

MUFID NEWS

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Supervisory Board, Audit Committee *The joint meeting took place.*



The joint Supervisory Board and the Audit Committee meeting is a regulatory requirement instituted by COBAC EMF regulation R-2017/06 on internal control of microfinance institutions, particularly as stated in article 77.

On Tuesday 23 May 2023, the first joint meeting of the Supervisory Board and the Audit and Risk Committee of MUFID Union for the 2022 financial year was held in the meeting room of Mansel Hotel in Yaoundé. This meeting is a regulatory requirement instituted by MFE Regulation no R-2017/06 relating to internal control of microfinance institutions, in particular Article 77, which stipulates that: «at least once a year, the Supervisory Board and the audit committee shall review the activities and results of internal control based on information sent to it for this purpose by the head of internal audit». The minutes of the said meeting are sent to the COBAC secretariat and to the Statutory Auditor.

The meeting was co-chaired by the Chairman of the Supervisory Board, Mr NGATCHOU Gilles, and the Chairman of the Audit and Risk Committee, Mr SAYAP TCHOUKAGUEU Michel. The General Manager of MUFID union reported on the items on the agenda. For this first meeting, the work focused, among other things, on: (i) Review of internal control activity and performance in the MUFID network during 2022, and over the period from January to May 2023. (ii) Presentation of the mapping of risks in the MUFID network, and its validation.

(iii) Presentation of the action plan for internal control activities in the MUFID network for 2023. (iv) Examination and validation of the 2023 internal audit plan. (v) Presentation and validation of internal audit procedures and tools. (vi) Review of the situation of MUFIDs in difficulties; etc.

During the meeting, members adopted ten resolutions and recommendations aimed at strengthening, improving, and making more effective the system for supervising MUFIDs, as well as monitoring, supervising, and assisting MUFIDs in difficulties.



IN THIS ISSUE

Monthly network staff meeting.	2
Bankim joins the MUFID family.	3
Lomié connected to the MUFID network soon.	3
The State will withdraw more than 165 billion from banks in 2023.	4



Family picture of the Bafoussam meeting

Monthly network staff meeting Meeting with the MUFID Directors

MUFID Union has decided to relaunch its monthly meetings with network staff. The idea is to hold monthly meetings at branch level with MUFID staff from each zone, according to job profile, selected based on training, communication, evaluation, or simply experience-sharing needs. For the relaunch in 2023, the General Managers were invited, and it was the West zone that opened the ball on 31 May 2023, followed by the Littoral zone, where the meeting was held on 02 June at the MUFID Union branch office in Douala. The meeting for the Centre, South and East Regions was held in Yaoundé on May 6, 2023. Similarly, the North and North-West/South-West zonal meetings will be held in Garoua and Bamenda respectively in the month of June 2023. The meetings were co-facilitated by MUFID Union executives: Dr NCHINDA Valentine, Deputy General Manager of MUFID Union; GAFE Georges, Director

of Operations and Commercial Development; Robus Étienne KUIFOUET, Head of the Legal Affairs, Litigation and Collection Department. On the program, the general managers were briefed on a wide range of topics, including an assessment of the performance MUFID, credit portfolio development and quality improvement, legal aspects of credit operations, minimum guaranteed



Family picture of the Douala meeting



Family picture of the Yaoundé meeting

services in MFIs, tax innovations in MFIs, the internal control system, presentation of risk mapping and highlights from the 2022 audits and controls, presentation of the digitalization and interconnection project, etc.

MUFID network extension

Bankim joins the MUFID family.



MUFID Bankim was created on May 19, 2023 following its constituent general meeting during which Mr JIWE Roger was elected as the pioneer Chairman of the Board of Directors at this well-attended historic event at the Bankim municipal hall. It is now up to him to mobilize his team to work hard to obtain an accreditation and officially open the doors of the institution.

MUFID Bankim is the fifth of its kind to be set up in the Adamaoua Region.

Constituent general meeting

Lomié connected to the MUFID network soon.

Lomié, a municipality in the Haut-Nyong department in the East region, will soon be connected to the MUTUAL FINANCE FOR DEVELOPMENT network. This will be achieved through the creation of MUFID Lomié, whose birth certificate will be drawn up on 09 June 2023 during its constituent general meeting. This is good news for the people of this forest region, with a population of about 20,000 inhabitants.

MUFID Lomié will be the fifth to be set up in the Eastern Region.

A workshop to train agricultural portfolio managers.

From 12 to 17 June 2023, a training will take place in Yaoundé for agricultural portfolio managers (APM) and the General Managers of the pilot MUFIDs of the MUFID Union- DGRV agricultural financing project. The training will be extended to agricultural finance technicians trained and posted to the 6 MUFIDs that are partners of ProFinA. It is part of the process of gradually adopting the new tools and working methods that may be required by the new products adopted by the MUFIDs. It will be an opportunity for the consultant, the Agricultural Finance Officers (AFOs), and the other associated trainers to transfer knowledge about the procedures for marketing these new products. It will also be an opportunity for the APMs currently being integrated into the MUFIDs to be trained on the banking procedures specific to the MUFIDs.

The units concerned by the training are the MUFIDs of: FOTO, BANDJA, NJOMBE, NGONG, NGAOUNDAL, BAFOU, BAHAM, NGAOUNDERE, MBANGASSINA and NGOMEDZAP.

Announcement

Upcoming training workshops in preparation

- 1** Capacity-building of MUFID cashiers
- 2** Training of General Managers and loan officers on the use of various tools for analysing, monitoring and loans recovering
- 3** Training of MUFID permanent controllers
- 4** Training of members of the supervisory boards of MUFIDs in the Littoral zone.

Public Finance

The State will withdraw more than 165 billion from banks in 2023.



With the assistance of the Bank of Central African States (BEAC), the State of Cameroon has set up a timetable for the repatriation of public resources from commercial banks to the Central Treasury Account for the year 2023, according to the Director of Public Accounts. Achille Bassahag was speaking in a publication from the Directorate General of the Treasury, Financial and Monetary Cooperation (DGTCFM) at the Ministry of Finance. This official specifies out that this timetable provides the repatriation of FCFA 165.6 billion by 31 December 2023.

The 2023 Finance Act stipulates that the accounts of public entities held in the books of commercial banks and microfinance institutions will be closed by 31 December 2025 at the latest, based on a timetable drawn up in conjunction with the banking industry. The law stipulates that a regulatory text issued by the Minister of Finance will specify the closing procedures and the timetable, which has not been made public. It is therefore unclear what amount will be repatriated in 2024 and 2025.

One thing is certain: if the 2025 deadline is to be met, these sums will have to be substantial. It must be said that on 31 December 2022, more than 1,300 billion FCFA of public deposits were lodged in the safes of financial institutions out of a total outstanding amount of 7,000 billion FCFA. This means that at the end of the reform, the cash position of banks with a high exposure to the State could be affected, thereby limiting their capacity to deploy on the credit market.

State budget up by FCFA 381.8 billion to repay debts and support households.

On 2 June 2023, the President of the Republic signed an ordinance amending the 2023 Finance Act, which should be adopted during the current parliamentary session. This text increases the 2023 State budget from FCFA 6,345.1 billion to FCFA 6,726.9 billion, an increase of FCFA 381.8 billion. According to the document, the general budget will increase by FCFA 367.7 billion, while the budget for special allocation accounts will rise by FCFA 14.1 billion.

This revision of the Finance Act came sometime after the government decided, on the insistent recommendations of the International Monetary Fund (IMF), to reduce the budget envelope for fuel subsidies on the grounds that they would benefit the better-off social groups more.

But the reduction in hydrocarbon subsidies resulted in higher prices in an economy that was already facing an unusual inflation of over 6%, for the CEMAC zone. To mitigate the impact of this shock, the government decided to raise the guaranteed minimum wage and the remuneration of state employees. It was not yet known whether these two measures would lead to an increase or reduction in spending forecasts.

The amended Finance Act does not clearly show how fuel price subsidies have been affected, nor the net gain for the poorest households. On the other hand, the debt market is the main winner from this reorganization. As well as being subject to additional repayments, the government plans to take out FCFA 200 billion in new loans. With interest rates on the rise, this represents additional revenue opportunities for investors.

(Source: investiraucameroun.com)

Webinar



The Frankfurt School is hosting an online webinar on June 20, 2023 at 14:00 GMT on the topic: «The Dark Side of Digital Financial Services». The webinar will be moderated by Cecile Voigt, tutor of the Microfinance, Agricultural Finance and Digital Finance courses.

To register, simply follow the link below:

<https://us02web.zoom.us/join/register/tZcqdeqtrzwqHdKCUXBCFr5e-22Q5TVRJEJ>

Agricultural finance



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