

## PROJECT/PROGRAMME PRESENTATION SHEET:

**Project/programme title:** Support Programme for the Creation and Development of SMEs of Processing and Preservation of Local Products of Mass Consumption (PACD/PME).

**Sector:** SMEs.

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**Geographic location:** Opposite the Belgium Embassy, second building on the right.



**Scope of activities:** Nationwide scope.

**Starting date:** 2007.

**Timeline:** 5 years.

**Total cost:** 11 283 000 000 CFA F.

**Nature of funding:** Common Domestic Resources.

**Main objective:** Promote the creation and development of SMEs for the processing and preservation of local products of mass consumption.

**Context and justification:** In 2009, Cameroon adopted a new national strategy, based on a long-term shared vision of its development which aims at achieving the stage of a New Industrialized Country, by 2035. The Growth and Employment Strategy Paper (GESP) formalizes this vision and marks the return to the planned economy that the state had renounced in the 1980s.

The GESP covers the first ten years of the vision and is based on, *inter alia*, the following three essential pillars:

- the acceleration of economic growth;
- the reduction of poverty through the creation of formal employment;
- the improvement of governance and the strategic management of the State.

The stakes are therefore critical for Cameroon because, although the real GDP growth rate has been positive for a decade, it is nevertheless below the level required to reduce poverty. In fact, the poverty incidence has just begun to decline. It has evolved over the period 2007-2014 from 39.9% to 37.5% (ECAM 4) on the one hand, and the level of underemployment which has been declining also since 2007 when it was at 79.5%, remains however a concern, since it was still in 2014 at 69.6%, on the other hand.

Moreover, this growth remains fragile both in its dynamics and in its expected effects on the improvement of the living conditions of the populations, whereas the country is facing each year the arrival on the labour market of an active population which average age varies between 15 and 25 years and which doubles every 25 to 30 years.

The authorities are aiming to raise this rate to an average of at least 5.5% per year over the period 2010-2020 through the supervision or implementation of activities aimed, *inter alia*, at improving access to infrastructure (energy, roads, railways and ports), etc., the modernization of the production system to make it more efficient, and the creation of tens of thousands of formal jobs through support for the emergence and competitiveness of SMEs.

It is on this basis that the Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts has decided, in accordance with these missions as defined by Decree No. 2004-320 of 8 December 2004 organizing the Government, to implement a Support Programme for the Creation and Development of SMEs for Processing and Preservation Local Products of Mass Consumption.

**Brief description:** The Programme is opened to project holders involved in the transformation and preservation of local products of mass consumption all over the country. Each promoter will benefit from a personalized support. As concerns its missions, it has to identify the promoters by their motivation and their ability to carry

out their projects, which are selected on the basis of their technical feasibility, their financial profitability and their socio-economic and cultural impact.

The Programme then supports the promoters of the selected projects in the phases of feasibility studies, technology choice, funding research, site development, construction of buildings and hangars, acquisition of production equipment, the starting and monitoring of the activity.

Funding is a preferential conditions loan, considering the development challenges faced by the Programme.

The loan is authorized by a Credit Committee set up for this purpose and is granted by the Programme through financial institutions that manage it.

The Programme is thus helping to solve the critical problems that promoters face in Cameroon, such as access to technology and funding, training and management.

Its implementation mechanism is a light structure made up of a Steering Committee (SC) and a National Coordination composed of a Central Coordination Unit (CCU) and the Regional and Divisional Support Units (DRSCs). This structure supports the promoter in his administrative procedures, searching for technologies and funding as well as the setting up and management of his company.

#### **Expected outputs:**

- 1500 processing and preservation units for local mass consumption products, of which at least 150 per region are operational in the country and at least 30% belong to female promoters;
- approximately fifteen thousand (15,000) graduates of professional higher education are selected, trained and employed;
- an average of 7,500 rural producers are contacted by the promoters for the production of inputs;
- local products of mass consumption are processed or kept under optimal technological conditions throughout the year;
- the country's capacity to export finished food products has increased;
- opportunities for subcontracting are generated and developed;
- decent jobs are created in rural and suburban areas.

**Observations:** The production of expected results for this programme during its first six (6) years of implementation was difficult due to weaknesses and particularly the irregularity of its resources.

As at 31 December 2016, the Programme portfolio had 86 eligible projects, of which 30 were completed, 35 were in the implementation phase and 21 were awaiting funding.

Of the 86 projects, 36 (41.86%) were operational, 14 (38.88%) were held by women, and 22 (61.1%) by men.

The 36 operational units in the portfolio employed 357 people. Of these 357 people, only 187 (52.4%) had a formal contract and were regularly registered to National Social Insurance Fund (CNPS).

Since 2010, debt relief resources (MDRIs, HIPC) disappeared from the PACD/SME budget, which therefore benefits only from the State's Public Investment Budget (BIP) resources, that is 1 673 000 000 FCFA, since the launch of the Programme in 2007, that is an annual average of 148 million FCFA.