Cooperation with the Private Sector in Cameroon
Country Report 2013

Public-Private Cooperation and Development

Cameroon embraced a more liberal approach to development under its post-colonial concept of Planned Liberalism, recognizing the benefits of a strong private sector more than most other African countries. The country boasts one of the leading raw material reserves in Africa, for example wood, oil, gas, cobalt, nickel, iron, bauxite and diamonds.

The Cameroonian Government has undertaken several actions in recent years, aimed on the one hand at improving the business climate in Cameroon (through tax exemption and the establishment of a single window to ease administrative procedures) and on the other hand at fighting against corruption through the establishment of the National Anti-Corruption Commission, which aims to identify the causes of corruption and to propose measures to counter it in all public or semi-public bodies. In addition, major infrastructure projects are underway in Cameroon (dams, bridges, roads and housing) and should help to sustain economic growth in the country in the coming years. Still, the country ranks 168 out of 189 in the World Bank’s Ease of Doing Business Index 2013, which is poor even for African standards.

Government action is guided by its development strategy known as Vision 2035. The first ten years of implementation (2010-2020) are covered by the Growth and Employment Strategy Paper. This strategy aims to stimulate growth and reduce poverty through job creation in the formal economy. Given the limited public resources, the Government recognized the necessity to build efficient multi-stakeholder partnerships involving private actors, civil society and donor organisations.

Government is counting on the extractive sector to boost growth and development. Mining contributes on average 30% annually to state revenues and a large resource potential still remains untapped. Extractive companies appear as major development partners, especially through their Corporate Social Responsibility (CSR) programmes. But in many cases, this is driven by corporate agendas only and without the involvement of local populations. Hence, the impact on local development, on peace and security remains limited.

In general however, development cooperation between the state, business and civil society is picking up pace. Cameroon has established a general legal framework for public-private partnerships (PPP) in the years 2006 to 2009, and some partnerships for larger infrastructure projects (highways, port, shopping malls) have been concluded. Such PPPs are considered an important option for major public works in Cameroon's Growth and Employment Strategy Paper (GESP). The need to improve the business environment, to strengthen partnerships between the public and

BMZ focal areas in Cameroon 2013

- Decentralization, local development and governance
- Sustainable use of Natural Resources
- Health and HIV/AIDS prevention

Highlights

- Cameroon hosted the first regional workshop on the development of a Corporate Social Responsibility (CSR) standard in the extractive sector in the CEMAC zone, attracting participants from public authorities, mining companies and civil society.
- GIZ organized a dynamic DPP-day with public and private actors as well as representatives from civil society and other donor organisation to promote Development Partnerships with the Private Sector (DPPs) in key areas of German cooperation in Cameroon.
- A solar power conference with SNV and Total SA launched a national public-private dialogue on access to photovoltaic products as a lighting solution for low-income rural populations in off-grid areas.

Photos © GIZ
Engaging in development partnerships with the private sector

Development partnerships with the private sector (DPPs) are projects jointly planned, financed and implemented by businesses, GIZ, on behalf of BMZ, and other partners, such as state and civil society actors. A DPP combines business interests with development objectives for the benefit of all partners. The project partners share the costs and risks equally. GIZ partners with companies that respect key social and environmental values and – in order to ensure the viability of DPPs – have sufficient financial and operational strength to be able to deal with difficult situations in a fragile environment. There are several possibilities to cooperate with GIZ in a DPP:

- **The Africa Facility** is specifically designed for enterprises which are based in Africa. It currently operates in 9 target countries: Cameroon, Ghana, Kenya, Mozambique, South Africa, Tanzania, Tunisia, Uganda and Zambia. The BMZ programme [develoPPP.de](http://www.develoPPP.de) is designed for German or European companies and covers partnerships in Africa, Asia and Latin America.

- Additionally, GIZ technical cooperation projects worldwide engage in **integrated development partnerships (iDPP)**. Project sizes are individually agreed and the DPP must address an issue of interest for the respective GIZ programme. For more information please contact [dpp-africa@giz.de](mailto:dpp-africa@giz.de).

GIZ's project portfolio of Development Partnerships with the Private Sector (DPP) in Cameroon is stable with eight current partnerships. These partnerships focus on environment, good governance, renewable energy and local economic development, but are embedded in the on-going GIZ programmes. GIZ also supports activities in the area of CSR.

Focal area 1: Decentralization, local development and governance

GIZ contributes to the capacity development of national, regional and local government institutions and civil society through the Decentralization and Local Development Support Programme (PADDL) and the Project for Advisory Services on Implementing the Paris Declaration (PAEDP).

Through PAEDP, GIZ provides assistance to the Support Council for the Realization of Partnership Contracts (CARPA), a public body in charge of the development and implementation of partnerships and multi-actor development planning with the private sector and other relevant actors in Cameroon. The main focus of GIZ’s support is to get the private sector involved and to contribute to the achievement of the national development objectives by promoting PPPs and DPPs as well as public-private dialogue. For example, a promotion and information day was organized with the Ministry of Finance in September 2013 addressing the issues of taxation and guarantee mechanisms. Furthermore, PAEDP assists CARPA in the implementation of a pilot DPP in rural electrification using solar-power, a project that will be co-financed by local communities through the Special Equipment Intervention Fund (TIP) and the private sector. The project has potential to be duplicated in the region.

The Programme for Strengthening the Governance of Commodities in Central Africa (REMAP) assists the Economic Commission of the States of Central Africa (CEMAC) in extractive resource governance by strengthening institutional capacity, developing joint policies and improving the environmental and social integration of the extractive
sector. REMAP has sparked a debate amongst mining companies, public authorities and civil society on the development of a CSR standard that would ensure participatory governance and sustainable local development. National workshops were organized in each CEMAC member country as well as a joint regional workshop. As a result, a common CSR standard for the extractive industries has been proposed to CEMAC for validation.

Organized private business has begun, through various frameworks and forums, to review its role in society. A core group of 15 private businesses under the umbrella of the Business Council for Africa (BCA) Cameroon, a high profile business grouping of multinational companies, plays a prominent role in the fight against corruption. A partnership agreement was signed between GIZ/PADDL and the BCA to make this process more effective. It involves the training of focal points in business, the development of a culture of integrity and the establishment of a corruption reporting system in collaboration with the National Anti-Corruption Commission (NACC).

GIZ’s DPP with AES-Sonel, a national electrification company, serves as a good practice example for public-private collaboration in the context of local development and social cohesion (see box for more details).

**Focal area 2: Sustainable use of Natural Resources**

The Forest Environment Sector Programme (PSFE) was established by the State of Cameroon to foster sustainable management of this vast natural resource. GIZ provides technical support through its ProPFSE programme aiming at harmonious and coordinated implementation of all initiatives and policies for sustainable forest management and environmental protection. Excessive logging and haphazard exploitation threatens the fragile ecosystem. The forestry sector currently contributes more than 80% of total domestic energy consumption through firewood and coal. Total annual production is estimated at 2.3 million m³ of legal timber for export and another 1 million m³ informal production for the domestic market.

A DPP with private forestry companies SFID and Grumcam pilots the recovery of waste timber for energy use by improved charcoal production techniques. Local coal producers were supported in the production and marketing of legally produced charcoal. The ultimate goal is to develop a supply chain to areas of high consumption, while reducing the emission of gaseous pollutants by improved carbonization methods.

Since 2012, GIZ works in a development partnership with Total Access to Solar (TATS) SCS, a subsidiary of Total SA, that produces, distributes and markets solar products tailored to low-income populations to establish a distribution chain for solar products. Technical, managerial and marketing skills of a hundred micro solar entrepreneurs have been strengthened. A study funded by GIZ identified suitable financial products to fund the business operations.

A solar power conference with SNV and Total SA in August 2013 presented the opportunities for rural areas arising from off-grid solar power to a wider audience. The conference has opened a national dialogue on access to micro photovoltaic products in Cameroon. Government officials, producers and distributors of domestic photovoltaic products, international financial institutions, civil society and technical and financial partners have discussed different themes and agreed on the need to establish a multisectoral regulatory framework on the standardization of PV
products in Cameroon. That would include technical standards, customs harmonization, fiscal incentives and other funding options and the simplification of administrative procedures.

**Focal area 3: Health and HIV/AIDS prevention**

The health sector in Cameroon encounters a real problem of funding. Equipment and pharmaceutical products, qualified human resources and financial resources remain a constant challenge. The German-Cameroonian Health and AIDS Programme supports health facilities in the training and capacity building of technicians biomedical / hospital maintenance and in the acquisition of medical equipment through its Hospital Maintenance component.

Privately funded health structures begin to emerge, but are not yet a leading player in the health system. There are specific cases, however, where the private sector plays an important role. For example, the Ministry of Public Health and the Employers Group of Cameroon (GICAM) have a funding agreement for anti-retroviral drugs. These philanthropic actions by the private sector slowly give way to a more comprehensive view of private sector participation in the health system. Against this background, The National Committee for the Fight against AIDS organized a workshop in July 2013 on mainstreaming the fight against HIV / AIDS as a case for business development and protection.

The project against HIV / AIDS, tuberculosis, malaria and waterborne diseases in forestry enterprises is implemented by the Timber Industry Group in Cameroon (GFBC) with the support of GIZ since 2007. Primarily directed towards the fight against HIV in its early stages, the project has gradually extended its activities towards prevention and management of other priority diseases within the business and with local communities. Main interventions are awareness creation, training of community leaders, peer educators and HIV / TB focal points in companies and support to the systematic management of health services in forest sites and riverine communities. In 2013, an agreement was signed between GFBC, the Ministry of Public Health and local communities on Communal Forestry Centres (CFTC) to sustain the activities of the project once it ends.

**Challenges and way forward**

The World Bank estimates that only 14% of the 8.1 million Cameroonians living in rural areas have access to electricity. Access to energy is considered as a pre-requisite for development and GIZ will continue its efforts to make renewable energy available to the neediest segments of the population. This will be in the context of the CARPA pilot programme on electrification of local second-tier community in the rural areas through solar energy. Initiated in 2013, the project hopes to extend to five, and then to many other communities. The support to the establishment of legally sound supply chains for firewood and charcoal will also continue.

According to the latest Transparency International’s Index of Corruption Perception (CPI), Cameroon is ranked 144th out of 177 countries and still considered to be highly corrupt. The involvement of private sector in the fight against corruption is key to overcome that situation. GIZ will continue to support the BCA in its efforts to strengthen integrity in the business sector and in the implementation of the corruption reporting system with NACC.

GIZ further accompanies Cameroon employers through GICAM in the development and planning of their CSR strategy. Another focus will be on the extractive industries in their endeavour to adopt and implement joint CSR Standards through CEMAC. Further DPPs will be developed to accompany private companies in their activities fostering local economic development and the empowerment of local populations.
## Development Partnerships with the Private Sector. Facts & Figures Cameroon

### All DPPs recent and ongoing in Cameroon

<table>
<thead>
<tr>
<th>Title</th>
<th>Partner</th>
<th>Start</th>
<th>End</th>
<th>Public contribution</th>
<th>Private contribution</th>
<th>3rd Partner contribution</th>
<th>Total</th>
<th>Sector</th>
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<tr>
<td><strong>Africa Facility</strong></td>
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<td>Charcoal Production from Sawmill Waste</td>
<td>SFID</td>
<td>03/11</td>
<td>12/13</td>
<td>112,700 €</td>
<td>118,583 €</td>
<td>231,283 €</td>
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<td>Environment</td>
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<td>The Business Coalition Against Corruption in Cameroon</td>
<td>BCA</td>
<td>12/11</td>
<td>11/13</td>
<td>192,950 €</td>
<td>200,000 €</td>
<td>392,950 €</td>
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<td>Good Governance</td>
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<td>Access to Solar energy under a bottom of the pyramid approach</td>
<td>TOTAL</td>
<td>12/11</td>
<td>11/13</td>
<td>154,950 €</td>
<td>154,950 €</td>
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<td><strong>Integrated DPPs</strong></td>
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<td>Mutual health insurance for cocoa farmer</td>
<td>Société Jaco SA</td>
<td>01/13</td>
<td>12/13</td>
<td>10,210 €</td>
<td>14,230 €</td>
<td>24,440 €</td>
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<td>Viable Agricultural Lending based on Good Agricultural Practice and Farmer Business Skills</td>
<td>CAMCUL</td>
<td>02/12</td>
<td>12/13</td>
<td>90,000 €</td>
<td>90,000 €</td>
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<td>GRUMCAM</td>
<td>03/12</td>
<td>12/13</td>
<td>20,000 €</td>
<td>22,000 €</td>
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<td>Workplace programme: HIV/AIDS, tuberculosis and malaria prevention</td>
<td>GFBC</td>
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<td>12/13</td>
<td>727,521 €</td>
<td>1,010,899 €</td>
<td>2,091,998 €</td>
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<td>Health</td>
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### Overview DPP (all, 1999–today) – number of projects, contributions

<table>
<thead>
<tr>
<th>Type of DPP</th>
<th>No. of DPPs</th>
<th>Public Contribution</th>
<th>Private Contribution</th>
<th>3rd Partner Contribution</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>In €</td>
<td>In %</td>
<td>In €</td>
<td>In %</td>
<td>In €</td>
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<td>Africa Facility</td>
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<td>-</td>
<td>-</td>
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<td>Total</td>
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<td>2,302,769</td>
<td>38.0</td>
<td>3,384,091</td>
<td>5,686,860</td>
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</tbody>
</table>

### DPPs (all, 1999-today) according to sector

- Agriculture: 28%
- Health: 33%
- Energy: 5%
- Sustainable Economic Development: 17%
- Good Governance: 6%
- Other: 6%

### All DPP-contributions (1999-today)

- Africa Facility: 4,500,000 €
- developPPP.de: 4,000,000 €
- Integrated DPPs: 3,500,000 €
- Strategic Alliances: - €
- Total: 12,500,000 €