

PROJECT/PROGRAMME PRESENTATION SHEET:

Project/programme title: Support to Local Development Initiatives.

Sector: Social Economy.



Scope of activities: Nationwide scope.

Nature of funding: Ordinary Domestic Resources (ODR).

Main objective: Build the financial and technical capacities of the Social Economy Organizations and Enterprises (SEOs) to improve their performance and provide a better visibility of their activities.

Context and justification: With the economic crisis of the 1980s and the resulting social problems, the State found itself unable to absorb an ever-expanding labor force and preserve jobs for its workers.

However, faced with the subsequent boom of new economic units which propose with vigilance and ingenuity new schemes of wealth creation and employment, the State will regulate this dynamic.

Thus, twenty years after the implementation of the said reforms, and despite some successes, the effectiveness of these entities remains limited and their contribution, not quantifiable and not very visible. These regroupings are supervised by several administrations without any consultation platform.

Moreover, the players of this sector face several problems: management, access to financing, lack of a common legal framework, given their diversity.

In spite of this important normative production, it is clear that to date, the terminology "**Social Economy**" has not yet been legally enshrined in our country. As a result, all the so-called social economy organizations in Cameroon **are de facto**.

However, the national industrial and economic development is increasingly based on the promotion of Small and Medium-Sized Enterprises and collective entrepreneurship, which are a category of entities that are more resistant to crises than large state-owned companies.

Their dynamism in terms of job creation, their flexibility in supply, their undeniable roles in the process of regional disenfranchisement make them in the short, medium and long-term development tools.

To give a new impulse to the promotion, supervision and support to private initiatives in general, a Department of Social Economy has been created by Decree n ° 2010/062 of 05 March 2010 to organize the Ministry of Small and Medium-sized Enterprises, Social economy and Handicraft. The Department is in charge of implementing the national policy of social economy development, the structuring of organizations related to Social Economy and supporting financially and technically those structures that are not sufficiently covered by guarantees to benefit from loans from conventional banks.

Consequently, the Cameroonian public authorities have decided to make the private sector, and particularly collective entrepreneurship through Social Economy, one of the engines of growth for revenues generation, jobs creation and poverty alleviation. Taking advantage of the reform proposed by the entry into force of the OHADA Uniform Act on the law of co-operative societies, it is necessary to consider financial and material support intended to improve the performance of these economic units. In order to provide an adequate solution to this concern, the State relies on a collaborative platform that restores Social Economy Organizations and Enterprises which are cooperatives, associations, foundations and mutual societies in their territorial anchorage which is the municipality, through the transfer of resources and competences to decentralized local entities within the framework of decentralization. This project gives great importance to producers through their organizations that take into account storage, processing, packaging and distribution, within the implementation of the State's policies and strategies in the sectors involved.

As in the past three years, the Ministry of Small and Medium Enterprises, the Social Economy and Handicraft intends to provide financial and material support to nearly 600 (600) Social Economy Organizations (SEOs) of the sector including cooperative for three (03) years or two hundred (200) SEOs per year. This activity will be carried out within the framework of Decree No. 2012/0877 / PM of 27/03/2012 to lay down the procedures for the exercise of certain powers transferred by the State to councils in support of

income and employment-generating micro-projects; Mayors provide support through the Support to Local Development Initiatives supported by the MINPMEESA Public Investment Budget, while the Regional and Divisional Delegates of the ministry ensure the follow-up.

Brief description: This project will be carried out in two phases. The first will consist of the collection of project files transmitted by the officials of the external services of the department. This operation will be carried out from the basis, namely at the level of the Divisions, in collaboration with the councils in charge. The submitted files must fulfill the following conditions: *have a legal existence for the Social Economy Organizations; submit an activity report and an accounting balance sheet for the previous financial year; the projects are presented by Social Economy Organizations and not by individuals; the projects will mainly focus on production and processing activities.* The Department of Social Economy shall be responsible for:

- the final selection of the eligible Social Economy Organisations on the basis of the following criteria studied upstream by the Project Unit: *Financial and operational capacity, relevance, methodology, sustainability, budget and cost-effectiveness* ;
- the drawing up of specifications;
- the drafting of Circular-Letters that frame the activity;
- the monitoring and the evaluation of the impact of activities to be implemented.

The second phase will consist in awarding support according to some requirements. After this operation, funds allocated to the projects of the Social Economy Organizations selected will be made available. Circular Letter No. 34/LC/MINPMEESA of 23 March 2015 *specifying the technical conditions and modalities for exercising the competences transferred by the State to the councils, with regard to the allocation of support to income and employment-generating micro-projects, as well as the use of corresponding resource,* will guide the process. At the end of this phase, a first progress report will be produced to confirm the effective allocation of the funds to the beneficiaries, in collaboration with the officials of the competent External Services, in accordance with the requirements of Circular Letter 022/LC/MINPMEESA of 22/03/2014 on the follow-up of the support files to the Social Economy Organizations and the production of the periodical reports relating thereto by the officials of the External services of the Ministry.

Expected outputs:

- SEOs capacities are improved;
- the creation of jobs and wealth is assessed;
- the acquisition of inputs and small equipments by SEOs is facilitated;

- SEOs achievements are visible and contribute to local development.

Observations: Most of the mayors and their immediate collaborators (Secretary General and local tax collector) find it hard to understand that the activities related to Social Economy are for local development. The beneficiaries of the support are victims of harassments to have their debt obligations issued. It would be certainly good to foresee the building up of capacities of councils executives on social economy and local development.