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MINISTERE DE LA DECENTRALISATION
ET DU DEVELOPPEMENT LOCAL

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REPUBLIC OF CAMEROON
Peace-Work-Fatherland

MINISTRY OF DECENTRALIZATION
AND LOCAL DEVELOPMENT

GENERAL SECRETARIAT

LOCAL GOVERNANCE AND RESILIENT COMMUNITIES PROJECT -PROLOG- PROJECT MANAGEMENT UNIT

PERFORMANCE-BASED GRANT (PBG) IMPLEMENTATION MANUAL

October 2024

**MINISTRY OF DECENTRALIZATION
AND LOCAL DEVELOPMENT**

General Secretariat

**LOCAL GOVERNANCE AND RESILIENT
COMMUNITIES PROJECT**

**PERFORMANCE-BASED GRANT (PBG) IMPLEMENTATION
MANUAL**

For Approval

For visa

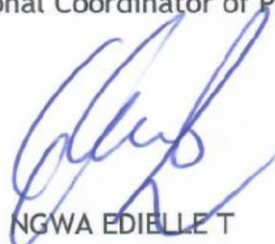
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Acronyms and Abbreviations

AB:	Audit Bench of the Supreme Court
FLA:	First Level Allocation
SLA:	Second Level Allocation
CAA:	Autonomous Sinking Fund
MTBF:	Medium-Term Budgetary Framework
MTEF:	Medium-Term Expenditure Framework
CEMAC:	Central African Economic and Monetary Community
CGRLA:	General Code of Decentralized Territorial Communities
CONAFIL:	National Committee for Local Finances
MMC:	Mandatory Minimum Conditions
RLA:	Regional and Local Authorities
DFL:	Local Finance Department (MINDDEVEL)
BOD:	Budgetary Orientation Debate
APA:	Annual Performance Assessment
FEICOM:	Special Fund for Equipment and Intercommunal Intervention
PI:	Performance Indicator
MEP:	Project Execution Manual
MINEPAT:	Ministry of Economy, Planning and Regional Development
MINFI:	Ministry of Finance
MINDDEVEL:	Ministry of Decentralization and Local Development
ACBP:	Annual Capacity Building Plan
CDP:	Council Development Plan
PPBS:	Planning, Programming, Budgeting, Monitoring and Evaluation
PRD:	Regional Development Plan
PROLOG:	Local Governance and Resilient Communities Project
RAF:	Administrative and Financial Manager
PBG:	Performance Based Grant
RCU:	Regional Coordination Unit
PMU:	Project Management Unit

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1. Introduction

1.1. Context

A lower middle-income country, Cameroon has been suffering for several years from the harmful effects of endogenous crises (socio-political crisis in the North-West and South-West regions) and exogenous crises (Boko Haram violence in the Far North and North regions, the influx of refugees from the Central African Republic (CAR), the effects of natural disasters and climate change).

These crises have increased poverty levels, destroyed livelihoods and significantly reduced human capital, both in conflict-affected and neighbouring regions. In 2021, nearly 4.4 million people were in need of humanitarian assistance, with the majority concentrated in the Far North, North West and South West regions. ¹The NW/SW crisis alone is estimated to contribute to a 9% decline in national GDP by 2025 if not resolved. By 2030, national household welfare is expected to decline by more than 5%.² The country has nearly one million people displaced by the conflict³, in addition to more than 420,000 refugees from Nigeria and the Central African Republic, with cross-border areas in the north and east continuing to be affected by violence by extremist groups and armed militias.

Despite an average annual GDP growth rate of 4.5% over the last decade, poverty in Cameroon remains high, with growing inequalities between rural and urban areas, with the concentration particularly established in regions affected by conflict. In addition, the impact of the COVID-19 pandemic on the Cameroonian economy has been significant, further increasing the strain on the socio-economic fabric of the country.

It is in this context that in February 2022, Cameroon was declared eligible for resources from the IDA19 Prevention and Resilience Allocation (PRA)⁴, which aims to support the government's efforts to reduce conflict risks and strengthen the country's resilience to fragility, conflict and violence (FCV). This public policy objective is in line with the ongoing process of accelerating and deepening decentralization, which places Regional and Local Authorities (RLAs) at the heart of the fight against poverty at the grassroots. In addition, it is envisaged to make them spaces of economic opportunities and vessels of local democracy, the ultimate goal being to improve the living conditions of the population.

To support Cameroon in its initiatives aimed at reducing the risks of violence and improving its decentralization policy, the World Bank signed with the Republic of Cameroon on November 20, 2023, an IDA Credit Agreement 72130-CM for the financing of the Local Governance and Resilient Communities Project (PROLOG) up to 300 million US dollars, approximately 189 million CFA francs, to be implemented over the period 2022 - 2027.

The RLAs in Cameroon are financed by two main mechanisms, local taxation and transferred resources. As for transferred resources, the Government transfers resources from the State budget to RLAs each year. Two main types of transfers are used by the State; sectoral

¹UN Humanitarian Action Plan. 2021.

²The Socio-Political Crisis in the North-West and South-West Regions of Cameroon: Assessment of Economic and Social Impacts and Implications for the World Bank Group. World Bank. 2021.

³Internal Displacement Monitoring Centre (IDMC). Cameroon. Accessed 26 March 2021).

⁴Eligibility for the PRA includes 1) experience of medium-intensity conflict, as measured by 1,588 conflict-related deaths or 6.14 deaths per 100,000 people in 2020, and 2) the government's development of a strategy outlining the measures the country plans to take to reduce the risk of conflict and violence.

transfers and multi-sectoral transfers. Sectoral transfers to the RLAs are allocated by the sectoral ministries that have transferred powers to the RLAs, based on allocation criteria defined by each of these ministries. Conversely, multi-sectoral transfers are allocated to the RLAs by the Ministry of Decentralization and Local Development (MINDDEVEL), the ministry in charge of the RLAs, on an equal basis. To this end, MINDDEVEL grants to each of the 360 municipalities an envelope of 100 million CFA francs, 284 million CFA francs to each of the 14 City councils and finally, an envelope of 1 billion CFA francs to each Regional Council.

Overall, MINDDEVEL allocates annually on an equal basis to the RLAs an envelope of 49.976 billion CFA francs for investments.

PROLOG sub-component 2.c proposes a new system for distributing resources transferred by MINDDEVEL that will integrate performance criteria into the allocation mechanisms. In this regard, an envelope of 28.38 billion CFA francs (45 million USD) will be allocated by the project in order to test this new mechanism with the target RLAs with a view to its gradual integration into the official resource allocation mechanisms by MINDDEVEL.

1.2. Purpose of the manual

This manual describes the operation of the performance-based grant system that MINDDEVEL offers to target RLAs through the resources of the Local Governance and Resilient Communities Project (PROLOG) within the framework of its component 2.C.

It presents the conditions of access to subsidies, the stages of the performance assessment process, the mechanism for calculating allocations, the rules for releasing funds to RLAs, the annual implementation schedule, and other institutional arrangements.

With the aim of deepening the decentralization process underway, this new logic of allocating subsidies to RLAs aims to strengthen governance, and improve budgetary programming and the delivery of resilient local services through the establishment of an incentive system.

1.3. Performance incentive

This experimental phase of the establishment of an incentive mechanism for the transfer of State resources to the RLA aims to gradually extend it to other State resources, beyond the life of the project. It should contribute to the acceleration of the reforms envisaged by the State of Cameroon in terms of transfer of resources from the Central State to the benefit of the RLA.

This new mechanism should make it possible to increase the volume of transfers in order to enable the RLAs to better carry out their missions for the benefit of the population in accordance with the provisions of the General Code of RLAs (CGCT), while playing an incentive role by transferring additional resources to the most efficient communities.

The beneficiary communities must, while maintaining their performance indicators above the minimum thresholds required, ensure the proper execution of the investment projects financed by the subsidies granted. They must also ensure compliance with the management rules governed by this manual.

This manual may only be modified in whole or in part by mutual agreement between MINDDEVEL and the World Bank. All operations carried out by the Project and by any partner acting within its framework are subject to compliance with the rules and procedures set out in this manual.

2. Mechanisms and calculation of the distribution of the overall envelope

A total envelope of 28,386,450,000 CFA francs (45 million USD) is allocated by the Project to component 2.C performance-based grant (PBG). An initial distribution of the total envelope is proposed between a share dedicated to subsidies for the benefit of municipalities and another for the benefit of Regional Councils (which will be allocated for the latter from the second year according to the terms described in this manual).

In accordance with the provisions of the project documents, the 187 municipalities of the 06 target regions of PROLOG and the ten regional councils are eligible for performance-based subsidies. Thus, to determine the maximum envelope that each target RLA can benefit from, two levels of equalization will be used:

- ✓ Vertical equalization, to distribute the 28,350,000,000 FCFA (45 million USD) between the two levels (Municipality and Regional Council). An envelope representing 75% of the overall envelope of the PBG will be allocated to the Municipalities and 25% to the Regional Councils;
- ✓ Horizontal equalization, to distribute the total resources of each level between its targets, namely: 187 municipalities on the one hand and 10 regional councils on the other.

2.1. Determination of the maximum envelope of each RLA

The maximum envelope of each RLA is determined according to the following criteria:

- Population (50%);
- Proportion of population living below the poverty line (25%);
- Area of the subdivision/Region (25%).

The initial distribution formula is then as follows:

For each municipality, the maximum individual envelope is equal to the overall envelope to be shared multiplied by the sum of the relative weights of said municipality for the population, poverty rate and area variables, with weightings of 50%, 25%, 25% respectively.

$$Sub_i = \frac{Pop_i}{Pop_{total}} * 0,50 + \frac{Area_i}{Area_{total}} * 0,25 + \frac{Poor_i}{Total\ Poor} * 0,25$$

*Under the Constraint that Sub_i
 $\geq 60\ 000\ 000$ CFA francs, what ever the municipality i , i varying from 1 to 187*

- Sub_i represents the indicative envelope for the municipality i ;
- Pop_i represents the population of the municipality i ;
- Pop_{total} represents the total population of all eligible municipalities (187);

- $Area_i$ represents the area of the municipality i ;
- $Area_{total}$ represents the total area of all eligible municipalities (187);
- $Poor_i$ represents the number of individuals in the municipality i living below the monetary poverty threshold;
- $Total\ poor$ represents the number of individuals in all eligible municipalities (187) living below the monetary poverty threshold

Furthermore, the amount of 60 million CFA francs is set as the minimum individual envelope for each municipality, in order to ensure the impact and incentive for the performance of the PBG.

A similar formula is used to determine the indicative envelopes of each of the **Regional Councils**, namely:

$$SubR_i = \frac{PopR_i}{PopT_{total}} * 0,50 + \frac{AreaR_i}{AreaT_{total}} * 0,25 + \frac{PovR_i}{TotPovT} * 0,25$$

under the Constraint that Sub_i

$\geq 500\ 000\ 000$ CFA francs, what ever the Region i , i varying from 1 to 10

- $SubR_i$ represents the indicative envelope for the Region i ;
- $PopR_i$ represents the population of the Region i ;
- $PopT_{total}$ represents the total population of the country;
- $AreaR_i$ represents the area of the Region i ;
- $AreaT_{total}$ represents the total land area of the country;
- $PovR_i$ represents the number of individuals in the Region i living below the monetary poverty line;
- $TotPovT$ represents the number of individuals in the entire country.

For Regional Councils, the minimum individual envelope is set at 500 million.

2.2. Conditions for allocating resources to RLAs

Performance-based grants (PBGs) will be allocated based on target RLAs meeting two distinct sets of criteria:

- A first part of the allocation, called “first level” (FLA), is conditional on the compliance of the target RLAs with basic criteria called Minimum Mandatory Conditions (MMC);
- A second part of the envelope, called “second level” (SLA), is conditioned by the target RLAs obtaining a minimum score on Performance Indicators (PI).

The first level allocation will represent 40% of the indicative envelope and the second level allocation 60%.

Each municipality admitted to the grant program will participate in **3 performance assessment cycles**:

- Year 1 admission to the FLA: equivalent to 40% of the total envelope available per municipality - carryover of the envelope possible in year 2 and year 3.

- Year 2 admission to SLA (if MMCs met at the start of the year): equivalent to 60% of the total envelope available transferred in the event of reaching the MMCs and a score greater than or equal to 70% in the PI, or alternatively 30% of the total envelope available in the event of reaching the MMCs and a score greater than or equal to 50% but less than 70% - carryover of all or part of the envelope possible in year 3.
- Year 3: admission to SLA (if MMCs completed at the start of the year)
 - o For municipalities that have already obtained their total available envelope: possibility of obtaining a "bonus" envelope taken from the remaining funds of other RLAs (i.e. funds that have not been allocated due to the total or partial failure of the FLA and/or SLA in year 3 of municipalities and regional councils). An allocation formula for this bonus envelope will be established once the amounts of these remaining funds are known or can be estimated. This bonus envelope cannot be distributed to municipalities that have not implemented at least 70% of their annual investment plans in years 1 and 2 (average).
 - o For municipalities that have **not** yet obtained their total available envelope: these municipalities may obtain all or part of their total available envelope depending on their results from previous years. Particular attention should be paid to the case of municipalities that obtain their total available envelope in year 3 (which corresponds to (i) failure of the MMC in years 1 and 2, then (ii) success of the MMC in year 3 with a score of more than 70% in the same year).

The remainders of the first and second level subsidies which may not be allocated under the bonus envelope (in the event that the total sum of the remainders is too high) may be subject to reallocation to the municipalities and regional councils according to terms which will be determined on the basis of the amounts at stake and the absorption capacities of the RLAs.

The municipalities in the project will be assessed in each of the three scheduled cycles on the MMCs, including those that completed them the previous year. In the event of failure of the MMCs during a cycle, the municipality concerned will not be eligible for the SLA, even if it had completed the MMCs the previous year.

Concerning the regional councils, the same logic applies but over two cycles only (year 2 and year 3):

- Year 2
 - o Admission to the FLA: equivalent to 40% of the total envelope available for the Regional Council - carryover of the envelope possible in year 3;
 - o Admission to the SLA (if MMCs met at the start of the year): equivalent to 60% of the total envelope available in the event of reaching the MMCs and a score greater than or equal to 70% in the PI, or alternatively 30% of the total envelope available in the event of reaching the MMCs and a score greater than or equal to 50% but less than 70% - carryover of all or part of the envelope possible in year 3;
- Year 3:
 - o For regional councils that have already obtained their entire total available envelope in year 2: possibility of obtaining a "bonus" envelope taken from the remaining funds of other RLAs (i.e. funds that have not been allocated due to the total or partial failure of the FLA and/or SLA in year 3 of the municipalities and regional councils). An allocation formula for this bonus envelope will be established once the amounts of these remaining funds are known or can be estimated. This bonus envelope cannot be distributed to regional councils that

- have not implemented at least 70% of their annual investment plans in year 2, commitment basis;
- For regional councils that have **not** already obtained their total available envelope in year 2: these Regional Councils will be able to obtain all or part of their total available envelope in year 3 (depending on their results from previous years). Particular attention should be paid to the case of regional councils that obtain their total available envelope in year 3 (which corresponds to (i) failing the MMC in year 2, then (ii) passing the MMC in year 3 with a score of more than 70% in the same year).

2.2.1. Minimum Mandatory Conditions (MMC)

MMCs are minimum conditions that the RLA must meet to be eligible for the subsidy. Most often, MMCs are criteria/rules included in the legal and regulatory texts governing the operation of RLAs. In terms of minimum governance, these rules must be observed by all RLAs in Cameroon.

The MMCs, as well as the PIs (see below) were defined following preliminary work of collecting and critically analyzing data related to the governance of RLAs in Cameroon. This exercise made it possible to identify and prioritize the main obstacles encountered by RLAs and the shortcomings recorded in this area and for which the Government would like to see substantial improvement. The indicators defined on this basis should contribute to improving the performance of RLAs via the incentive effect of the system.

The choice of the conditions retained also takes into account the ease of collecting information, the objective verification of the information collected and the low cost associated with this collection of information.

Finally, the selection of MMCs was the subject of a broad consultation with the administrations and the umbrella bodies of the RLAs, as well as a comparative analysis with the experiences of other countries similar to Cameroon.

The MMCs defined within the framework of the PBG financed by PROLOG resources are listed in the table below:

Table 1: List of MMCs

MMC1 :	<p>The initial budget for year N is voted on by the deliberative organ no later than December 15 of year N-1 and transmitted to the State representative within 7 days following its vote.</p> <p><i>However, exceptionally in year one (01), the RLAs having adopted their budget and transmitted it to the State representative before December 31, 2024 will be admitted. Compliance with the legal deadlines must be met from year 2 (i.e. December 15), including also RLAs having already satisfied the MMC1 in year 1.</i></p>
MMC2:	<p>The administrative account for year n-1 is adopted by the deliberative organ no later than March 31 of year n (year following the budgetary year to which it relates).</p> <p><i>However, exceptionally in year one (01) this MMC will be considered validated if the adoption took place before May 31, 2024. Compliance with</i></p>

	<i>the legal deadlines will be required from year 2, including also RLAs that have already validated MMC2 in year 1.</i>
MMC3:	The functional organizational chart listing and specifying the hierarchical relationships between the various RLA departments is adopted by the deliberative organ
MMC4:	The joint committee for advancement and reclassification is established within the municipal/regional administration and is held every year
MMC5:	The internal procurement committee has been established and is operational
MMC6: (not applicable to regional councils)	The municipality has a functional civil status service: (i) physically locatable, (ii) having a named manager, (iii) having registers for each service (death certificate, birth, marriage)

MMC 4 will be required from the second annual performance assessment (APA) exercise.

A RLA will therefore be admitted to the subsidy and will benefit from the first level allocation (MMC allocation) if and only if all the required MMCs are reached. Obtaining the first level allocation is also a prerequisite for benefiting from the second level allocation (performance allocation).

In year 2 and year 3, only a RLA having satisfied the conditions for the first level allocation that same year will be able to claim the second level allocation.

It should be noted that MMC 6 logically only applies to municipalities and not to regional councils.

A detailed description of each MMC and the assessment criteria is presented in Appendix 5.2 of this manual.

2.2.2. Performance Indicators (PIs)

Performance indicators (PIs) aim to enable RLAs to improve their performance in various key areas of local governance (financial management, citizen participation, environmental and social management systems, etc.). PIs do not always reflect obligations dictated by the legislative and regulatory framework in force, although they may be included in said framework. While remaining realistic, they often include a higher level of requirement than MMCs and allow access to an additional allocation.

Access to this so-called "second level" allocation (SLA) will be possible from the 2nd financial year. It will be conditional on (i) the target municipalities/regional councils meeting the required MMCs and (ii) obtaining a score greater than or equal to the minimum score defined for the SLA at the PI level.

SLA is obtained in whole or in part according to the distribution criteria below.

PI Score	Less than 50 points	Between 50 and 70 points, 70 excluded	70 points and more
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% of SLA obtained	0%	50%	100%
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For the 1st year, only the first level allocation will be paid based on the results of the MMCs. The assessment of the PIs will be carried out in years 2 and 3 and the RLAs will benefit from their SLA subject to validation of the MMCs and the PI scores obtained.

Spread across three key areas of expertise, the 13 PIs selected within the framework of the PBG financed by PROLOG resources are listed in the tables below (see also the explanatory sheets of PI in appendix 5.2):

Table 2: List of PIs for municipalities

Theme/PI		Number of points
Theme 1: Production of good quality PPBS chain deliverables		52 points
PI 1.1	Availability of the updated Council Development Plan	8 points
PI 1.2	Availability of Medium-Term Expenditure Frameworks (MTEFs) and Medium-Term Budget Frameworks (MTBFs) submitted to the budget orientation debate (BOD)	5 points
PI 1.3	Payroll control	9 points
PI 1.4	Debt control	8 points
PI 1.5	Execution rate of the annual investment budget for year N-1	12 points
PI 1.6	Increase revenue recovery	10 points
Theme 2: Citizen participation		14 points
PI 2.1	Publication of decisions of the deliberative organ	6 points
PI 2.2	Establishment of village and neighborhood committees	4 points
PI 2.3	Holding of the Budget Orientation Debate (BOD) within the regulatory deadlines	4 points
Theme 3: Sustainable and inclusive management of the municipality's resources		34 points
PI 3.1	Positions of responsibility are filled in accordance with the organizational chart and job descriptions.	10 points
PI 3.2	Capacity building plan implementation rate	6 points
PI 3.3	Maintenance of realized investments	9 points
PI 3.4	The Municipality has an environmental and social management plan	9 points
Total		100 points

Table 3: List of PIs for regional councils

Theme/PI		Number of points
Theme 1: Production of good quality PPBS chain deliverables		48 points
PI 1.1	Availability of the updated Regional Development Plan	9 points
PI 1.2	Availability of Medium-Term Expenditure Frameworks (MTEFs) and Medium-Term Budget Frameworks (MTBFs) submitted to the budget orientation debate (BOD)	6 points
PI 1.3	Payroll control	10 points
PI 1.4	Debt control	9 points
PI 1.5	Execution rate of the annual investment budget for year N-1	14 points
Theme 2: Citizen participation		12 points

PI 2.1	Publication of regional council decisions	7 points
PI 2.2	Holding of the Budget Orientation Debate (BOD) within the regulatory deadlines	5 points
Theme 3: Sustainable and inclusive management of the Regional Council's resources		40 points
PI 3.1	Positions of responsibility are filled in accordance with the organizational chart and job descriptions.	11 points
PI 3.2	Capacity building plan implementation rate	7 points
PI 3.3	Investment maintenance carried out	12 points
PI 3.4	The RLA has an environmental and social management plan	10 points
Total		100 points

2.3. RLA targets, sequencing and allocation allocations

The first phase of PBG will be carried out on the basis of the completion of the MMCs by the 187 municipalities of the 06 regions targeted by the project and the 10 Regional Councils integrated in year 2.

For the first year (2024) of the PBG, only the MMCs will be evaluated. The 187 municipalities in the 06 regions targeted by the project will be eligible for the FLA, which will be paid to them in full subject to the achievement of all the required MMCs.

In year 2 (2025), the 187 eligible municipalities will be reassessed on the MMCs. Those that have not obtained their FLA in year 1 due to the non-satisfaction of all the required MMCs will be able to benefit from it in year 2, subject to reaching all the required MMCs in year 2.

Furthermore, municipalities that have met the MMCs required in year 2 will be assessed on the PIs in year 2, even if they did not achieve the said MMCs in year 1. Only those that have met all the MMCs required in year 2 and have achieved a PI score greater than or equal to the defined minimum threshold will be able to benefit from all or part of the SLA.

Target municipalities that have not fulfilled the conditions for accessing their FLA or all or part of their SLA will be eligible for the 3rd cycle of EP (in year 3) under the same conditions as in year 2.

The Regional Councils will be integrated into the process during the cycle starting in 2025 and will participate in two assessment cycles. They will be eligible for the FLA and the SLA from 2025 and will therefore be evaluated on the achievement of the MMCs and PIs. In 2026, they will be evaluated again on the MMCs and will be able, for the Regional Councils which did not meet the MMCs in 2025 to benefit from their FLA in 2026 subject to achieving all the MMCs required in 2026.

Sequencing.

During the first year of the project, the grants will be allocated on the basis of the municipalities' satisfaction of the MMCs. The PIs will be included in the assessment from the second year for the municipalities having satisfied the MMCs in this second year.

Furthermore, the ten regional councils will be included in the system as from the 2nd assessment **cycle (i.e. in 2025)**.

Allocations and deadlines for execution of investments financed by the allocations:

The performance allocations that the PROLOG target RLAs will benefit from are exclusively intended to finance their investment budget, with the aim of contributing to the improvement of municipal and regional services and equipment. Since the PROLOG financing instrument is an IPF (Investment Project Financing), the RLAs receiving project subsidies are also required to complete the execution of the investments financed by said subsidies and to duly document the consumption of funds before the closing of the project, otherwise the unexecuted resources may be returned to the World Bank.

In order to limit the risks of non-consumption by the RLAs of all the subsidies on the date of the closing of the Project, each RLA on the basis of the indicative envelope communicated by MINDDEVEL must present an investment plan corresponding to the said envelope and approved by the PMU before payment of the subsidy.

3. Annual Performance Assessment Process

3.1. Key stakeholders

The main institutional actors involved in the APA process, the calculation and transfer of performance allocations are:

- **The Ministry of Decentralization and Local Development (MINDDEVEL) through the PMU,** which ensures communication with the RLAs regarding all information relating to the assessment process (organization of information/training sessions; organization of workshops to present the results of the performance assessment in each region and definition of the mechanisms for their dissemination to the population); coordinates the feedback of information from the RLAs and the transmission of this information to the independent verifier and to the MINFI/CAA; calculates the allocations based on the distribution formula; communicates the final results of the APAs, notifies at the start of the APA cycle the amount of allocations available for each municipality; also notifies the allocations to be transferred based on the results of each assessment cycle transmitted by the MINDDEVEL.
- **The independent verifier,** who ensures the assessment of the performance of the target RLAs on the basis of the self-assessment files submitted by the latter and the field verification missions in accordance with the verification protocol established in this manual. The independent verifier will carry out this verification as an independent third party. At the end of each annual exercise, the control body presents the provisional results (MMC and/or PI) of its assessment to the RLA. The RLA then has the possibility of contesting the result attributed to it within the framework of a supervised procedure (see section 3.3.6 on the contestation period). The independent verifier studies the contestation, if necessary, and then establishes the final result of the RLA (which may thus be different from the provisional result if the verifier considered that all or part of the contestation was justified).

As part of the expansion of the functions of the Audit Bench following the reforms resulting from the transposition into domestic law of the Harmonized Framework for

Public Finances of the Economic and Monetary Community of Central Africa (CEMAC), the latter will assume the role of independent verifier in order to strengthen its capacities in this new function and to perpetuate the national verification system.

A private firm will be recruited in the second year and will assist the Audit Bench (AB) in carrying out this mission exclusively with regard to PIs. The essential role of this firm will be to support the assessment of PIs in the field (collection of documents, preliminary reports, field verifications), under the supervision of the AB.

As for the MMCs, regional joint teams will carry out the assessment of the MMCs on the basis of the self-assessments of the RLAs (assessment on the basis of documents) and will send their reports to the PMU for verification before publication.

In order to ensure the independence of the MMC verification, the Chamber will carry out each year, on the basis of a sample of MMC files, a counter-verification of the accuracy and sincerity of the results established by the PMU.

For all cycles, the Audit Bench will carry out field checks based on a sample proposed and validated by the PMU.

- **The regional joint teams**, for each cycle, ensure the assessment on the basis of documents of the MMCs in all 187 municipalities and 10 Regional Councils. They will draw up their reports and transmit them to the PMU for information of the RLAs. They will deal with any disputes before the final publication of the results by the PMU. The Audit Bench of the Supreme Court will receive the final reports of the results and will carry out an ex-post counter-verification.

The mixed teams will be composed of at least for each Region:

- a representative of the Governor;
 - a representative of the MINDDEVEL regional delegation;
 - a representative of FEICOM;
 - a representative of the MINEPAT regional delegation;
 - a regional UCCC representative;
 - a RCU PROLOG representative;
 - a civil society representative.
- **The Ministry of Finance (MINFI/CAA)** ensures the effective payment into the dedicated accounts, upon order from the PMU PROLOG, of resources on the basis of the FLA and SLA established by the MINDDEVEL following validation of the final assessment reports.
 - **The target RLAs** as potential beneficiaries of performance allocations will, on the basis of the files submitted, carry out their self-assessment, which they will submit to the independent verifier. The RLAs receiving subsidies following the assessment will sign an agreement with the PMU;
 - **The PROLOG Steering Committee**, which validates the annual assessment report produced by the independent verifier before its publication.

The roles of the different actors are detailed in the table below:

Table 4: Role of the actors involved in the governance of the Project's APAs

Actors	Roles / tasks
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MINDDEVEL/ PMU	<ul style="list-style-type: none"> ○ Prepares, in collaboration with MINFI/MINEPAT and key decentralization stakeholders, the assessment manual including verification protocols for each indicator and a self-assessment form; ○ Announces the different stages of the APA cycle and any changes introduced to the performance framework per cycle (indicators, verification processes, etc.); ○ Sets and communicates, under the supervision of MINDDVEL, the annual envelopes to be transferred; ○ Carry out the necessary communication and awareness-raising actions (in particular during the 1st APA exercise, then, for the following exercises, on the points identified as requiring more support and/or the modified elements of the framework); ○ Proposes, coordinates and implements capacity building activities for target RLAs within the framework of sub-component 2.b, in particular to help them achieve MMC/PI; ○ Notifies the municipalities/Regional Councils of the scores (provisional and final) and the amount of allocations to be transferred following validation of the APA results by the Steering Committee; ○ Supervises MMC verification activities through local multidisciplinary mixed teams set up at the regional level; ○ Submits its final MMC report and related documents to the AB for counter-verification based on a sample.
Independent verifier	<ul style="list-style-type: none"> ○ Carry out the annual assessment: verify the achievement of the PIs on the basis of the procedure mentioned in this manual; ○ Is supported by a private firm to ensure deployment in the territories necessary for the proper conduct of the PI assessment; ○ Performs a field check based on the procedure mentioned in this manual; ○ Determines PI scores based on supporting documents and field checks; ○ Submits (after field verification) a provisional report to the PMU for publication of provisional results; ○ Handles complaints submitted by RLAs following the announcement of provisional results; ○ Share the results in regional consultation frameworks; ○ Prepare a final report to be submitted to the steering committee.
Mixed Teams	<ul style="list-style-type: none"> ○ Supports the PMU at the territorial level for the assessment of MMCs; ○ Prepares the assessment report sent to the PMU; ○ Examines any disputes based on its assessment within the time limits set out in this manual.
MINFI/CAA	<ul style="list-style-type: none"> ○ Ensures the payment into the dedicated accounts of the beneficiary RLAs, upon order of the PMU, of the amounts of subsidies in accordance with the final results established by the independent verifier, presented by the PMU and approved by the COPIL
Target RLA	<ul style="list-style-type: none"> ○ Complete the self-assessment grids and transmit them to the PROLOG RCUs. Transmit to the independent verifier any

	<ul style="list-style-type: none"> documentation deemed necessary to conduct the performance assessment and verify the MMC/PI; ○ Make themselves available to receive verification teams at the times indicated; ○ May request clarifications or make complaints about provisional scores during the dispute phase; ○ Provide the additional elements requested by the verifier.
COPIL/PROLOG	<ul style="list-style-type: none"> ○ Examines and validates the final report of the independent verifier transmitted by the PMU.

3.2. The performance assessment process

The timeline for the very first APA cycle has been adjusted to align it with the PROLOG launch schedule. The first APA cycle will thus be initiated ad hoc following the validation of this manual and will be closed via transfers to be made before 31/1/2025.

The verification for this very first cycle will focus on the budget for the 2024 fiscal year prepared in December 2023 for MMC 1, on the administrative accounts of the 2023 budget for MMC 2, and on the situation on the date of the assessment for the other MMCs. MMC 4 will also be evaluated but not counted during this first cycle (municipalities that have not completed it will not be penalized).

A timetable more in line with the cycle of preparation and implementation of local investments will be adopted from the second APA cycle. During a "normal" APA cycle, the cycle will be launched on 1st April of year n and will end before 30th September of year n for the preparation of files and the verification of MMCs. The verification of PIs will take place from 1 August of year n and will only concern municipalities that have satisfied the criteria for access to the FLA; it will end on 30th November of year n.

Box 1: Periods targeted by the APAs (n, n-1 and n-2):

An FLA paid during year n will be based on an assessment carried out during year n-1 and relating to budget n-2. On the other hand, an SLA paid during year n will be based on an assessment carried out during year n-1 and relating to year n-1 (with the exception of PI 1.5 which relates to N-2).

Thus, for a payment of an FLA in 2025, an assessment must have been made in 2024 using, for example for financial indicators, financial statements from 2023. However, an FLA payment can be made during the same year from the 2025 MMC assessment.

For a payment of an SLA in 2026, an assessment must have been made in 2025 using indicators from 2025 management (with the exception of PI 1.5 which will look at 2024 management).

The schedule may be revised following the recommendations of the Mid-Term Review of the Project.

3.2.1. Steps and timetable for the MMC assessment for the first year

The process of evaluating the MMCs of the target RLAs for the first year will take place over the period from October 5 to December 5, 2024 in accordance with the steps indicated in the following table or according to the schedule mutually agreed between MINDDEVEL and the World Bank.

Table 5: Key steps and timeline for the MMC Assessment for the first year

Stage	Responsible persons	Action	Deadlines 1st cycle of APA (day/month)
1	PMU/ MINDDEVEL	Preparation of the APA cycle (including fixing of envelopes by RLA)	05/10/2024
	PMU/MINDDEVEL	Awareness and Communication to target RLAs (announcement of the launch of the APA cycle and confirmation of the timetable; notification to each RLA of the amount of the available envelope (first and second level allocations) and transmission of the list of MMCs and PIs for the preparation of assessment files, etc.)	07/10/2024 to 15/10/2024 (for fixing the envelopes)
		Constitution of joint regional MMC verification teams	15/10/2024
		Transmission of the self-assessment file to the RLAs	15/10/2024
2	RLA	Preparation of self-assessment files by RLAs	From 15/10/2024 to 31/10/2024
		Submission of assessment files by RLAs to MINDDEVEL/PMU	No later than 31/10/2024
3	Verifier	Assessment/verification on documents	From 01/11/2024 to 12/11/2024
		Field verification	
		Consolidation of results by Region	13/11/2024
4	MINDDEVEL/ PMU	Transmission of provisional results to RLAs	14/11/2024
5	RLA	Challenge of provisional results	From 14/11/2024 to 20/11/2024
	MINDDEVEL/ PMU	Transmission of RLA dispute files to the verifier	21/11/2024
6	Independent verifier	Analysis of RLA challenges and formulation of responses to challenges	From 21/11 to 27/11/2024
		Production of final reports and transmission to the PMU	28/11/2024
	Steering Committee	Validation of results	04/12/2024
	MINDDEVEL	Transmission of final results to the RLAs and publication of the annual report on the MINDDEVEL and PROLOG websites where applicable Notification of the FLA to each eligible RLA	05/12/2024
7	MINFI/CAA	Transfer to the designated PBG account of the RLA opened by the PMU of the amount of the FLA	31/1/2025
	MINDDEVEL/PMU	Transmission to the Audit Bench for counter-verification of MMC results	20/12/2024
	Audit Bench	Certification of MMC results (or request for additional information)	15/2/2025

3.2.2. Standard cycle

From year 2, the process of evaluating the MMCs of the target RLAs will begin on April 1st and end on August 30th or according to a schedule mutually agreed between MINDDEVEL and the World Bank. The different stages of the assessment as presented in the following table will take place under the supervision of the verification provided by the Audit Bench.

Table 6: Key steps and timeline for MMC assessment for the standard cycle.

Stage	Responsible persons	Action	Deadlines 1st cycle of APA (day/month)
1	PMU/ MINDDEVEL	Preparation of the APA cycle (including fixing of the envelopes of the 2 nd APA cycle)	01/04
	PMU/MINDDEVEL	Awareness and Communication to target RLAs (announcement of the launch of the APA cycle and confirmation of the timetable; notification to each RLA of the amount of the available envelope (first and second level allocations) and transmission of the list of MMCs and Pls for the preparation of assessment files, etc.)	05/04 to 20/04
		Transmission of the self-assessment file to the RLAs	21/04
2	RLA	Preparation of self-assessment files by RLAs	From 21/4 to 20/5
		Submission of assessment files by RLAs to MINDDEVEL/PMU	No later than 30/5
	MINDDEVEL/ PMU	Transmission of assessment files by MINDDEVEL to the independent verifier	No later than 10/6
3	Independent verifier	Assessment/verification on documents	From 10/06 to 10/07
		Field verification and transmission of the report to the PMU	
4	MINDDEVEL/ PMU	Transmission of provisional results to RLAs	25/07
5	RLA	Challenge of provisional results	From 25/7 to 05/8
6	PMU	Analysis of RLA challenges and formulation of responses to challenges	From 06/8 to 16/8
		Production of final reports	Before 24/8
	Steering Committee	Validation of results	30/8
	MINDDEVEL	Transmission of final results to the RLAs and publication of the annual report of the independent verifier on the MINDDEVEL and PROLOG websites where applicable	10/9
		Notification of the FLA to each eligible RLA	
	MINDDEVEL/ PMU	Transmission to the Audit Bench for counter-verification of MMC results	11/9
	Audit Bench	Certification of MMC results (or request for additional information)	30/9
7	MINFI/CAA	Transfer to the designated PBG account of the RLA opened by the PMU of the amount of the FLA	31/1

The verification of the MMC Assessment process will be ensured in all cycles by the Audit Bench.

3.2.3. Steps and timetable for the Assessment of PIs

PIs are assessed for RLAs that have obtained the FLA from year 2. The assessment process will begin on August 30th and end on November 30th. The various stages of the PI assessment as presented in the following table will be carried out for the first two years by a firm under the supervision of the Audit Bench. From the 3rd year, the will ensure the completeness of the task.

Stage	Responsible persons	Action	PI Assessment Deadlines (day/month)
1	PMU/ MINDDEVEL	Preparation of the APA cycle (including fixing of the envelopes of the 2 nd APA cycle)	25/06
	PMU/MINDDEVEL	Awareness and Communication to target RLAs (announcement of the launch of the APA cycle and confirmation of the timetable; notification to each RLA of the amount of the available envelope (first and second level allocations) and transmission of the list of MMCs and PIs for the preparation of assessment files, etc.)	01/7 to 31/7
		Transmission of the self-assessment file to the RLAs	29/8
2	RLA	Preparation of self-assessment files by RLAs	30/8 to 25/9
		Submission of assessment files by RLAs to MINDDEVEL/PMU	No later than 26/9
	MINDDEVEL/ PMU	Transmission of assessment files by MINDDEVEL to the independent verifier	No later than 01/10
3	Independent verifier	Assessment/verification on documents	From 01/10 to 25/10
		Field verification and transmission of the report to the PMU	
4	MINDDEVEL/ PMU	Transmission of provisional results to RLAs	30/10
5	RLA	Challenge of provisional results	From 30/10 to 10/11
	MINDDEVEL/ PMU	Transmission of RLA dispute files to the independent verifier	11/11
6	Independent verifier	Analysis of RLA challenges and formulation of responses to challenges	From 11/11 to 21/11
		Production of final reports and transmission to the PMU	Before 24/11
	Steering Committee	Validation of results	30/11
	MINDDEVEL	Transmission of final results to the RLAs and publication of the annual report of the independent verifier on the MINDDEVEL and PROLOG websites where applicable Notification of the FLA to each eligible RLA	02/12
7	MINFI/CAA	Transfer to the designated PBG account of the RLA opened by the PMU of the amount of the SLA	31/01

3.3. Presentation of the different stages of the Performance-Based Grant (PBG) cycle

3.3.1. Step 1: Orientation and Notification of RLAs

Preparatory activities

Before each new APA cycle, MINDDEVEL/PMU will analyze, in collaboration with the independent verifier, the results of the APA of the previous year to identify potential adjustments to be introduced in the following cycle (verification framework, rating scale).

Any changes to the APA framework should be discussed and validated with the World Bank based on the previous year's assessment report. Changes made will also be systematically integrated into this manual and recorded in a dedicated annex, including adjustments to the performance framework made before each cycle. It is recommended not to introduce changes to the indicators themselves before the mid-term evaluation of the Project, to allow the RLAs to take ownership of the MMCs/PIs.

This preparation phase will also allow MINDDEVEL to set the amount of allocations available per RLA.

Communication to the municipalities

On October 7th for the first APA exercise and on April 5th of each year for the following APAs, MINDDEVEL announces to the RLAs the launch of the exercise. It will communicate, if applicable, the modifications introduced to the APA framework compared to the previous year, and will invite the RLAs to complete their self-assessment grids (document also made available to the RLAs on the Ministry's website before October 7th for the first exercise, and before April 1 for the following exercises for the MMCs). For the PIs, the verification will be launched in year 2 on August 30th.

The email/postal address for submitting the files will be specified, as well as the contact points at the PMU level for possible information concerning the various MMCs/PIs. In the same communication, the consequences of late submission will also be mentioned.

Figure 1: Exceeding the deadline for completing the self-assessment grid

To ensure equal treatment between all RLAs and to enable the assessment exercise to be carried out within the prescribed time limits, it is important that RLAs submit their files on time.

The following measures apply to those who submit their files late:

- A penalty of 5 points on the PI if the file is submitted after the deadline set in the MINDDEVEL's announcement and invitation to the self-assessment, but not exceeding 15 days;
- A disqualification (rejection of the file) if the file is submitted more than 15 days after the deadline.

Thus, municipalities which complete their self-assessment grids more than 15 days late compared to the announced schedule lose the possibility of benefiting from a performance allowance the following year.

The maximum amount of the envelope allocated to each RLA (in the event of reaching all the MMCs and a maximum score for the PIs from the second year) will also be mentioned in the same letter.

To ensure that RLAs are adequately prepared for the assessment, the following activities will be undertaken prior to the launch of the APA:

The PBG Implementation Manual will be published on the MINDDEVEL website at least 7 days before the transmission of the Self-assessment File to the RLAs.

- a) (First APA exercise). The updated manual (based on any adjustments made to the APA framework during subsequent cycles) will also be made available to municipalities on the MINDDEVEL/PMU website before the launch of subsequent APA exercises;
- b) MINDDEVEL/PMU will inform and orientate the RLAs on the performance assessment manual as well as the implications of their performance scores before the actual assessments.

3.3.2. Step 2: Preparation and submission of self-assessment files by the RLAs

RLAs must prepare and submit their self-assessment file to enable the independent verifier to carry out an initial assessment on the basis of documents.

This file containing all the required supporting documents, transmitted by the head of the RLA executive to MINDDEVEL/PMU and given to the verifier, engages the responsibility of the RLA.

The assessment file serves as a “declaration on honour” and the signatories assume responsibility for the authenticity of the elements declared. False declarations may be subject to a sanction (see box 3).

Late submissions may result in a penalty or even disqualification from the RLA.

An online self-assessment tool will also be put in place to facilitate the process.

3.3.3. Step 3: Rating of files by the independent verifier (document verification)

The independent verifier has a fixed period of time to conduct the assessment of the files of all target RLAs.

Box 2: Commitment of the independent verifier

As part of its mandate, the independent verifier undertakes to conduct annual performance assessments of PROLOG's target RLAs.

To do this, the independent verifier will mobilize inspectors and the necessary resources to process complaints and prepare the final report of the exercise.

This final report must be available within the deadlines set by the assessment schedule for each cycle.

3.3.4. Step 4: Selection of sampling and field verification

In order for the document verification process to be reliable and for the responses provided to accurately reflect the actual situation of each RLA, the independent verifier will also conduct an annual field verification based on a sample of RLAs. However, administrative (document) verifications must be carried out for all RLAs.

Field checks will be carried out on a representative sample, determined annually by the independent verifier after finalizing the documentary checks. Thus, each year, targeted RLAs will be visited from October 1st to October 25th (according to the calendar). The rate of municipalities visited will be established following the MMC verification exercises, which will make it possible to indicate a realistic sample.

This sample, selected randomly, will take into consideration the following parameters:

- Ensure balanced regional/territorial coverage;
- Visit each RLA at least once over the 3-year period;
- Retain RLAs that have obtained a score close to the minimum performance score threshold;
- Retain RLAs that score particularly high and RLAs that score particularly low.

To weight these different criteria, the following procedure will be applied:

- Depending on the number of teams mobilized, determine the number of RLAs to be visited in each region to ensure balanced and proportional coverage;
- Based on the sample parameters listed above, draw up the list of municipalities to visit;

Based on a random draw, weighted with the number of years during which a RLA has not been visited, complete the list of RLAs to be visited (at least 20 percent of the annual sample to be identified randomly in order to ensure the unpredictability of the visit for the RLAs). In any case, it is necessary that a portion of the sample be randomly drawn without any criterion. And this is to ensure that a RLA can be visited regardless of its situation (and to avoid generating situations in which certain RLAs would be guaranteed not to be visited in a given year).

A methodological note will be prepared by the independent verifier prior to the field visits and shared with MINDDEVEL/PMU and the World Bank. The verifier will establish the list of RLAs that will be visited and the reasons for this choice (which must comply with the provisions above).

Each visit will be sanctioned by a mission report, signed by the team members and attached to the file. The independent verifier will also include the results of his field verification in the final report, after the dispute period.

The first phase of the performance assessment is carried out in a declarative manner, based on the completion of the self-assessment grid established by the RLAs by attaching the required supporting documents.

To ensure the integrity of the assessment system, it is important that these statements are sincere and accurately reflect reality.

Significant penalties are provided for in the event of false declarations being updated, whether on paper or on the ground.

In the event of finding false declarations, the independent verifier will proceed as follows:

Regarding MMCs : Fix the MMCs result to reflect the actual situation.

Regarding Pls :

- Correction of the score to reflect the actual situation
- Application of a penalty of 10 points on the corrected score in the event of proven bad faith

To help RLAs succeed in this exercise, MINDDEVEL/PMU's mission is to assist RLA managers in achieving performance indicators.

The independent verifier's teams will be tasked with improving the credibility of the document verification process. To do this, they will ensure that the responses provided through the submission forms reflect a real situation and will assess the regularity and conformity of the supporting documents previously communicated by the RLAs.

3.3.5. Step 5. Transmission of interim reports to the RLAs

Following the results verification step described above, the independent verifier will prepare a scoring table showing for all RLAs (i) their compliance with the MMCs, (ii) the score for each PI, (iii) the subtotal of the scores for each theme, and, where applicable, (iv) the corrected score and the penalty applied for misrepresentation, and finally (v) the total score.

These results will be presented to MINDDEVEL/PMU, for transmission to the RLAs no later than 14/11/2024 for the first APA exercise and July 30th for the MMCs and October 30th for the Pls for the following exercises.

3.3.6. Step 6: Period of contestation of provisional results and analysis of contestations by the independent verifier

After the announcement of the provisional results, the RLAs have 07 days for the MMCs in year 1 and 10 days for the other cycles to contest, by mail/email, the results via the PMU which will contact the independent verifier for this purpose. Each contestation must be justified by a detailed report with supporting documents.

The processing of disputes and the necessary investigations are carried out by the independent verifier within 07 days for MMCs in year 1 and 10 days for other cycles from the

receipt of the dispute. If necessary, it then transmits the corrected results to the PMU/MINDEVEL.

The independent verifier will prepare a report covering all objections received, together with the decision taken with its arguments within 15 days of receipt of all objections.

3.3.7. Step 7: Validation and publication of final results

The PMU for MMCs and the independent verifier for Pls will establish a final report of the assessments which will include among others:

- The report of the disputes;
- An analysis of scores (and performance) by theme and recommendations on how to improve RLA performance;
- Observations and suggestions on how to improve the manual and annual assessments, for greater impact.

For Pls, the independent verifier will submit its final report to the PMU within the time limits prescribed by the calendar for the corresponding cycle.

The PMU transmits the final report to the PROLOG Steering Committee within the time limits set by the calendar depending on the cycle.

The PROLOG Steering Committee examines and validates the final report no later than 7 days after its receipt.

MINDDEVEL will ensure the communication of results to the RLAs and the publication of the annual report on the ministry and project website.

3.3.8. Step 8: Transfer, use and justification of resources

The following procedures describe the transfer, management and accountability of resources mobilized by RLAs under the PBG.

Transfer of resources

The results of the independent verification validated by the COPIL determine the transfer of resources to the RLAs according to the following terms:

1. As soon as the final report validated by the COPIL is sent to the PMU, the latter has 48 hours to notify the RLAs;
2. A joint account is opened by the PMU for the benefit of the beneficiary RLA;
3. The PMU Governance Manager calculates the subsidy based on the APA. He/She produces the allocation statement for each of the beneficiary RLAs;
4. The PMU accountant checks the compliance of the statements with the assessment report and the envelope available for the RLA. He then draws up the payment request. The payment request is sent to the administrative and financial manager (RAF) for visa and to the National Coordinator for approval. The accounting department records the payment request and the PMU sends everything (payment request, allocation statement validated by the Governance Expert, copy of the assessment report for the first year and

the audit report of the Audit Bench from the following years) to the Autonomous Sinking Fund (CAA) for payment. The PMU will ensure that all due diligence has been carried out in order to ensure payment into the joint accounts before January 31 of each year;

5. The CAA has a maximum period of 10 working days to carry out the verifications it deems necessary before payment into the joint account designated for the benefit of the RLA. The transfer of resources to the RLAs is made into a dedicated joint account opened in a financial institution acceptable to the Bank. The head of the executive (executive organ of the RLA) and the Regional Coordinator are the signatories of the dedicated account.
6. Once the payment is effective, the PMU accountant checks that the amounts taken from the designated account correspond to the payment request issued and regularizes its accounting.

The entire process takes 22 working days. The table below summarizes the responsibilities and deadlines:

No.	Activity	Actor	Delivery time in working days	Cumulative delay
1	Receipt of notification of results and opening of the dedicated joint account	RLA/PMU	2	2
2	Calculation of annual performance grants	PMU	5	7
3	Establishment of the payment request	PMU	5	12
3	Transfer to the RLA account	CAA	10	22

Use of resources

Eligibility requirements

Resources from PBGs finance the investment budget of the RLAs. They only ensure the payment of expenses on eligible investment projects. Operating expenses are not eligible.

Grants financed with IDA funds are intended to be used to finance projects that promote sustainable development and resilience to climate change, such as health, education, water and sanitation, transport infrastructure, flood protection measures and solar energy production systems. The applicable procedures are government procedures. The process is as follows:

- The Regional Coordination Unit (RCU) supports the RLAs in identifying projects eligible for IDA financing and preparing investment projects to be carried out;
- The identified projects are the subject of a feasibility study in which the objectives, expected results, an initial estimated budget and the impact of the project are clearly defined;
- The RCU assists the RLAs in developing the specifications and the provisional budget for the execution of the project. The selected projects come from the RLA's multi-year programming and are approved within the budget;
- Priority will be given to so-called "mature" projects: projects which have (i) already been the subject of a feasibility study (or are in the process of being finalized), and (ii) have a land base which is not subject to any dispute;
- Priority will be given to projects that support the inclusion of vulnerable people (indigenous populations, women, people with disabilities in particular).

At the end of the financial year, the RLA prepares and sends to the RCU a report on the physical and financial execution of the investment budget. This report must show that the financed investment projects were carried out in accordance with the established specifications and highlight the allocated budgets, the expenditure incurred, the physical execution rate, as well as the financial execution rate for each project. A presentation template for the execution report outlining the allocated budgets, the expenditure incurred, the financial execution rate and the physical execution rate is presented in Appendix 5.4.

Planning and execution of approved projects

Overall, the RCU provides support to the RLA in the planning and execution of approved investments. However, the execution of activities relating to the implementation of investment projects falls under the responsibility of the RLA, which assumes full responsibility for them. Expenditure is executed in accordance with the expenditure management system within the RLA, which involves the executive organ of the RLA, the treasurer, the financial controller and, where appropriate, the internal procurement commission.

Taking into account projects carried out in the RLA investment budget

The projects approved and implemented by the RLA are taken into account in the execution rate of the annual investment budget. In its self-assessment, the deliberative organ, upon adoption of the administrative account, certifies that the investment projects financed by the PBG have been implemented in accordance with the established specifications.

Transmission to the independent verifier

The certification of the deliberative organ is transmitted with the self-assessment file to the independent verifier for review and consideration in the next performance assessment of the RLA.

Justification of expenses and audit

In the case of an investment project (IPF), expenditures must be justified in accordance with applicable and acceptable procedures (World Bank procedures).

The RLAs that benefited from the FLA and/or the SLA in year n must provide proof of a minimum budget commitment rate equal to or greater than 70% of the allocations already received in order to benefit from the transfer of the allocations for which they will be eligible in year n+1 corresponding to the following APA cycle. Resources not transferred in year n+1 due to insufficient execution of the allocations already received in year n may be reallocated to other more efficient municipalities after a certain period (during which the RLA will have the opportunity to reach the target and receive the funds) and according to terms and conditions that remain to be specified in this manual (the presentation framework for the accounting and financial situation tracing the resources, justified expenses and the balances relating thereto are presented in Appendix 5.5).

Given the possibility of the occurrence of exogenous events (e.g. an unsuccessful call for tenders) handicapping the RLAs in reaching the required commitment rate, a procedure will

be established to allow these RLAs to make a complaint to the PMU which will study its legitimacy and may, where appropriate, and in agreement with the World Bank which will also have access to the file, grant an exemption from the rule if it is justified.

The Audit Bench will audit the accounts of the RLAs. The audit will cover expenditure made using IDA funds. The terms of implementation of this audit will be specified after consultation with the Audit Bench.

3.4. Summary tables by actor

The following tables summarize the different actors and their roles, along with deadlines, in the assessment process.

Table 7: Summary table of actors - RLA targets

Activity	Calendar of the following AEP exercises
Preparation of self-assessment files	From 15/10/2024 to 30/10/2024, MMC First cycle From 21/4 to 20/5, MMC standard cycle From 30/08 to 25/09, PI
Submission of assessment files	No later than 31/10/2024, first cycle MMC By 30/5 at the latest, MMC standard cycle No later than 26/9 , PI
If necessary, challenge the provisional results	See calendar

Table 8: Summary table of actors - MINDDEVEL

Activity	Calendar of the following AEP exercises
Notification to RLAs of the launch of the exercise for year N and of the list of MMCs and PIs	15/10/2024 05/4 29/8
Transmission of municipal assessment files to the verifier	No later than 01/11/2024 No later than 10/6 No later than 01/10
Transmission of provisional results to RLAs	14/11/2024 25/07 30/10
Transmission to the verifier of the files of the contestation of the municipalities	21/11/2024 06/08 11/11
Transmission of final results to the RLAs and publication of the annual report of the independent verifier on the MINDDEVEL website	05/12/2024 10/09 02/12

Table 9: Summary table of actors - Independent verifier (Independent verification agency)

Activity	Calendar of the following AEP exercises
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The verifier conducts a document-based assessment of the files of all targeted municipalities as well as an assessment of a sample of municipalities in the field.	From 01/11/2024 to 12/11/2024 From 10/06 to 10/07 From 10/01 to 25/10
Transmission of provisional results to MINDDEVEL	13/11/2024 25/07 30/10
Assessment and processing of challenges to provisional results	From 21/11 to 27/11/2024 From 06/8 to 16/8 From 11/11 to 21/11
Transmission of the final report of the final results of the assessment to the PMU	28/11/2024 Before 08/24 Before 24/11

Table 10: Summary table of actors - Ministry of Finance/Autonomous Sinking Fund

Activity	Calendar of the following AEP exercises
Transfer of performance grants to RLAs	31/01

Table 11: Summary table of actors - Steering Committee

Activity	Calendar of the following AEP exercises
Assessment and validation of the final APA report produced by the independent verifier	04/12/2024 30/8 30/11

4. Calculation and annual provision of allowances

The PBG process cycle is a maximum of three years for municipalities and a maximum of two years for regions. The first performance assessment cycle is initiated in 2024 for all eligible municipalities (187) and in 2026 for the 10 Regional Councils:

RLA Category	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)
Council	<p>Eligible for the FLA, part of the grant allocated for achieving the MMCs</p> <p>Recovers 100% of its FLA if it has respected all the required MMCs (deferral possible)</p>	<p>Eligible for the FLA if did not obtain it in year 1. and if meets the aforementioned budget commitment criteria. Then recovers 100% of his FLA if has respected all the required MMCs (deferral possible)</p> <p>If and only if all MMCs have been met, eligible for up to 100% of the SLA, part of the grant allocated for achieving the PIs, depending on the PI score obtained. (postponement possible)</p>	<p>Eligible for the FLA if did not obtain it in year 1 or year 2. Then recovers 100% of their FLA if they have met all the required MMCs (carryover impossible) and if they meet the aforementioned budgetary commitment criteria.</p> <p>If and only if all MMCs have been completed, up to 100% of the SLA will be granted, depending on the remaining SLA available and the PI score obtained. (carryover not possible) and if the budget commitment criteria mentioned above are met.</p> <p>It is also possible for municipalities that have fulfilled the conditions to be eligible for a bonus envelope (see the dedicated section for the terms)</p>	Finalization of the Implementation of Investment Projects with FLA and/or SLA financing (studies, works)	Finalization of Projects if extension
Regional Council/Regional Assembly		Eligible for the FLA, part of the subsidy due to the MMCs	Eligible for the FLA if did not obtain it in year 1. Then recovers 100% of their FLA if they have	Finalization of Projects	Finalization if extension

		(deferral possible)	respected all the required MMCs (carryover impossible)		
		If and only if has fulfilled all eligible MMCs up to 100% of the SLA, depending on the remaining SLA available and the PI score obtained. And if meets the budget commitment criteria	If and only if has fulfilled all the MMCs benefits from up to 100% of the SLA, depending on the remaining SLA available and the PI score obtained. And if meets the budget commitment criteria It is also possible for municipalities that have fulfilled the conditions to be eligible for a bonus envelope (see the dedicated section for the terms)		

4.1. Envelope of annual allocations to be provided in the PROLOG PTBA

To determine the envelope of annual allocations to be provided in the PTBA of year n of PROLOG, it is important to have the list of RLAs that will be subject to the assessment of the MMCs during year n-1, of RLAs that have already passed the MMCs in year n-2 and the volume of reports on the MMCs and PIs recorded during year n-1. The envelope sought will be the cumulative maximum individual envelopes of all RLAs of the above-mentioned lists in FLA and SLA. The FLAs and SLAs are calculated on the basis of the indicative envelopes already determined for equalization.

NB : From the third year of the end of the assessment cycle, it is possible that certain RLAs will not have sufficient performance to benefit from the resources carried over to year 2, in which case the said unabsorbed resources will be shared between the best performing municipalities and regions which have passed the MMC and PI (according to terms and a timetable which will be specified later in this document).

4.2. Determination of the effective envelope of each RLA

To determine the amounts to actually be paid to each RLA, it is necessary to know, its maximum indicative envelope, the situation of its MMCs and its performance on the PIs. The effective envelope of each RLA is then calculated according to the following rules:

- If the RLA does not achieve all the required MMCs, it does not obtain a subsidy for the year in question and will have to repeat the self-assessment the following year (3 assessment cycles planned within the framework of the project for the municipalities and two cycles for the regions);
- If the RLA reaches all required MMCs, then
 - o It automatically obtains 40% of its indicative envelope (first level allocation, FLA);
- If the RLA achieves all the required MMCs and if it reaches or exceeds the minimum score in the PIs, it obtains 30 to 60% of its indicative envelope (second level allocation, SLA) depending on the score it has obtained in the PIs and according to the rules established in the table below.

PI Score	Less than 50 points	Between 50 and 70 (70 excluded) points	70 points and more
% of SLA obtained	0%	50% of the SLA envelope (i.e. 30% of the total indicative envelope)	100% of the SLA envelope (i.e. 60% indicative allocated).

4.3. Right to postpone allowances

In the event that a RLA fails to meet the conditions for obtaining the allocation intended for it, either due to non-compliance with the MMCs or due to an insufficient score in the PIs, a postponement is made according to the following conditions:

- If the MMCs are not met, no transfer will be made, and the FLA envisaged for the said RLA is postponed to the following year, the RLA having to resubmit to the MMC self-assessment. In this case, a maximum of two postponements are authorized for municipalities and only one postponement for regions. If at the end of the two years the MMCs are still not met, the entire indicative envelope is cancelled and reallocated to the other municipalities;
- If the MMCs are met but the PI performance score is insufficient, all or part of the SLA can be carried over from year 2 to year 3 for municipalities (no carryover possible for regions).

PI Score	Less than 50 points	Between 50 and 69 points	70 points and more
Possible postponement	100%	50%	

If in year 3, the PI score remains lower:

- at 70% for RLAs having obtained a score lower than 50% in year 2 or at 50 points in year 2 for those having obtained a score between 50 and 69% in year 1

The postponed allocations will be definitively lost to the benefit of the best performing municipalities and/or regions.

4.4. Obligation of permanence of MMCs

As soon as a RLA enters a cycle, in particular by validating all the required MMCs, it must from that moment on fulfill all the MMCs each year in order to be eligible for the SLA. In other words, failure to satisfy a single MMC during the process results in a suspension of the payment of the FLA and a postponement until all the MMCs are fulfilled again.

5. Capacity building of target RLAs

A capacity building program for target RLAs will also be implemented by the PMU/MINDDEVEL under sub-component 2 of the Project, with the objective of supporting the RLAs in carrying out the MMCs and PIs and making them more efficient overall.

These objectives will be included and translated into Annual Capacity Building Plans (ACBP) that each RLA will have to prepare and implement with the support of the PMU/MINDDEVEL. The latter will propose each year to the RLAs a menu of training (and potentially technical assistance) corresponding to the main themes targeted by the performance indicators (MMC/PI).

As part of maintaining the MMCs, each RLA having received the FLA payment must produce and transmit to the RCU its Annual Capacity Building Plan (ACBP).

During the first APA exercise, training will be able to focus on supporting the achievement of MMCs. The training/TA menu proposed by MINDDEVEL will be expanded during the following APA exercises.

To this end, as part of the annual training plan conducted in 2025, MINDDEVEL/PMU will primarily direct the content of the training modules towards mastering MMCs and possibly IPDs. The modules developed for this purpose are as follows:

- Organization and operation of the RLA (MMC1) (PI3.1, IPD2.1, IPD2.2);
- Management of basic social services (MMC6) (PI3.3, IPD3.4);
- Planning and implementation of RLA projects (MMC5) (IPD1.1, IPD1.5, IPD3.3);
- Program mode budgeting (MMC1 and 2) (IPD1.2, IPD1.5, IPD1.6, IPD2.3);
- RLA Human Resources Management (MMC 4) (IPD1.3, IPD3.1, IPD3.2).
- Climate-resilient investment planning (PI1.5, PI 3.4)

6. Complaints Management Mechanism

The project will support the implementation of a Complaints Management Mechanism (CMM) prepared as part of the Stakeholder Engagement Plan. It aims to address concerns in a timely, effective, transparent, culturally sensitive and easily accessible manner for all parties affected by the project, without cost or remuneration. The CMM does not prevent access to judicial or administrative remedies. Complaints will be handled in a discreet, objective, sensitive and responsive manner to the needs and concerns of parties affected by the PROLOG. This mechanism will also allow for the filing and review of anonymous complaints. It also aims to gain a perception of the Project by the various stakeholders. The CMM will therefore be implemented as part of the capacity building of the RLAs in connection with the performance-based grant system, with the aim of eventually introducing an PI relating to the performance of the CMM.

7. Annexes

7.1. MMC Explanatory Sheets

MMC 1	Initial budget
Description	The initial budget for year N is voted on by the deliberative organ and transmitted to the State representative no later than December 15 of year N-1.
Legal references	Art. 422 of the CGRLA
Assessment question	Was the initial budget for the year voted on by the deliberative organ and transmitted to the State representative within the time limit?
Verification source	<ul style="list-style-type: none"> ✓ Deliberation adopting the budget within the legal deadlines ✓ Letter of transmission to the State representative.
Validation criteria	Yes, if the initial budget has been voted on and sent to the State representative within the time limit. No, if the initial budget has not been voted on and/or sent to the State representative within the time limit.

MMC 2	Administrative and management accounts
Description	The administrative account is adopted by the deliberative organ no later than March 31 st of the year following the budgetary year to which it relates.
Legal references	Art. 468 of the CGRLA
Verification source	<ul style="list-style-type: none"> ✓ Deliberation on the Adoption of the AA and the MA ✓ Letter of transmission to the State representative.
Validation criteria	Yes, if the administrative account together with the management account has been voted on and sent to the State representative within the time limit. No, if the administrative account together with the management account has not been voted on and sent to the State representative within the time limits

MMC 3	Organizational chart
Description	The functional organizational chart listing the hierarchical relationships between the various departments of the municipality

	and specifying the hierarchical relationships between them is adopted by the municipality.
Legal references	Order No. 00136/MINATD/DRLA of August 24, 2009 making municipal standard jobs enforceable
Verification source	✓ Deliberation adopting the organizational chart of the municipality
Validation criteria	✓ The functional organizational chart listing and specifying the hierarchical relationships between the different departments of the Municipality is adopted by the deliberative organ

MMC 4	Joint committees for advancement and reclassification
Description	Holding of joint committees within the municipal administration
Legal references	ORDER No. 1684/MFP/DR/SDE/LR establishing the composition, attributions and operating procedures of the joint committee for the advancement of State agents covered by the Labor Code
Verification source	Minutes of the committees NB: this MMC will be activated from the second financial year
Validation criteria	One commission per year

MMC 5	Internal Procurement Commission
Description	The internal procurement committee has been established and is operational
Legal references	Decree No. 2018/366 of June 20, 2018 relating to the Public Procurement Code
Verification source	✓ Minutes of the Commission's constitution (with identification of its members) ✓ Minutes certifying the organization of at least three meetings of the Commission over the last three years
Validation criteria	Yes if at least 3 sessions held

MMC 6 (NOT APPLICABLE TO REGIONAL COUNCILS)	Delivery of a minimum civil status service
Description	The municipality has a functional civil status service
Legal references	Art. 160 of the CGRLA and following
Verification source	Office Picture, appointment act ; register picture (cover page, firsts and last pages)
Validation criteria	The municipality has (i) a physically locatable civil status service, (ii) an appointed civil status officer, (iii) registers for each service (death certificate, birth, marriage)

7.2. PI Explanatory Sheets

Production of good quality PPBS chain deliverables

Indicator 1.1	CDP/RDP availability up to date
Description	This indicator measures the municipality's capacity to construct its development objectives in a participatory manner in order to calibrate its interventions over a 5-year horizon.
Legal references	General Code of Regional and Local Authorities (CGRLA) art 168; 373 al 3
Available documentary resources	
Specific assessment question	Does your RLA have a CDP/RDP that is less than 5 years old?
Information to be submitted (by RLA to verifier)	<ul style="list-style-type: none"> Physical copy of the Plan, the electronic version is not sufficient; Deliberation adopting the Plan; The period covered by the plan is still valid
Maximum Score	8 points
Rating criteria	<ul style="list-style-type: none"> 0 points if 7 years or older 3 points if CDP is 5 years old or more but less than 7 years old 8 points if CDP is less than 5 years old

Indicator 1.2	Availability of Medium-Term Expenditure Frameworks (MTEFs) and Medium-Term Budget Frameworks (MTBFs) submitted to the budget orientation debate (BOD)
Description	This indicator assesses the RLA's ability to plan its interventions in a participatory manner over a three-year period in accordance with revenue programming and development plan.
Legal references	CGRLA art 373
Available documentary resources	
Specific assessment question	Has your RLA prepared and submitted to the BOD the budget programming documents during financial year N?
Information to submit	<ul style="list-style-type: none"> Community budget Administrative account Management account Budget execution situation in the third quarter of year N Minutes of the BOD session
Maximum Score	5 points
Rating criteria	<ul style="list-style-type: none"> 0 points if MTBF and MTEF not developed 1 point if MTBF only 2 points if MTEF only 4 points if MTBF and MTEF developed 5 points if MTBF and MTEF developed and submitted to the BOD

Indicator 1.3	Payroll control
Description	Staff working in local authorities are governed either by the status of State civil service personnel or by the status of State personnel covered by the labor code, pending the establishment of a local civil service. Hence the importance of this

	indicator which measures the weight of the payroll on operating expenses in the municipal budget. Payroll control is measured by the ratio of personnel expenses/operating expenses of the Administrative Account for Year N-1.
MS Definition:	The payroll, in its definition, is the sum of gross remuneration paid to employees, excluding remuneration in kind and employer contributions over a year.
Legal references	General Code of Local Authorities, budgetary nomenclature of local authorities
Specific assessment question	What is the weight of the payroll compared to operating expenses?
Information to submit	<ul style="list-style-type: none"> • Community budget • Administrative account • Management account • Budget execution situation as of December 31 of year N-1
Maximum Score	9 points
Rating criteria	<ul style="list-style-type: none"> • 0 points if the payroll represents more than 45% of operating expenses, and 3 bonus points if the weight of the payroll in the operating budget has fallen by at least 10% compared to the previous year • 4 points if the payroll represents between 35 and 45% of operating expenses, and 3 bonus points if the weight of the payroll in the operating budget has fallen by at least 10% compared to the previous year • 9 points if the payroll represents less than 35% of operating expenses

Indicator 1.4	Debt control
Description	This indicator measures the solvency level of the local authority, in particular by comparing the overall volume of debt to all its revenues in year N-1. For the first two years, it will be a question of purchasing the performance of the RLAs having a debt management plan for all sources combined (structured commitment, social debt, cash advance, tax debt, supplier debt, etc.). The repurchase of the performance will be structured around compliance with the debt management plan from the third year onwards.
Legal references	
Specific assessment question	What is the volume of your cumulative debts for year N compared to the overall revenue in year N-1?
Information to submit	<ul style="list-style-type: none"> • Administrative account N-1, CNPS listing, tax compliance certificate, etc. • N-1 management account • Budget execution situation as of December 31st of year N-1 • Forecast budget for year N
Maximum Score	8 points
Rating criteria	<ul style="list-style-type: none"> • 0 points if more than 40% • 4 points if between 20 and 40% • 6 points if between 10 and 20%, • 8 points if strictly below 10%

Indicator 1.5	Annual investment budget execution rate
Description	This indicator measures the ratio between the municipality's annual investment budget during year N and investment expenditure for the same year? For the first year of the assessment, this indicator will be subject to a blank test for year n-1 and will cover (scheduled in 2025), the resources transferred to the Municipalities, in particular the resources of the sectoral administrations, the resources of the FEICOM and those of the DGD/MINDDEVEL. From 2026, the

	indicator will add to the previous categories, the internal investment resources of the RLAs.
Legal references	General code of local authorities, budgetary nomenclature of local authorities.
Specific assessment question	What is the execution rate of the investment budget?
Information to submit	<ul style="list-style-type: none"> • Administrative account N-1 • N-1 management account • Budget execution situation in the third quarter of year N and the budget for year N • Contribution of the municipalities to the MINEPAT BIP monitoring report
Maximum Score	12 points
Rating criteria	<p>2025</p> <ul style="list-style-type: none"> • 0 points if the rate is less than 50% • 3 points if the rate is between 50 and 60% • 6 points if the rate is between 60 and 70% • 9 points if the rate is between 60 and 70% • 12 points if the rate is above 70% <p>2026</p> <ul style="list-style-type: none"> • 0 points if the rate is less than 60% • 3 points if the rate is between 60 and 70% • 6 points if the rate is between 70 and 80% • 9 points if the rate is between 80 and 90% • 12 points if the rate is above 90%
Indicator 1.6 (NOT APPLICABLE TO REGIONAL COUNCILS)	Trend increase in recovery
Description	This indicator measures the increase in the three-year moving average of revenue collection volumes directly collected by the municipality (taxes and fees) between year N-2 and year N-1. It is an indicator that makes it possible to capture the municipality's tax effort, to control the taxpayer file and to control the projection of the revenue trend as part of the development of the MTBF.
Legal references	CGRLA
Specific assessment question	What is the level of increase in the volumes of collection of taxes and fees between N-2 and N-1?
Information to submit	<ul style="list-style-type: none"> • Community budget • Administrative account N-2 (average resources over the three years before) and N-1 (average resources over the three years before) • N-2 and N-1 management account • Budget execution situation as of December 31 of years N-2 and N-1
Maximum Score	10 points
Rating criteria	<ul style="list-style-type: none"> • 0 points if increase is less than 5% • 6 points if increase between 5 and 10% compared to the previous year • 10 points if increase of 10% or more compared to the previous year

Citizen participation

Indicator 2.1	Publication of decisions, deliberations of the Deliberative Organ DUE IN 2025
Description	This indicator measures the publication of the deliberations of the Deliberative Organ by posting at the town hall/town hall for all municipalities as well as in

	<p>areas accessible to all beneficiaries. In addition, municipalities with a turnover of more than one billion must also use online publication (electronic website of the community and digital platforms). The use of any other communication channel is recommended.</p> <p>This indicator measures the publication of decisions of the Deliberative Organ using-permanent display at the headquarters of the Municipality for smaller municipalities and online publication in addition, for larger municipalities.</p>
Justification	The municipality should inform and enable the involvement of the population in community affairs and in all issues likely to have an impact on their lives.
Legal references	CGRLA art 81, 173, 202, 429
Specific assessment question	<p>Has the Council published the deliberative organ's decisions?</p> <p>What media are used for the publication of decisions?</p>
Information to submit	<ul style="list-style-type: none"> • List of deliberations • Extract from the register of deliberations • Supporting documents for publication of deliberations (display photos, website link, etc.).
Maximum Score	6 points
Rating criteria	<ul style="list-style-type: none"> • 0 points if no means of diffusion was used • 3 points if displayed at the municipal headquarters (supporting documents required) • 6 points if at least two methods were used (supporting documents required)

Indicator 2.2 (NOT APPLICABLE TO REGIONAL COUNCILS)	Establishment of neighborhood and village committees REQUIRED IN 2025
Description	<p>This indicator makes it possible to assess the actions of the municipality in supervising communities through the establishment of neighborhood and village committees.</p> <p>This indicator measures the collaboration between the municipality and its communities through the number of neighborhood/village committees set up in compliance with regulations.</p> <p>It also aims to promote good representation of vulnerable people (women, indigenous populations, people with disabilities)</p>
Justification	The need to promote, in a representative manner, the participation of populations in the development, execution and monitoring of municipal programs and projects or in the surveillance, management or maintenance of the works concerned.
Legal references	<p>CGRLA art 40 and 182</p> <p>Order No. 0000147 /A/MINDEVEL of July 19, 2023, establishing the procedures for the creation, organization and operation of neighborhood or village committees within the framework of citizen participation in municipal action.</p>
Specific assessment question	How many neighborhood/village committees have been set up in accordance with the regulations?
Information to submit	<ul style="list-style-type: none"> • Deliberation on the creation of VCs/NCs • Order establishing the composition of the VC/NC bureau • List of neighborhood and village committees • List of neighborhoods and villages • Lists of NCs/VCs, development committees, associations, NGOs present in the municipality and interacting with it
Maximum Score	4 points
Rating criteria	<ul style="list-style-type: none"> • 0 points if less than 50% of the NC/VCs are not implemented • 2 points if between 50% and 70% of NC/VCs are organized

	<ul style="list-style-type: none"> • 4 points if more than 70% of the NC/VCs are implemented
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Indicator 2.3 for municipalities Indicator 2.2 for regional councils	Holding of the Budget Orientation Debate within the time limits prescribed by law
Description	This indicator measures the level of effective involvement of communities in the choice of economic and budgetary options for the municipality. The BOD initially allows municipal councilors to discuss the executive's guidelines for the execution of the budget. However, the orientation given to this indicator is to capture the participation of communities as guests during the holding of the BOD session.
Justification	Encouraging RLAs to involve populations in budgetary processes for better ownership of programming and project execution
Legal references	CGRLA art 374 (2) and 416 Joint Order No. 0000/31/AC/MINDDEVEL-MINFI of March 3, 2024 setting the budgetary calendar for decentralized local authorities
Specific assessment question	Was the session of the deliberative organ dedicated to the BOD held in accordance with the regulations in force (compliance with the budgetary calendar)? Were the communities invited to the BOD session? If so, who were the participants?
Information to submit	<ul style="list-style-type: none"> • PV • Invitation • List of participants
Maximum Score	4 points
Rating criteria	<ul style="list-style-type: none"> • 0 points if BOD not held • 2 points if BOD kept within legal deadlines • 4 points if BOD held within legal deadlines and at least 50% of guests are NC/VCs representatives

Sustainable and inclusive management of the municipality's resources

Indicator 3.1	(Are the positions of responsibility filled in accordance with the organizational chart and job descriptions?) DUE 2025
Description	The indicator measures the compliance of recruitment with functional organizational charts and the adequacy of executive profiles according to positions +
Justification	Ensure that recruitment is made on an objective basis, taking into account the suitability of the profile to be recruited for the position of responsibility to be filled in order to improve the performance and efficiency of the services
Legal references	CGRLA and job/profile description files Order No. 00136/A/MINATD/DRLA of August 24, 2009 making the tables - types of municipal jobs enforceable
Specific assessment question	Does the profile of people occupying key positions (Head of administrative and financial services, head of technical services, head of civil status services) correspond to the job descriptions developed by the decree on municipal standard jobs? Do the profiles of key positions (Administrative and Financial, technical, etc.) correspond to the job descriptions developed by the standard organizational chart?
Information to submit	<ul style="list-style-type: none"> • Deliberation on recruitment • Act of appointment • Resume and diploma or certificate of the staff

	<ul style="list-style-type: none"> • Approved municipal organizational chart
Maximum Score	10 points
Rating criteria	<ul style="list-style-type: none"> • 3 points if a position complies with job descriptions • 6 points if two positions match the job descriptions • 10 points if all three positions match the job descriptions

Indicator 3.2	Rate of execution of the training plan REQUIRED in 2025
Description	The indicator measures the involvement of the municipality in implementing training actions in the Training Plan. In 2025, the aim will be to verify the existence of a training plan and, from 2026, the level of execution of said plan.
Justification	It is necessary to update the skills and knowledge of elected officials and staff, but also to allow for staff requalification.
Legal references	CGRLA, article 126
Specific assessment question	Does the municipality have a validated training plan? What percentage of capacity building actions included in the municipality's training plan have been carried out?
Information to submit	<ul style="list-style-type: none"> • Training plan in accordance with the model provided for year N • Summons signed during year N • List of participating agents in accordance with the targets of the call for year N • Copies of Certificates and Attestations received from year N-1 • Implementation report for year N-1
Maximum Score	6 points
Rating criteria	<ul style="list-style-type: none"> • 2 points: the training plan developed on time complies with the model provided • 4 points: the training plan developed on time complies with the model provided and the agents trained are those targeted in the summons • 6 points: the training plan developed on time complies with the model provided; the agents trained are those targeted in the summons and a report on the implementation of the training plan is provided (in accordance with the proposed model)

Indicator 3.3	Equipment maintenance REQUIRED IN 2025
Description	The indicator measures the level of execution of credits allocated to equipment maintenance for year N. This indicator will be introduced as a Performance Indicator from 2025. The allocation and execution of credits for the maintenance of investments are verified by studying the main budget for Year N or the management account for Year N-1.
Justification	Ensuring the sustainability of municipal facilities
Legal references	CGRLA art 156 to 163
Specific assessment question	Did the RLA allocate and execute investment maintenance expenditures? Has the municipality budgeted resources for equipment maintenance? Have the budgeted credits been executed?
Information to submit	<ul style="list-style-type: none"> • Budget N • The budget execution report for the third quarter of year N • Administrative account and management account for year N-1 adopted in year N
Maximum Score	9 points
Rating criteria	<ul style="list-style-type: none"> • 0 points: Maintenance credits represent less than 3% of the total operating budget • 2 points: Maintenance credits represent at least 3% of the total operating budget

	<ul style="list-style-type: none"> • 5 points: Maintenance credits represent less than 3% of the total operating budget and the execution rate of these maintenance credits is between 40% and 60% • 9 points: Maintenance credits represent less than 3% of the total operating budget and the execution rate of these maintenance credits is greater than 60%
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Indicator 3.4	The municipality has an environmental and social management mechanism
Description	<p>This indicator makes it possible to assess the existence of RLA action plans for the environment, waste management plans, the rate of implementation of legal environmental management instruments developed in preparation for the construction of infrastructure within the framework of the project.</p> <p>It will also assess the implementation of action plans aimed at improving the inclusion of vulnerable populations (women, indigenous populations, people with disabilities)</p> <p>Allows you to assess the level of development of the plan and its execution rate.</p>
Justification	Encourage RLAs to take socio-environmental data into account when carrying out climate-sensitive projects
Legal references	CGRLA Environment Act 1996
Specific assessment question	What is the level of implementation of environmental and social management tools developed as part of the construction of the municipality's infrastructure?
Information to submit	<ul style="list-style-type: none"> • Environmental and social management tools • Implementation report of each tool
Maximum Score	9 points
Rating criteria	<ul style="list-style-type: none"> – 3 points if at least 70% implementation rate – 6 points if at least 85% implementation rate – 9 points if at least 95% implementation rate

7.3. Guide to interviewing RLAs

REPUBLIC OF CAMEROON
Peace-Work-Homeland

MINISTRY OF DECENTRALIZATION
AND LOCAL DEVELOPMENT

GENERAL SECRETARIAT

LOCAL GOVERNANCE PROJECT AND
RESILIENT COMMUNITIES



REPUBLIC OF CAMEROON
Peace-Work-Fatherland

MINISTRY OF DECENTRALIZATION
AND LOCAL DEVELOPMENT

GENERAL SECRETARIAT

LOCAL GOVERNANCE AND RESILIENT
COMMUNITIES PROJECT

ANNUAL PERFORMANCE ASSESSMENT

RLA Interview Guide

STRICTLY CONFIDENTIAL

The information collected during this survey is strictly confidential under the terms of Law No. 2020/010 of July 20, 2020 governing statistical activity in Cameroon which stipulates in its articles 14 and 15, the obligation for natural and legal persons to respond accurately and on time. This operation therefore has no objective of tax or criminal repression.

Common Questionnaire

Section 0: Identification

SOQ01	Name of Region _____
SOQ02	Division _____
SOQ03	Name of RLA _____
SOQ04	Name of respondent _____
SOQ05	Position held _____
SOQ06	Respondent's phone number? _ _ _ _ _ _ _ _ _ _

SECTION 1: Mandatory Minimum Criteria

No.	Label	Code
S1Q01	What was the date of the vote on your initial budget for the year 2024 by the deliberative organ?	_ _ _ / _ _ _ / _ _ _
S1Q02	Attach a copy of the resolution adopting the 2024 budget	
S1Q03	What was the date of transmission of your initial budget for the year 2024 to the State representative?	_ _ _ / _ _ _ / _ _ _
S1Q04	Attach a copy of the letter of transmission to the State representative of the 2024 budget	
S1Q05	What was the date of adoption of your 2023 administrative account by the deliberative organ?	_ _ _ / _ _ _ / _ _ _
S1Q06	Attach a copy of the resolution adopting your 2023 administrative account	
S1Q07	What was the date of transmission of your 2023 administrative account to the State representative?	_ _ _ / _ _ _ / _ _ _
S1Q08	Attach a copy of the transmission letter to the State representative for your 2023 administrative account	
S1Q09	Does your municipality have an organizational chart listing and specifying the hierarchical relationships between the different departments (1=yes 2=no)	_ _
S1Q10	If yes, what was the date of adoption of this organizational chart by the deliberative organ?	_ _ _ / _ _ _ / _ _ _

S1Q11	Attach a copy of the resolution adopting your organization chart	
S1Q12	Did your municipality hold a session of the Joint Commission for Advancement and Reclassification during the year 2023? (1=yes 2=no)	__
S1Q13	If yes, attach the minutes of the committee	
S1Q14	Does your municipality have an internal procurement committee (1=yes 2=no)	__
S1Q15	If yes, attach minutes of the Commission's constitution	
S1Q16	Is your internal procurement committee functional (1=yes 2=no)	__
S1Q17	If yes, attach minutes of the Commission meetings during the last 12 months	
S1Q18	Does your municipality have a physically locatable civil status service (1=yes 2=no)	__
S1Q19	If yes, has the person in charge been appointed? (1=yes 2=no)	__
S1Q20	If yes, attach the appointment document of the head of the civil status service	
S1Q21	If yes, do registers exist for each service (1=yes 2=no) Death certificate Birth certificate Marriage certificate	__ __ __

SECTION 2: Production of good quality PPBS chain deliverables

No.	Label	Code
S2Q01	When was your PCD developed/updated?	__ __ __ / __ __ __ / __ __ __
S2Q02	Attach a copy of the resolution adopting the PCD in use	
S2Q03	Has your RLA developed a Medium-Term Expenditure Framework (MTEF) this year? (1=yes 2=no)	__
S2Q04	Has your RLA developed a Medium-Term Budget Framework (MTBF) this year? (1=yes 2=no)	__
S2Q05	If yes, have these documents been validated by the deliberative organ? (1=yes 2=no)	__
S2Q06	If yes, attach a copy of the resolution adopting said documents.	
S2Q07	What was the ratio of personnel expenses to operating expenses in your Administrative Account last year?	__ __ __
S2Q08	Does your RLA have a debt management plan for all sources (structured commitment, social debt, cash advance, tax debt, supplier debt, etc.) (1=yes 2=no)	__
S2Q09	If yes, attach a copy of said plan.	
S2Q10	What was the volume of your accumulated debts until this year? (Volume in millions of FCFA)	__ __ __ __ __ __ __ __ __
S2Q11	What was the volume of your overall revenue in your Administrative Account last year? (Volume in millions of FCFA)	__ __ __ __ __ __ __ __ __
S2Q12	What is the execution rate of your investment budget in the third quarter of this year?	__ __ __
S2Q13	What were the volumes of tax and royalty collection collected by your RLA for the last 4 years? (Volume in millions of FCFA) ✓ 2024 ✓ 2023 ✓ 2022 ✓ 2021	__ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __

SECTION 3: Citizen Participation

No.	Label	Code
S3Q01	Has your RLA published all the decisions of this year's Councils? (1=yes 2=no)	__
S3Q02	If yes, what were the main publication channels? (1=yes 2=no) ✓ display at the town hall/city hall ✓ online publication	__ __

7.4. Presentation table of the execution report

Activity or Expense Item	Allocated budget (FCFA)	Commitment made (FCFA)	Commitment rate (FCFA)	Expenses incurred (FCFA)	Financial execution rate (%)	Physical goals	Physical realization	Physical Execution Rate
	has	b	c = b/a	c	d = c/a	d	e	f = e/d
Activity No. 1
Activity No. 2
Activity No. 3
...
...
Activity No. N

Total Positions or Activities

7.5. Table of resources and uses (justification of the budgetary execution of performance-based allocations)

DATE	LABEL	NOTE	AMOUNT	CUMUL
------	-------	------	--------	-------

I- RESOURCES				
...
...
...

II- JOBS				
...
...
...

III- CASH BALANCE				
...
...
...

This table must be consistent with the execution report.

7.6. Standard format of Project-Grant Beneficiary Agreement

PERFORMANCE BASED GRANT AGREEMENT NO.
_____C/MONTH/YEAR/MINDDEVEL/SG/PROLOG-VS-COMMUNE
or REGIONAL COUNCIL_____

Between

THE LOCAL GOVERNANCE AND RESILIENT COMMUNITIES PROJECT (PROLOG)

And

THE MUNICIPALITY or REGIONAL COUNCIL OF _____

BY THE UNDERSIGNED

The LOCAL GOVERNANCE AND RESILIENT COMMUNITIES PROJECT, abbreviated PROLOG and hereinafter referred to as the “PROJECT”, Represented by _____ address, Telephone _____, E.Mail: _____,

ON THE ONE HAND, AND

The Municipality/Regional Council ofhereinafter referred to as “the Beneficiary”, Represented by Mr. _____, PO Box _____, Telephone: _____, E-mail: _____,

ON THE OTHER HAND.

IT HAS BEEN AGREED AND DECIDED AS FOLLOWS:

Article 1. The purpose of the agreement and contractual documents is to define the terms of payment to the beneficiary and its use by the latter of the resources resulting from the performance-based grant.

ELIGIBILITY CRITERIA FOR PERFORMANCE-BASED GRANT (PBGR)

Article 2. The PROJECT will pay the Beneficiary a total amount of xxxxxxxx F CFA corresponding to the global indicative allocation (GIA) within the framework of the Performance-Based Grant provided that it meets the following criteria:

- i. Payment of the First Level Allowance (FLA) representing 40% of the AIG if the beneficiary meets the Mandatory Minimum Conditions (MMC);
- ii. Payment of the Second Level Allocation (SLA) representing 60% of the AIG if the Beneficiary achieves the scores set by Article X on the Performance Indicators (PI).

Article 3. The Minimum Mandatory Conditions (MMC) retained within the framework of this grant in accordance with the performance-based grant implementation manual are:

- MMC 1, the initial budget for year N of the Beneficiary is voted on by the municipal council no later than December 15th of year N-1 and transmitted to the State representative within 7 days following its vote;
- MMC 2, the administrative account for year n-1 is adopted by the deliberative organ of the Beneficiary no later than March 31st of year n (year following the budgetary year to which it relates);
- MMC 3, the functional organizational chart of the Beneficiary listing and specifying the hierarchical relationships between the different departments of the Municipality is adopted by the deliberative organ;
- MMC 4, the joint committee for advancement and reclassification is established within the municipal administration and is held every year
- MMC 5, the Beneficiary's internal procurement committee has been established and is operational;
- MMC 6, the Beneficiary has a functional civil status service: (i) physically locatable, (ii) having a named manager, (iii) having the registers for each service (death certificate, birth, marriage).

Article 4. The Performance Indicators (PID) retained within the framework of this grant in accordance with the performance-based grant implementation manual are:

- PI 1.1 Availability of up-to-date Council/Regional Development Plan
- PI 1.2 Availability of Medium-Term Expenditure Frameworks (MTEFs) and Medium-Term Budget Frameworks (MTBFs) submitted to the budget orientation debate (BOD)
- PI 1.3 Payroll Control
- PI 1.4 Debt Control
- PI 1.5 Annual investment budget execution rate
- PI 1.6 Increase in recovery (not applicable for Regional Councils)
- PI 2.1 Publication of decisions of the municipal/regional council
- PI 2.2 Establishment of village and neighborhood committees
- PI 2.3 Holding of the Budget Orientation Debate (BOD) within the regulatory deadlines
- PI 3.1 Positions of responsibility are filled in accordance with the organizational chart and job descriptions
- PI 3.2 Capacity building plan implementation rate
- PI 3.3 Investment Maintenance
- PI 3.4 The RLA has an environmental and social management plan

Article 5. The conditions for measuring and satisfying MMCs and PIs are set out in the performance-based grant implementation manual. The PROJECT, with the agreement of the World Bank, may revise these conditions.

Article 6. The Beneficiary must, in order to receive SLA payments, satisfy the Mandatory Minimum Conditions during all assessment cycles in accordance with the conditions set out in the performance-based grant implementation manual.

The Beneficiary ("except" *for regional councils*) may request the carryover of SLA resources not paid during a year for the following year and submit again to the PI assessment.

The Beneficiary may not request more than once the deferral of payment of SLA resources (*valid for municipalities*).

CONDITIONS FOR PAYMENT OF RESOURCES

Article 7. The Beneficiary will provide the following documents:

- Availability of the certificate of opening of the joint account for the benefit of the beneficiary;
- specimen signatures of persons resident in order to order payments on behalf of the beneficiary in the account;

- the commitment on the honor of the Chief Executive of the Beneficiary to use the resources paid into the joint account only for the payment of the objects retained in this agreement.

PURPOSE OF THE RESOURCES PAID

Article 8. The resources from the grant paid to the Beneficiary will exclusively cover expenses related to eligible investment projects. Operating expenses are not eligible for the grant.

Article 9. Eligible investment projects are those that promote sustainable development and resilience to climate change, including those related to health, education, water and sanitation, transport infrastructure, or those related to flood protection measures and systems for the production of solar energy.

Article 10. The resources from the grant paid to the Beneficiary will exclusively cover expenses related to eligible investment projects. Operating expenses are not eligible for the grant.

Article 11. The projects selected and subject to payments through the resources paid to the Beneficiary must have been the subject of a feasibility study in which the objectives, expected results and impact of the financed project are clearly defined. Said projects must be derived from the Beneficiary's budgetary programming and approved within the budgetary framework.

Article 12. The Beneficiary undertakes to take and budget under its own resources all related expenses inherent in the implementation of the projects selected for the grant.

MONITORING AND CONTROL MECHANISMS

Article 13. The Beneficiary will send the PROJECT a quarterly report on the physical and financial execution of the projects selected as part of the installment paid for the subsidy. The Beneficiary will also send at the end of each financial year, and before January 25th, a report on the physical and financial execution of the municipal investment budget. The absence of this last report may be grounds for suspension of payments in the dedicated account. This report must show that the financed investment projects have been carried out in accordance with the established specifications and highlight the expenses incurred, the physical execution rate, as well as the financial execution rate for each project.

Article 14. The Beneficiary will agree, at the risk of suspension of payments from the resources of the dedicated joint account, to submit to the audit of its accounts by the Audit Bench. The Audit Bench will define with the approval of the PROJECT the terms of implementation of each audit.

Article 15. The Beneficiary will agree to receive and ensure the smooth running of monitoring and control missions for the implementation of projects financed by the grant organized by the PROJECT on its own initiative or at the request of the World Bank.

Article 16. The beneficiary will agree to receive external audit missions of the PROJECT and will make available to said missions all documentation related to the execution of projects carried out using grant resources.

Article 17. The Beneficiary will agree to submit to at least one overall self-assessment of its governance during the performance-based grant period in accordance with the self-assessment format defined by MINDDEVEL.

Article 18. The Beneficiary may only receive a payment during a year if he has produced supporting documents for the expenses incurred during the previous year (presentation of the accounting situation showing the justified expenses and the balances relating thereto).

PROJECT IMPLEMENTATION TERMS

Article 19. The Beneficiary shall present and submit to the PROJECT no later than the 30th of January for approval, the list of projects to be financed by the installment of the grant paid. The said list for each project shall specify all implementation costs in accordance with the following table:

The total cost of the projects (Works including tax, Monitoring, Control, other costs) is set at the amount of XXXXXXXXX CFA Francs (amount in CFA franc letters). Distributed as follows:

No.	Project label	Cost of the work including tax	Preparation cost	Cost of monitoring	Control Fees	Total project cost
1						
2						
n						
Total						

Article 20. The Beneficiary will present and submit to the PROJECT a descriptive document of the project including at least:

1. Objectives
2. Main beneficiaries
3. Evidence of involvement of beneficiary communities in the project selection process;
4. Anchoring with the council/regional development plan;
5. Anchoring with climate resilience;
6. Expected results
7. expected impacts
8. Estimated and quantitative quote
9. Proof of availability of the land base, if applicable;
10. Backup elements if applicable.

Article 21. The Beneficiary shall submit this document in advance to its deliberative organ. In the event that no session is held at the time of submission of the document to the PROJECT, the Beneficiary shall submit it at the following session, and this before the end of the budgetary year of payment of the subsidy. The PROJECT shall have 10 days to approve a project from the date of its receipt, failing which the said project shall be considered tacitly approved.

PROJECT OBLIGATIONS

Article 22. The PROJECT will pay before January 31st of each year to the Beneficiary in the dedicated joint account the amount due of the grant due to the satisfaction by the Beneficiary, not only of the MMCs and/or Pls, but also of the other conditions set out in Articles 6, 7, 13 and 18.

Article 23. The PROJECT provides technical support to the Beneficiary in the context of planning the execution of approved investments. It also supports the development of specifications and the provisional budget for the execution of projects. It provides, if necessary, training on the organizational and management level, both for the construction and maintenance of infrastructures.

Article 24. The PROJECT will strengthen the Beneficiary's capacities to help it maintain MMCs and achieve Pls.

OBLIGATIONS OF THE BENEFICIARY

Article 25. The Beneficiary is the project owner of each selected project. As such, it ensures at its own expense the monitoring of the execution/control and maintenance of the project in

collaboration with the beneficiary community(ies). It ensures, with the support of the PROJECT, the award of contracts.

Article 26. The Beneficiary undertakes to implement the projects in compliance with environmental and social provisions and in accordance with the performance-based grant implementation manual.

Article 27. The Beneficiary implements each project in strict compliance with the descriptive and estimated quote for said project contained in the descriptive document of the project approved by the PROJECT and submitted to its deliberative organ in accordance with the provisions of Article 21.

Article 28. The Beneficiary sets up a project management mechanism through the village or neighborhood committee of the beneficiary community to ensure monitoring of its execution, maintenance, operation and sustainability.

Article 29. The Beneficiary ensures the availability of an accountant within its staff (Municipal/regional treasurer) who keeps appropriate accounts of all operations relating to the implementation of the projects financed by the grant. All originals of supporting documents are kept for the duration of the PROLOG, and the entries are recorded in chronological order in an accounting document.

Article 30. The Beneficiary undertakes to organize and maintain an acceptable filing system and to facilitate without reservation any inspection and/or verification of the accounting documents and work carried out, committed by the PROJECT, and/or the World Bank, in particular within the framework of technical and/or financial audits.

Article 31. To ensure transparency and good governance at the local level, the summary of the budget execution of the municipality, the technical and financial reports of the projects carried out, and the statements of the Beneficiary's expenditures from the joint account will be posted at the diligence of the Beneficiary, for the general public, on the Beneficiary's notice board. A copy of said documents must be sent to the Village or Neighborhood Committee of the beneficiary community.

Article 32. The Beneficiary undertakes to diligently settle payment requests relating to the services relating to this agreement. It will respect a maximum period of 7 days from receipt of the documents relating to the payment request.

Article 33. The Beneficiary undertakes to implement the projects financed by the grant in accordance with the provisions of the anti-corruption guidelines applicable to other beneficiaries other than the Borrower.

COMMON PROVISIONS

Article 34. In accordance with the provisions of Article 7, the Beneficiary and the PROJECT jointly open an account intended to receive payments of the various installments of the grant with a first-rate bank.

The account is active for payment purposes exclusively under the triple signature of:

- the chief executive of the Beneficiary;
- the treasurer of the Beneficiary;
- the Regional Coordinator of PROLOG.

The account may be moved exclusively for the purposes of regulating the account or the withdrawal of all or part of the subsidy paid for reasons of cancellation of the subsidy or return of the balance by the National Coordinator.

Article 35. The funds paid into the joint account for the purposes of this agreement are used exclusively for the implementation of the projects selected in accordance with the provisions of Articles 19 and 20 above.

Article 36. Under this agreement, monitoring and control responsibilities are assigned as follows:

- Project owner: the Head of the Executive (to be specified Mayor or President of the Council/Regional Assembly);
- Engineer: to be designated according to the sector concerned;

- Head of the procurement service: to be designated within the Beneficiary's administration;
- Project manager: the controller or design office - Execution agent: the Service Provider(s).

Article 37. Costs relating to technical inspections (engineer and project manager) of the project are included in the cost of the project.

Article 38. At the end of the implementation of this agreement, the use of any remaining funds will be decided by the PROJECT and notified to the Beneficiary.

Article 39. The PROJECT will exercise its rights and obligations under this Agreement in a manner that protects the interests of the Republic of Cameroon and the World Bank while preserving the ultimate objectives of the performance-based grant.

DISPUTE RESOLUTION

Article 40. The parties expressly agree that any disputes that may arise from the interpretation or execution of this agreement will be settled amicably or, where appropriate, by recourse to arbitration by the joint supervisory authority. In the event of failure to reach conciliation, disputes will be brought before the competent administrative courts.

TERMINATION

Article 41. In the event of force majeure, this agreement may be terminated during the execution of the projects. In such case, the PROJECT shall recover the funds available in the account and the materials purchased and in stock, after payment for the last services performed and duly received.

Article 42. The PROJECT reserves the right to suspend collaboration with the Beneficiary, including the repatriation of funds made available to the Beneficiary by simple written letter from the National Coordinator to the domiciliary bank and no later than 15 days after acknowledgement of receipt of the notification by the Beneficiary, for one of the following reasons:

- The Beneficiary does not fulfill its obligations in accordance with this agreement; if applicable, one of the expenses incurred by the Beneficiary is declared ineligible and must be reimbursed;
- The Beneficiary unilaterally stops the execution of a project or several projects or changes the method of management of the funds allocated at the risk of compromising the successful completion of the execution of the project;
- the funds allocated are used for purposes other than those mentioned in this agreement;
- cases of fraud and corruption are denounced and proven.

Article 43. In the event of termination of this agreement, the party taking the initiative must inform the others by means of a cover letter with acknowledgement of receipt, 15 days before the effective date of its decision, except in cases of force majeure.

ENTRY INTO FORCE AND VALIDITY

Article 44. This Agreement shall enter into force on the date of its signature by the last of the Contracting Parties. It shall remain in force until the completion of the Grant, but not later than 6 months before the closing of the IDA 72130 CM Credit Agreement.

FINAL PROVISIONS

Article 45. Any modification to this agreement will be the subject of an amendment.

Article 46. The invalidation of one or more clauses of this agreement will not affect the validity of the other provisions in accordance with current legislation and practices.

Article 47. The fact that one of the contracting parties does not exercise a right which it enjoys under these presents does not imply a waiver of this right.

Article 48. This agreement is subject to the laws and regulations in force in the Republic of Cameroon.

Made in eight (08) original copies

At _____

The _____

For the BENEFICIARY

For the PROJECT