 10/06/2023.

<sup>26</sup> Interview with, Marie Kouemo, Nurse, 42, years, Bandja, 10/06/2023.

**Picture 19: People finance by MC<sup>2</sup> due to the problem of health**



**Source:** Taken by Aonsi Linda during field work 11/05/2023

The first picture above is that Alain Tiekoue who was finance by MC<sup>2</sup> due to the problem of health. His two children are sick so he had to seek for a loan in the MC<sup>2</sup> of Bandja for the treatment of the children and the second picture is that of the mother of Marie Kouemo who was given 500.000 FCFA by MC<sup>2</sup> to treat her mum. She had an operation in 2018 and that operation could be done thanks to the credit given by MC<sup>2</sup> of Bamendjou.

These agencies went further by granting credit and financing the promoters with gift of medicines and hospitalize beds. Hence due to the lack of materials in the hospital and logistic for health care, MC<sup>2</sup> gave out credit to hospitals in Bamendjou and Bandja. As for Bamendjou, the amount of 22.444.586 FCFA was given to the hospital for health care equipment and in Bandja, the amount of 22.234.586 FCFA was equally given.

### **B. MC<sup>2</sup> and her financial project on Education**

MC<sup>2</sup> has equally contributed to the financing of educations in our case study chosen. Thus, MC<sup>2</sup> had granted scholarship to students this really help the parent that was unable to finance the education of their children. By so doing, due to the lack of finance by the parents sending their children to school, most of the parents turn to for finances in which they the parents by help financing those children to schools. But for parents to be finance by MC<sup>2</sup>, they must deposit their document in MC<sup>2</sup> agency for treatment. Once the document is been approved within 48 hours, those parents are being financed. But the period of returning back



the loan is not more than a year since the next year MC<sup>2</sup> but give out loan for education. In Bamendjou, in the domain of education, MC<sup>2</sup> gave about 100.444.586frs<sup>27</sup> and as for the case of Bandja, they gave about 50.434.586frs.<sup>28</sup> Below is the picture of the family of Franck Kamga that benefited from the finance of MC<sup>2</sup> and sent his children to school.

**Picture 20: Students financed by MC2 in Bandja from 2018 till date.**



**Source:** Taken by Aonsi Linda during field work 04/03/2023

The students on the first picture are students whose school fees are paid by the microfinance in Bandja since they are the best students in the class. Every year since 2017, the MC<sup>2</sup> of Bandja took in charge of the school fees for the best students with high averages. The other picture is that of a family facing difficulties because the children are disabled, so the parents asked for help to the microfinance and they decided to help the family by giving a loan for the payment of the school fees of the children.

### **C. MC2 and her finances on the Secondary lodgment**

The agency MC<sup>2</sup> did not end in education, but went further in the secondary lodgment of the two areas chosen. The finances of MC<sup>2</sup> in this project dealing with the construction of

<sup>27</sup> Archives of MC<sup>2</sup> at Bamendjou, "File of evaluation of credit given, 2010-2020."

<sup>28</sup> Archives of MC<sup>2</sup> at Bandja, "File of evaluation of credit given, 2010-2020."

the lodgment are based on the principal residence and secondary lodgment. By so doing this agency lay emphasis on lodgment. Hence this agency lay many advantages to its mutualists and the interest rate taken credit is very low and the period of given back the money is passable. They really made it possible for some of the mutualists in Bamendjou and Bandja to build up a lodgment in their respective localities. During our fieldwork done with the citizens of the localities, more than 57% of both workers of MC<sup>2</sup> in Bandja and Bamendjou told us that, they benefited from the finances of the agency to construct their lodgment.<sup>29</sup> The promoters benefited an amount of 30.267.413Fr in the construction of lodgment.<sup>30</sup> 64% of the ordinary mutualists equally constructed their lodgment due to the finances of the agency MC<sup>2</sup>.<sup>31</sup>

#### **D. Finances on parties and funerals by MC<sup>2</sup>**

The agency was brought into existence as a result of the willingness of the population in the community and due to the place funerals, birth, marriage, dot and parties occupied in the West region. Due to this, the MC<sup>2</sup> enter into action all the activities thus received finances from them. In Cameroon in general, burial occur but the issue of burial is a great and important event in the West region most especially the case of Bamendjou and Bandja. It is for this reason that, in the West region, agency MC<sup>2</sup> is more demanded for their help in the domain of credit for events more especially for the organization of funerals. About 79 villages of Cameroon including Bandja and Bamendjou benefited about 330 million for parties such as marriages, dot and many more and burial in 16 years of MC<sup>2</sup> existence.<sup>32</sup> Concerning the celebration of funerals which held in April and sometimes in November,<sup>33</sup> and the agency is in charge of giving out credit testified that in this period, many of these mutualists come towards this agency so as to ask credit for the ceremony of funerals. It is noted that MC<sup>2</sup> is not limited in the realization of their project but went further to secure the money of the community. Below are the various activities financed by MC<sup>2</sup>.

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<sup>29</sup> Interview with S. Mbouopda, 55 years, director of MC<sup>2</sup> of Baham, Baham, 05/03/2023.

<sup>30</sup> Archives of MC<sup>2</sup> at Bandja, "File of evaluation of credit given, 2010-2020."

<sup>31</sup> Interview with, Bernard Mpiami, 51, mutualist, Bandja, 16/02/2023.

<sup>32</sup> D. Tsohgou Lekane, "Microfinance et développement", p. 198.

<sup>33</sup> *Ibid*, p. 199.

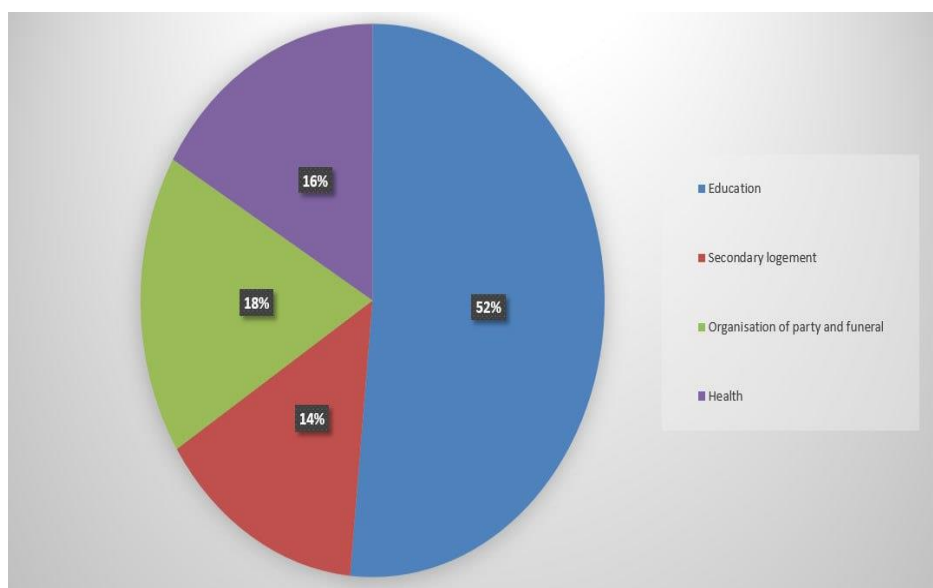
**Table 7: Finances of social project in 2020 at Bamendjou**

Social Project	Amount of credit given (FCFA)	Percentage
Health	22.444.586	16%
Education	100.444.586	52%
Secondary lodgment	22.706.293	14%
Organization of party and funeral	50.814.407	18%

**Source:** Archives of MC<sup>2</sup> at Bamendjou, “File of evaluation of credit given, 2010-2020.”

From the above, it is been seen that, MC<sup>2</sup> finance more the domain of education followed by parties and funerals, secondary lodgment and Health. The table above will be well illustrated using the below graphic

**Graphic 6:** Presentation of MC<sup>2</sup> financial assistance in the Social domain at Bamendjou in 2020.



**Source:** Done by Linda Aonsi from archival information gotten at MC<sup>2</sup> Bamendjou 28/08/2022.

The graphic above shows the proportion to which MC<sup>2</sup> finance the social project of Bamendjou. By so doing, it can be observed that, they sponsored more of Education 52% followed by funerals 18%, Health sector 16% and secondary lodgment 14%.

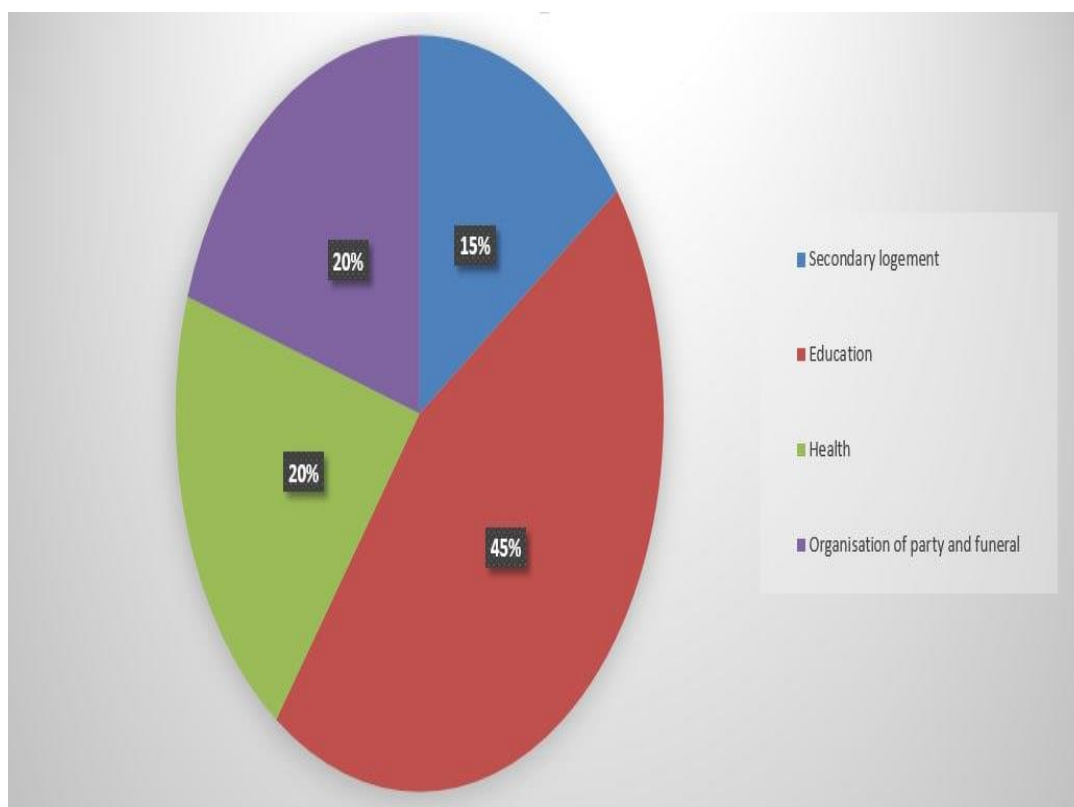
**Table 8: Finances done by MC<sup>2</sup> in the social project in 2020 at Bandja**

Social Project	Amount of credit given (FCFA)	Percentage
Health	22.234.586	20%
Education	50.434.586	45%
Secondary logement	22.676.293	15%
Organization of party and funeral	38.874.407	20%

**Source:** Archives of MC<sup>2</sup> at Bandja, “File of evaluation of credit given, 2010-2020.”

Similar to that of Bamendjou, it is been seen that, MC<sup>2</sup> finance more the domain of education followed by parties and funerals, secondary lodgment and Health.

**Graphic 7:** Presentation of MC<sup>2</sup> financial assistance in the Social domain at Bandja in 2020.



**Source:** Done by Linda Aonsi from archival information gotten at MC<sup>2</sup> Bandja 22/08/2022.

The graphic above shows the finances of MC<sup>2</sup> in the social project of Bandja. By so doing, it can be observed that, they sponsored more of Education 45% followed by funerals 20%, Health sector 20% and secondary lodgment 15%.

## Conclusion

To conclude from this chapter which is entitled “Contribution of MC<sup>2</sup> in the Economic and Social development of Bamendjou and Bandja”, we notice that MC<sup>2</sup> have done a lot through the financing of the project.

In the Economic domain, they have done a lot through the finances on the individual and community projects in the domain of agriculture such as the financing of tomatoes, even for the equipment of machines and so many more. They went further in financing the domain of breeding in the various localities. As for the social domain, they went on by financing the project such as education for parent who was unable to finance their children education, finance health domain for people having serious problem and even finance hospitals on equipment. They did not end here but went further to finance the secondary lodgment and also finance the organization of parties such as marriage, births and many more and also the case of funerals. This explain why most of this people have a good judgment about MC<sup>2</sup>.

But although they have contributed to the economic and social development of Bamendjou and Bandja, MC<sup>2</sup> faces a lot of challenges in the implementation of their policies for a suitable development. This make us to ask ourselves what are the problem face by MC<sup>2</sup> in financing for the development of Bamendjou and Bandja? This will be clearly answered in the next chapter.

**CHAPTER 4**  
**DIFFICULTIES AND PERSPECTIVES OF  $MC^2$  IN**  
**BANDJA AND BAMENDJOU**

## INTRODUCTION

MC<sup>2</sup> as a micro finance right from its creation has done a lot in the economic and social development of the Cameroon territory and in particular that of Bandja and Bamendjou. Nevertheless, although MC<sup>2</sup> contributed in the development of Bandja and Bamendjou, what then are the problems they faced by this agency in the contribution for the development of Bandja and Bamendjou? Talking about the difficulties of MC<sup>2</sup>, we are going to examine it into two. That is: in the first case we are going to analyze the difficulties of MC<sup>2</sup> on her structure and in the last place, analyze on the difficulties of her mutualists. In this same chapter in the last part we are to look at the various solutions that can solve the problems of the agency.

### I. Difficulties faced by MC<sup>2</sup> by the administration

The agency MC<sup>2</sup> although she contributed to the development of the areas, faced difficulties through administration. There exists decree by a quasi-totality of the agency in Bamendjou and Bandja on the text that circle or control the microfinance sector of the zones. Nevertheless, it was being observed that the text is not a problem to the agency but the main problem is the non-taking into existence the idea of the agency and the non-respect of the text which causes problems. This explains why during our interview with the manager of MC<sup>2</sup> in Bandja, the manager made it clear that, the text given to them in the agency came as a form of assignment and while filling it, they do not take into consideration the other aspect of the text. Hence the role of COBAC EMF R-2017/02 which fixed a minimum of societies and a maximum of the part of the convict by a member and the minimum of institution affiliated for the creation of an institution network. The role of the COBAC EMF R-2017/02 also imposed all the institutions of the first category to function in network and attribute a name only to that network and this role of the COBAC is a problem because it does not correspond to the objective of MC<sup>2</sup> in Bamendjou and Bandja.<sup>1</sup>

Due to the dis-accordance between the text of the COBAC and that of the objective of MC<sup>2</sup>, this made the promoter of this model wanted that each society should control its own structure and then wrote a letter on the 7<sup>th</sup> of May 2018 to the Prime Minister of Cameroon in which he was not in accordance with the role of COBAC and decided that if the government do not take into consideration his demand, he was to withdraw from the activities.<sup>2</sup> This is

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<sup>1</sup> Role n° 01/17/CEMAC/UMAC/COBAC relative to the exercise conditions and the control of activities in the microfinance in CEMAC.

<sup>2</sup> S. Kengmo Tsopnang, “La mutuelle communautaire de”, p. 102.

because according to the role of COBAC, on the administrative plan, the bust-up of the agency will automatically have a heavy weight on others. As a result, can be desperation of a bloc will lead to the fall of other unities.<sup>3</sup>

Another difficulty was that, the role submitted as the MC<sup>2</sup> as institutions of the first category of the roles of the organization for harmonization in OHADA. Now henceforth, the members will be exempted from the important decision of their agencies. The problem is now in the hands of the international society. As a result, this really weakens the power of the agency since they are out of decision taken inside their institution and all decision taken, they are forced to imply it.<sup>4</sup> But according to the vision of MC<sup>2</sup>, they put human at the center of their destiny and in the base of this institution all the agency of MC<sup>2</sup> was conducted by the society concerned in the strict respect of the costume and tradition of the various localities and that of Bandja and Bamendjou. But as a result of the role of COBAC, this objective of the agency was not favorable. Thus, it is by this accord that the agency MC<sup>2</sup> did a meeting and hence put in place a network which was the Mutual Financial of Development (MUFID) which took effect on the 1<sup>st</sup> January 2020.<sup>5</sup> This change led to a psychic in the community and leading to the closure of many institutions. It was then due to various meetings done within the members of the institutions so as to explain the reasons for the change of the denomination and made known to them that, the structure will function now with a new appellation.<sup>6</sup>

More so, another problem faced by MC<sup>2</sup> in Bandja and Bamendjou is the slowness in the treatment of their documents to the ministry of finance. After depositing a document to the ministry of finance, it must make three months before having an answer. But for what concern various microfinances and that of MC<sup>2</sup> in particular, they live another reality in which the administration does not put into command or obey the period of three months given and sometimes excel to more than 6 months. Added to the difficulties face by MC<sup>2</sup> above, another difficulty faced by MC<sup>2</sup> is due to the fact that there was a non-consideration of the request of the promoter of this model to the Prime Minister. By so doing when his request brought no result, he stops with MC<sup>2</sup> and this brought a great loss of money and help to MC<sup>2</sup> and its mutualists. Even the training of the employers and the training of the mutualists created great

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<sup>3</sup> *Ibid*, p. 102.

<sup>4</sup> *Ibid*, p.102.

<sup>5</sup> Interview with, Mathias Miafo, 52years, General Director of MC<sup>2</sup>, Bamendjou 05 March 2023

<sup>6</sup> Interview with, Djoumbi Rose, 54years, General Director of MC<sup>2</sup> Bandja, Bandja, 01 March 2023



difficulties. This rupture by the promoter today makes certain agencies to negotiate the amount of interest she can get closer to Afriland First Bank that keeps their finances.<sup>7</sup>

Added to the points mentioned above, another problem face by MC<sup>2</sup> is as a result of the tax system in which the MC<sup>2</sup> administrators observed the public power to impregnate. Unto date, it has been very difficult for certain microfinance and that of the directors of MC<sup>2</sup> in Bandja and Bamendjou to know the types of tax they have to pay and when exactly they have to pay that. This creates a great confusion among them and the tax collectors. Meanwhile, during the collection of information during the fieldwork with people in Bamendjou agency, we were surprised to see how many of them in the agency behave when they saw the collectors of taxes entering inside the agency for reclaiming the writer right. But later after exchanging with the leader of the box-office, they were unable to show proves that the agency must pay a writer right.<sup>8</sup> Not only the administration is a difficulty to MC<sup>2</sup> but there is also the lack of collaboration among the agencies. These other difficulties will be outline below.

### **Lack of collaboration among the agencies of MC<sup>2</sup>**

According to one of the objectives of MC<sup>2</sup>, all the agencies of MC<sup>2</sup> which was on the fact that, all the agencies of MC<sup>2</sup> was to function independently in which a way that another agency of MC<sup>2</sup> was not supposed to weigh the other. But in Cameroon all the MC<sup>2</sup> agency especially that of Bandja and Bamendjou faced the problem of lack of collaboration among others. Instead of this various agencies to come together and work in collaboration, they instead work as if they were in competition among each other.<sup>9</sup> An organ known as Association of MC<sup>2</sup> (AMC<sup>2</sup>) was put in place in 2003 with the main objective to reinforce the relationship among the agencies of MC<sup>2</sup> in Cameroon and to progressively replace the bank known as Afriland First Bank in his technical function she gives to this microfinance.<sup>10</sup> With all the effort done by AMC<sup>2</sup> so as to make MC<sup>2</sup> in Cameroon collaborate together, yet the association did not realize its aim. Such as the director of MC<sup>2</sup> Bamendjou Mathias Moafo who told us that in the field there is that willingness for those of MC<sup>2</sup> comes together so much so that there will be one communication and more so collaboration with the microfinance in

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<sup>7</sup> J.N. Mboumbouo, *Banque contre microfinance : les enjeux de l'intermédiation financière dans la zone CEMAC*, Yaoundé, éditions clé, p. 105.

<sup>8</sup> Archive of MC<sup>2</sup> in Bamendjou, "File of evaluation follows of accord, 2000-2020".

<sup>9</sup> Interview with Elias Yamgueu, 56years, accountant of MC<sup>2</sup> Bandja, Bandja 3 March 2023

<sup>10</sup> J.N. Mboumbouo, *Banque contre microfinance : les enjeux de l'intermédiation financière dans la zone CEMAC*, Yaoundé, éditions clé, p. 94.

each department. This fact will make the MC<sup>2</sup> in each department to be harmony.<sup>11</sup> This method was to make these various agencies to face certain difficulties in that, during this communication, it will lead to the transfer of expert, and as well can take advantage of a good administrative politics such as a good advertisement and marketing so as to have many adherences. Added to that Elias Yamgueu, told us that the fact that the agencies do not collaborate is a big problem because their agency in Bandja faced financial problem and as a result they will gain if they do collaborate with others back observing and learning from their mistakes so as to be great tomorrow.<sup>12</sup>

### **Problem faced by the agency internally**

MC<sup>2</sup> also faced the problem of two main actors in the agency which are the executive council and the administrative council which control on the good functioning of the agency of Cameroon in general and that of Bandja and Bamendjou in particular. Observing the function of these two entities, the administrative council role is in charge of controlling the action of the executive member and as well does and undoes the executive council. But it is notice that due to the power given to the administrative council, there is a lot of problem with that of the executive council. Nevertheless, in the structure of the council of MC<sup>2</sup> which put the administrative council ahead of the executive council, the executive council in reality most present a positive rapport to the administrative council since the administrative members act as the internal keepers of the agency and hence is in charge that the rapport given to them by the executive members must be there in time. When then there is a failure in the performance or yield form the executive members, the administrative council can decide to undo the executive council or change the general director of the agency. More so, the lack of training of the personnel that do not master the technics of marketing that will permit them to have more clients(mutualists) and refine credit file analysis technics is a problem faced by the MC<sup>2</sup> of Bamendjou and Bandja.<sup>13</sup>

The embezzlement is another brought problems among the executive and the administrative council due to the fact that, since the administrative members are the ones that guarantee the finances of the institution and in case there is the problem of embezzlement, the executive members are called upon to justify the financial issue and when there are not prove or evident to present on the financial problem, they are expel to cut. But more to this, many of the agency of MC<sup>2</sup>, there are sometimes the problem of account settlement where by it

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<sup>11</sup> Interview with Rose Djoumbi, 54years, General Director of MC<sup>2</sup> Bandja, Bandja, 01 March 2023.

<sup>12</sup> Interview with Elias Yamgueu, 56years, accountant of MC<sup>2</sup> Bandja, Bandja, 3 March 2023

<sup>13</sup> J. Ndam, *microfinance à la croisée...*pp.94-94.

generally generates among members of the agency such as the general director and members of the administrative council. Many of our general directors we have in this agency says that they are mostly subject of bad report by the administrative members which do not want them and want to make them leave their post. This greatly explain the fact that, as a result of the conflict among them, certain general directors decide to have with them their own counter with them so as to be transparent in their institution. <sup>14</sup>

## **II. Difficulties of finances and anthropic face by the MC<sup>2</sup> agency in Bandja and Bamendjou**

Most of the agency of MC<sup>2</sup> in Cameroon and most especially that of Bandja and Bamendjou faced the problem of finances and anthropic in their areas. This situation put the MC<sup>2</sup> microfinance and its mutualists into a difficult situation. By so doing, we are to observe this problem into three dimensions as to know the bad debts, the capital modesty and the attitude of users and mutualists.

### **1. Problem of lack of capital by MC<sup>2</sup>**

MC<sup>2</sup> in the zone of Bandja and Bamendjou suffer a lot from the problem of lack of capital. This is as a result of bad capital by so doing, when there is a performance on the refund to the agency is negative, the impact is quickly seen at the level of the capital which is like a circuit where by the money that is save by the mutualists are the same money that is been used to finance their various activities in MC<sup>2</sup>. But the problem is that, when the money is been taken for their activities, it is some time difficult to respect the period in which the money must enter the agency account, this then make the circuit to be harmed or affected by this empty space. It is due to the money given back that makes the agency to work but unfortunately to money given out is not giving back on time.<sup>15</sup> Far more the height of the agency added to the refund of the capital back led as also influence the level of the capital of the agency.

It is been notice in the various MC<sup>2</sup> and even other microfinance that have less mutualists, they record less payment operation but when an agency has many mutualists, they record more payment operation and it makes the agency to operate well. Unfortunately, in Bandja the capital is very week and makes many of the mutualists to ask for large finances to

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<sup>14</sup>Interview with Rebecca Diehoh, 38years, Commercial agent of Bandja, Bandja 5 March 2023

<sup>15</sup> Archive of MC<sup>2</sup> in Bandja, "Manuel of procedure in the unity gestion of MC<sup>2</sup>", 2010, p.72.

banks but due to the presence of Afriland First Banks which is a partner of MC<sup>2</sup>, they come into action by providing money to these mutualists in order to realize their projects. MC<sup>2</sup> of Bandja and Bamendjou are actually unable and are in the incapacity to finance big project due to this problem of lack of finance.<sup>16</sup> It is for this reason that, they make advertisement and convicts the population to adhere in this agency. This is done so because as more as the agency registers more people who adhere in the microfinance, more there is operation in the form of payment and this makes the capital to increase.<sup>17</sup>

Furthermore, the MC<sup>2</sup> microfinance faced the problem of under banking. The provision of financial services by microfinances is neither perfect nor complete. It generally leaves the population unsatisfied. The phenomenon of under banking leads to strong banking exclusion. The marginalization to which reference is made essentially concerns access to the use of banking products. It hits individuals harder by leaving them outside of micro banking services. However, the use of banking products is essential in the financial economy of the population.<sup>18</sup>

## 2. Difficulties of MC<sup>2</sup> over her debt recovery

There is a big reality seen among the agencies of MC<sup>2</sup> found in Bandja and that of Bamendjou which is the problem of debt recovery. These agencies although with all the efforts done by them so as to limit the problem of debt, and the measure use so as to try to solve this problem is “the performance of refund” which is done to increase the amount of refund. But yet this problem is still a reality in the agencies. But for these measures to be favorable many elements must be taken into consideration such as the adaptation of credit to customers and of the culture of different zones and as well the management of information<sup>19</sup>. According to Boukary Sidiki Diakité, he mention the fact that « *le taux de remboursement parfait (100%) est la chose la plus difficile à réaliser par un établissement de microfinance* ».<sup>20</sup>

To well understand the reason of the debt recovery, there is the notion that, this debt suffers because it is in the hands of particulars. That is one of the reasons added to the above fact for problems among members of the agency whereby accounter of credit and the administrative council are in conflict when they give out loans to associative movement. But

<sup>16</sup> archive of MC<sup>2</sup> in Bandja, “File of evaluation follow of accord, 2000-2020”.

<sup>17</sup> P. Fokam, *What if Africa wakes up ?*, p. 197.

<sup>18</sup> B. Pym, *le statut juridique des établissements...*, pp.253-255.

<sup>19</sup> Interview with Elias Yamgueu, 56 years, accountant of MC<sup>2</sup> Bandja, Bandja, 3 March 2023.

<sup>20</sup> S. Kengmo Tsopnang, “La mutuelle communautaire de”, p. 108

the advantage is that the refund is high because of the pressure mount by the associations so as to carry out their activities as well as a pressure mount to them so as to refund back the loans. Although the association are being put pressure to give back the money taken, the agency still has problem through the returning of the funds by the various associations due to the fact that, some of them died or others are found into difficulties. And even when one of the mutualists died, its family is only interested on what is in his account and do not border to know the amount he owed to the microfinance before he died.<sup>21</sup>

Hence as a result when the mutualist does not respect the period to refund back the money, they come to a friendship arrangement of through the arrangement of justice. Looking at the option of the friendship arrangement, it is being noted that, the work is on the side of the treasure of the agency. One week is being given to the mutualist to refund the money and on the seven day the treasurer call him to refund the loan, when nothing is being done, a later address to him is been send to him in the eight-day informing him that he has eight days to refund his debt. If no respond is still done from the mutualist, other later his been send to him by the treasurer of the agency on the 21 day with a formal notice to response within the coming two weeks. If he do not answer, another later of formal notice is been send to him on the 40<sup>th</sup> day and if he do not still answer, a later of formal notice is been send to him on the end of the second month that is the 60<sup>th</sup> day.<sup>22</sup> If he still do not react by refunding the loan to the microfinance, the administrative council brings the case in front of the committee of the wise. In front of the committee of the wise, each interview is followed up by writing note in the document.<sup>23</sup> After the interview with the mutualist, the committee of the wise proposes three conditions listed below:

- The client must refund back the integrality of the payment of the debt
- The costs incurred as well as the late penalties most be given back
- The client must to pay according to its medium of the moment and during the period and time given.

After this a later is given to the client where he will sign so as to recognize the debt he owes. And when this is not respected or when he does not collaborate the agency pass to the juridical case.<sup>24</sup> Also the agency moves to take the document of the land for collateral security.

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<sup>21</sup> archive of MC<sup>2</sup> in Bandja, "Manuel of procedure in the unity gestion of MC<sup>2</sup>", 2010, p.80.

<sup>22</sup> archive of MC<sup>2</sup> in Bandja, "Manuel of procedure in the unity gestion of MC<sup>2</sup>", 2010, p. 84.

<sup>23</sup> *Ibid*, p. 86.

<sup>24</sup> Interview with Rose Djoumbi, 54years, General Director of MC<sup>2</sup> Bandja, Bandja, 01 March 2023

This land is been taken only to those that lent money from the agency and were not able to return back the funds. The collateral can be a land or any other valuable thing like car, machine etc. This is the method used by the various agencies in Cameroon by taken the land as a collateral security, this makes many people not to take credit in the agency and invest even people are reluctant to adhere into the agency because they do not want to lost their land in case they were unable to refund back the loan they took from the agency. This refusal of the adherence is also due to the friendship arrangement whereby there are lot of supplementary interest such as last interest, normal interest and the fees for the evolution of the documents. That is why observing the functioning of the agency the client came to ask if this supplementary fees is not due to the discouragement of debtors.<sup>25</sup> When the debts arrived a certain level, she cannot give out loan again and as a result of the fact that this loan can be given out, it blocks our mutualists from not taking loans from the agency and this situation can make the agency to lock down due to lack of fund in their account.

### **3- MC<sup>2</sup> and her difficulties face in savage order**

In all the agencies of MC<sup>2</sup> and must especially that of Bandja and Bamendjou, there are problems that involve most the mutualists of the agency and the population in their respective localities according to their various ways in the agency. Djuessi Diabe which is a client of the agency told us that some among them give prejudice concerning the finances of the agency that they do lack money to lend out do to the fact that the mutualists sometime borrow money and do not give in time and that even if the money is there, the interest rate is high and that he prefer to turn his money in his farm as that he will avoid been in the situation he found himself before.<sup>26</sup> Hence many of them do save their money in the same way due to lack of confidence. Dassi Kana told us that due to the closure of MC<sup>2</sup> Bamendjou in 2020, he was a client in the agency but loss his money and as a result he put an end to the confidence he had for this agency and even some of his colleague.<sup>27</sup>

The issue of the microfinance taken the property of the mutualists makes many citizens not to adhere as member of MC<sup>2</sup>. But even if the agency carries such act, they must have cross so many stages in order to size the properties of the mutualists that do not refund their debts. Marie Njournessi outline the fact that many says that when the mutualists take loan from the bank, but due to the mystical side of this microfinance, when they borrow money and are been sure that you are to refund back the money in time, many problems occur and

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<sup>25</sup> Interview with Joseph Nogha, 57 years, economic operator, Bandja, 19 March 2023.

<sup>26</sup> Interview with Djuessi Diabe, 36years, Farmer, Bandja, 18 March 2023.

<sup>27</sup> Interview with Dassi Kana, 42years, Nurse, Bamendjou, 5 March 2023.

you do not have the money to refund back. For this reason, it will be beneficial for the agency since they will take control of the land property.<sup>28</sup>

Another weakness of the MC<sup>2</sup> Model is, based on the stages of development outlined, it will take about four years for an MC<sup>2</sup> to become financially sustainable and another four to five years to accumulate resources. This means, the second objective of the model which is that of social dimension will have to be put aside for at least ten-15 years. This limits the activities of the model within these periods to the economically viable members.<sup>29</sup>

The MC<sup>2</sup> microfinance face the difficulty of giving out funds without identification. In the microfinance in order to withdraw money from your account, you have to fill the withdrawal form and provide your national identity card. If the identity card is not provided money cannot be cashed out. The microfinance faces this difficulty because most mutualists come to collect money without coming along with their identity card and some mutualists does not even have one, this is a problem since the population is a rural population mostly made up of aged people, thus making them to complain about the services of the microfinance.

The bilingual nature of Cameroon is also a challenge for the MC<sup>2</sup> microfinance. The fact that Cameroon is a bi jural country with two different languages and many cultures makes it difficult for the MC<sup>2</sup> microfinance to carry out their activities. As a result of this bilingual nature, it is a great challenge to microfinance institutions as they sometimes need to translate all documents into English to satisfy some of their anglophone customers. There is also, lack of employees who can speak both French and English. This is very challenging as most of the employees of the microfinance speak just one of the two languages.<sup>30</sup>

### **III-Prospects for the amelioration of the action of the mc2 microfinance in Bamendjou and Bandja in particular and Cameroon in general.**

The MC<sup>2</sup> microfinance in her functioning had many short comings which made her face many difficulties both internally and externally. We will try to discuss on some perspectives that can ameliorate the actions of the MC<sup>2</sup> microfinance now named MUFID in Bandja and Bamendjou in particular and in Cameroon in general.

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<sup>28</sup> Interview with Marie Njoumessi, 39years, Teacher, Bandja 18 March 2023.

<sup>29</sup> L. Fotabong, “Comparing Microfinances”, p.7.

<sup>30</sup> RKCS, “The challenges faced by microfinance institutions in Cameroon”, *Research key*, 2021, p.4.

### **Creation of a health solidarity mutual.**

In the rural areas the people cry out their miseries to the public powers, the illnesses like malaria and yellow fever absorbs close to 70% of the rural financial resources and the remaining 30% is put in feeding, investment, in contributions. The mutualists of the MC<sup>2</sup> says have received credits from the microfinance to finance economic projects but that money instead helped to save the life of a family member. This type of loan makes the mutualist to remain indebted and worst poor. To reinforce the activities of the microfinance the MC<sup>2</sup> has to put not only financial products and services and micro assurance but has to put in place also a health solidarity mutual. This can be for the long run.<sup>31</sup> This will permit the mutualist to have the finances in case of illness and it will save the lives of many people.

### **The creation of a museum**

The microfinance can construct a museum or a center in Bamendjou and Bandja for the exposition of artistic objects with objects like board, scriptures of lion, traditional dresses, skin or back of animals, traditional tables, chairs and traditional dresses and accessories. This will make people to come from many places, nationally and internationally to come and pay a visit to the museum. The entrance to this museum could be profitable and also, through this many people can have jobs and it will contribute to the development of the area. In the sense that it will grant jobs to many people in order for them to get out of poverty and take care of their daily needs, equally, the localities will be well known and visited for the richness of the place thanks to the museum. This museum will also serve like a storehouse for cultural heritage, everything concerning culture will be kept there and it will help in the conservation of the cultural heritage and it will call for investors in the localities.<sup>32</sup>

### **Encouragement of the executive**

The higher authorities of the microfinance have to encourage the commercial agents of the microfinance because they are the ones making the advertisement of the micro bank since they don't have marketing agents and they are the image of the microfinance, therefore the administrators have to improve their working conditions and salaries and a commercial service should be in all the MUFID (*mutuelle financière de développement*) agencies because they develop new strategies for the development of the microfinance.

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<sup>31</sup> Interview with Rebecca Diehoh, commercial agent, 38 years, Bandja, 5 March 2023.

<sup>32</sup> *Ibid.*



### **Design specific packages for microenterprises**

The MUFID microfinance institution should design specific and adapted package for microentrepreneurs involved in microbusiness creation because it is from creation that microfinance can increase the number of existing microentrepreneurs and boost also entrepreneurship in Cameroon. Many Cameroonians and mostly youths are motivated to create microunits of production in Cameroon when they have assurance that their ideas and business opportunities will be financed. This financing of microenterprise creation can also increase the microentrepreneur portfolio in microfinance institutions and henceforth their revenues.<sup>33</sup>

### **Training of entrepreneurs**

The MUFID microfinance institutions should not neglect training and microinsurance services because the training develops the human capital of microentrepreneurs. This development in human capital of microentrepreneurs by microfinance institutions help them to better manage their microunits of production, to grow and to reduce the credit risk associated to microentrepreneurs and mostly unqualified and unprofessional microentrepreneurs. Training enables also microentrepreneurs to capitalize on innovation, business opportunity identification, value creation and business organization creation. The supply of compulsory policy microinsurance to all potential borrower microentrepreneurs generates a counter-effect of risk averse on very risky microentrepreneurs and helps also to combat risk in lending microentrepreneurs.<sup>34</sup>

### **Training of population on socio-economic activities**

The MUFID microfinance clients(mutualists) and other less-well-off people in Cameroon have limited opportunity to learn skills related to setting economic goals, making a financial plan, managing cash flow, minimizing debt, and planning for the future. The lack of attention to financial inclusiveness for the poor in the context of development policies, programs, and projects is a large gap to be filled. The potential benefits are clear, both for different groups among the poor and for the providers of financial services.

### **Making the mutualists to be aware of the transaction and functioning of the micro bank**

Nevertheless, promoting financial inclusion in Bamendjou and Bandja poses many challenges. From a strategic standpoint, the limited experience with financial education in the

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<sup>33</sup> S. Messomo, "Microfinance and entrepreneurship", p.12.

<sup>34</sup>S. Messomo, "Microfinance and entrepreneurship", p.12.

localities means there is still a lot to learn in terms of approach. Developing financial inclusion tools for microfinance clients and others requires understanding the current financial options and strategies of poor individuals and households. Understanding client financial behavior is an emerging interest among many MFIs and provides the starting point for identifying ways to improve the money management skills of poor people. It goes beyond simply looking at how they use and repay their loans. It requires an awareness of the economic goals of poor households, how people manage resources and activities in the context of their households, how they build assets, and how they deal with risk in their day-to-day lives. It further requires an understanding the financial landscape in which people operate and how, why, and when they use various formal, semi-formal, and informal sources of finance. These factors all affect people's capacity to assume debt, tolerate risk, and use financial resources effectively. This type of knowledge is important in deciding what approaches to take in promoting financial inclusion. From a practical standpoint, questions remain about the most appropriate and relevant content for financial inclusion. Obviously, this will vary by group and circumstance and must be adapted accordingly. Offering financial education in a context where many people are illiterate and have limited exposure to any kind of training is one challenge. Dealing with highly sensitive social and personal issues is another. An overriding issue is how to affect a change in mind set in environments where future prospects are often less than bright.<sup>35</sup>

Again, the MUFID has to create a link bank. The model is increasingly appearing to be more of a distribution channel for the link bank. MC<sup>2</sup> is a brand of the link bank with most of the services on offer being products and services of the link bank. It is clear and eminent in the model the collapse of MC<sup>2</sup> or an MC<sup>2</sup> unit wouldn't affect the link bank but a problem at the level of the link bank might create panic and result to the suspension of some products such as I-Cards, Flash Cash, and Money First. Since these products function on a platform provided by the link bank.

### **The follow up of the financed activities**

The MC<sup>2</sup> microfinance is in activities has to as well put the follow up of the financed projects of their mutualist. This is very important because, some mutualist might take a loan in the micro bank and do but another thing that has nothing to do with the initial project or the project for which they requested for a loan. Loans are given in the MC<sup>2</sup> microfinance by the

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<sup>35</sup> Interview with Rose Djoumbi, director of MC2 Bandja, 54 years, bandja, 18/08/2022.

general assembly and board of directors, this thus means that if those people does not see it important or necessary they will not accept to grant the loan, the loan given in the micro bank is a whole process and this has to be followed up till the end and the microfinance equally has to put pictures of the activities financed in order to keep in their archives. This will ameliorate the functioning of the microfinance in the sense that the mutualist will feel important and they will know that the microfinance is there to supervise them and it will boost them to succeed in the activities they took the loan for.

### **The recruitment of marketing agents**

The microfinance like any other institution has to have a marketing service. The MC<sup>2</sup> microfinance has to put in place a marketing service with marketing agents since they do not have any. The marketing service will be the one to do the advertisement of the microfinance at the national and international levels. They will also be the ones to discuss with the population and know what the population thinks about the microfinance and come up with strategies to increase the number of mutualists and improve the action of the MUFID microfinance both nationally and internationally.

### **The creation of a warehouse**

As a microfinance of first category which deals mostly with the rural populations, and these populations are mostly involved in agriculture which is the sector highly sponsored by the microfinance. During an interview with a mutualist, the woman told us that it is very difficult to store or keep the products of the farm, due to lack of space in the various houses of the mutualist and sometimes when there is space, the products of the farms are attacked by animals like rats, lizards and cockroaches. This makes it difficult for them to store the products and sell gradually. So, the MUFID microfinance should create a warehouse where the products of the farm of the mutualist can be stored there and they could be taking gradually without any fear. This will greatly favor the farmers which are mutualists of the MUFID network.

### **The use of visa cards**

The implantation of visa cards in the MUFID microfinance will be very beneficial for the microfinance and mostly for the mutualists. This will facilitate the services of withdrawal of funds since the mutualist will just have to use his visa card to cash out money and it will reduce the work of the executive service and limit certain complains of the mutualist especially the one of identification before withdrawal. The visa card will be working in such a

way that if somebody does not know your password, the person cannot withdraw money from your account. Therefore, ameliorate the action of the microfinance in the localities of Bamendjou and Bandja and in Cameroon at large.

### **Make the MUFID network numeric**

The people responsible for the functioning of the microfinance, that is the board of directors have to make the MUFID network numeric. The MUFID microfinance is a growing microfinance and with the advent and evolvement of technology, the microfinance has to be numericized, this numeration can be done by making the microfinance to be link with the whole agencies nationally and internationally. Equally it can be done by making the mutualist to have access to their accounts with their phone and can be able to do transaction with their phones and it will greatly ease the mutualist and the executive.

### **Provide uniforms for the security and cleaning agents**

During our field work in 2022, we noticed in the MC<sup>2</sup> of Bandja that the security and cleaning agent were not having a uniform, they were dressed like mutualists or any other person and this made it difficult for them to carry out their jobs, especially for the security agent who could not say anything to a mutualist and even the general public who were coming to the microfinance, because he was not having a uniform for them to identify him and ask for questions. This therefore complicated things for both the person coming to the microfinance and the security agent. So, the security and cleaning agent are supposed to have a uniform in order for anybody coming to the microfinance to identify them easily and it will ease the functioning of the microfinance.

### **Conclusion**

This chapter titled: challenges and prospects of the MC<sup>2</sup> microfinance in Bamendjou and Bandja seek to know the difficulties faced by the microfinance and the problems faced by the mutualists as well. It equally examined the way forward of the microfinance MC<sup>2</sup> that changed the denomination from MC<sup>2</sup> to MUFID in order to ameliorate the action of the MUFID microfinance.



**GENERAL CONCLUSION**

This research work was set out to address this central problem: how is the MC<sup>2</sup> microfinance efficient in the rural development of Bamendjou and Bandja. This work was divided into four chapters. The first chapter discussed the factors for the creation and implantation of MC<sup>2</sup> in Cameroon and in the localities of Bamendjou and Bandja. In this chapter, we discussed on the factors that contributed to the creation of the MC<sup>2</sup> microfinance in Cameroon which was subdivided into the historical, the socio-cultural and legal factors. One of the historical factors for the creation of microfinances in Cameroon in general and the MC<sup>2</sup> microfinance was the fact that the less privileged population, that is the poor did not have access to banking services, and this was a great problem to the population and they had to look for solutions in order to end with this problem. In the socio-cultural domain, microfinances in Cameroon came up like associations where they contributed money and each person has its time to benefit, it was mostly called 'njanji' and it's from that, that microfinances were establish. Legally, MFI came up with the right for associations. The creation of the MC<sup>2</sup> of Bamendjou and Bandja was also treated in this chapter.

In the second chapter, we examined the actors, partners and structuration of the MC<sup>2</sup> of Bamendjou and Bandja. This chapter treated the actors of the microfinance which are the mutualist, the partners which are Afriland first bank, ADAF NGO, SAAR just to name a few and the structuration of the microfinance is under a well-defined organigramme, which is from the general assembly, the board of directors, the executive etc. The functioning, missions and objectives and the services of the microfinance were also seen in this chapter. The main objective of the Microfinance been the fight against poverty.

Chapter three analysed the realisations of the MC<sup>2</sup> microfinance in the localities of Bamendjou and Bandja. This chapter was divided into the social and economic realisations of the microfinance in Bamendjou and Bandja. The MC<sup>2</sup> microfinance has greatly contributed to the socio-economic development of the areas as seen in the chapter three. The development was done in the domain of agriculture, animal raring, commerce, education, health etc. they contributed in these sectors by granting loans and given gift to schools, hospitals and to farmers and breeders. All these were discussed in the third chapter of this research topic.

Since MFIs are not perfect, they have some shortcomings and these shortcomings greatly affects the functioning of the microfinance. The challenges faced by the microfinance are administrative challenges, mismanagement, problem of capital, problem of credit and we also talked on the problems faced by the mutualists like the high interest rate, the slow nature of services, no interconnection between the microfinance, the nature of guarantee demanded is also a problem faced by the mutualists in the localities of Bamendjou and Bandja. In this

same chapter, we tried to give some prospects in order to ameliorate the functioning of the microfinance like the creation of a health solidarity mutual, the creation of artistic centres, the encouragement of the executive organ, the creation of the marketing service in the microfinance. All these discussions can really help in the amelioration of the MUFID microfinance. In this research we noticed that the MC<sup>2</sup> microfinance now called MUFID greatly contributed and is still contributing in the socio-economic development of rural zones and equally is a tool of poverty reduction in Cameroon since MUFID agencies can be seen all over the Cameroonian territory and even at the international level. The agency of Bamendjou detached herself from the network because she had enough funds to start operating as a microfinance of category two, and for this a microfinance has to have at least 50 million FCFA in the micro bank and its now called Dekaplah, while the MC<sup>2</sup> of Bandja changed her denomination to MUFID but still remain in the first category of MFIs in Cameroon.

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Dassi Kana	42	M	Nurse	Bamendjou 05/03/2023
Diehoh Rebecca	38	F	Commercial agent MC2 Bandja	Bandja 05/03/2023
Djombi Rose	54	F	Manager MC2 Bandja	Bandja 17/08/2022
Djuessi Diabe	36	M	Farmer	Bandja 18/03/2023
Finkam Andre	51	M	Manager MC2 Bahouan	Bahouan 03/03/2023
Kameni Francois	34	M	Trader	Bafang 14/03/2023
Kamga Paul	56	M	Brewing	Bandja 10/06/2023
Kamo Felix	62	M	Farmer	Bandja 07/02/2023
Kamta	40	M	Farmer	Bandja 04/03/2023
Kouemo Marie	42	F	Nurse	Bandja 10/06/2023
Mbouopda	55	M	Manager MC2 Baham	Baham 05/03/2023
Mgatchou	56	M	Farmer	Bandja 14/02/2023
Miafo Mathias	52	M	Director MC2 Bamendjou	Bamendjou 18/03/2023
Moungoue Maurice	62	M	Vice president of the board of directors MC2 Bandja	Bandja 20/02/2023
Mpiami Bernard	51	M	Mutualist	Bandja 16/02/2023
Ngandeu Helene	47	F	Teacher	Bandja 27/02/2023
Nguedja Sylvie	31	F	Trader	Bandja 19/03/2023
Njoumessi Marie	39	F	Teacher	Bandja 12/03/2023
Nogha Joseph	57	M	Economic operator	Bandja 19/03/2023
Siegomnou	53	M	Farmer	Foutouni 12/03/2023
Sielatchom Rosalie	48	F	Trader	Foutouni 20/02/2023

Sokujou	82	M	Chef of Bamendjou	Bamendjou 03/03/2023
Tanswasi Judith	51	F	Farmer	Bamendjou 14/02/2023
Tatsinkou Berone	38	M	Chef of MC2 agency Bamendjou	Bamendjou 12/08/2022
Tchakoua Carlos	32	M	Credit agent MC2 Bandja	Bandja 05/03/2023
Tchoupe Dimitri	29	M	Breeder	Bandja 23/07/2022
Therese	31	F	Seller	Bandja 20/02/2023
Tiekoue Alain	62	M	Retired civil servant	Bandja 10/06/2023
Tiekoue Paul	28	M	Store owner	Bandja 15/03/2023
Yamgoue Elias	56	M	Accountant MC2 Bandja	Bandja 03/03/2023
Yeumako Sabine	44	F	Farmer	Bandja 03/02/2023
Youdom Regine	56	F	Breeder	Bandja 04/03/2023

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**APPENDIX**



## Appendix 1: RESEARCH ATTESTATION

REPUBLIQUE DU CAMEROUN

PAIX-TRAVAIL-PATRIE

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UNIVERSITÉ DE YAOUNDÉ I

\*\*\*\*\*

FACULTE DES ARTS, LETTRES ET  
SCIENCES HUMAINES

\*\*\*\*\*

DEPARTEMENT D'HISTOIRE

\*\*\*\*\*



REPUBLIC OF CAMEROON

PEACE-WORK-FATHERLAND

\*\*\*\*\*

THE UNIVERSITY OF YAOUNDE I

\*\*\*\*\*

FACULTY OF ARTS, LETTERS AND  
SOCIAL SCIENCES

\*\*\*\*\*

DEPARTMENT OF HISTORY

\*\*\*\*\*

Siège : Bâtiment Annexe FALSII-UYI, à côté AUF

### ATTESTATION DE RECHERCHE

Je soussigné, Professeur **BOKAGNE BETOBO Edouard**, Chef de Département d'Histoire de la Faculté des Arts, Lettres et Sciences Humaines de l'Université de Yaoundé I, atteste que l'étudiante **AONSI DEUGOUE Linda**, matricule **20I104** est inscrite en Master II dans le dit Département, option Histoire Economique et Sociale. Elle mène, sous la direction du **Pr. SIGNIE Christophe** (*Maître de Conférences*), une recherche universitaire portant sur le thème : « *Growth Community Mutual (MC<sup>2</sup>) and Rural development in Bamendjou and Bandja (1992-2020)* ».

Nous la recommandons aux responsables des administrations, des centres de documentations, d'archives et toutes autres institutions nationales ou internationales, en vue de lui faciliter la recherche.

**En foi de quoi, la présente autorisation lui est délivrée pour servir et valoir ce que de droit.**

Fait à Yaoundé le..... 01/07/2022.....

Le Chef de Département



*Edouard Bokagne*  
**Edouard Bokagne**  
Maître de Conférences

**Appendix 2:** communicate for the payment of school fee in the MC2 of Bandja



Source: archive of MC2 Bandja

### Appendix 3: Question Guide



#### QUESTION GUIDE

Our theme is based on “Community Growth Mutual (MC2) and Rural Development in Bamendjou and Bandja 1992-2020”

#### THE FIELD RESEARCH PROTOCOLE

(To the directors of MC2, workers of MC2, clients of MC2)

Please we are assuring you with all the respect we have for the ethical research principles that the information we are to collect from you throughout this question guide shall be only used for our research purpose.

(A Masters Research Project)

1. What is the notion of microfinance?
2. In which year was MC2 created in Bamendjou and Bandja?
3. What were the raisons for the creation of MC2 in Cameroon and in the localities of Bamendjou and Bandja?
4. How is structured your microfinance?
5. What are the different functioning of MC2?
6. Can we know the different missions and objectives of MC2?
7. Which partners do you have and how do they intervne in your microfinance?
8. What are the different sectors in which MC2 intervne?
9. What are the realizations of MC2 in your localities?
10. Which difficulties do you face on the field?
11. What are the internal difficulties in management?
12. How do you remedy to the difficulties you face?
13. How do your partners help to solve difficulties or problems faced?

1. What are the results of your microfinance since its creation?
2. Can we have any document and data that can be useful to us for our research:
  - A. Statistic assistance
  - B. On seminar report
  - C. Resolution on text

Thank you for contributing to this research

Source: made by Aonsi Linda

## Appendix 4: The conditions of the MUFID Bandja

SOCIÉTÉ COOPÉRATIVE AVEC CONSEIL D'ADMINISTRATION  
«MUFID - BANDJA COOP-CA»  
Etablissement de Microfinance de 1<sup>ère</sup> catégorie  
Imm. N°19083/CMR/OU/42/222/CCA/036 004/036 004 000 du 25/10/019  
Agrément N°00000411 /MINF1 du 22 / 04 / 2020

**MUFID**  
MUTUELLE FINANCIÈRE DE DÉVELOPPEMENT  
BANDJA

**CONDITIONS DE LA MUTUELLE FINANCIÈRE DE  
DÉVELOPPEMENT DE BANDJA**


ELEMENTS	FRAIS
Fonds d'établissement	10 000 frs
Fonds de solidarité	4 000 frs
Frais d'ouverture de compte	2 500 frs
Frais de souscription	2 500 frs
Nouveau Carnet	2 500 frs
Frais de perte de Carnet	3 500 frs
Frais box	1 000 frs
Frais attestation et domiciliation de compte	5 000 frs
Frais de tenue compte d'épargne annuel	1 000 frs
Frais de virement	2 385 frs
Changement de signature	3 500 frs
Dépôt de signature dans un compte déjà ouvert	1 500 frs
Taux d'intérêt sur crédit	14% du montant
Taux d'intérêt créditeur	1,75% à 2%
Frais d'étude dossier crédit	1%
Taux d'assurance	0,6% pour 0 à 5000 000 frs
Taux d'assurance	0,8% pour plus de 5000 000 frs
Frais tenue des Comptes CDA et compte chèque	1 000 frs le mois
Frais historique	500 frs la page
Frais mensuel de virement CNPS	1 000 frs
Caution de soumission	½ frais banque mère
Collecte journalière	2% taux collecté
Fonds de dépôt associé	1 000 frs

**LA DIRECTION**

BP : 24 BANDJA – tél : 233 10 59 23/699 95 08 66/699 58 30 91 – E-mail : mufidbandja@gmail.com

Source: archive of MC2 Bandja

**Appendix 5:** list of documents for the creation of an account



**MUFID**  
MUTUELLE FINANCIERE DE DEVELOPPEMENT  
BANDJA

SOCIETE COOPERATIVE AVEC CONSEIL D'ADMINISTRATION  
«MUFID - BANDJA COOP-CA»  
Etablissement de Microfinance de 1<sup>ère</sup> catégorie  
Imm. N°19083/CMR/OU/42/222/CCA/036 004/036 004 000 du 25/10/019  
Agrément N°00000411 /MINFI du 22 / 04 / 2020

### DOSSIER D'OUVERTURE D'UN COMPTE

- Demande d'ouverture d'un compte (fournir par la structure).
- Déclaration d'adhésion (fournir par la structure).
- Plan de localisation ou photocopie de la facture ENEO ou SNEC (fournir par le postulant).
- 2 demi-photos 4x4 (fournir par le postulant).
- Attestation d'immatriculation (fournir par le postulant).
- Une somme de 24000 (vingt-quatre mille franc CFA) à répartir comme suit :

Parts sociales	Fonds de solidarité	Frais d'adhésion	Frais d'ouverture de compte	Solde en compte
10 000frs (10 parts)	4 000 frs	2 500 frs	2 500 frs	5 000 frs

*Cocou Jan*  
LA DIRECTION

BP : 24 BANDJA – tél : 233 10 59 23/699 95 08 66/699 58 30 91 – E-mail : mufidbandja@gmail.com

Source: archive of MC2 Bandja

**Appendix 6: Elements to give for the grant of a credit**

**MUFID**  
MUTUELLE FINANCIERE DE DEVELOPPEMENT  
BANDJA

SOCIETE COOPERATIVE AVEC CONSEIL D'ADMINISTRATION  
«MUFID - BANDJA COOP-CA»  
Etablissement de Microfinance de 1<sup>ère</sup> catégorie  
Imm. N°19083/CMR/CLM/222/C/CA/036 004036 004 000 du 26/10/19  
Agrément N°0000411 /MINFI du 22 / 04 / 2020

Bandja, le 10 septembre 2020

**ELEMENTS A FOURNIR POUR L'ETUDE DE  
DOSSIER CREDIT**

- 1- Demande manuscrite de crédit adressé au PCA de la MUFID BANDJA contenant l'adresse complète du demandeur, l'objet du crédit (activité financée), montant sollicité, les garanties proposées, les avalistes (noms et numéros de compte d'épargne ou CDA), la durée et les modalités de remboursement. Cette demande doit être signée du mutualiste ;
- 2- Photocopie CNI demandeur et des avalistes avec la mention « dépôt pour crédit » et signature ;
- 3- Une étude de faisabilité et compte d'exploitation de l'activité devant rembourser le crédit ;
- 4- Les garanties meubles ou immeubles (l'original du titre foncier) ;
- 5- Si la garantie est le titre foncier, prévoir le certificat de propriété ;
- 6- Si vous êtes un salarié, prévoir votre bulletin de paie ou votre relevé bancaire pour au moins les trois derniers mois ;
- 7- Inventaire de stock de marchandises s'il est commerçant ;

BP : 24 BANDJA – tél : 233 10 59 23/699 95 08 66/699 58 30 91 – E-mail : mufidbandja@gmail.com

- 8- Le reçu de versement et ordre de virement des frais d'étude de dossier qui représente les 1% du montant sollicité (ce montant se paie directement lors du dépôt de dossier) ;
- 9- Le rapport de descente pour appréciation de l'activité à financer (son évaluation, sa localisation et les photos) la résidence du bénéficiaire et les cautions (localisation et photos).( ce rapport est produit par la MC<sup>2</sup> )
- 10- Un rapport d'évaluations de la garantie immobilière effectuée par un expert immobilier agréé désigné par la MC<sup>2</sup> ou la MC<sup>2</sup> elle-même ;
- 11- La fiche d'analyse qui donne les informations sur le mutualiste, la situation de ses engagements, le marché visé, la rentabilité de l'activité, les besoins exprimés, les risques encourus, etc.....(fiche produite par la MC<sup>2</sup> )
- 12- Carte de contribuable si c'est un commerçant ;
- 13- Patente de l'activité ou impôt si c'est un commerçant ;
- 14- Plan de localisation activités et domicile ;
- 15- Les parts sociales doivent être égales à 10% du montant sollicité ;
- 16- Photocopie carnet d'hôpital et ordonnances.





**Appendix7:** communiqué of activities of the microfinance

**MUFID**  
MUTUELLE FINANCIERE DE DEVELOPPEMENT  
BANDJA

SOCIETE COOPERATIVE AVEC CONSEIL D'ADMINISTRATION  
«MUFID - BANDJA COOP-CA»  
Etablissement de Microfinance de 1<sup>ère</sup> catégorie  
Imm. N°19083/CMR/OU42/222/CCA/036 004 000 du 25/10/19  
Agrément N°0000411 /MINFI du 22/04/2020

**DU NOUVEAU A LA MUFID COOP-CA BANDJA  
NEXT MC<sup>2</sup>**

**Quoi ?**


- Ouverture des comptes à des frais battant toutes concurrences (à seulement 24 000frs CFA) ;
- La collecte journalière avec un système jamais pratiqué ;
- Crédit scolaire à un taux favorable pour tous (1,16% par mois) ;
- Un personnel accueillant, sérieux et toujours disponible pour servir ;
- Crédit d'investissement à un taux préférentiel de 1...% par mois,
- De l'éducation financière et agropastorale,
- Les assurances automobiles aux prix exceptionnels,

*Ensemble pour le  
développement de  
notre communauté*

Tél : 699 583 091/696 829 461/677 363 837/677 588 693/675 119 993/675 837 996/675 379 721

BP : 24 BANDJA – tél : 233 10 59 23/699 95 08 66/699 58 30 91 – E-mail : mufidbandja@gmail.com

Source: archive MC2 Bandja

**Appendix 8:** Announcement of reduction of interest rate of school credits

**MUFID**  
MUTUELLE FINANCIERE DE DEVELOPPEMENT  
BANDJA

SOCIETE COOPERATIVE AVEC CONSEIL D'ADMINISTRATION  
« MUFID - BANDJA COOP-CA »  
Etablissement de Microfinance de 1<sup>ère</sup> catégorie  
Imm. N°19083/CMR/OU/42/22/CCA/036 004/036 004 000 du 25/10/019  
Agrément N°00000411 /MINFI du 22 / 04 / 2020

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**C'est partir pour une Rentrée  
Scolaire pour tous !!!**

**Quoi ???**

**LES CREDITS SCOLAIRES**

**A quel taux ???**

**1,166% seulement par mois**



Source: archive MC2 Bandja

## Appendix 9: Cobac regulation



**COMMISSION BANCAIRE  
DE  
L'AFRIQUE CENTRALE**

**REGLEMENT COBAC EMF R-2017/04 RELATIF AU GOUVERNEMENT  
D'ENTREPRISE DANS LES ETABLISSEMENTS DE MICROFINANCE**

La Commission Bancaire de l'Afrique Centrale,

Vu la Convention du 16 octobre 1990 portant création d'une Commission Bancaire de l'Afrique Centrale et son Annexe ;

Vu le règlement n° 01/17/CEMAC/UMAC/COBAC du 27 septembre 2017 relatif aux conditions d'exercice et de contrôle de l'activité de microfinance dans la CEMAC ;

Vu l'Acte uniforme OHADA relatif au droit des sociétés commerciales et du groupement d'intérêt économique ;

Vu l'Acte uniforme OHADA relatif au droit des sociétés coopératives ;

Considérant le rôle d'un bon gouvernement d'entreprise dans la réalisation des performances économiques et dans la préservation de la confiance des actionnaires, des sociétaires et des épargnants des établissements de microfinance ;

Considérant que la plupart des difficultés et faillites d'établissements enregistrés dans le secteur de la microfinance dans la CEMAC ont été provoquées par le non-respect des bonnes pratiques en matière de gouvernement d'entreprise ;

Qu'il convient de fixer des principes directeurs en matière de gestion, de développement et de fonctionnement efficace des entreprises du secteur de la microfinance, par l'élaboration d'un cadre réglementaire efficace dans le domaine du gouvernement d'entreprise de ses établissements ;

Que ce cadre réglementaire doit définir les chaînes de responsabilités transparentes au sein des établissements assujettis et consacrer l'impératif pour les organes sociaux de rendre compte de leurs actes, notamment au travers de l'amélioration de la transparence et de l'information en tant que moyen permettant d'éviter ou de réduire les sources potentielles de conflits d'intérêts ;

Réunie en session ordinaire le 24 octobre 2017 à Libreville ;

**DECIDE :**

## Chapitre 1 : DEFINITIONS

**Article 1-** Pour l'application du présent règlement, on entend par :

**Administrateur exécutif** : administrateur de l'établissement de microfinance exerçant cumulativement des fonctions au sein de l'organe exécutif dudit établissement, de l'une des sociétés apparentées ou dans le groupe auquel fait partie cet établissement.

**Administrateur non-exécutif** : administrateur de l'établissement de microfinance n'exerçant pas de fonction au sein de l'organe exécutif dudit établissement, de l'une des sociétés apparentées ou dans le groupe auquel fait partie cet établissement.

**Administrateur indépendant** : administrateur non-exécutif de l'établissement de microfinance qui n'entretient pas de relations d'affaires, familiales ou autres liens avec l'établissement assujéti ou une autre société de son groupe ainsi que les membres de leurs organes exécutifs respectifs, qui puissent compromettre l'exercice de sa liberté de jugement.

**Assemblée générale** : réunion et instance de décision et de concertation des détenteurs ou propriétaires d'une fraction ou de l'intégralité du capital, de la dotation sociale ou de l'élément du patrimoine social en tenant lieu.

**Conseil d'administration** : organe chargé d'orienter les activités de l'établissement et de la surveillance, pour le compte des coopérateurs ou des apporteurs de capitaux, de la situation et de la gestion de l'établissement.

**Comités spécialisés** : Ensemble de comités mis en place par le Conseil d'administration, et chargés de l'assister dans sa réflexion et ses décisions. Ils sont composés d'administrateurs nommés par le conseil d'administration pour une période de deux ans renouvelable.

**Direction générale ou organe exécutif** : l'ensemble des personnes qui assurent la direction de l'établissement, conformément aux articles 28 et 29 du règlement n° 01/17/CEMAC/UMAC/COBAC relatif aux conditions d'exercice et de contrôle de l'activité de microfinance dans la CEMAC.

**Dirigeants sociaux** : le président du conseil d'administration et les membres de la direction générale de l'établissement de microfinance ;

**Organes sociaux** : l'assemblée générale des actionnaires ou coopérateurs, le Conseil d'administration et la direction générale de l'établissement de microfinance.



## Chapitre 2 : OBJET ET CHAMP D'APPLICATION

**Article 2-** Le présent règlement a pour objet d'établir et d'asseoir les bonnes pratiques en matière de gouvernement d'entreprise dans les établissements de microfinance.

**Article 3-** Les dispositions du présent règlement sont applicables aux établissements de microfinance, tels que définis à l'article 1<sup>er</sup> du règlement n°01/17/CEMAC/UMAC/COBAC relatif aux conditions d'exercice et de contrôle de l'activité de microfinance dans la CEMAC.

## Chapitre 3 : PRINCIPES GENERAUX

**Article 4-** Les établissements de microfinance doivent être constitués sous une forme juridique permettant l'existence d'un conseil d'administration.

Les administrateurs, qui doivent être désignés par l'assemblée générale ordinaire, sont responsables devant ladite assemblée. Ils doivent disposer, s'agissant notamment des établissements de microfinance des deuxième et troisième catégories et des organes faitiers, de connaissances suffisantes en matière économique, bancaire, financière, juridique ou de gestion, et justifier d'une expérience dans l'administration des entreprises.

**Article 5-** L'effectivité du conseil d'administration se traduit par la régularité de ses réunions, lesquelles doivent se tenir suivant un programme préétabli dans le cadre des dispositions légales et statutaires.

**Article 6-** La direction générale :

1) des établissements de microfinance des deuxième et troisième catégories, des organes faitiers des réseaux et des établissements de microfinance de première catégorie dont le total de bilan est supérieur à 500 millions de FCFA doit être assurée en permanence par au moins deux dirigeants agréés.

Ces dirigeants doivent :

- a) soit être titulaires au moins d'une licence en sciences économiques, bancaires, financières, juridiques ou de gestion, ou de tout autre diplôme reconnu équivalent, et justifier d'une expérience professionnelle de cinq ans au moins dans des fonctions d'encadrement de haut niveau ;
- b) soit, en l'absence du diplôme sus évoqué, être titulaires au moins d'un baccalauréat de l'enseignement secondaire et justifier d'une expérience professionnelle de dix ans au moins dans des fonctions d'encadrement de haut niveau.



Les fonctions de ces dirigeants sont incompatibles avec celle de mandataire social ou tout emploi salarié dans une entité autre que ledit établissement, à l'exception des fonctions de membre de conseil d'administration ou de surveillance dudit établissement ou d'un établissement appartenant au même réseau, union, fédération ou groupe.

Au sens du présent règlement, on entend par fonction d'encadrement de haut niveau, les fonctions qui donnent à leur titulaire le pouvoir de prendre des décisions engageant l'établissement ou qui l'habilitent à diriger ou orienter les activités de ses entités.

2) des établissements de microfinance de première catégorie dont le total de bilan est supérieur à 250 millions de FCFA et inférieur à 500 millions de FCFA doit être assurée en permanence par au moins deux dirigeants agréés. Ces dirigeants doivent être titulaires au moins d'un baccalauréat de l'enseignement secondaire et justifier d'une expérience professionnelle de cinq ans au moins dans le domaine bancaire, associatif ou coopératif.

3) des établissements de microfinance de première catégorie dont le total de bilan est inférieur à 250 millions de FCFA doit être assurée par au moins un dirigeant agréé. Ce dirigeant doit être titulaire de l'enseignement secondaire et justifier d'une expérience professionnelle le domaine bancaire, associatif ou coopératif.

**Article 7-** Chaque établissement de microfinance doit établir une charte du gouvernement d'entreprise qui codifie notamment la répartition des attributions entre les assemblées générales, le conseil d'administration, la direction générale, ainsi que le contrôle dudit établissement.

#### **Chapitre 4 : EQUILIBRE ET INDEPENDANCE DES ORGANES SOCIAUX**

##### **Section I- Principes directeurs de la désignation des membres du conseil d'administration**

**Article 8-** Le conseil d'administration est une instance collégiale qui représente l'ensemble des actionnaires ou coopérateurs et à qui s'impose l'obligation d'agir en toutes circonstances dans l'intérêt de l'établissement et des épargnants.

**Article 9-** Dans sa quête d'indépendance, de professionnalisme et d'effectivité, le conseil d'administration doit comprendre au moins un administrateur indépendant.

**Article 10-** Sauf à engager sa responsabilité personnelle, chaque administrateur doit se considérer comme le représentant de l'ensemble des actionnaires ou coopérateurs, et se comporter comme tel dans l'exercice de ses fonctions.

**Article 11-** Tout établissement assujéti doit mettre en place une procédure formalisée, rigoureuse et transparente de sélection et de nomination des



administrateurs.

**Article 12-** La désignation des administrateurs dans les établissements de microfinance des deuxième et troisième catégories et les organes faïtiers des réseaux, est soumise à l'information préalable de la Commission Bancaire de l'Afrique Centrale, au moins trente (30) jours avant la date de la première réunion à laquelle prendront part les intéressés.

Dans les établissements de microfinance en réseau, l'organe faïtier doit s'assurer de la régularité du processus de désignation des administrateurs des établissements affiliés et de son bon fonctionnement. Il en rend compte à la Commission Bancaire.

### **Section II- Composition, organisation et indépendance du Conseil d'administration et de ses membres**

**Article 13-** La composition et l'organisation des travaux du Conseil d'administration doivent être appropriées à la structure de l'actionariat, à la dimension et à la nature de l'activité de chaque établissement et aux circonstances particulières qu'il traverse.

**Article 14-** Le conseil d'administration et son Président doivent préserver leur indépendance vis-à-vis de la direction générale.

**Article 15-** Chaque administrateur doit posséder la compétence requise pour comprendre le fonctionnement de l'établissement au sein duquel il exerce, et faire preuve d'intégrité suffisante dans l'exercice de sa mission.

**Article 16-** Chaque administrateur doit être soucieux de l'intérêt de tous les actionnaires ou coopérateurs, s'impliquer suffisamment dans la définition de la stratégie et dans les délibérations pour participer effectivement aux décisions du conseil d'administration.

**Article 17-** Chaque établissement de microfinance doit prendre toutes les mesures nécessaires à l'équilibre de la composition de son conseil d'administration et de celle des Comités spécialisés mis en place, en adoptant des dispositions propres à assurer les actionnaires et les coopérateurs, que les missions sont accomplies avec l'indépendance et l'objectivité nécessaires.

**Article 18-** Le conseil d'administration examine au cas par cas, sur proposition du Comité de nomination, la situation de chacun de ses membres au regard des critères d'indépendance définis et porte à la connaissance des actionnaires ou coopérateurs dans le rapport annuel et à l'assemblée générale lors de l'élection des administrateurs, les conclusions de son examen.



**Article 19-** Toute personne assumant de hautes fonctions politiques, électives ou assimilées, de nature à compromettre l'exercice de sa liberté de jugement ou à lui conférer une immunité de juridiction, ne peut exercer les fonctions de membre du conseil d'administration d'un établissement de microfinance.

Dans les établissements de microfinance à participation publique, les personnes assumant des fonctions administratives peuvent être désignées en qualité d'administrateurs représentants de l'Etat.

**Article 20-** Pour prévenir les risques de conflits d'intérêts, l'administrateur indépendant ne doit pas :

- être salarié ou mandataire social de l'établissement assujetti, salarié, administrateur, directeur général ou directeur général adjoint de sa société mère ou d'une société qu'il consolide et ne pas avoir exercé l'une de ces fonctions au cours des cinq années précédentes ;
- être mandataire social d'une société dans laquelle l'établissement assujetti détient directement ou indirectement un mandat d'administrateur ou dans laquelle un salarié désigné en tant que tel ou un mandataire social actuel ou passé de l'établissement détient un mandat d'administrateur ;
- être client, fournisseur, banquier d'affaires, banquier de financement de l'établissement assujetti ou ne doit pas être lié directement ou indirectement à l'une de ces personnes ;
- avoir de lien familial avec un mandataire social de l'établissement de microfinance ;
- avoir été auditeur interne ou externe de l'établissement assujetti au cours des cinq dernières années.

#### **Chapitre 5 : SEPARATION DES FONCTIONS DE PRESIDENT DU CONSEIL D'ADMINISTRATION ET DE DIRECTEUR GENERAL**

**Article 21-** Les règles internes en vigueur dans chaque établissement de microfinance doivent définir de manière claire et sans équivoque, les modalités de séparation des responsabilités à la tête de l'établissement qui garantissent un équilibre des pouvoirs et de l'autorité, de manière à éviter la concentration du pouvoir de décision entre les mains d'une seule et même personne.

**Article 22-** Les fonctions de président du conseil d'administration et de directeur général d'un établissement de microfinance ne doivent pas être exercées par une même personne.





**Article 23-** Les règles internes définissent la répartition des attributions entre le président du conseil d'administration et le directeur général.

**Article 24-** Le président du conseil d'administration est responsable du fonctionnement du conseil en assurant son effectivité dans tous les aspects de ses missions.

**Article 25-** La direction générale est responsable de la gestion courante de l'établissement de microfinance et de l'information du conseil d'administration.

#### **Chapitre 6 : ATTRIBUTIONS DU CONSEIL D'ADMINISTRATION ET DILIGENCES DES ADMINISTRATEURS**

**Article 26-** Le conseil d'administration définit la stratégie de l'établissement de microfinance, désigne les mandataires sociaux chargés de gérer l'établissement dans le cadre de cette stratégie, choisit le mode d'organisation, contrôle la gestion et veille à la qualité de l'information fournie aux actionnaires ou coopérateurs ainsi qu'aux marchés, à travers les comptes ou à l'occasion d'opérations importantes.

Le conseil d'administration suit et évalue les performances de la direction générale ainsi que son adhésion aux orientations stratégiques définies.

**Article 27-** Le conseil d'administration se réunit régulièrement, au moins trois fois par an.

Le nombre de réunions du conseil d'administration et de ses Comités spécialisés, ainsi que la participation individuelle des administrateurs, doivent être clairement mentionnés dans un rapport transmis annuellement aux actionnaires ou aux coopérateurs.

**Article 28-** Chaque administrateur exerce ses fonctions en toute objectivité, indépendance et compétence dans l'intérêt de l'établissement de microfinance.

**Article 29-** Chaque administrateur doit signer une charte spécifiant les contours de sa relation avec l'établissement de microfinance, notamment en termes de droits et d'obligations.

**Article 30-** La durée des mandats des administrateurs est celle prévue dans les dispositions de droit commun régissant les sociétés commerciales et les sociétés coopératives.

**Article 31-** La direction générale est tenue de mettre à la disposition des administrateurs en temps utile, des informations suffisantes et de qualité sous une forme appropriée pour leur permettre d'assumer convenablement leurs tâches.



**Article 32-** Les administrateurs bénéficient en fonction de leurs besoins spécifiques, d'une mise à jour des informations nécessaires pour remplir leur rôle au conseil d'administration et dans ses comités spécialisés.

#### **Chapitre 7 : MISE EN PLACE DES COMITES SPECIALISES**

**Article 33-** Sans préjudice des dispositions fixées par le règlement COBAC R EMF-2017/06 relatif au contrôle interne dans les établissements de microfinance, chaque établissement de microfinance des deuxième et troisième catégories, ainsi que les organes faitiers des réseaux, doit mettre en place des comités spécialisés chargés au besoin d'assister le conseil d'administration sur des questions spécifiques.

S'agissant des établissements affiliés, l'organe faitier apprécie, en fonction de la taille et du volume d'activité de chaque établissement, la nécessité de mettre en place des comités spécialisés. Il en rend compte au Secrétaire Général de la COBAC.

**Article 34-** La délégation par le conseil d'administration de certains pouvoirs à ses comités spécialisés et à la direction générale ne peut en aucune manière conduire à limiter les missions ou les responsabilités du conseil et de ses administrateurs, ni à les en décharger.

**Article 35-** Les établissements de microfinance des deuxième et troisième catégories, ainsi que les organes faitiers des réseaux doivent mettre en place notamment, un comité de rémunération, un comité d'audit, un comité des engagements et un comité du gouvernement d'entreprise.

Le comité du gouvernement d'entreprise doit notamment conduire le processus de nomination des administrateurs, et de leur réélection en fin de mandat, après évaluation de leurs performances.

Pour le cas spécifique des établissements affiliés à un réseau, les tâches dévolues à ces comités spécialisés incombent à l'organe faitier lorsque ces derniers n'en disposent pas en leur sein.

**Article 36-** Chaque comité spécialisé doit disposer d'une procédure écrite de délégation formelle de pouvoir avec des termes de référence clairs et des obligations précises de reporting de ses travaux.



## **Chapitre 8 : INDEMNITE ET REMUNERATION DES ADMINISTRATEURS ET DES DIRECTEURS GENERAUX**

**Article 37-** Le montant de l'indemnité des administrateurs doit être suffisant pour attirer, retenir et motiver les administrateurs de qualité requise pour les meilleures performances, en cohérence avec l'ampleur des tâches et responsabilités respectives.

Le montant de l'indemnité des administrateurs doit également tenir compte de la taille et de la situation financière de l'établissement, notamment son résultat net d'exploitation de l'exercice considéré et de l'exercice précédent.

**Article 38-** Aucune indemnité ne constituant pas la contrepartie d'un travail effectif ou d'un mandat spécial ne peut être versée à un administrateur à ce titre.

**Article 39-** L'indemnité des administrateurs non-exécutifs doit refléter leur implication effective en temps et en responsabilité dans les travaux du conseil.

**Article 40-** Le comité de rémunération doit faire des recommandations au conseil d'administration sur la rémunération de la direction générale.

**Article 41-** Les dirigeants et le président du conseil d'administration ne doivent pas prendre part aux décisions relatives à leur rémunération.

## **Chapitre 9 : GESTION DES CONFLITS D'INTERETS**

**Article 42-** Le conseil d'administration doit veiller avec une attention particulière à prévenir les éventuels conflits d'intérêts, à la transparence de l'information fournie et à tenir équitablement compte de tous les intérêts en présence.

**Article 43-** Le comité de gouvernement d'entreprise est chargé de formuler des propositions au conseil d'administration pour la gestion des conflits d'intérêts par la mise en place, le suivi et l'évaluation d'un code d'éthique et de bonne conduite des affaires.

**Article 44-** Une procédure particulière doit permettre aux administrateurs et aux dirigeants d'éviter les conflits d'intérêts en informant le président du conseil d'administration de toute situation de potentiels conflits avec l'établissement de microfinance.

**Article 45-** Une interdiction formelle doit être faite aux administrateurs et aux dirigeants d'effectuer des transactions sur les titres de l'établissement de microfinance et, notamment, celles précédant l'annonce des résultats financiers.



## Chapitre 10 : EVALUATION DES ORGANES SOCIAUX

**Article 46-** L'évaluation du conseil d'administration, de ses comités spécialisés et de ses membres doit être réalisée suivant une procédure ratifiée par le conseil d'administration.

**Article 47-** L'évaluation des membres de la direction générale doit être faite annuellement, suivant une procédure validée par le conseil d'administration.

**Article 48-** Le président du conseil d'administration doit veiller à ce que le comité du gouvernement d'entreprise réalise systématiquement ces évaluations de performance. Le conseil d'administration prend des décisions sur la base des résultats desdites évaluations et procède aux ajustements appropriés.

Le rapport prévu à l'article 69 du règlement COBAC EMF R-2017/06 relatif au contrôle interne dans les établissements de microfinance doit rendre compte, dans les mêmes conditions, de l'exécution des obligations prescrites dans le présent règlement.

## Chapitre 11 : DROIT D'INFORMATION DES ACTIONNAIRES ET DES COOPERATEURS

**Article 49-** Chaque établissement de microfinance, à travers son conseil d'administration, doit instaurer un dialogue permanent et constructif avec les principaux actionnaires et coopérateurs sur la base de leurs engagements et d'une compréhension mutuelle des objectifs.

**Article 50-** Le conseil d'administration doit veiller au respect de toutes les dispositions légales, réglementaires, statutaires et professionnelles relatives notamment à l'information des actionnaires et coopérateurs sur ses propres activités, ainsi que sur celles de l'établissement.

**Article 51-** Le conseil d'administration doit utiliser efficacement les assemblées générales annuelles pour communiquer avec les actionnaires ou les sociétaires.

Il doit ainsi s'assurer que chaque projet de résolution soumis à l'assemblée générale est accompagné d'explications détaillées.

**Article 52-** Dans la perspective de la convocation et de la tenue des assemblées générales, le conseil d'administration doit, conformément aux exigences de programmation, solliciter dans les délais et par annonce aux actionnaires et coopérateurs qui le souhaitent, de lui faire connaître leurs propositions.

**Article 53-** Le conseil d'administration doit veiller à faciliter la participation des actionnaires et coopérateurs aux assemblées générales en fixant les dates de réunion et en mettant à leur disposition la documentation, au moins 15 jours



ouvrables avant l'Assemblée.

**Article 54-** Le conseil d'administration doit veiller à codifier par écrit, dans les statuts ou dans la charte du gouvernement d'entreprise instituée à l'article 7 du présent règlement, les rôles du président du conseil, de l'assemblée générale, des scrutateurs et du Secrétaire de séance au cours des réunions des administrateurs ou des actionnaires et coopérateurs.

## **Chapitre 12 : EVALUATION DU GOUVERNEMENT D'ENTREPRISE**

**Article 55-** Dans les établissements de microfinance des deuxième et troisième catégories ainsi que les organes faïtiers des réseaux le conseil d'administration, à travers son comité du gouvernement d'entreprise, doit évaluer, suivant une périodicité prédéfinie, le système de gouvernement d'entreprise mis en place.

S'agissant des établissements affiliés à un réseau, l'évaluation du système de gouvernement d'entreprise mis en place doit être effectuée par l'organe faïtier, à qui il revient la charge de rendre compte de la situation globale du réseau à la Commission Bancaire.

**Article 56-** Le conseil d'administration doit veiller à la publication de la structure du gouvernement d'entreprise : l'organisation du conseil, ses comités spécialisés, la procédure de nomination, l'évaluation, la composition de l'équipe de direction, les dispositifs de contact avec les actionnaires, la signature par les administrateurs des contrats de prestation de service.

**Article 57-** Les actionnaires doivent accorder une attention particulière à l'évaluation de la structure et la composition du Conseil, la pertinence et l'application de la charte de gouvernement d'entreprise et du code d'éthique, ainsi que l'évaluation des performances du conseil d'administration, de ses membres et de ses comités spécialisés.

## **Chapitre 13 : PRISE EN COMPTE DES INTERETS DU PERSONNEL**

**Article 58-** Le conseil d'administration et la direction générale doivent créer des conditions favorables à l'épanouissement professionnel et social du personnel et instituer des politiques et mesures adéquates visant à la préservation des intérêts des employés de l'établissement de microfinance.

**Article 59-** Chaque établissement de microfinance doit mettre en place des codes d'éthiques, ainsi que des mécanismes permettant au personnel d'alerter la direction générale ou le conseil d'administration sur les dérapages constatés.

**Article 60-** La direction générale doit instaurer une franche, transparente et régulière communication avec le personnel sur les opérations et performances financières de l'établissement de microfinance.



**Article 61-** Le conseil d'administration et la direction générale doivent mettre en place des politiques et pratiques de rémunération, de couverture des charges et de motivation des employés, conformes aux dispositions de la législation du travail ou de tout autre accord, notamment la convention collective régissant le secteur ou la branche d'activités.

#### Chapitre 14 : DISPOSITIONS FINALES

**Article 62-** Les établissements de microfinance de la CEMAC en activité à la date d'entrée en vigueur du présent règlement, disposent d'une période transitoire de vingt-quatre (24) mois maximum, pour se conformer aux dispositions du règlement.

**Article 63-** En cas de non-respect des dispositions du présent règlement, les mesures prévues par la réglementation en vigueur s'appliquent.

**Article 64-** Le présent règlement abroge toutes les dispositions antérieures qui lui sont contraires.

**Article 65-** Le présent règlement entre en vigueur à compter du 1<sup>er</sup> juillet 2018.

**Article 66-** Le Secrétaire Général de la COBAC est chargé de l'application du présent règlement et de sa notification aux Autorités monétaires nationales, aux Directions Nationales de la Banque des Etats de l'Afrique Centrale et aux Associations professionnelles des établissements de microfinance de la Communauté Economique et Monétaire de l'Afrique Centrale.

Ainsi décidé et fait à Libreville le 24 octobre 2017, en présence de :

**Monsieur ABBAS MAHAMAT TOLLI, Président ; Mesdames Denise Ingrid TOMBIDAM et Berthe YECKE ENDALE épouse EKO EKO, Messieurs Louis ALEKA-RYBERT, BECHIR DAYE, Jean-Paul CAILLOT, Monsieur François GIOVALUCCHI, Silvestre MANSIELE BIKENE, Arnel Fridelin MBOULOUKOUÉ, Salomon Francis MEKE, Régis MOUKOUTOU et Chérubin YERADA, membres.**

Pour la Commission Bancaire,

Le Président,

  
  
**ABBAS MAHAMAT TOLLI**

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