

BUSINESS IN CAMEROON

May 2021 / N° 100

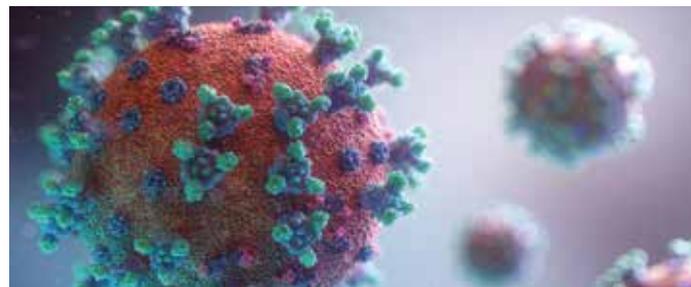
MAJOR PROJECTS - AGRICULTURE - ENERGY - MINING - INDUSTRY - SERVICES - FINANCE



These Cameroonian startups raise billions



Agro-industry and land rights



The cost of fighting Covid-19

BUSINESS IN CAMEROON .COM

Daily business news
from Cameroon



Compatible with
iPads, smartphones
or tablets



Yasmine Bahri-Domon,



A good idea, a lot of work

It seems obvious and we saw it during the FIFA World Cup. When the game is fair for all, Cameroon can be among the best. That same evolution could be observed in the ICT industry.

New technologies such as AI, machine learning, the Internet of Things, big data are on the verge of transforming our social organization, public management, and economies.

Unlike previous revolutions when the industrial and financial capacities were out of the reach of African countries, these new technologies require only modest IT equipment but a lot of brainpower. They can be learned anywhere, as long as an internet connection is available.

In a time of growing inequalities, new technologies represent a strategic neutral ground where one can make

breakthroughs only with work and inventiveness. This is a field where a good idea and hard work can change the life of a whole community.

In recent years, Africa has amazed the world with its ability to develop its solutions via mobile phones and the speed of their adoption. Today, the continent is the world leader in the mobile money segment and is even becoming an example for Europe.

In this edition of Business in Cameroon, we present four local startups that have managed, in recent months, to raise more than a billion CFA francs each on the capital market. This performance is a milestone and is only the beginning of a new era for Cameroon's startup landscape.



CONTENTS

FOCUS



- 08** • Here come the Cameroonian unicorns
- 09** • Fintech Diool raises close to CFA2 billion to develop digital payment services
- 10** • Cameroonian e-health startup Healthlane raises CFA1.3bln to develop healthcare services platform
- 10** • Algo drone raises CFA1.3bln to conquer the international market with made- in- Cameroon drones
- 11** • Cameroon-based fintech Maviance PLC raises CFA1.6 bln for its CEMAC expansion

LEADER OF THE MONTH



34 • Yagoua rice farmer Ahmadou wins the first prize of the Pierre Castel Prize 2021, Cameroon

INTERVIEW



12 • Samule Nguiffo : «the current system of concessions is largely outdated»

BUSINESS IN CAMEROON

Publisher
Stratline Limited

Publication Director
Yasmine BAHRI-DOMON

Editor
Aboudi OTTOU

Contributors
Brice R. Mbodiam, Sylvain Andzongo, Idriss Linge, Muriel EDJO.

Operator
Médiamania Sàrl
www.mediamania.pro
Maquette : **Jérémie FLAUX,**
Corrections : **Souha TOURE**

Advertisement
regiepub@investiraucameroun.com

In Cameroon
Albert MASSIMB, almassimb@yahoo.fr
Tel : 00 237 694 66 94 59

Printing
Rotimpres, Aiguaviva, Espagne

Office - Distribution Cameroon
Albert MASSIMB, almassimb@yahoo.fr
Tel : 00 237 694 66 94 59

Free – cannot be sold

www.businessincameroun.com - info@businessincameroun.com



NEWS IN BRIEF



PUBLIC MANAGEMENT P 17-23

AGRIBUSINESS P 28-29

ECONOMY P 24-25

ENERGY P 31-32

FINANCE P 26- 27

ITC & TELECOM P 33



MONTHLY STATISTICS

CFA500 billion

In 2020, MTN and Orange Cameroon, the two leaders of the local mobile market, recorded a cumulated CFA500.3 billion turnover, according to Minister of Posts and Telecommunication Minette Libom Li Likeng. The information was disclosed in Yaoundé, on May 17, 2021, during the launch of the 3-day commemoration of the 20th anniversary of the advent of mobile telecommunication in Cameroon.

This performance is outstanding compared with the CFA480.7 billion cumulated turnover recorded in the whole sector (three operators are active in the sector, namely, MTN, Orange, and Nextell) in 2017 (according to the telecom regulator ART).

6 000 Metric Tons

The Port of Douala's new oil wharf, which was officially commissioned in April 2021, will boost Cameroon's supply capacity by 6,000 metric tons. "With this wharf, we can now accommodate 20,000 metric tons ships. Before the construction of this wharf, we were able to accommodate just 14,000 metric tons ships," reveals Véronique Moampéa Mbio, director-general of the Cameroon Company of Petroleum Depots (SCDP).

Let's note that since the fire outbreak of May 31, 2019, that destroyed part of national refinery SONARA's plant and ultimately put the company's production chain out of service, Cameroon has been importing all oil products (super, gasoline, and kerosene) used on the national territory.

30 kg

On the night of May 18 to 19, 2021, 30 kilograms of gold were seized at the Yaoundé-Nsimalen international airport, official sources reveal. Customs authorities provided no additional detail on the origin of that gold but the seizure revives debates about gold trafficking in Cameroon. According to official sources, barely 5% of the national gold production enters the formal circuits. Because of this preponderance of informal gold trades in the country, even the Bank of Central African States (BEAC) does not consider Cameroon as a gold producer or exporter.

1,250

Cameroon is currently planning to reforest 25 hectares of land in Sanguéré, in the North, according to a call for expression of interests recently issued by the Ministry of Forests and Wildlife. Officially, the country will reforest those lands by planting 1,250 cashew and 5,000 neem seedlings.

Presented as a product that will back up cotton production in the northern regions in Cameroon, cashew nut can help protect the environment and generate significant income for residents. However, it is still unpopular despite being suitable for the dry climate of the northern region.



COMPANY OF THE MONTH

ELECTRIC UTILITY ENEO ENCOURAGES THE CREATION OF LOCAL ELECTRIC EQUIPMENT MANUFACTURING PLANTS



Electric utility ENEO recently issued a call for expression of interests aimed at selecting local and foreign economic operators with whom it will sign equipment supply framework agreements in preparation for the creation of local electric equipment manufacturing plants.

“This call for expression of interests aims to pre-select one of many groups of local distributors and/or foreign manufacturers that can build and exploit local plants where electric equipment, meeting ENEO Cameroon’s technical specifications, are manufactured,” the electric utility writes indicating that interested parties can submit their offers by May 23, 2021.

It adds that the process will contri-

bute to industrialization in the country, help optimize the supply chain and ensure the continuous supply of some crucial equipment whose shortage usually causes disruption in electricity supply in Cameroon.

The contractors sought by ENEO Cameroon must be able to manufacture, locally, various electric equipment like electric cables, transformers, circuit breakers, switchgear, semi-horizontal and vertical connectors. The equipment they will manufacture also includes PI connectors with self-tapping screws, insulation piercing connectors and stage nozzles, ENEO details.

Pending the effective construction of the local manufacturing plants, the

said equipment is being imported from China.

This is not the first time ENEO will partner with economic operators to promote the “made in Cameroon”. The electric utility has already signed agreements with local concrete pole manufacturers to renew its network. The poles concerned by the agreements are currently being used in the implementation of an important program aimed at consolidating the electricity distribution network by replacing wooden poles, reputed for their fragility, with metal and concrete poles. According to official projections, 40,000 poles will be replaced this year.

BRM



HERE COME THE CAMEROONIAN UNICORNS

Nowadays, Cameroonian startups are known to be among the most dynamic in the Central African region in terms of innovation and the use of crowdfunding platforms to raise funding. However, until recently, no startup in the Cameroonian startup landscape could boast of a successful closing of at least CFA1 billion during a fundraising operation. Things have changed in the meantime and now Cameroon can boast of unicorns in an environment where credit access is difficult, for micro-companies and SMEs notably. In 2019, at least four Cameroonian startups successfully raised at least CFA1 billion through crowdfunding platforms. The pioneers of such funding mechanisms in the country include two fintechs (Diool and Maviance Plc). They belong to the category of

startups that Jamie Dimon, CEO of JPMorgan Chase & Co, considers a threat to conventional banks because of their innovativeness.

"Fintech companies here and around the world are making great strides in building both digital and physical banking products and services. From loans to payment systems to investing, they have done a great job in developing easy-to-use, intuitive, fast, and smart products. We have spoken about this for years, but this competition now is everywhere [...]. Their strengths are extraordinary, with ubiquitous platforms and endless data," he wrote in his annual shareholder letter.

The CEO's anxieties are all the more understandable, considering how fintechs are increasingly attractive to investors, who are now more inclined to fund their innovations.

In Q1-2021 for instance, venture capital funds invested US\$22.8 billion (over CFA12,500 billion) in fintechs, Ecofin Agency revealed recently, citing a report from research platform Cbinsights. Cameroonian startups have not captured a significant portion of that global volume, but on the African continent, they are now fundraising unicorns to be reckoned with. Fintechs are not the only unicorns Cameroon can be proud of, however. As the current issue will show, some Cameroonian health and drone startups are also showing ingenuity and raising an important volume of funds to carry out their projects.

Brice R. Mbodiam

Fintech Diool raises close to CFA2 billion to develop digital payment services



The Cameroonian start-up Diool, which specializes in mobile payment methods aggregation, recently raised \$3.5 million (CFA1.8 billion) to develop its digital payment services. *«The next step is to develop our team and market our products all over Cameroon before entering international markets,»* said Serge Boupda, co-founder of Diool.

According to Diool, the investors in the fundraising operation include the Lundin family, a Swiss-based Swedish-Canadian billionaire family with assets in the oil industry (Lundin Energy, International Petroleum, ShaMaran Petroleum, Africa Energy) and mining (Lucara Diamond, Denison Mines, Filo Mining, Josemaria Resources, NGEx Minera, Lundin Gold, Lundin Mining).

Thanks to the funds raised, Diool will better position itself to face the tough competition expected on the digital payment market in Cameroon and the CEMAC zone with the interoperability of payment systems (mobile and bank accounts).

Interoperability

On the market, it will face telecom giants and banks. Indeed, to prepare for this interoperability, telecom giants such as MTN and Orange formed a joint venture *«Mowali (mobile wallet interoperability), to enable interoperable payments across the continent.»* *«Mowali will immediately benefit from the Mobile Money customer bases of MTN and Orange, representing more than 100 million accounts in 22 of the 46 markets of sub-Saharan Africa,»* including Cameroon, where the Mobile Money service is presented by the Orange Group as a real growth driver for its local subsidiary.

Also, Société Générale launched Yup, a mobile money solution already operational in countries where the bank is active.

All these initiatives will boost the volume and value of digital payments, which have grown exponentially in Cameroon in recent years. According to data compiled by BEAC (central bank of CEMAC countries),

between June and September 2017, the value of mobile money transactions in Cameroon reached CFA2,224.7 billion (ed. note: 76% of the mobile money transactions performed in the CEMAC zone in 2019 were in Cameroon, according to the GSMA). Experts estimate that this value has probably increased twofold. One of the reasons that explain investors' attraction to this flourishing market is the fees collected for every transaction.

Let's note that Diool facilitates transactions between traders and their customers or suppliers. Founded in 2015 by Serge and Philippe Boupda (photo), this electronic platform claims to have 2,000 merchants registered with it for about \$120 million (over CFA65 billion) of transactions processed through their payment aggregation platform within just two years of operation.

Brice R. Mbodiam

Cameroonian e-health startup Healthlane raises CFA1.3bln to develop healthcare services platform

Alain Nteff, promoter of e-health start-up Healthlane, announced on September 7, 2020, via Twitter that he has completed a crowdfunding operation aimed at raising CFA1.3 billion.

The amount mobilized by the 28-year-old computer engineer (graduate of the National Advanced School of Engineering) will be invested in the development of the Healthlane app, which is already being used by over 60,000 people in

Cameroon and Nigeria. The application, which offers both remote and in-person medical services, is a meeting point for individuals, health practitioners, health centers, and drugstores. Users can book an appointment with doctors, or also order drugs.

«Don't spend 5 hours waiting for healthcare. Just book an appointment with Healthlane and be received immediately upon your arrival. (...) A doctor will be dedicated to your

family's health, allowing you to make informed decisions and offering you unlimited health services,» the platform advertises.

Healthlane is the second app created by this young entrepreneur. Alain Nteff first created an app called GiftedMom, which, via SMS, reminds pregnant women of their appointment for pre-natal checks and children's vaccination dates.

Algo drone raises CFA1.3bln to conquer the international market with made-in-Cameroon drones

William Elong, who recently launched Germany-based Algo Drone, announced he has successfully closed his fundraising operation, announced in early 2018, targeting €2 million, or just over CFA1.3 billion. The young entrepreneur says the money will develop the research & development component of Algo Drone and boost the reach of the made-in-Cameroon drones as well as his AI solution "Cyclop" on the international market. *"The first fundraising (about CFA124*

million, ed) allowed us to acquire expertise, the second will now allow us to expand our activities (...) the subscribers to the fundraising are foreigners. I am happy I have an international board, which brings me more than 30 years of experience at once," commented William Elong, who says he has received many orders from Central and West Africa since the official presentation of the first drones manufactured in Cameroon on February 2, 2018. *"We have received orders for a*

hundred drones. Unfortunately, our production capacity isn't enough to meet that demand. We made the necessary adjustments over the second half of 2018 that paid off in the last quarter. Indeed, between October and December 2018, we received more orders than we did in 2 years. All we had to do was delegate the production chain to technical partners, especially on the hardware part, while keeping the intellectual property and software part of the drone in-house," he said.

Cameroon-based fintech Maviance PLC raises CFA1.6 bln for its CEMAC expansion



Cameroon-based fintech Maviance PLC, which owns digital payment platform Smobilpay, announced on May 11, 2021, the closure of its \$3 million (close to CFA1.6 billion) seed investment round from MFS Africa, a Pan-African fintech operating the largest digital payments hub on the African continent. Through this investment, MFS Africa has officially become a strategic investor in Maviance PLC. It is also helping fund the Cameroon-based fintech's CEMAC expansion and local footprint extension.

“The opportunities within central Africa are huge, and the demand has been massively accelerated in the last 12 months with the advent of COVID-19, as businesses of all

sizes adopt digital financial services. Moreover, the shift in the mindset of regulators towards progressive regulations as well as regulatory alignment, enables us to deliver seamless services across multiple geographies and customer segments,” explains Maviance PLC Founder Jerry Cheambe.

“The rapid development of digital financial services that we have seen in Cameroon over the past few years is poised to spread across the CEMAC region. This will further accelerate the demand for domestic and cross-border payments from MSMEs, social enterprises, and corporates in the region. Maviance, as a key infrastructure provider with its set of highly relevant products, is well-positioned to benefit from this growing demand. That is why

we are thrilled to be partnering with the company, as we continue to broaden and deepen the reach of the MFS Africa Hub across Africa,” commented Dare Okoudjou, founder and CEO of MFS Africa.

Smobilpay, the digital payments platform developed by Maviance, helps businesses improve their sales by encouraging their customers to switch from cash transactions to digital payments. According to its developers, Maviance serves over 500,000 unique customers monthly and connects key service providers, payment providers, financial institutions, and mobile money operators to its digital financial services platform.

Samule Nguiffo

«THE CURRENT SYSTEM OF CONCESSIONS IS LARGELY OUTDATED»

Trained as a lawyer, the secretary general of the Center for Environment and Development (CED) - a civil society organization that promotes the recognition of customary land rights - draws lessons from the recent cancelation of the provisional lease granted to the agro-industry Neo Industry on land in the Ntem Valley, and provides a path to solutions for a peaceful cohabitation between agro-industrial projects and local communities.

Interview by Aboudi Ottou

(Business in Cameroon) : On May 5, 2021, the Prime Minister decided to cancel the incorporation, carried out in 2016, of Ntem Valley lands into the private domain of the State. What pushed the government to reverse its decision?

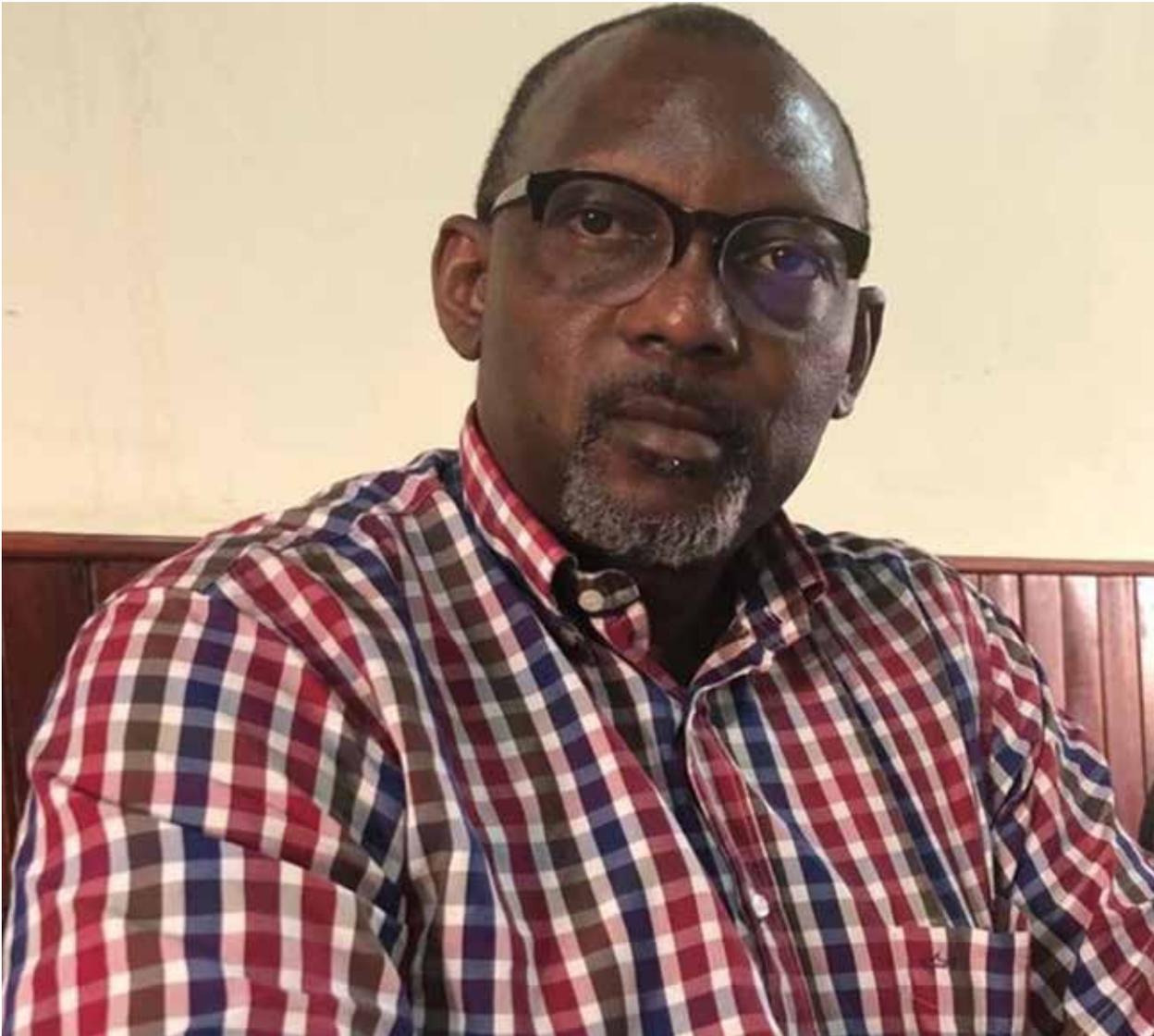
Samuel Nguiffo : Since the government gave no explanation regarding its decision, we can only speculate, based however on facts: these lands are located in the Ntem Valley, a department where local communities led by their traditional authori-

ties, last year, firmly expressed their desire to recover their customary lands, which were incorporated into the private domain of the State in 2016. The people of this Southern department, it should be noted, voiced their disagreement only after the government had decided to allot these lands, which was now part of the private domain of the State, to two investors (ed. Note: Neo Industry and PAC).

When contesting the decision, the communities concerned said they

had not been told about the process through which their lands were incorporated to the State's private domain. The protests, efficiently organized, showed the clarity of their demands, and the finesse of their strategy to oppose State rights surely pushed the latter to give in. It is also important to recall that these communities had decided to refer the case to the administrative judge to request the cancelation of compromised land deeds.

I think the government's move is wise. It preferred avoiding the esca-



«There is a latent conflict between the state and the communities over the ownership of land and spaces»

lation of the conflict, seeing that the people were determined to not let go. A State that reconsiders its decision for the good of its people isn't necessarily weak. The State is not infallible and choosing to not force its way through when one of its decisions is opposed is a normal attitude, one that fosters peace.

BC : This is the second time the government is taking such a decision within a few months. What explains this?

SN : Indeed, this is at least the second

time that the government withdraws laws related to land and forest management, within a few months only. Back in July 2020, the Prime Minister issued a decree writing off the incorporation, into the State's private domain, of part of the Ebo Forest, and halting the classification process of the second part. In this case, the land concerned spanned about 130,000 ha. In this case also, just like in the Ntem Valley, a large part of the Banen community, including even the diaspora, strongly opposed the move. Three things could explain this

phenomena. They are:

- (1) Land has a strong capacity to mobilize community members, especially in a context where increasing pressure on land and resources puts every community at risk of dispossession. Experiences disseminated by the media have helped to sharpen the interest of people who fear being deprived of the land on which they depend so closely.
- (2) Land is an essential component of communities' cultural identity.

They identify with the place where they were born, and on which their whole production system depends. It is therefore normal that traditional chiefs, who in principle guarantee the integrity of village lands, mobilize their people when lands are endangered, and that community members respond to this call, even if their daily subsistence no longer depends, directly, on the lands concerned.

(3) There is a latent conflict between the state and the communities over the ownership of land and spaces: both claim the right (sometimes presented as exclusive) to manage the land by virtue of the body of norms to which they refer. State law does not recognize community ownership of land and resources, while customary rights confer ownership to the people. As a matter of fact, didn't the people of Ntem Valley claim that the State, established after they were already settled in disputed areas, could not be the owner of their land?

BC : What lessons can be learned from this situation?

SN : There are many things that can be learned from this decision, and more generally from looking at the tendency of communities to strongly oppose the State's decision to transfer land under the customary ownership of the populations into its private domain.

The first is the persistence of customary rights in our country, which have resisted more than a century of coexistence with state land law, and which remain a privileged reference framework for rural populations. Today, their coexistence with an old state law, which is not well adapted to current management dynamics and the expectations of rural popu-

lations, is explosive, because it raises problems of legitimacy of the law.

The second lesson to learn is that state law is lagging, compared to international practices in terms of the recognition and protection of community rights. Here again, the gap is explained by the inadequacy of the texts in force in Cameroon relative to land tenure - they date back to the mid-1970s. This mismatch provides useful information for the land reform initiated by the State since 2011.

The third lesson to be learned from this situation concerns the urgency of finalizing land reform, whose results are yet to be witnessed: uncertainties emerging from the current status quo are detrimental to the relationship between the State and rural communities. There is a risk that the latter will lose all confidence in the State, which is sometimes suspected of trying to take their land from them.

As for the communities, it is interesting to note that they are getting better at acting and organizing themselves, and are developing new collective action modes, across the country.

BC : Some people believe these land conflicts also pose a threat to the agro-industry. Do you agree?

SN : Since the early years of the German protectorate, agro-industry has always been considered an important sector in our country. Indeed, during that period, vast plantations were established, some of them on concessions spanning millions of hectares. The mandate, and subsequently the Franco-British trusteeship, did not change this way of

managing agricultural production in our country, with yields dedicated to export mostly. With the advent of the post-colonial state, the State became a key player in the agro-industrial sector, making substantial investments in plantations. Truth be told, they have everything to seduce developing countries like ours: creation of unskilled jobs in rural areas that are generally isolated and marked by a very low rate of salaried employment, positive impact on exports, etc.

While this was understandable, to some extent, at a time when rural areas were relatively sparsely populated and knowledge of the limits of the system of land concessions for agriculture was still limited, today it is urgent to rethink the whole system of land management through concessions. It is no longer able to meet the expectations of the various stakeholders and has become a source of conflict. The revenues that the State gets from these concessions are still very low, and looking at other ways these lands could be exploited, agro-industry may not necessarily be the most profitable option. Concerning communities, they feel that they are left out when it comes to sharing the profits generated by their own land. They also suffer the inconveniences caused by the presence of the companies (various forms of pollution, restrictions on access to areas that are part of the traditional territory, unbearable inflation due to the presence of salaried workers in the villages, endangerment of households by the workers, etc.). As for the companies, they do not always peacefully enjoy the rights granted by the State, due to the opposition of the communities, who do not want to be stripped of their lands.



«looking at other ways these lands could be exploited, agro-industry may not necessarily be the most profitable option.»

The conflict thus seems to be consubstantial with the current system of concessions, which is largely outdated: it is no longer reasonable to manage land according to a model conceived in the colonial era, for the exclusive benefit of companies from outside the dominated territories, and without any real consideration for the legitimate demand for development of the communities hosting the investments. Reforming this system is urgent and crucial.

BC : The incorporation of land from the public domain into the private domain of the State is, as we can see, conflicting. How, in this case, can access to land be guaranteed to investors?

SN : The recurrence of conflicts over land and resources is disturbing because of the importance of land to rural communities. It can also be misunderstood if these conflicts are analyzed superficially. In the recent cases in Cameroon, they mainly reflect a demand by communities to secure their rights to land. While

it is understandable that the State wants to respond to investor demand by providing arable land for agribusiness - as attested by the fact that land in the Ntem Valley was already allocated to investors - its habit of providing large parts of community land to investors could be questioned given these communities' opposition. Generally, investors are interested mainly in accessing crop yield, which is the raw material they need. Access to land is only a means of securing yield, in the conditions, volume, price and quality they want, either for

processing or export. By attempting to take the land, they alienate communities that will then be exposed to structural changes in their way of life and production. This is where a conflict might break out between the community and the investor.

BC : What alternative does the state have?

SN : The State and the investor could establish a partnership ensuring a better distribution of the wealth resulting from the company's business opportunity and interest. This would require that the communities retain control over their customary lands, and that they are supported in producing outputs that meet the company's expectations and requirements.

The company would transform itself from an adversary into a partner, helping to promote local development and individual and family growth in the area. Its operations would then consist of providing technical assistance (in association with government services), inputs and a guarantee for loans from banks or microfinance institutions. The construction and maintenance of rural roads to open up production areas would also be the company's responsibility.

These wealth-sharing models seem to be the most appropriate for our countries. They strengthen communities' land tenure, and provide them with the respect and dignity that they do not have in the concession system. They reassure the company, by putting it in partnership with communities whose wealth it contributes to. They strengthen the State in its role as protector of its citizens, by enabling them to make the most

of the arrival of an investor in their land.

A study conducted in South America, Eastern Europe, Asia and sub-Saharan Africa (the main regions for land investments) showed that when communities do not have security of tenure, any investor who moves onto their customary land runs the risk of losing his investment. Many examples, including in Cameroon, illustrate this situation, and call for urgent reform.

BC : Can the model you recommend thrive, knowing that companies often mortgage land deeds to raise funds in the capital market?

SN : This is one of the weaknesses of the current system, and it must be corrected: when the State makes management decisions on such large areas, it does not transfer ownership to the concessionaire, but simply a long-term right of use, corresponding to the nature of its investment. The State makes the decision to transfer the land after assessing a file indicating the identity of the operator and the nature of the activities carried out on the land. In the past, there were clear requirements prohibiting the transfer of the concession to another operator, or the change of use of concessioned land. Any violation of these provisions exposed the concessionaire to losing their rights.

Nowadays, we see that in addition to the companies traditionally involved in agribusiness, there are more and more speculators who are applying for rights to establish large plantations, with no previous experience in the sector. These companies are seeking more complex contracts, allowing them to transfer the conces-

sion or mortgage it without restriction and, above all, without prior authorization from the State. The risk is that the State will find itself with whole sections of its territory controlled by companies it has not chosen, conducting activities that do not necessarily respond to national priorities. Reading some of the new contracts, one gets the impression that agricultural activity is not the goal of the concessionary company, rather, it wants to have land that it can use as it pleases, with rights so extensive that it would be impossible for the State to guarantee their use. And any breach of contract opens the door to international arbitration, potentially ruinous for the State.

BC : Land reform has been underway since 2011. Are you aware of the progress made in this regard so far? Also, what does the CED recommend in this aspect?

SN : The land reform was announced in 2011, and has given rise to many debates. Now, a decade later, it seems important that it be concluded, and many actors are asking to see a text presented to Parliament. The CED proposes a reform rooted in our traditions, and drawing lessons from almost half a century of implementation of the texts currently in force. We believe that securing the land rights of all land users (the State, investors and communities) is necessary if land is to become a driver of growth, and not a permanent threat to peace and social cohesion. Within the framework of the LandCam project, funded by the European Union and implemented by Relufa and IIED, we have formulated proposals that can be found in our land policy note, which is available on the project website www.landcam.org.



PUBLIC MANAGEMENT

Covid-19: Where are the masks and protective equipment donated by Jack Ma?



In the first report it recently published on the management of the Coronavirus response funds, the Cameroonian Supreme State Audit Office (CDC) indicates that there is currently no sign of the final destination of the donations received from Chinese business tycoon Jack Ma in March 2020.

“In the Ministry of Public Health’s books, the 100,000 protective masks and 1,000 personal protection equipment donated by M. Jack Ma are unaccounted for,” the abstract of the report completed in March 2021 reads. This means that the donation received (as various media reports showed) were not recorded in the Ministry of Public Health’s accounting books.

The donations were received at the Yaoundé-Nsimalen international airport, on March 26, 2020, by Sinata Koulla-Shiro, Secretary-general of the Ministry of Public Health. Like all of the remaining 53 African countries, Cameroon received 20,000 test kits, 100,000 masks, and 1,000 protective equipment (delivered to Cameroon by Ethiopian Airlines) from Jack Ma who was thus showing his solicitude towards the countries amid the pandemic.

The CDC adds that this lack of transparency is seen in the management of all of the equipment acquired by the country in the framework of the fight against the coronavirus pandemic. Specifically, the CDC denounces

the lack of documentary proofs. Therefore, the CDC has been unable to check what happened to the orders and even rigorously check the final destinations of the equipment. In the conclusion of the abstract, the audit office informs that 10 additional investigations were launched for de facto management, 30 for management faults and 10 criminal proceedings are currently ongoing. Let’s note that the report concerned is a progress report published on March 30, 2021. In the meantime, some of the officials suspected have presented documentary proofs and the audit office is currently writing another report to state its final findings

Cameroon lost close to XAF15 bln to overcharges in Covid-19 test kits purchase, the supreme state audit claim

2020, Cameroon spent XAF25.806 billion to acquire 1.556 million Covid-19 test kits. According to the abstract of the first audit mission carried out by the Supreme State Audit Office of Cameroon (CDC) on the management of Covid-19 relief funds (XAF180 billion in 2020), the cost was overcharged by at least XAF14.582 billion.

The suspect is Mediline Medical Cameroon, which the Minister of Public Health Manaouda Malachie presented on June 4, 2020, as a “subsidiary of Southern Korean Mediline Medical Korea” and “the result of the partnership between Cameroon and South Korea.” During the reviewed period, Mediline Medical Cameroon supplied 90% (1.4 million kits) of the overall test kits purchased, while local firms Medical Plus and Sat Pharma supplied the remaining 10%. The two local firms supplied the kits at XAF8,371.9 each (or XAF1.306 billion for their overall supply) but Mediline Medical Cameroon supplied each of its kits at XAF17,500 (or XAF24.5 billion for the whole supply).

According to the CDC, the kits supplied by Mediline Medical Cameroon are the Standard Q Covid-19 Ag Test kits manufactured by SD-Biosensor. Each of the test kits would have cost XAF7,084 if purchased directly from SD-Biosensor, the CDC claims. *“The XAF10,415 difference between the price charged by Mediline Medical Cameroon SA and the one charged by the manufacturer SD-Biosensor created a XAF14,581,884,800 opportunity cost for the public treasury. In other words, Cameroon could have saved XAF14,581,884,800 on the whole supply contract signed with Mediline Medical Cameroon SA in 2020 if the kits were directly purchased from SD-Biosensor,”* the CDC claims.

Thousands of test kits unaccounted for

“In Q4-2020, the MINSANTE (Ministry of Public Health) continued to purchase the Standard Q Covid-19 Ag Test SD-Biosensor kits from Mediline Medical Cameroon SA at XAF17,500 per unit even though at the time, it was clear that it could have acquired them through the Global Fund to Fight AIDS, Tuberculosis, and Malaria at US\$4.97 or XAF2932.3 per unit,” the CDC adds. This explanation makes the MINSANTE’s will to continue business relationships with that company, which was still unknown by the Cameroonian public months ago, a bit suspect.

The audit office further reveals that out of the 1.4 million test kits acquired by Cameroon in 2020, 610,000 «are still unaccounted for. No information was disclosed to the financial jurisdiction about their final destination,» the abstract reads. Yet, the abstract claims that an invoice (the invoice number is n° 004: MHK 06-2020 of July 2, 2020, worth XAF6 billion) was issued for the order. Therefore, the suspicions are high that the transaction was fictitious.

Nevertheless, there are reasons to believe that the Cameroonian government is making informed decisions. A note from the Ministry of Economy (dated June 2, 2020) informed that in the framework of its cooperation with South Korea, Cameroon ordered 3 million test kits directly from “SD-Biosensor/Mediline.” This presupposes that SD-Biosensor and Mediline are somehow linked and that the Cameroonian government was fully aware of the existence of SD-Biosensor. Therefore, it could have surely got information about the unit prices charged by SD-Biosensor.

Conflict of Interests?

Mediline Medical Cameroon’s contract was facilitated by several high-ranking officials. First, its intermediary in the deal was one of its shareholders Moda Holding Hong Kong, owned by Cameroonian businessman Mohamadou Dabo who is also a South Korean consul general in Cameroon. Also, on June 11, 2020, Prime Minister Joseph Dion Ngute authorized the MINSANTE to negotiate the acquisition of three million Covid-19 test kits with the company suspected by the CDC. The price charged was also validated by the Ministry of Trade (led by Luc Magloire Mbarga Atangana) while it should not have done so looking at the huge difference between the market prices and those charged by Mediline Medical Cameroon, CDC says.

It indicates that it is unable to pinpoint the reason the officials authorized such a contract because the selection criteria and the conditions in which the special agreements were passed are unknown, therefore hinting towards a lack of transparency.

Full of suspicion, the audit office reveals that since its creation on September 13, 2017, Mediline Medical Cameroon SA has been in hibernation until its reactivation for the covid-19 supply contract. The audit office also announces that it will write a report on the real ownership and the suspicion of possible conflicts of interests that could have caused the privileges offered to the health equipment supplying company. Nevertheless, more information will be available once the officials involved in the process issue their documentary proofs.

The Francophone University Agency opens an employability center to support young graduates' journey towards professional insertion

On May 19, 2021, Prof Magloire Ondo and Slim Khalbous, rectors of the University of Douala and the Francophone University Agency (AUF) respectively, signed an agreement whereby Douala will host a Francophone Employability Center (Centre d'employabilité francophone-CEF).

"This is a new global project being implemented by the AUF. We are opening a pilot center here at the University of Douala thanks to the University Institute of Technology," Slim Khalbous explained.

Specifically, the center will be hosted in some of the University Institute of Technology's premises set out by the University of Douala. The premises will be equipped by the AUF (to the tune of over XAF200 million) to support young graduates in their journey through the labor market. *"They [the graduates] must be prepared [for the labor market] by the University before their graduation. An additional training plan will be developed to boost their capacities as employees and another program will be set out to identify entrepreneurs,"*

the AUF commented.

The center is open to students (future job seekers), lecturers (coaches and guides), and employers (to express the skills and the profiles required). It is a response to the mismatch between the existing training and the skills needed in the job market, in Cameroonian higher education institutes. The new center will have a yearly working budget exceeding XAF100 million to support the youth in its journey towards professional insertion.

Cameroon inaugurates its first stone transformation plant

On May 18, 2021, Minister of Mines, Industry and Technological Development (MINMIDT) Gabriel Dodo Ndoke, inaugurated a stone transformation plant in Nyom II, Yaoundé I. Spanning over 2,500 m², the plant is the first-ever in Cameroon to be able to transform stones into modern construction materials.

"Constituted of two stone cutters and one polishing machine, the infrastructure built thanks to a XAF4.5 billion investment from Chinese firm Gaoda International Investment Trading Sarl has a daily average production capacity of 5,000 tons. Currently, the number of jobs created is 122 but, it could ultimately rise to 1,000," we learn.

The plant is built near a large gneiss deposit that will be processed into granite, the main material the plant will use. The said deposit spans from Edimi to Okola, in the Lékie.

The Chinese firm intends to produce tiles, paving stones, tombstones



as well as internal and external coating materials. The products are destined for both the local and foreign markets at prices ranging between XAF12,500 and XAF30,000 per square meter depending on the quality. According to the MINMIDT, the aim of this initiative is to reduce Cameroon's dependence on the external market.

The installation of Gaoda

International Investment Trading Sarl was facilitated by an agreement signed in 2019, with the investment promotion agency. The construction works started in September 2019 and were completed in January 2021.

Besides the plant, Gaoda International Investment Trading Sarl owns two quarries in Oyek and Afane Ngong Yessock, in Ebolowa II.

Yaoundé to host Cameroon's first farmer innovation fair next May 27-29

Next May 27-29, under the patronage of the Ministry of Agriculture and Rural Development, the farmers association «*Prolinnova Cameroon*» will organize the first edition of the Cameroonian Farmer Innovation Fair (Foire de l'innovation paysanne au Cameroun-FIPAC) in Yaoundé. According to the organizers, the theme of this first edition is «*Innovations paysannes pour la sécurité alimentaire et nutritionnelle, dans un contexte de changements climatiques*» (Innovate in agricultural production to ensure food and nutrition security in a context marked by climate change).

«*By farming innovations, we mean local solutions that farmers elaborate by capitalizing on their surroundings*

to address various problems, including those relating to marketing their products. We will assess whether the solutions suggested by farmers during the fair comply with good practices and share them with everyone,» explains Jean Bosco Etoa, coordinator of the FIPAC.

«*The fair is aimed at valorizing and providing information about farmers' works because one of the problems we are facing in the country currently is that the youth is gradually showing disinterest in agriculture. Hence the fair, to spark their interest. Indeed, in a said field, valuing a producer usually boosts the interest of the young generation. So we believe this will be the case with agricultural production,»* he adds. The coordinator indicates that FIPAC

is a melting point for innovative agropastoral solutions developed by Cameroonian farmers located all over the country. During this first edition, the 50 best innovations (five per region) will be showcased and some of the farmers awarded based on the originality, acceptability, and relevance (to the farmers' immediate surroundings) of the solutions proposed.

According to Jean Bosco Etoa, there are numerous crises in the country, including the Anglophone crisis, the Boko Haram crisis, the coronavirus health crisis, the food crisis in some regions, and climate change. Therefore, Cameroonian farmers must develop local and cheaper solutions to their various problems.

The new economic program could fetch XAF375 bln budget support for Cameroon

The Cameroonian government is currently stepping up its efforts to get its new 2021-2024 economic and financial program approved by June 2021. The discussions started between the two partners on May 5, 2021, are expected to be concluded next May 21 with a 3-year program. According to local media Défis Actuels, the said program will be backed by a XAF375 billion budget support. Also, it will be a good signal for investors, notably those interested in the XAF450 billion refinancing operation Cameroon is currently planning.

«*The two projects [the 3-year program and the refinancing operation] have beneficial implications for each other. An agreement with the IMF will have positive impacts on the Eurobond ope-*

ration because investors are reassured when the issuing country is under an IMF program. Also, the Eurobond refinancing operation positively influences the IMF program because it can change the country's indebtedness profile and open new debt avenues...»

Défis Actuels wrote quoting a source within the Technical Committee for the Monitoring of Economic Programs (CTS).

According to the schedule presented by the Directorate General of Customs (DGD), «*the feedback from those discussions will be presented in two phases. First, they will be presented to the Ministers of Finance and Economy on Wednesday, May 19, 2021. The second phase is the presentation to the Prime Minister, on May 21, 2021.*»

The 2021-2024 program will replace that of 2017-2020 initially scheduled to end on June 25, 2020, but extended to September 30, 2020. This extension was requested by Cameroon due to the fallouts of the coronavirus pandemic on public finances.

Tunisian firm SIMAC selected for the development of SIGIPES II, after the Audit Conseil-CBL Consulting episode

Tunisian company SIMAC has been selected to develop the 2nd generation Integrated Computerized State Personnel and Payroll Management System (SIGIPES II). The decision was published on May 17, 2021, after the internal procurement unit of the Ministry of Public Service and Administrative Reforms reviewed the bids of the prequalified companies.

Credible sources reveal that the contract is worth XAF4.2 billion and the Tunisian company will develop the system within 24 months. This is not the first time a company was selected to develop the system.

In 2014, then Minister of the Public Service Michel Ange Angouing announced that the system would be available in 2016. However, during the March 30, 2017, Ministerial council, he revealed that the Cameroonian consortium Audit Conseil-CBL Consulting, which won the development contract, was unable to deliver the system as promised.

That same day, then Prime Minister Philémon Yang ordered an audit of the system that swallowed the XAF7.6 billion financial support provided by the European Union. During a meeting of CIEP (an Interministerial Committee for the Review of the Programs) on August 17, 2018, in Yaoundé, Joseph Lé, current Minister of the Public Service, explained that the conclusions of the audits have been transmitted to competent authorities whose decisions were still awaited.

An about XAF8 billion loss

On July 28, 2020, during the first meeting of the inter-ministerial committee that monitors the implemen-



tation of the SIGIPES II project, he provided further details on why the first company selected was unable to deliver the system.

«It became apparent that the foundations on which the first phase of this large-scale project was based were particularly fragile. Also, the choice of the service provider proved to be misguided. Indeed, the selected consortium broke up before the launch of the operational phase, and the expertise of the remaining members was questionable. The consortium's failure [to deliver] therefore comes as no surprise,» Minister Joseph Lé said. The official added that the failure was also due to the project specification drafters whose lack of expertise and vision caused some problems.

Since the failure that made the government waste close to XAF8 billion, the country has been dutifully working to select a new contractor. The selection of Tunisian firm SIMAC is the result of those works. But, there is no information on the follow-up of the contract with Audit Conseil-CBL Consulting.

According to the government, SIGIPES II will help end the various national payroll management frauds that cause billions of losses for the public treasury every year. Specifically, it is an ongoing initiative/platform that will merge the payroll platform managed by the Ministry of Finance (ANTELOPE) with the career management platform managed by the Ministry of the Public Service (SIGIPES) to create one integrated human resources management system. Its development will boost transparency in the state payroll management system, we learn.

In a document issued in preparation for the 2021 Budget Orientation Debate, the Ministry of Finance informed that the current system was making it hard to trace civil servants' career path, their posting history, whether they abandoned their posts or a said servant has passed on. It also lacks credible historical data that will help analyze the payroll and facilitate retrospective studies thanks to which improved wage policies can be formulated.

Anglophone regions' reconstruction plan: GICAM pledges XAF1.2 bln support but issues conditions

Last May 18, Prime Minister Joseph Dion Ngute met with the Inter-Patronal Grouping of Cameroon (GICAM) to encourage local business owners to invest in the Presidential Plan for the reconstruction of the Northwest and Southwest regions ravaged by the sociopolitical crisis that started in late 2016.

During the meeting, the Prime Minister presented a comprehensive overview of the presidential plan and the private sector's role in it.

"The private sector contributes close to 70% of our country's fiscal earnings. In 2019, those contributions were covering about 40% of the state budget. All those indicators prove the weight of the private sector in national wealth creation. They also demonstrate the significant role private companies can play in the reconstruction of disaster-stricken areas in our country," he explained.

At the end of the meeting, the volume of investment pledges received by the Prime Minister was XAF1.2 billion, which is really low compared with the XAF89.7 billion needed for the plan (10% of that envelope has already been provided by the government but the private sector and international financial partners are expected to contribute portions of it also).

Out of the XAF1.2 billion pledges, brewing market leader SABC pledged XAF500 million for the first phase and another XAF500 million later. The remaining XAF200 million pledged was committed by the Cameroonian millers' association.

In his address to his peers, Célestin Tawamba (President of the GICAM) revealed his wish to see the current and coming pledges materialized in the coming three to four months.

Transparency requirements

To understand economic operators rather cold commitments to the presidential plan, one needs to analyze the GICAM president's address during the meeting.

"When they asked me to disclose their investment pledges, business leaders expressed their bewilderment and skepticism. First bewilderment because in other parts of the world, amid the coronavirus pandemic, the governments supported the private sector and not the other way round [as was the case in Cameroon]. Their Skepticism also concerned the use of the funds they are going to commit for the plan because, in the past, there was no transparency in the management of funds raised. Also, as current events call for it, they fear the funds they contribute would be used inappropriately (...) Some members expressed their frustrations and even resentment

because they feel the government turns to the private sector when it needs help but it rarely addresses the private sector's concerns," Celestin Tawamba said.

Meanwhile, to ensure transparency, the government has already entrusted the implementation of this plan to the United Nations Development Programme (UNDP).

But for Celestin Tawamba, to boost local economic operators' interest in the plan, some guarantees and additional measures need to be taken.

Such measures include the continuation of national dialogues until the end of the hostilities, the protection of investments, and transparency in the management of funds contributed by companies. The government is also required to set up guarantees for the financial sector, which is ready to grant syndicated and subsidized loans to companies in the Northwest and Southwest. Also, the GICAM asks the government to amend the September 2019 decree consecrating the status of the Far-North, North, and Southwestern regions' status as economically depressed zones. This amendment must *"facilitate resource mobilization and avert tax disputes concerning the support operations (...)* In that regard, the employers' grouping may make concrete proposals," he added.

Public Contracts: Ibrahim Talba Malla reminds project owners and bidders about dispute resolution procedures

Last May 3, Minister Delegate at the Presidency of the Republic in charge of Public Contracts (MINMAP) Ibrahim Talba Malla issued a note reminding various actors about the litigation or dispute resolution process to be followed in the public contracts sector.

In his note, the official explains that in the framework of the procurement system reform, an appeals' reviewing commission (CER) was created by the decree of June 20, 2018, on the Public Procurement Code. According to the Minister, the said commission is that habilitated to resolve disputes in the public procurement sector.

“The organization and operation of this new body are outlined in decree No. 413/A/PR/Minmap of December 8, 2020. (...) The Minister Delegate reminds actors of the public procure-

ment system that the above-mentioned Commission is housed within the Public Contracts Regulatory Agency (ARMP). Also, under the provisions of Articles 172 to 176 of the above-mentioned Code, bidders and candidates who feel they have been wronged are invited to address their appeals to the Chairman of this Commission,” the note reads.

Ibrahim Talba Malla adds that according to the provisions of articles 178 and 179 of the Public Contracts Code, he is the recourse for persisting divergences between contract committees and the contracting authorities. He, therefore, invites the actors concerned to directly notify him when there is persistent disagreement or when they have other requests concerning the execution of public contracts.

This note from the public contrast authority appears like a warning to contracting authorities that have sometimes taken unilateral dispute resolution decisions, without even considering the MINMAP's prescriptions. The latest notable cases are the Ntui-Mankim (96.7 km) and Bogopouss (63.17 km) road contracts whose awarding process is underway. In this case, the project owner disagreed with the various commissions on the bidders to be selected. Although the MINMAP ordered the bids to be reviewed again, the project owner directly notified the project backer (the AfDB) that the tenders were unfruitful. In April 2021, however, the bid reviewing option indicated by the MINMAP became the obvious choice after various discussions.

Worker placement: Government warns against 86 unauthorized agencies

Minister of Employment and Vocational Training Issa Tchiroma Bakary recently published two lists informing the public about accredited and non-accredited (or those with expired accreditations) interim agencies and worker placement agencies. The first list contains the names of 86 such companies that have no operating permit, those

whose permits have expired or have been suspended, while the second list informs about the 198 entities with valid operating permits. According to the release following the lists, by publishing such lists, the government intends to warn the public, para-public, and private companies not to work with the companies that have no valid permits.

«The Minister of Employment and Vocational Training invites companies' managers to cease all professional relations with the unauthorized companies,» the release reads.

The release also invites the promoters of those illegal companies to comply with the enforceable regulations or face the sanctions provided by the law.



ECONOMY

BDEAC claims XAF336 bln development support in Cameroon within 46 years

Yesterday May 20, on the sidelines of Cameroon's National Day, the Development Bank of Central African States (BDEAC) presented an assessment of its 46 years of cooperation in the country.

In that regard, the BDEAC informs that over its whole lifetime in Cameroon, it supported the development process by granting public and private financing to the tune of XAF336 billion. Specifically, the industrial sector captured XAF191.2 billion (57% of the funds) while the transport sector captured (15%), 8%

for agriculture and agribusiness, 5% for tourism, 4% for health, 4% for infrastructure, 3% for energy, 1% for education and 1% for the real estate industry.

According to the development bank, the reason a significant portion of the financing was tailored towards the industrial sector is because of the institution's policy, which is to fund projects that have strong financial and socio-economic impacts.

The industrial projects funded by the BDEAC include the Lom Pangar dam that will provide electricity to 10,000

households in 150 neighborhoods in Eastern Cameroon. There is also a cocoa processing plant in Kribi.

In the transport sector, the BDEAC funded the construction of 248-km Batchenga-Ntui-Yoko-Lena-Tibati-Ngaoundéré road, and the 504-km Ketta-Djoum- Congo border road. Also, in the tourism sector, the BDEAC contributed funds for the construction of the Radisson Blu hotel in Douala to improve the number of hotels in Cameroon and raise the tourism sector's contribution to GDP.

Securities dematerialization: Sinking Fund CAA to proceed to the repressive phase in H2-2021

In June 2021, as the central securities depository in Cameroon, the National Sinking Fund CAA will proceed to start selling the securities of companies that are yet to dematerialize their shares.

"The forced sale procedure will be implemented starting from H2-2021, in compliance with the law. As for the terms of the sale, they will be set through regulations," said Richard Evina Obam, Director General of the CAA, in an interview published on May 19, 2021.

In a previous warning, the CAA had revealed that once 500 companies have dematerialized their securities, the repressive phase would start. But, currently, one of the measures taken by the CAA to ensure companies comply with the requirement is to condition the issuance of tax

certificates to the presentation of a statement that proves the requesting company has dematerialized its securities. Companies created before the rule became enforceable must codify and register their securities issuance operations as well as collect all of the master copies of the physical shares issued to the shareholders.

As for those created after the law became enforceable, they must codify and register their issuance operations as well as develop a custody account management framework by acquiring a software dedicated to the task (in the event the said company chooses to manage its custody accounts) or sign a mandate agreement with an approved stock exchange for that purpose.

The aim of this dematerialization rule is to modernize the investment

services amid the internationalization of financial transactions. The dematerialization was consecrated by law in 2014, which provides that the securities, being them shares or bonds, must be dematerialized. The Cameroonian administration believes that dematerialization ensures transparency, security, and traceability in the number of securities circulating on the national territory as well as gives a complete overview of the security transactions for taxation purposes, and fights tax frauds. Physical securities' holders were allowed a four-year grace period to comply with the dematerialization process but at the start of the 2021 fiscal year, the CAA was informing that 530 companies had complied.

CEMAC: Employers' grouping UNIPACE requests a 6-month grace period for the implementation of the new foreign exchange regulation

On May 11, 2021, the Central African Employers' Union (UNIPACE) held an extraordinary meeting to review the problem caused by the new foreign exchange regulation in force in the CEMAC region since December 2018. The notable point discussed was the processing of import domiciliation files.

"UNIPACE members note that on April 14, 2021, Equatorial Guinea obtained a 6-month grace period from the BEAC for the implementation of the said regulation. Due to the similarity of the problems encountered and to ensure fairness, the members are asking for the same grace period for all the countries in the sub-region," the UNIPACE writes in the minute of that meeting.

The problems referred to by the UNIPACE are notably the collection of the receipts required by banks for operations that should be settled, receipts from various administrations, the non-justifications of some canceled transactions even though all the required paperwork are provided as well as the transfer of some archived paperwork.

Shortage risks

"Those problems and shortcomings cause significant obstructions in the transfer operations and slow commercial activities. Because of those obstructions, there are already visible signs of food product shortages in some markets. There are also obvious risks that the supply of raw mate-



rials, equipment, and spare parts are disrupted," the UNIPACE adds.

The Union stresses that for many companies, the breakdown threshold will be reached before the end of May 2021. Should this situation materialize, there will be a complete cessation of activities in some important sectors like agribusiness, it informs explaining that despite the various actions carried out to call national authorities and the BEAC's attention to the problem, there is no obvious result.

According to article 6 of the law n° 02/Cemac/Umac/CM of December 21, 2018, regulating foreign exchanges in the CEMAC region, fund transfers must be processed only when the origin of the funds is justified by the paperwork required by the law. All these processes are

overseen by the Central Bank to avoid the flight of currencies needed for importation.

The same law provides that the required paperwork can be submitted after the transfers are processed in accordance with the instruction n° 007/GR/2019 outlining the terms and conditions governing declaration of import domiciliation operations.

The shame and blame game

According to the central bank BEAC, the problems encountered by companies in the implementation of the new requirements are caused by banks that request unreasonable documentation that is sometimes unrelated to the purpose of the fund transfers. Meanwhile, banks also claim that they are just applying the new regulation in force in the CEMAC region.



FINANCE

Cameroon: Clandestine money exchangers ordered to regularize their situation or face the wrath of the law

Clandestine money exchangers must get licensed or face the wrath of the law, Finance Minister Louis Paul Motaze (photo) says. In a release issued last May 12, the official ordered the concerned parties to stop the illegal activity and contact the Ministry of Finance to get licensed or become agents of authorized exchange offices. Failing to do that, they will “face legal proceedings,” he indicates in his release.

According to the provisions of the law Cemac N°02/18/Cemac/UMAC/CM of December 21, 2018, regulating exchange operations, people who offer clandestine money exchange

services may incur custodial sentences, a XAF5 million fine, and the immediate remittance of the foreign currencies.

As national monetary authority, the official reminds that the only legal tender in Cameroon is the Central African CFA Francs (XAF), in accordance with article 6 of the Central African Monetary Union provisions. Therefore, he indicates, other currencies held by economic agents (foreigners and travelers notably) must be exchanged against the legal tenders, obtained from licensed exchangers, before commercial transactions. So, to capitalize on those require-

ments, some unauthorized parties settle in public spaces to offer money exchange services to individuals (in big cities notably), despite the numerous information campaigns. Meanwhile, as Minister Louis Paul Motaze explains, clandestine money exchange services are harmful to licensed institutions and also to the country’s business climate and its image. Also, users of those services are running the risk of receiving fake currencies, therefore indirectly participating in money laundering and terrorism financing schemes. Hence the public authorities’ actions to end the black market.

Commercial Bank-Cameroon: Government will sell most of its shares to a strategic partner and retail investors, DG Léandre Djummo says

The government of Cameroon will sell most of its 98% shares in Commercial Bank-Cameroon (CBC), a release signed on May 4, 2021, by the bank’s Director General Léandre Djummo informs. According to the release, most of the shares will be sold to a strategic partner selected via a call for expression of interest. Another portion will be sold to national retail investors on the regional exchange while the government will keep the remaining shares.

Currently, the schedule of the operations is not available yet but Léandre Djummo indicates that the schedule, as well as the measures taken in that regard, will be communicated in due course. He adds that the measures will be implemented

in strict compliance with the OHADA Uniform act relating to Commercial Companies, and the banking regulations in force in the Central African subregion. Another unknown fact is the exact volume of shares the government will sell to the strategic partner and retail investors. However, local media EcoMatin claims that the government has decided to keep 17% of the shares and sell 51% to the selected strategic partner and 30% to retail investors.

Commercial Bank of Cameroon (CBC) was founded in 1997 by the late business mogul Victor Fotso. After a long streak of successful years, the bank started experiencing difficulties because of its non-compliance with prudential ratios and the

misappropriation of its capital. According to an audit carried out by COBAC, in 2009, the bank’s capital was close to zero while in May 2008, it was estimated at XAF11 billion. That year (in 2009), COBAC placed the bank (which was being managed by the founder’s son Yves Michel Fotso at the time) under provisional administration. In 2016, the provisional administration was ended -after six extensions- when the bank was recapitalized, with the government of Cameroon investing XAF10 billion to acquire 98% of CBC. By March 2020, the former private bank’s equity capital was XAF23 billion, exceeding by nearly XAF8 billion the objectives set under the performance contract with the government.

Cameroon accounts for over 93% of ‘La Regionale’s’ IPO subscribers

Microfinance institution “La Regionale” recently published the results of its initial public offering (IPO) on the Central African Stock Exchange BVMAC. The IPO was launched in February 2021 and completed on March 26, 2021. During the operation, 2,400 (2,380 individuals and 20 companies) investors subscribed. These include from the CEMAC region, 2,253 Cameroonians, 92 Gabonese nationals, 35 Chadians, nine (9) Congolese, and one (1) Central African Republic’s national. The number of subscriptions

received from investors outside the CEMAC region includes eight (8) subscriptions coming from Europe and two (2) from “miscellaneous” countries.

All the subscriptions amounted to XAF2.58 billion while the microfinance institution was eyeing XAF8.23 billion to embark on its transition into a universal bank.

The Cameroonian institution also announces that on June 17, 2021, a general assembly will be organized to include the new investors into its shareholding and change the statute to become a universal bank; with

the submission of the statute before monetary authorities by July 2021. Currently, La Regionale’s share capital is XAF680 million. Although it did not succeed in its project to raise XAF8.23 billion, it believes that the XAF2.58 billion raised (through the sales of 61,830 shares) is enough to start its universal banking project. As of December 31, 2020, its net capital was about XAF10 billion with 110,000 clients, 41 branches nationwide, and four branches in Gabon. At the time, its net profit was XAF1.5 billion.

Cameroonian banks accounted for 45% of CEMAC commercial banks’ 2012-2020 total balance sheet (BEAC data)

Between 2012 and end-2020, the total balance sheet of commercial banks operating in the CEMAC region rose by XAF4,795 billion, according to a detailed analysis of the monetary statistics recently published by central bank BEAC.

This rise is due to a 6.2-fold increase in the net loans granted to the governments of member countries. According to the statistics published by the BEAC, that heading rose from XAF655.8 billion at end-2012 to XAF4,069.8 billion (at end-January 2021, it rose to XAF4,280 billion).

During the period under review, the credit to private economic actors (both in the financial and non-financial segments) also rose from XAF4,865 billion to 7,800 billion. As for the banks’ net assets, they dropped from XAF3,584

billion to 2,245 billion.

In light of that data, it can be concluded that the said commercial banks granted more loans to member countries’ public sector (+XAF3,413 billion during the period) than to private economic agents (+XAF2,935.5 billion during the period). Specifically, between 2019 and 2020, commercial banks’ loans to the public sector sharply rose from XAF2,147 billion as of January 1, 2019, to XAF4,070 billion as of December 31, 2020. On the other hand, the net loans to private economic agents are stagnating around the XAF7,500 billion level since 2015.

The commercial banks operating in Cameroon have played a significant part in the overall performance during the period, comforting the country’s position as a major financial actor in the CEMAC region. Indeed, as of end-2020,

the total balance sheet of commercial banks operating in the country was 45% (against 32% in 2012) of the overall volume recorded in the CEMAC region. Another important fact revealed by BEAC data is that over the period under review, commercial banks took most of the risks to fund private economic agents in the CEMAC region. Unlike the case in developed countries (like the USA and Japan) where central banks boosted their total balance sheet to support all the economic actors, the BEAC adopted a prudential approach. Its credits to the public sector rose 6-fold while its commitment towards private economic agents was insignificant during the period. Moreover, along with its foreign assets, its total balance even contracted during the period.



AGRIBUSINESS

Cameroon to plant 1,250 cashew seedlings in Sanguéré

Cameroon is currently planning to reforest 25 hectares of land in Sanguéré, in the North, according to a call for expression of interests recently issued by the Ministry of Forests and Wildlife. Officially, the country will reforest those lands by planting 1,250 cashew and 5,000 neem seedlings. Presented as a product that will back up cotton production in the northern regions in Cameroon, cashew nut can help protect the environment and generate significant income for residents. However, it is still unpopular despite being suitable for the dry climate of the northern region. In the 1970s, Sanguéré was the first region to host the first cashew planta-

tion in Cameroon. According to various corroborating testimonies, to diversify the economy of the three northern regions, which was heavily relying on cotton production, the late president Ahmadou Ahidjo introduced cashew production in the North. So, in 1975, in the framework of a reforestation campaign, several hectares of cashew seedlings were planted. At the same time, Côte d'Ivoire was testing the cashew production waters. At the time, Cameroon's ambition was to develop 10,000 hectares of cashew plantation, build a cashew juice production plant and sell cashew nuts. However, close to 50 years later, only 650 hectares of cashew plantations have

been effectively developed in Sanguéré; but they are in a dilapidated state, while the proposed processing unit was never built. On the other hand, Côte d'Ivoire, which started the adventure at the same time as Cameroon, is now the leading cashew producer selling an average of 750,000 tons of cashew nuts yearly. In 2018, to catch up with its delays and enter the cashew exporting market, Cameroon elaborated a national cashew sector development strategy. Also, the Institute of Agricultural Research for Development (IRAD) is implementing a project to plant 10 million cashew seedlings to help develop 100,000 hectares of cashew plantation according to experts.

Cameroon: Robusta coffee price rose to multi-month highs in May 2021, as demand keeps growing

On May 11, 2021, in Cameroon's production areas, the prices of a kilogram of robusta coffee ranged between XAF525 and 575. According to data compiled by the sectoral information system SIF elaborated by the National Cocoa and Coffee Board (ONCC), those prices were the highest the commodity was being sold at within a year. Indeed, in May 2020, this commodity was sold at about XAF300 in

production areas. The about XAF225 year-on-year rise in the said price is due to growing local demand while production has been dropping gradually. According to the Cocoa and Coffee Inter-professional Council (CICC), because of the dropping coffee prices recorded over the past decades, several Cameroonian farmers stopped growing it. They rather turned to food crops deemed more profitable.

Meanwhile, the demand is not dropping. Instead, it keeps growing due to international consumers' preference for Cameroonian coffee. Let's note that although the production of this commodity has been declining in recent decades in Cameroon (due to farmers' decreasing interest in this cash crop), local coffee brands are regularly awarded international prizes.

CDC to build two palm oil and rubber production plants

State-owned agribusiness Cameroon Development Corporation (CDC) is currently fine-tuning two projects for the construction of two rubber and palm oil production plants. This is revealed in the call for expression of interests recently issued by the company to recruit a consultant that will carry out the projects' environmental impact assessment. According to the call, the palm oil production plant will be built in Idenau, in the Southwest, while the rubber production plant will be built in Pendamboko, in the Littoral region. The launch of the two projects proves that the agribusiness company is gradually recovering from its woes caused by the Anglophone crisis.

Indeed, CDC is undoubtedly one of the companies that suffered the most from the ongoing socio-political crisis that started in late 2016 in the Anglophone regions.

During the crisis, separatist militia transformed the company's plantations into training grounds. Workers found on the plantations were either raped, violated, or killed, while processing and storage plants were simply set ablaze. Because of that insecurity, the company and its about 22,000 employees partially stopped operations, on the banana segment notably. As a result, from September 2018 to May 2020, the company, which was previously the second-

largest banana exporter in Cameroon, simply disappeared from the list of Cameroonian banana exporters. Its performance since June 2020 when it returned to the banana market demonstrates that it has not fully recovered from the fallouts of those attacks. For instance, in April 2021, it exported 1,354 tons of banana (according to the Banana association ASSOBA CAM), which is significantly below the 9,467.5 tons of banana it used to export monthly. Nevertheless, the company's performance could increase tenfold in the coming months should its plan to develop 520 hectares of banana plantations this year come to fruition.

Prime Minister Dion Ngute cancels text consecrating the creation of over 66,000 ha land reserve in the Ntem Valley

On May 5, 2021, Prime Minister Joseph Dion Ngute signed a decree canceling a text signed in 2016 by his predecessor Philemon Yang to create an over 66,000 hectares land reserve in the Ntem Valley, in Southern Cameroon.

The Prime Minister's decree ends the dispute between, for about five years now, the government and the Ntem Valley's residents. However, it also crushes hopes to see the industrial cocoa plantation project carried out by Neo Industry and its promoter Samuel Neossi come to fruition. Indeed, part (26,000 hectares) of the land reserve was provisionally leased (by the Ministry of State Property and Land Tenure) to Neo Industry

for its project to develop an industrial cocoa plantation to supply its Kekem cocoa processing plant, in the Western region.

In 2020, the discovery of this lease agreement worsened the protests of Ntem Valley residents who were already denouncing (since 2016) the incorporation of 66,000 hectares of their lands into state land reserves. Due to the protests, Minister of State Property Henri Eyebé Ayissi initially suspended the lease agreement between the government and Neo Industry as an official letter dated August 14, 2020, revealed.

The residents were denouncing the non-transparent and unilateral manner in which the land reserve

was created by the government. They were also seeing the Neo Industry's cocoa plantation project as a way to deprive them of their ancestral lands despite the job opportunities presented by the said project.

This land dispute between public authorities and the residents reminds of the Herakles Farms case. Indeed, through its subsidiary Sithe Global Sustainable Oils Cameroon (SGSOC), the American firm was granted a state concession of over 20,000 hectares of land in the Southwest to develop its oil palm plantation development project. However, due to pressures from environmental NGOs, the firm was obliged to forego the project.



LA VITRINE DU CAMEROUN

SAGO

SALON DE L'ACTION GOUVERNEMENTALE

From July **18** to **24, 2021**
Palais des Sports de Yaoundé

Theme:
**From GESP to 2020-2030 National
Development Strategy. What Prospects For Cameroon?**

Watch Conferences | Exhibitions | Meetings | Advertorials on Live



The Fair on Government Action (SAGO) is the first platform devoted to popularize sector-based public policies in Cameroon and Central Africa. It mobilizes hundreds of exhibitors from public and private organizational and development partners every year in Cameroon. With its international media coverage, take advantage of the **6-day** event to reach more than **25 million** people.

Register NOW!

Should you in case wish to partner or register, please get in touch with
Tél.: +237 242 666 044 / 242 607 849 | Mobile: +237 677 886 322 / 655 698 885
E-mail: mcommunicateur@yahoo.fr | Website: www.sago.cm

Mon Communicateur
Le pilote de notoriété



ENERGY

ENEO advocates for improved salary treatment for its subcontractors' agents



Electric utility ENEO announces that weeks ago, it launched a procedure to professionalize the commercial services offered by its subcontractors.

“The new approach is oriented towards the satisfaction of our end-clients. It now requires all the subcontractors working with ENEO to offer their agents the following perks: salaries that are regulated and notably attractive (two to three times higher than the former average), an

affiliation to the CNPS (social security company), health insurance coverage and the same paid leaves as the ones offered to agents working directly for ENEO,” ENEO writes.

The electric utility explains that the reform is one of the measures it is implementing in response to the excruciating need expressed by clients who revealed that the bill issuance protocol needs to be revised and agents sent to them should be more honest. It adds that currently,

it is collaborating with 14 partner companies that meet its standards and operate in all of ENEO's nine distribution networks.

ENEO used to denounce the ethics of some of its subcontractors who sometimes cite poor salaries to justify their complicity in electricity frauds. The electric utility claims that in 2020, it arrested 200 electric fraud barons and fired 80 agents who were the accomplices of those barons.

Cameroon: ENEO ordered to reduce daytime energy rations from 5 to 2 hours



On May 10, the Minister of Water and Energy (MINEE) Gaston Eloundou Essomba sent a letter to ENEO's CEO Eric Mansuy instructing the electric utility to take measures to reduce load sheddings during the daytime in the three northern regions, between May 12 and June 30, 2021. According to the official, this instruction follows the *«multiple complaints from the population, local elected officials, traditional and administrative authorities.»*

In his letter, the MINEE ordered ENEO not to ration electricity supply in the regions during the celebration of the «Festival of Breaking the Fast.» Also, ENEO should reduce the daytime rationing period from 5 hours currently to 2 hours max starting from the day after the festival to the end of June 2021. ENEO is also instructed to take the required measures to increase, by at least 6MW, the production of the Djamboutou power plant (which has been generating just 16MW of energy during the daytime for weeks now despite its 30MW installed capacity, according to the MINEE) between 7 am and 6 pm.

Minister Gaston Eloundou Essomba also enjoins ENEO to ensure that the Ngaoundéré plant constantly generates 8 to 9 MW of energy. In addition, the electric utility is to reduce the volume of energy supplied to industrial clients during the daytime to allow households, administrations, and small businesses to serenely carry out their daily operations. Finally, the electric utility is asked to accelerate the replacement of wooden poles and defective MV/LV transformers throughout the RIN distribution network.

Heavy fuel costs

ENEEO has declined to comment on the instructions issued by the MINEE. Nevertheless, according to a letter sent by ENEO, the company's executives will hold a video-conference with Minister Gaston Eloundou Essomba in the afternoon (4 pm) today May 11, 2021, to detail the action plan elaborated for the implementation of the above-mentioned instructions.

Sources within the electricity sector think that without government support measures, the said measures

will be difficult to implement. As they explain, the measures will require a lot of short-term investments. Indeed, due to climatic constraints, the Lagdo dam, which used to generate almost all of the energy supplied in the northern regions of Cameroon, has practically dried up. This situation forced authorities to install additional power plants in those regions. The main challenge now is to raise the funds necessary to operate those thermal power plants.

As per written correspondence between ENEO and the MINEE in late 2020, XAF30 billion is needed to ensure fuel supplies for the operations of thermal power plants in the northern regions this year. This envelope is up by XAF18 billion, compared to initial projections. One of the reasons that explain such an increase in the initial fuel costs is the 20MW additional energy generation capacity transferred from the Ahala power plant to Garoua (12MW) and Ngaoundéré (8MW). According to authorized sources, the additional monthly fuel cost generated by those plants is XAF3 billion.

ITC & TELECOM

MTN and Orange Cameroon recorded over XAF500 bln turnover in 2020 (MINPOSTEL)

In 2020, MTN and Orange Cameroon, the two leaders of the local mobile market, recorded a cumulated XAF500.3 billion turnover, according to Cameroon's Minister of Posts and Telecommunication, Minette Libom Li Likeng. The information was disclosed in Yaoundé, last May 17, during the launch of the 3-day commemoration of the 20th anniversary of the advent of mobile telecommunication in Cameroon.

This performance is outstanding compared with the XAF480.7 billion

cumulated turnover recorded in the whole sector (three operators are active in the sector, namely, MTN, Orange, and Nextell) in 2017 (according to the telecom regulator ART).

This outstanding performance was already noticeable in MTN Cameroon's Q3-2020 financial statement. Indeed, during the period, MTN Cameroon recorded a ZAR1.73 billion (XAF59.9 billion) turnover, according to data its parent company transmitted to investors on the Johannesburg stock exchange. At the time, this figure, which

is 27% high year-on-year, was MTN Cameroon's highest contribution to MTN group's revenues since Q1-2019. A factor that can explain MTN and Orange Cameroon's 2020 performance, despite the losses recorded in the Anglophone regions (due to separatist fighters), is the growth in internet use from March 2020. This event corresponds to when the government issued restrictive measures to fight the coronavirus pandemic. The measures included reduction of physical contact and priority was given to telecommuting.

Moroccan firm Kavaa Global Services to carry out feasibility studies for CAMPOST's E-commerce platform

Moroccan firm Kavaa Global Services recently won the contracts to carry out the feasibility studies of an E-commerce platform for Cameroon Postal Services (CAMPOST). The Moroccan company's offer was ranked first ahead of Tunisian groups Aca Expertis/BNS Engineering, CCM Consulting Group Worldwide/Jasmine Interactive, and the Cameroonian firm Megasoft/Qualisys Consulting/SNT Partners/Iccsoft SA.

According to the tender result, the study will cost XAF194.27 million. The four-month study will start as soon as the contract between the involved parties becomes effective, we learn. The development of the E-commerce platform is one of the recommendations made by the Technical

Commission for the Rehabilitation of Public and Para public Sector Enterprises (CTR) in its 2020 report on public companies' performance. In its report, the CTR suggested CAMPOST should modernize its digital services and diversify its offers to boost operations.

Currently, the state-owned postal service is ailing. According to figures published by the CTR, CAMPOST, which is structurally in deficit, must face financial burdens that are not allowing it to cover its operating expenses. Also, due to its high debt, the postal service is unable to raise funds from financial institutions for its investment needs. As of December 31, 2018, CAMPOST's equity was -XAF87.807 billion with an overall stock of debt estimated to be

XAF155.728 billion, subject to the clarifications expected at the end of the balance sheet and financial statement consolidation works.

Cameroon is considered as one of the African countries with high E-commerce potential due to the sharp rise in the country's internet penetration rate in recent years. From 2%, the rate rose to over 20% in the last 10 years. Currently, 23% of Cameroonians use the internet while three-quarters of Africans are yet to have access to this tool.

Despite this perceived potential, E-commerce giant Jumia reduced its footprint in the country in 2019, claiming that the Cameroonian market was still immature for E-commerce.



LEADER OF THE MONTH

YAGOUA RICE FARMER AHMADOU WINS THE FIRST PRIZE OF THE PIERRE CASTEL PRIZE 2021, CAMEROON



On May 10, 2021, in Bordeaux, France, the grand jury of the 4th edition of the Pierre Castel Prize returned its verdict on the winners of this edition. For the Cameroon, where the local jury selected six projects out of the 117 submitted, the grand jury selected the one led by Ahmadou (photo), a 44-year-old rice farmer based in Yagoua, in the Far North region. The agricultural entrepreneur and the cooperative of over 300 rice farmers he heads market close to 25,000 tons of rice every

year under the brand «Nouria».

This “made in Cameroon” promotion initiative, which helps create 4500 jobs in Far North Cameroon, was preferred to the semi-industrial organic food production factory project presented by Manuela Essomba, 2nd winner of the Pierre Castel Prize 2021 in Cameroon. With her project to transform peanut seeds into oil, Adeline Simo Simo completes the top 3 of the winners of the 4th edition of this

competition.

The first winner will receive a €15,000 (XAF10 million) check along with 1-year training as well as sponsorship and coaching for the development of his/her project. The 2nd winner will receive a €5,000 (over XAF3 million) check, a 1-year training and sponsorship. The main innovation this year is that the third, fourth, fifth and sixth winners will receive an e-learning certification training with the International Trade Centre in Geneva, Switzerland.

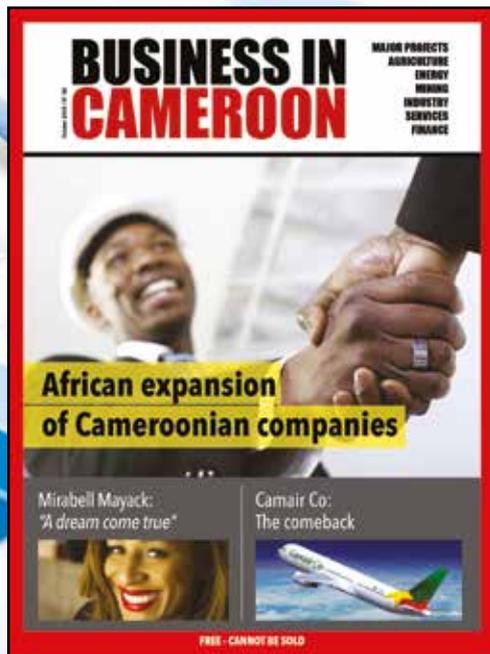
The Pierre Castel Prize is an initiative launched in Cameroon, Burkina Faso, DR Congo and Côte d'Ivoire by “Pierre Castel endowment fund, acting with Africa”. It provides technical and financial assistance to projects led by young African entrepreneurs in the fields of agriculture, agribusiness, agritech and agri-resources, presented as high value-added sectors poverty reduction factors on the black continent.

In addition to this support for young entrepreneurs, in Cameroon, the Pierre Castel Fund recently signed an agreement with the Ministry of Higher Education to finance a Pierre Castel Chair at the University of Dschang (which houses a faculty of agricultural sciences), in the western region of the country, to promote innovation and agricultural change.

BRM

BE A PART OF BUILDING TOMORROW'S CAMEROON

Each month, learn about Cameroon's
economic progress



The Business in Cameroon and Investir au Cameroun magazines are both free!

- In Cameroon's embassies and diplomatic posts
- In airport VIP lounges in Paris, London, Brussels, Zurich, and Frankfurt
- In Bourget company lounges
- In Business Class on Brussels Airlines
- In Cameroon's business travel hotels and ministries



BUSINESS IN CAMEROON



UNITY!