

STATE OF GOVERNANCE IN CAMEROON

Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts

Governance Monitoring



SUMMARY

MINPMEESA, like several ministries, communicates on the activities carried out and advertises the actions chaired by the head of department. Very little information is provided on the overall performance of the ministry and the changes induced with regard to the indicators retained in the programme budget or the NDS30. This observation is contrary to the requirements of results-based management, which focus more on changes than on operational activities.

Yet, with a view to strengthening national economic and financial governance policies, MINPMEESA, like other relevant public administrations, has undertaken reforms to improve the business climate. The analysis of the effectiveness of these reforms concerns three main areas: **the strengthening of access to information on the implementation of public policies by administrations (1), the adequacy between declared missions and published activities (2), and the contribution to the achievement of the objectives of the NDS30 (3).**

For this purpose, the website was used as the main medium for data collection. The results show that MINPMEESA has a fairly dense and extensive communication in terms of activities carried out and projects implemented. There is coherence between the missions of the ministry and the activities carried out. From interviews with officials, the Ministry's contribution to the NDS30 is appreciable although incomplete. The website is easy to navigate and is regularly updated. The tree-diagram of the website is quite good but could be improved.

The site is not secure and the overall performance of the Ministry is not reported. Instead, there is a performance report for the Ministry on the parliamentary platform (<https://www.plateformeparlementaire.cm/#/projetLoiReglement>), but the last report is as from 2020 and relates to the performance expected under the Growth and Employment Strategy Paper (DSCE). No information on the Ministry's performance is available since 2020, when the implementation of the NDS30 began. Similarly, there are no activities on

the website that are clearly linked to the programme budget. In addition, there is not enough information available on collaboration between the Ministry and the structures under its supervision.

LEGAL PROVISIONS

Article 47 of Law No. 2018/011 of 11 July 2018 to lay down the Cameroon Code of Transparency and Good Governance in public finance management states that: (1) The administration shall make all necessary arrangements for the publication of information on public finances, within the time limits set by regulation. (2) The information provided in paragraph 1 above shall be exhaustive. It shall cover the past, present and future and cover all budgetary and extra-budgetary activities. (3) A specific instrument, adopted before the beginning of the budgetary year, shall publish the timetable to disseminate the information provided in paragraph 1 above.

The code of transparency & good Governance enshrines the need to publish all data on public finances. The publication of comprehensive information on public finances is a legal requirement and a pedagogical State action toward the citizens..

Effective communication but content needs to be densified

MINPMEESA has several digital communication channels, ranging from its pages on social networks (Facebook) to its website. Apart from the proximity function with users provided by the Ministry's certified Facebook page, it appears that communication is more detailed and important on the institutional website <http://www.minpmeesa.gov.cm/site/pme/banque-des-pme/>. The analysis of the website revealed **five (05) positive points and six (06) points to watch out for**.

POSITIVE ASPECTS

- The website is functional and updated: The content is updated. Indeed, four (04) activities have recently been put in the news section of the site. The last one was on 11 May 2022¹.
- The information is available in both official languages (French and English): switching from one language to another is instantaneous with a click, from 'menus' to 'content'.
- The website has a good tree-diagram. Navigation is fluid.
- A space for discussion with users is available. This is instant messaging.
- Frequently asked questions are also available (FAQ).

POINTS TO WATCH OUT FOR

- Despite the existence of instant messaging on the website, there is no interaction with users. The concerns highlighted remain unanswered.
- MINPMEESA does not publish its annual performance reports on its institutional website and does not report on its overall performance. However, MINPMEESA does publish its reports on the parliamentary website <http://www.platforme-parlementaire.cm/>. The most recent reports are for 2020. It is therefore not updated with the report for the financial year 2021. Moreover, the various

¹ At the time of writing this report on 30 May 2022.

reports produced between 2013 and 2020 are not available on the MINPMEESA institutional website. However, they are certainly available at the Ministry.

- The website is not secure, and therefore the information published on it is not very secure;
- There is no section labelled 'V'. SMEs and users cannot make appeals remotely;
- There is very little digitalisation of procedures. Indeed, the missions of MINPMEESA are divided into three (3) main categories: **SMEs, Handicrafts and Social Economy**.
 1. **Small and Medium-sized Enterprises:** This category has 05 services: Approved Management Center (CGA), SME Banks, Incentives, Subcontracting and Creating a SME. Among these services, only the service creating a SME has a procedure described on the site and is digitised. For the rest there are no digitised procedures. However, three (03) web links of the structures in charge of implementing these services are available: the APME website (for the incentives service), the BSTP (for the subcontracting service) and the SME bank. Thus, only 1 service out of 5 is digitised for this category.
 2. **Social Economy:** no services are described on the website and therefore no digitalisation. Only a sub-section on achievements is presented. The new framework law on social economy is not available on the site. The old regulatory frameworks are still in use pending the promulgation of Law No. 2019/004 of 25 April 2019 on the social economy, which has been available since 2019.
 3. **Handicrafts:** no services are described and therefore no digitalisation of procedures.
- The MINPMEESA website is certainly attractive, but it lacks vital information for its targets; SMEs and VSEs. These include:
 1. Price lists for paying services
 2. Detailed information on the various solutions and facilities offered by the Ministry to SMEs.

Quality of public service to be improved

In this section, three points are addressed: **access to online services, satisfaction of the main beneficiaries of MINPEESA and information from the structures under supervision.**

NOT ALL SERVICES ARE AVAILABLE ONLINE

MINPMEESA has missions in three (03) main areas: small and medium enterprises, social economy, and handicrafts. For each of these areas, there are specific missions assigned to it that stem from the general missions of the Ministry. In order to achieve these missions, it carries out activities and projects.

The SME component has 13 missions which all meet the objective of developing and promoting SMEs in general. The Social Economy component has nine (09) missions.

It appears that the social economy carries out fewer activities than the others. This may be explained by the recent regulation of the sector with the promulgation of the law on the social economy. Most of the activities are related to «*the implementation of the national policy on the social economy*», «*the definition and implementation of specific regulations for the social economy, in conjunction with the competent administrations*», «*the upgrading of social economy organisations*», with the organisation of the **National Days of Social Economy** (JNES), round tables or frameworks for reflecting on the social economy, and the programme to support local development initiatives being the main activities for all the missions carried

out.

The six (06) other missions do not have sufficiently detailed activities. As for the Handicrafts component, 15 missions were selected. The detailed activities organised within this framework fall within 14 missions. For the mission «to define and improve the status of the artisan», they are not substantiated.

Of the three (03) components, only the social economy has an achievements tab but this tab is empty.

DISSATISFACTION WITH THE DIFFICULTIES OF MINPMEESA'S MAIN TARGETS: SMES AND ARTISANS

It would be difficult to address the difficulties of SMEs in the context of the Covid-19 health crisis. Although SMEs are characterised by their almost congenital fragility, the crisis is an aggravating factor whose impacts on the health of SMEs are significant.

During the Covid-19 crisis, MINPMEESA conducted a survey² of 274 enterprises, with a response rate of 55%. The data below outlines the difficulties of SMEs during the health crisis with regard to: SME activity, employment situation; cash flow. More specifically, it appears:

- A drop in the level of activity of 71.30% castigated by the business managers questioned;
- A drop in production costs;
- A drop in the sales price in the second half of 2020 compared to the first half of the same year;
- An increase in the household consumption price index declared by 70.80% of the business managers interviewed;
- Poor cash flow for 84.9% of SMEs;
- 96% of SMEs have made investments from their own funds, with only 8.90% receiving state subsidies.

In November 2020, the Inter-Employers' Group of Cameroon (GICAM) estimates a turnover loss for companies in the modern sector of 3,139 billion CFA francs compared to 2019³.

Since the health crisis, Cameroonian SMEs have been in decline, according to data from the survey conducted by MINPMEESA in the second quarter of 2020: *"The action of the Government has not been perceptible by SMEs due to the delay in making available the National Solidarity Fund for the fight against the Coronavirus and its economic and social repercussions, which was not effective during the 2nd half of 2020. The effects of this fund, whose payments to beneficiaries began in March 2021, could be perceptible during the 1st quarter of 2021"*⁴. Unfortunately, after the establishment of the Special Fund for Economic Recovery and Resilience, no satisfaction survey has been conducted among SMEs to assess the effectiveness of post-Covid solutions. MINPMEESA has not developed any tools to monitor the economic outlook of SMEs after the crisis period (2021 - 2022). Furthermore, in 2022, MINPMEESA has still not reported on the 'impact of the National Solidarity Fund for the fight against the Coronavirus and its economic and social repercussions', whose effects were expected from January to March 2021.

Thus, since 2021, despite the resumption of activities in the SMEs, several challenges still remain:

- The high selling prices of commodities due to the lack of amortisation of production costs by the State;
- The competitiveness of SMEs is a real challenge: to improve the competitiveness of SMEs, MINPMEESA has put in place programmes and tools for the development of agri-food and industrial SMEs; this has enabled the support of 827 SMEs in 2021 and the implementation of projects and programmes to improve their competitiveness.
- The SME bank remains a hope for SME financing: access to financing for SMEs is undoubtedly the

² Survey conducted by MINPME from 15 January to 15 February 2020 on the economic climate of SMEs. Available on its website in the «Data» section entitled «Economic Outlook».

³ <https://information.tv5monde.com/afrique/coronavirus-l-economie-camerounaise-durement-touchee-par-la-pandemie-369677>

⁴ Economic outlook MINPMEESA 2nd semester 2020

most complex action and remains an unmet expectation for SMEs.

- The lack of elements for a real revival of the primary and secondary sectors⁵. In view of the consequences of the health crisis and the complexity of imports due to the war in Ukraine, SMEs are obliged to process locally, without State support; as a result, production is insufficient in view of the limited possibilities of SMEs.

LITTLE INFORMATION ON THE STRUCTURES UNDER SUPERVISION

MINPMEESA has three organisations under its supervision: the **SME Promotion Agency (APME)**, the **Subcontracting and Partnership Exchange of Cameroon (BSTP CAMEROON)**, the **Cameroonian Bank for SMEs (BC-PME SA)**. These 3 organisations are presented on the website. The description includes: the objectives, the history of the institution, the missions, the different areas of development, the conditions of membership, the contacts. Several activities are organised between the central administration and the organisations under supervision. However, the deployment of relationships between the institutions is not highlighted.

In the useful links section, only APME and BSTP CAMEROON are present; BC-PME does not appear. The services offered by the structures under supervision are not put online. For example, with regard to the Approved Management Center (CGA), although there is information on their objectives and missions, there is no information on membership procedures, and there is no link indicating where to find information. In addition, these structures under supervision do not publish their annual performance reports.

An incomplete contribution to the NDS30

MINPMEESA, like MINEPAT, MINDCAF, MINFI, MINH DU and CONAC, contributes to improving the business climate. More specifically, it is responsible for:

- Shortening the time required to effectively create a business: for this objective, the time limit is 72 hours, i.e., 3 days and 7 days maximum depending on the type of business set up;
- Limiting the time spent on fulfilling tax obligations: thanks to digitalisation, this time is 436 hours instead of the 300 hours projected in 2022 in the NDS30.
- Limiting the costs of procedures related to business creation: these costs vary between 41,500 CFA francs for an individual and 51,503 CFA francs for a legal entity.

The evaluation of the business climate depends to a large extent on the efficiency of MINPMEESA. External evaluations are therefore an important barometer. In the IMF staff report for the 2018 consultations, it is stated that:

The business environment is difficult. Private investment and competitiveness are hampered by cumbersome and often unclear regulations, complex tax procedures and weak governance.

IMF staff welcomed the dialogue between the government and the business community through the *Cameroon Business Forum*, but noted that it would be important to consult more with civil society and the private sector on key policy decisions, including the preparation of annual budgets. Unfortunately, this platform has been shunned by the private sector since 2021. With regard to Doing business, although contested and shunned by States since 2021, this initiative seems useful for assessing the level of protection of minority investors in the event of conflicts of interest by a set of indicators and the rights

of shareholders in corporate governance by another. For the 2016-2020 assessment, Cameroon remains in the class of 25 countries out of 190 where the climate is not favourable to business.

The measures taken by MINPMEESA below reflect the perspectives of actions planned by MINPMEESA for the financial year 2022.

Measures taken by MINPMEESA

In view of the above, the challenges of MINPMEESA remain considerable. For the year 2022, the measures taken by MINPMEESA are contained in its roll-out plan of February 2022, the aim of which is to remobilise all MINPMEESA managers to enable them to know all the challenges facing MINPMEESA within the framework of the NDS30, and to provide them with the tools to better contribute to this development dynamic.

TABLE: MINPMEESA'S 2022 ROLL-OUT PLAN⁶

The data in this table is taken from the minutes of the official launch of MINPMEESA activities.

GO-LIVE DATE	3 FEBRUARY 2022
ACTORS	• Minister of Small and Medium-sized Enterprises, Social Economy and Handicrafts • Heads of central and decentralised services of MINPMEESA • Heads of attached and supervised structures • Heads of umbrella organisations of small and medium-sized enterprises (SMEs) • Heads of Social Economy Organisations • Artisans
PROBLEMATICS	How to strengthen the involvement of SMEs, SEUs and artisans in the implementation of the NDS-30?
ORIENTATION	Focus on the National Development Strategy 2020-2030 (NDS30) for the Structural Transformation of the Economy and Inclusive Development
MAIN OBJECTIVE	To mobilise all MINPMEESA officials to enable them to understand the challenges facing MINPMEESA in the context of the NDS30, and to provide them with the tools to better contribute to this development dynamic

⁶ <http://www.minpmeesa.gov.cm/site/le-minpmeesa-lance-ses-activites-pour-le-compte-de-lannee-2022/>

SPECIFIC OBJECTIVES	• To adopt a common approach to implement the Programmes and Projects of MINPMEESA in order to revive economic growth and the transformation of the Structures of the National Economy; • To propose mechanisms to measure the contribution of Small and Medium-sized Enterprises, Social Economy and Handicrafts to the national economy • To work concretely for the development of industries and services by encouraging the creation and development of SMEs in the key sectors that have been targeted
TARGET SECTORS	• Industry • Energy • Agro-industry • Digital • Forestry and wood industry • Textile • Leather clothing • Mining and metallurgy • Steel industry
OUTPUTS AND DOCUMENTATION PROPOSED DURING THE CONSULTATION BUT NOT AVAILABLE ON THE WEBSITE	• Tools and indicators to be mobilised for the implementation of MINPMEESA programmes • Evaluation of the first year of implementation of the NDS30 at MINPMEESA: lessons and orientations for 2022

OBSERVATIONS :

The objectives for the year 2022 are just mentioned and not developed. The action plan for the year 2022, as well as the tools and indicators to be mobilised for the implementation of the Ministry's programmes and projects are not available. This is a really unfortunate. The communication on the anticipated performance of the Ministry is not complete. In this case, it becomes difficult to monitor the Ministry's activity throughout the year and to evaluate its performance at the end of the year.

The strategic documents available on the Ministry's platform are, apart from the organisational texts (laws, decisions, decrees, orders...):

- The final report of the study on the Formulation of the Master Plan (M/P) for the Development of Small and Medium-sized Enterprises in the Republic of Cameroon as from January 2009
- The Social Economy Development Plan as from December 2008

The Ministry's project bank is also available via the following link: <http://www.minpmeesa.gov.cm/site/banque-de-projets/>.

This document is produced by the « [Studies and Research](#) » department of **OBIV Solutions** on the basis of information disseminated by MINPMEESA through several channels (official digital communication tools; website, certified page) and interviews with certain officials from 5 april to 15 june 2022. This choice of information collection is based on Law No. 2018/011 of 11 July 2018 on the Code of Transparency and Good Governance in Public Finance Management in Cameroon, which obliges administrations to publish their activity reports and report on their performance. The absence of documents reporting on performance and changes brought about by the Ministry is to be deplored. The logic of means prevails over results-oriented management. The Ministry is more inclined to advertise the activities carried out without indicating the major changes induced by these activities.

TABLE: PUBLIC POLICIES OF THE GOVERNANCE SECTOR AND ADMINISTRATIONS INVOLVED⁷

Public policies (governance components)	Administrations concerned
Component 1: decentralisation and local development	MINFI, MINFOPRA, MINDEVEL, MINEPAT
Component 2: Strengthening the rule of law and the protection of human rights	MINCOM, MINJUSTICE; Supreme Court, SPM, CNDHL, ELECAM, MINDEF, DGSN, DGRE, Constitutional Council, MINAT, MINDDEVEL, CTD
Component 3: Improvement of the state public service	MINFOPRA, CONSUE, MINEPAT, MINFI, MINPOSTEL, SPM
Component 4: Economic and financial governance	MINEPAT, MINMAP, MINFI, MINCOMMERCE, MINPMEESA, MINDCAF, MINH DU, CTD, CONSUE, MINREX
Component 5: Land-use planning	MINEPAT, MINTP, MINH DU, MINDCAF
Component 6: Bilingualism, multiculturalism and citizenship	MINEDUB, MINESEC, MINESUP, MINFOPRA, CNPMB, MINAC, MINJEC

⁷ Source (Extract from the National Governance strategy, 2020-2030)

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