

PN-ABS-710

PRIVATE SECTOR TRAINING NEEDS ASSESSMENT

HUMAN RESOURCES DEVELOPMENT ASSISTANCE (HRDA) PROJECT

DRAFT

USAID/CAMEROON

MAY 1990

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Under Contract No.
AFR-0463-C-008030-00



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ACRONYMS

| | |
|------------|---|
| AFR/TR/EHR | USAID Africa Bureau, Office of Technical Resources, Education and Human Resources |
| AMDP | Africa Manpower Development Program |
| CAMAIR | Cameroonian National Airlines |
| CAMSHIP | Cameroonian National Shipping Lines |
| CamCCUL | Cameroon Cooperative Credit Union League |
| CENAM | Centre des Ecoles Normale d'Administration et de Magistrature |
| CFA | Communauté Financière Africaine |
| EEC | European Economic Community |
| EHRD | Education and Human Resources Development |
| EI | Entrepreneurs International |
| ELT | English Language Translation |
| ESSEC | Eccles Superieure des Sciences Economiques et Commerciales |
| FY | Fiscal Year |
| GICAM | Groupement Interprofessionelle Camerounais |
| GDP | Gross Domestic Product |
| GFAC | Groupement des Femmes d'Affaires au Cameroun |
| GRC | Government of the Republic of Cameroon |
| HRD | Human Resources Development |
| HRDA | Human Resources Development Assistance |
| IBRD | International Bank for Reconstruction and Development (World Bank) |
| IESC | International Executive Services Corps |
| IFZ | Industrial Free Zone |

| | |
|--------------|---|
| ILO | International Labor Organization |
| IMF | International Monetary Fund |
| IOCS | Input-Output Computer Systems, Inc. |
| IPD | Institut Pan-Africain de Développement |
| LAI | LABAT-ANDAERSON, Inc. |
| MAPS | Manual for Action in the Private Sector |
| MDI | Market Development and Investment Office |
| MIDENO | Mission de Developpement du Nord Ouest |
| OIC | Opportunities Industrialization Center |
| OIT | Office for International Training. (USAID) |
| PAID | Pan-African Institute for Development |
| PIET | Partners in Eduation and Training |
| PIL | Project Implementation Letter |
| PIOP | Project Implementation Order/Participant |
| PSAB | Private Sector Advisory Board |
| PSC | Personal Services Contrator |
| PSTC | Private Sector Training Coordinator |
| PSTNA | Private Sector Training Needs Assessment |
| REDSO | Regional Development Support Office |
| SME | Small and Medium-Sized Enterprise |
| SYNDUSTRICAM | Syndicat des Industries Camerounaises |
| TOT | Training of Trainers |
| TDY | Temporary Duty |
| TSA | Training Support Advisor |
| UDEAC | Union Douanière des Etats de l'Afrique Centrale |

D R A F T

UNDP United Nations Development Program

UNEDIL United Nations/World Bank Economic Development
Institute/International Labour Organization
project

EXECUTIVE SUMMARY

Objectives of the PSTNA

The purpose of the HRDA Private Sector Training Needs Assessment conducted in May 1990 was to assist USAID/Cameroon in determining training priorities which will promote private sector development in line with the mission's development strategy. The mission's strategy pursues three interrelated activities: (1) development of an efficient and competitive private sector, (2) the increased efficiency of the public sector, and (3) the reduction in the overextension of the public sector into commercial activities.

The training strategy and matrix of training options developed as a result of this assessment are designed to serve as a basis for HRDA-funded private sector training activities, as well as those activities which may be funded under other mission projects (e.g. the Industrial Free Trade Zone).

Methodology

During the assessment, the team met with key private sector players and support institutions, including the Chamber of Commerce in Douala, members of the IFZ Planning Committee, Syndustricam, GICAM, CamCCul and the Groupement des Femmes Entrepreneurs. In addition, the team met with senior staff from ESSEC, the University Centre at Dschang, CENAM, the Pan-African Institute for Development and other local and regional training institutions. Using the MAPS document as a base, the team also conducted series of interviews with SME owners in Douala, Bamenda and Yaounde to discuss perceived training needs, appropriate delivery mechanisms and price sensitivity to training offered on a commercial basis.

The team examined mission priorities, other donor activities, information available through the MAPS and other studies of Cameroon's private sector, and information gleaned through interviews, to determine priority areas for intervention. A key consideration was to develop a set of recommendations which would support on-going mission development efforts and complement those of other donors.

Priority Areas for USAID Intervention

The four targets of opportunity identified by the PSTNA team are:

• **The Industrial Free Zone**

Exporting is one activity which will be necessary to address Cameroon's unfavorable terms of trade. The IFZ will help convince public sector officials to adjust existing policies biased against production for export. For the free zone to be successful there must be changes in the attitudes and approaches of large numbers of Cameroonians who will interface with IFZ investors. A comprehensive training program should accompany its implementation to ensure that it has the greatest potential for success.

• **Agribusiness Development**

Over 60% of Cameroon's population relies directly on agriculture for its livelihood. USAID/Cameroon has several activities in the agricultural sector which could benefit from activities under HRDA. Training oriented toward assisting entrepreneurs market agricultural inputs and produce will increase rural incomes and fuel an increase in domestic manufacturing.

• **Small and Medium-Scale Enterprises**

Only 20% of SMEs have access to formal credit. Many lack the knowledge or skills to maintain written accounting systems, or otherwise use modern management techniques to ensure the stability and growth of their businesses. Practical and affordable in-country training activities could greatly increase SME owners' chances of success. Several new donor-funded SME programs are getting underway, and any USAID programs should work to complement their efforts. Particular attention should be paid to training for women entrepreneurs, who have not been targeted so far by USAID or other donors. Women entrepreneurs are often seen as more reliable business risks than men, although many lack basic business skills.

• **Policy Reform**

HRDA can be a useful tool in bringing about the policy reforms required to achieve sustainable economic growth in Cameroon. An important aspect of policy reform is sensitizing key policy makers to the need for such reforms, which can be done through a variety of training-related activities. Conferences, workshops or study tours which bring together key government policy-makers and private business owners in constructive

dialogue can help increase general awareness of the need for improving the environment for private sector operations in Cameroon. Likewise, study tours and targeted technical training for government agencies working with the private sector can help speed up changes in the policy environment.

Training Objectives and Target Audiences

Given the four targets of opportunity identified by the PSTNA team, the primary objectives of the HRDA training plan are to:

1. **Promote the development and expansion Cameroon's export activities, through training support for key players in the Industrial Free Zone.**

Target Audiences:

- GRC officials and service providers involved in the IFZ, including Customs and security personnel, and government utility and transport companies,
- Zone developers, managers and labor force established in IFZ zones;
- Potential suppliers and subcontractors for IFZ firms; and
- Other non-IFZ firms which may benefit from IFZ spin-off activities.

2. **Promote agribusiness development through training to improve entrepreneurs' ability to transform and market agricultural and forest products.**

Target Audiences:

- Owners and managers of SMEs involved in transformation or marketing of agricultural or forest products.
3. **Promote the creation and expansion of small and medium-sized enterprises, with particular emphasis placed on women entrepreneurs, through the development of relevant, affordable training activities.**

Target Audiences:

- SME owners and managers in various areas of business, with special attention focused on women entrepreneurs.
4. **Support the mission's policy reform activities through targeted training activities designed to sensitize government officials and increase public/private dialogue on key administrative and legal constraints on the private sector.**

Target Audiences:

- Key Government policy makers and implementers in areas targeted for policy reform by USAID.
- Key formal and informal entrepreneurs, and business associations and other groups which could contribute to policy dialogue on constraints to private sector development.

Secondary objectives of the HRDA training strategy are to:

5. **Strengthen the capabilities of local business support organizations and associations to provide services and serve as advocates for their membership.**

Target Audiences:

- Business support organizations and associations such as the Chamber of Commerce, CAMCCUL, GFAC, etc.
6. **Improve local institutions' and consulting firms' training and outreach services for the business community.**

Target Audiences:

- Local training institutions and consulting firms which offer management and technical training and outreach services to the private sector.

Training Activities

A variety of training activities can be used to meet the above training objectives:

- In-country workshops and seminars.

- In-country technical assistance.
- Business internships in the U.S.
- U.S. and Third Country study tours.
- U.S. and Third Country short-term training, including workshops and seminars.
- HRDA Regional workshops and conferences

It is recommended that emphasis be placed on in-country activities, recognizing their potential to be the most cost-effective on a per-person-trained basis. In addition, it is advisable to develop a sustainable local capacity to offer training, technical assistance and other support services to the private sector.

Management and Implementation of HRDA

Management of the proposed HRDA program will be more labor-intensive than previous training projects, involving many elements including increased in-country training. It is recommended that the mission hire a Cameroonian PSC to be the **Private Sector Training Coordinator (PSTC)**.

The PSTC will:

- Coordinate all HRDA-funded and other mission private sector training activities,
- Provide the liaison between the mission's Training, Private Sector and other offices,
- Develop and maintain contacts with other donors, local training institutions, business associations, and former participants,
- Organize and chair a Private Sector Advisory Board (see below).

In order to assist USAID/Cameroon address the needs of the private sector, a key element of the HRDA private sector training strategy is the creation of a **Private Sector Advisory Board (PSAB)**.

The PSAB, made up of private entrepreneurs and representatives of organizations and institutions working directly with the business community, will recruit and select training participants,

evaluate the quality, nature and direction of activities planned under HRDA, and act as the mission's sounding board/barometer for private sector training needs in Cameroon.

Funding for HRDA

The mission is currently funding HRDA activities at \$400,000 per year, of which approximately \$200,000 is intended for private sector training. Given the importance placed by the mission on developing the private sector in Cameroon, and the role training can play in bringing this about, the mission may wish to increase its funding for private sector training activities. The assessment team has included several illustrative training budgets showing the range of training may be performed at the higher funding levels.

I. OVERVIEW OF THE PRIVATE SECTOR TRAINING NEEDS ASSESSMENT

A. HRDA Background

The Human Resources Development Assistance (HRDA) project was initiated in FY 1988. Its stated purpose is to stimulate, facilitate and support national and regional training programs that will provide technical, scientific and management personnel and policy planners to strengthen African development institutions, enhance the growth of the private sector and increase the participation of women in development.

The HRDA project, as compared to the predecessor regional training projects AMDP I and II, has three new areas of emphasis:

- 1) 50% of project training participants should have a direct impact on private sector development;
- 2) 35% of the project trainees should be women; and
- 3) In-country and third country training institutions are to be used whenever possible to implement training programs.

B. Assessment Methodology

The purpose of the private sector training needs assessment (PSTNA) is to define, with the AID mission, a multi-year training strategy to promote human resources development within the private sector directly through participant training or by strengthening private sector support institutions' training capabilities.

AID/Washington assigned a two-person assessment team to Cameroon: a specialist in private sector analysis and a specialist in management training. The Assistant Director of Planning, Evaluation, and Monitoring Division of MIDENO, Mr. James Munang, assisted the team by scheduling meetings in Bamenda and by participating in those held in Douala as well. Mr. Richard Acha, USAID Participant Training Specialist, also accompanied the team on its meetings in Bamenda. The PSTNA was completed in three weeks, using the following methodology:

1. Literature Search

Literature on the local private sector, recent economic analyses, and studies of private sector and SME

perceptions of the business climate were reviewed (see Bibliography, Annex 6).

2. Contacts with Key Private Sector Players and Support Institutions

The team met with a significant number of key private sector players and support institutions during the course of the PSTNA. Interviews were held with business support organizations such as the Chamber of Commerce in Douala, Syndustricam, GICAM, CamCCUL and Groupement des Femmes Entrepreneurs. Training institutions and support groups such as CENAM, ESSEC, University at Dschang, Cooperative College of Bamenda, the Pan-African Institute for Development, and UNEDIL's regional office were visited. Several members of the IFZ planning committee were also contacted to discuss perceptions of training requirements for a smooth and successful implementation of the new Free Zone Investment Code. (See Persons Interviewed, Annex 5)

3. Interviews with Other Donors and Other SME Development Projects

The team met with those responsible for the other major efforts to promote SMEs in Cameroon, such as the Centre de Creation des Entreprises sponsored by the Canadians, the Assistance for the Creation of Enterprises by Qualified Graduates and Artisans sponsored by the ILO, and the GRC's Direction des Petites et Moyennes Entreprises et de l'Artisanat. These meetings were held to assess the activities of these groups, their strengths and weaknesses, and to ensure that USAID's interventions complemented rather than duplicated their efforts.

4. Interviews with a Representative Sample of Small and Medium Scale Enterprises (SMEs)

Using the MAPS document as a base, the team conducted a series of interviews with SME owners and operators in Douala and Bamenda to test the validity of inferences drawn from this comprehensive survey. Meetings were held to discuss perceived training needs, appropriate delivery mechanisms, and price sensitivity regarding training offered on a commercial basis.

5. Ongoing Discussions with Mission Staff

Throughout the course of the assessment, the team frequently contacted and discussed progress, observations, and alternatives with the Private Sector and HRD officers at USAID. This permitted the team to make adjustments to improve the focus of its activities and deliver a program tailored to USAID/Cameroon's objectives. The team met with the USAID/Cameroon Deputy Director during the final week to discuss findings of the assessment and to present key elements of the private sector training strategy. Feedback was solicited and incorporated into the team's final draft of the report.

6. Development of Private Sector Training Strategy

Given the complexity and diversity of the Cameroonian economy and the limited time allotted for the assessment, the team chose to limit its assessment to identification of several broad areas of opportunity for the mission to pursue. These areas, as well as specific suggested training activities are addressed in the training plan matrix. The mission may wish to conduct more in-depth assessments of certain sectors to fine-tune specific training interventions.

II. PRIVATE SECTOR ENVIRONMENT

A. Macro-Economic Environment

Economic growth in Cameroon averaged in excess of 8% per year from 1970 through the mid 1980's. Agriculture provided strong growth until coffee and cocoa prices began to decline in the late 1970's. This sector stills employs two of every three workers in the country and generates over 40% of export receipts. Nominal prices continue to be under extreme pressure due to large world supplies of these commodities.

In 1978 oil was discovered in significant quantities that more than offset the decline in world commodity markets. By 1984/85 oil production accounted for more than 15% of GDP, 45% of government revenues and nearly two-thirds of merchandise exports. Production peaked in 1985/86, is currently in a downward trend, and existing reserves are anticipated to be depleted in just over 10 years.

The current decline in the dollar prices of Cameroon's primary exports combined with a simultaneous depreciation of the value of the US\$ vis a vis the CFA franc have left the country with a serious shortage of export earnings. Between 1985 and 1987 Cameroon's export price index in CFA terms fell by 65% for oil, 24% for cocoa, 11% for coffee, and 20% for rubber. The net effect was a 47% deterioration in the terms of trade. This rapid and dramatic shortfall in income forced the government to draw down its bank reserves to cover ongoing operating expenses. In an effort to reduce expenditures, many public investment projects were postponed, delayed, or canceled. The reduction in government spending coupled with contracting bank reserves and accumulating government arrears to domestic businesses have plunged the country into deep recession and are contributing to political unrest.

The government is undertaking efforts to address its excessive involvement in the Cameroonian economy. It entered into a structural adjustment program with the IMF and World Bank to correct the internal and external economic disequilibria, establish conditions for resumed growth, arrest the decline in per capita income, and cushion the impact of adjustment on vulnerable population groups. The main components of this program are:

- Restructuring expenditures to reduce the government deficit;
- Developing alternative sources of revenue;

- Strengthening investment planning;
- Restructuring the parastatal sector;
- Reducing internal agricultural marketing costs;
- Reforming industrial and commercial incentives to promote private sector activities;
- Revitalizing the banking sector through regulatory and institutional reform and recapitalization.

The results of the program to date have been less than anticipated. Only three of the five scheduled disbursements have been released and the program is expected to expire within 30 days.

B. Cameroon's Private Sector

The private sector in Cameroon is broadly based and complex. A highly developed indigenous business class is active in a wide variety of enterprises. Whereas the French are the most active foreign investors in Cameroon, there is little evidence of a "foreign" group of commercial interests that one finds in most West African countries.

Most industry is concentrated in Douala. This is due in large part to its being the country's major port and primary point of entry. There are Cameroonian-owned factories which produce all types of consumer products for the local, UDEAC and EEC markets. Highly advanced facilities exist for the production of soap, furniture, and beverage brewing and bottling.

Other centers also have relatively well-developed commercial and industrial activities. Bamenda is a visibly prosperous town in the Anglophone North West Province with significant trade, finance, and manufacturing sectors in addition to its agricultural base. Bafoussam, Yaounde, and Garoua also have substantial private sectors.

A survey of 408 private sector firms was conducted in March, 1990 at the request of AFR/MDI by IOCS-AI of Douala in collaboration with J.E. Austin Associates. The purpose of this study was to develop a base of descriptive statistics on private enterprises operating in Cameroon and to explore the perceptions of the business community regarding the country's investment climate, resource constraints to business development, the effect of public policies on private enterprise, the role and effectiveness

of business support associations, and interest in export opportunities.

A summary of the key findings of the MAPS study that relate to the PSTNA follows:

Business Profiles

- The average firm has been in existence for ten years.
- Owner-operated firms have typically been in existence for three years.
- Women-owned firms tend to employ fewer people than average, concentrate in the commerce sector and have been in operation an average of eight years.
- The majority of firms sampled were oriented almost exclusively to the domestic market. Agro-processing firms were most likely to be exporting; manufacturing firms were least likely.

Business Attitudes and Perceptions

- Firms of all sizes believe that government regulation of business has adversely affected their ability to operate.
- Over 87% of the firms surveyed believed that the economic situation in Cameroon had deteriorated over the past three years. Two-thirds reported substantial sales declines over the past twelve months.
- There is a high degree of uncertainty regarding the future economic climate, particularly among the smallest firms.
- Most firms feel that even though capacity utilization has declined substantially over the past three years, further declines are not likely.
- Labor productivity was not perceived as a serious constraint, though qualified technical and managerial talent is perceived to be too costly.

Access to Credit

- Firms obtain, on average, 26% of financing requirements from the formal financial sector. Tontines provide an average of only 12%, while personal and family resources account for less than 50%.
- Few firms have access to term credit. The larger the firm the more likely it is to use this tool. Even the largest firms reported significant difficulty obtaining long term financing of productive assets.
- Over 80% of SMEs have virtually no access to formal credit sources.
- Credit Unions, while useful in mobilizing rural savings, are not significant providers of financing to the businesses surveyed.

Export-Related Issues

- Of companies with export experience the best target market is felt to be the EEC. However, those currently exporting to the UDEAC are more likely to be planning for an expansion. The larger the firm, the more likely it is to be interested in expanding its export activities.
- The overvalued exchange rate has resulted in a competitive disadvantage for Cameroonian exporters and has intensified domestic competition from illegal imports.
- Import substitution industries have suffered the greatest decline in capacity utilization. Owner-operated and micro enterprises as well as Cameroonian subsidiaries of foreign firms suffered the smallest declines in (or actually increased) utilization.

MAPS Training Findings

- Nearly 50% of the 408 firms interviewed had "formulated a specific plan to invest in...personnel training and development."
- Smaller firms' managers are most interested in improving their own management skills.

- Smaller firms' managers are more interested than most in gaining knowledge about government regulations.
- Smaller enterprises often do not belong to any business associations. This could potentially prove problematic in systematically accessing these smaller firms for training purposes.

C. Private Sector Realities and Their Implications for Training

The most significant constraint to private sector development is the current regulatory environment. Among those the most directly affected are the exporters. Exporting is precisely the type of activity which will be necessary to address Cameroon's unfavorable terms of trade. The IFZ will be a key activity to help convince public sector officials to adjust existing policies biased against production for export. A comprehensive training program should accompany its implementation to ensure that it has the greatest potential for success.

Over 60% of Cameroon's population relies directly on agriculture for its livelihood. The country's current industrial base is primarily oriented toward supplying the domestic market with consumer goods. Training oriented toward assisting village- and market town-based entrepreneurs could take advantage of the opportunities created by policy reform in the marketing of agricultural inputs and produce. This should increase the vitality of this sector and raise rural incomes. This, in turn could help to fuel an increase in domestic manufacturing.

Only 20% of SMEs have any access to formal credit sources. This is due in part to the absence of any type of written accounting systems in most SMEs. Without written accounts it is impossible to measure the profitability of an enterprise to judge its credit worthiness. Furthermore, most SME managers are not familiar with the criteria used by banks to allocate scarce capital. Training intended to demonstrate the use of simple accounting practices and familiarize managers and owners with bank loan evaluation criteria has been proven to have a positive effect in similar situations. This could be of particular benefit to women entrepreneurs.

Policy reform is a complex activity which requires that those in power (who typically benefit from market distortions) make decisions which bring about significant short term pain in key constituencies. The will to pursue such difficult (and professionally hazardous) programs must be strengthened by instilling in the individual the conviction that the approach is both correct and necessary. Bringing policy makers together in

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regional seminars with others wrestling with the similar problems provides the opportunity to gain additional perspective. High profile publicity of such meetings helps to prepare the population at large for the inevitable sacrifices that will follow.

III. PRIORITY AREAS FOR INTERVENTION

In determining the recommended areas for USAID intervention, the team examined mission priorities, other donor activities, information available through the MAPS and other studies of Cameroon's private sector, and information gleaned through interviews. A primary consideration was to develop a set of activities which would support on-going mission development efforts and complement those of other donors.

The four targets of opportunity identified by the PSTNA team are:

- Industrial Free Zone
- Agribusiness
- Small and Medium Scale Enterprises
- Policy Reform

A. Industrial Free Zone

Efforts to support the IFZ should be both broad and comprehensive. The establishment of the free zone is a radical departure from "business as usual" in Cameroon. For it to be successful there must be changes in the attitudes and approaches of large numbers of Cameroonians who will interface with IFZ investors. There are several distinct areas which should be addressed:

Training for GRC officials to ensure a smooth implementation of the free zone regime is a prerequisite for its success. In particular, the free zone will require that the customs department handle incoming and outgoing shipments rapidly, consistently, and in a hassle-free manner. Once new procedures and manuals are developed, a comprehensive program of training should be implemented to ensure that all customs officials are fully aware of the new approaches and the necessity of implementing them conscientiously.

Training for customer service personnel of primary IFZ support organizations will be important to ensure the smooth installation of new industries in the zone. These include such organizations as the PTT, SONEL, SNEC, ONPC, INTEL CAM, CAMSHIP, CAMAIR, national security, airport personnel, and others. These organizations will need training in basic "customer awareness" to ensure that investors are treated

in a manner consistent with that of countries competing for their investments. This will also be an important aspect of developing a reputation of efficiency with early investors which is crucial to the recruitment of additional industry.

Zone developers, managers and workers will require basic training in IFZ operations, legal aspects of zone operation, office management, time management, and customer service. It is critical that potential and current investors find the IFZ personnel to be consistently competent, efficient and courteous. This sense of professional pride should be nurtured from the very beginning to avoid the development of any "bad habits" among core staff.

Seminars should be planned to inform **Cameroonian businesses** of opportunities for sales of local products to IFZ industries. These seminars should include both general information regarding IFZ regime incentives to local businesses as well as industry specific requirements for locally produced components.

B. Agribusiness

USAID Cameroon has several activities in the agriculture sector which could benefit from activities under HRDA. The team found that those involved with Cooperatives, OIC, and the University at Dschang are all either providing or planning to provide training in basic business skills. Most of these are quite complementary and should result in significant efficiencies in the development and dissemination of courses. The objective should be to develop courses for which the local market is willing to pay. This would ensure the long term viability of the action once AID support is no longer available. The courses which appear to be the most demanded include:

Marketing for Agricultural products: Many groups are willing to produce a wide variety of products for local markets. Often a basic understanding of market research is lacking. A short course for agricultural producers explaining how to identify potential customers and match production quantity, quality and consistency to demand is needed. This course should include a module on "how to better understand your customer's business" to aid the producer in being responsive to the customer's needs.

Transportation of Agricultural products: Spoilage and damage due to poor transportation methods decreases the monetary value of products sold. Seminars aimed at sensitizing producers, transporters, and distributors to these issues and providing practical, cost-effective techniques to improve the transportability of produce should provide additional income at all levels of the production and distribution chain.

Transportation Management: Interest appears to exist regarding the management of transportation resources. Possible subject matter would relate to analysis of operating expenses, setting of fees, market identification, and differentiation of services provided. Additional study would be needed to determine the total demand for such a course. However, given the concern over transportation in Cameroon, operators could be interested in ways of improving operating margins. A positive by-product would be additional resources being committed to this sector.

C. Small and Medium Scale Enterprises

SMEs are the object of substantial donor activity in Cameroon. Most assistance, however, is limited to select groups of entrepreneurs and is not made available to the general public. There is a noticeable lack of effort directed toward women entrepreneurs. Anecdotal evidence indicates that women are better business risks than men. Their loan repayments are consistently on time and their commitments are reliable. However, they often lack basic business skills. The MAPS survey indicated that problems faced by women entrepreneurs were not significantly different from those faced by males. Therefore the materials developed for one group should be readily transferrable to the other. Some of these materials could also be adapted to Agribusiness as well. Courses which could be directed toward SMEs include:

Basic Accounting: According to a survey by OIC in 1988, only 20% of Cameroonian SMEs kept any type of written accounts. The lack of basic records leaves the SME manager with no means of measuring his business's performance and seriously impedes access to credit in the formal sector. Courses must be developed which provide simple, implementable record keeping methods which will not burden the manager with excessive paperwork.

Personnel Management: Many managers have expressed a desire to better understand how to manage their employees. This becomes particularly critical as the business grows and the owner-manager can no longer directly supervise the activities of all his/her workers. As part of this course there should be a module on Cameroonian employment regulations.

Export Marketing: The MAPS study indicated that there is substantial interest in addressing export markets in the UDEAC and EEC. Most respondents had little knowledge, however, of how to proceed. A seminar which includes concrete information on how to find information on prices and product standards for target markets, distribution contacts, trade regulations, and negotiation skills should be developed and presented in Douala.

Business Plan Development: To improve access to formal credit sources, seminars oriented toward the development of business plans which include training in bank objectives and selection criteria would be helpful. This seminar has proven to be very successful in helping women.

D. Policy Reform

HRDA can be a useful tool in bringing about the policy reform required to achieve the mission's goal of sustainable economic growth in Cameroon. The use of HRDA with respect to this activity could be classified as either "private sector" or "public sector" training support provided the activities are directly oriented toward enhancing the environment for private sector operations. In addition to the standard study tours for public sector officials, other representative activities might include:

Roundtable Discussions: These could be used to both sensitize GRC officials and mobilize public opinion on key topics critical to the success of the GRC's private sector promotion strategy. For example a seminar could be held to raise public awareness of the importance of exports to the prosperity of Cameroon. Two weeks later a "roundtable" could be held with customs officials and major exporters to discuss ways of facilitating the flow of goods entering and leaving the country. Both activities should be planned to gain maximum media exposure in order to achieve increased public awareness of the issues.

Informal Sector Conferences: This could be used to sensitize GRC officials to the substantial role played by the Informal Sector in the economy. Particular attention should be paid to addressing how government regulations impede the productivity of this sector and the benefits which could accrue from a more liberalized environment. Efforts should be made to ensure substantial publicity is associated with a seminar of this type to gain maximum public awareness.

IV. TRAINING STRATEGY

The following proposed training plan describes training objectives, target audiences and activities to promote the private sector in Cameroon, which may be funded under HRDA. As these activities are designed to mesh with other mission objectives regarding private sector development, USAID may wish to use other project and non-project sources of funding to increase the level of activity.

A. Training Objectives and Target Audiences

Given the four targets of opportunity identified by the PSTNA team: Industrial Free Zone training support, Agribusiness promotion, Small and Medium-Sized Enterprise (SME) promotion, and Policy Reform support, the primary objectives of the HRDA training plan are to:

1. **Promote the development and expansion Cameroon's export activities, through training support for key players in the Industrial Free Zone.**

Target Audiences:

- GRC officials and service providers involved in the IFZ, including Customs and security personnel, and government utility and transport companies,
- Zone developers, managers and labor force established in IFZ zones;
- Potential suppliers and subcontractors for IFZ firms; and
- Other non-IFZ firms which may benefit from IFZ spin-off activities.

2. **Promote agribusiness development through training to improve entrepreneurs' ability to transform and market agricultural and forest products.**

Target Audiences:

- Owners and managers of SMEs involved in transformation or marketing of agricultural or forest products.

3. **Promote the creation and expansion of small and medium-sized enterprises, with particular emphasis placed on women entrepreneurs, through the development of relevant, affordable training activities.**

Target Audiences:

- SME owners and managers in various areas of business, with special attention focused on women entrepreneurs.

4. **Support the mission's policy reform activities through targeted training activities designed to sensitize government officials and increase public/private dialogue on key administrative and legal constraints on the private sector.**

Target Audiences:

- Key Government policy makers and implementers in areas targeted for policy reform by USAID.
- Key formal and informal entrepreneurs, and business associations and other groups which could contribute to policy dialogue on constraints to private sector development.

Secondary objectives of the HRDA training strategy are to:

5. **Strengthen the capabilities of local business support organizations and associations to provide services and serve as advocates for their membership.**

Target Audiences:

- Business support organizations and associations such as the Chamber of Commerce, CAMCCUL, GFAC, etc.

6. **Improve local institutions' and consulting firms' training and outreach services for the business community.**

Target Audiences:

- Local training institutions and consulting firms which offer management and technical training and outreach services to the private sector.

B. Training Activities

The following is a list of types of training activities which can be used to meet the above training objectives. The types of activities are divided into six categories:

- In-country workshops and seminars.
- In-country technical assistance.
- Business internships in the U.S.
- U.S. and Third Country Study Tours.
- U.S. and Third Country short-term training, including workshops and seminars.
- HRDA Regional seminars and conferences.

Note: the proposed activity categories are adaptable to any of the targeted intervention areas, e.g. IFZ, agribusiness, etc., and can be used in varying combinations.

It is recommended that emphasis be placed on in-country activities, recognizing their potential to be the most cost-effective on a per-person-trained basis. In addition, it is advisable to develop a sustainable local capacity to offer training, technical assistance and other support services to the private sector. U.S. and third country training activities should be used where local capacity is insufficient, or where exposure to a foreign environment or methodology is an important element of the activity.

A brief description of the five training activity categories is included below, followed by a matrix suggesting specific interventions related to each of the six training objectives.

1. Development of In-country short courses and seminars

It is recommended that the Mission finance the development of in-country short courses, for any or all of the target populations.

Local training institutions, consulting firms, or consultants would develop the courses, with outside technical assistance if a certain expertise is lacking locally. If outside consultants are used, they would develop and implement the courses jointly with the local trainers, with the goal of building local capacity to offer the courses in ensuing years.

Other donors, most notably the Canadian business incubator project, which intend to provide similar training, have expressed an interest in sharing local consultants and courses developed. Such collaboration could have a multiplier effect by creating a pool of experienced trainers and practical courses for SMEs. Other donors have indicated a preference for working with individual trainers rather than existing institutions. However, if USAID identifies a viable training institution or consulting firm to offer such courses, it may increase the chance that the course will continue to be given on a for-profit basis once USAID funding for it has ended.

Interviews with Cameroonian business owners, and results from similar assessments carried out in other African countries suggest the best format for such courses would be half-day sessions once or several times a week for a one to two month period. A list of recommended courses is included in Table I.

2. IESC In-Country Technical Assistance

The Mission may wish to fund technical consultations for local private sector firms provided by the International Executive Service Corps (IESC). IESC consultations, provided by U.S. executives who volunteer their services, have often proven effective in the developing world in solving operational or management problems of small to medium scale firms. Potential areas for consulting in Cameroon include export and agribusiness industries, and others listed below in Table I. The majority of IESC consultants are English-speaking. However the organization does have some capability for providing French-speaking consultants. IESC says it also has worked successfully with local translators, which can double the cost of the consultancy.

The mission is advised to work closely with IESC staff to ensure the proper match of consultant to local business. Generally this activity is more appropriate for medium to large firms, as most IESC consultants are used to working with large American corporations.

3. Business Internships in the U.S. for local SME managers

USAID/Cameroon may wish to use HRDA funding to continue sending SME owners and managers to the U.S. under AID's Entrepreneurs International (EI) Program. Under this program, in operation since January 1987, entrepreneurs from the developing world are carefully matched with owners of U.S. firms with similar operations. The foreign entrepreneur is placed with the U.S.

firm during a two to four week period to study U.S. operations and management in a firm with similar problems and concerns. Entrepreneurs may also attend a trade fair or convention where they have an opportunity to meet others in the same line of business. EI has been quite successful to date and has even resulted in a number of U.S./foreign partnerships, investments and sales contracts.

EI is a good activity for certain of Cameroon's medium and large firms where exposure to modern management and production methods and potential business contacts is a key need. However due to the short nature of the program, participants need to be competent speakers of English before they arrive in the U.S. The mission is urged to provide as much detailed information as possible about the entrepreneur, his/her firm and expectations of the internship to PIET, the EI contractor, to ensure the program's success.

4. U.S. and Third Country Study Tours

HRDA funds may be used to provide study tours or short-term training in the U.S. or third countries for various Cameroonian target groups. A list of activities for each of the target groups is shown in Table I.

5. U.S. and Third-Country Short-Term Training and Seminars

This activity could include short seminars and workshops as well as longer technical training programs, and is applicable for all the target groups. See Table I.

6. HRDA Regional Training Activities

The mission may wish to send Cameroonian participants to AID/Washington-funded HRDA regional private sector conferences or workshops which will be held at various locations in Africa. Previous regional activities have covered management for women entrepreneurs, policy reform and programs for the informal sector, cooperative development, etc. AFR/TR/EHR encourages USAID/Cameroon to participate in such regional activities, which provide for a broad exchange of ideas among entrepreneurs and other key figures in private sector development. Missions are expected to pay only travel and per diem costs; registration and other workshop costs will be covered through HRDA core funds.

C. Additional Recommendations for Certain Target Groups

1. Support for Women Entrepreneurs

It is recommended that in addition to aggressively recruiting women for all training activities listed above, the mission should consider using HRDA funds to support a number of training activities reserved exclusively for women. These courses, however, could be drawn from the same topics as those for general SME training, e.g. how to prepare a business plan, accounting skills, etc. Similarly, U.S. or third-country study tours and short-term training could be organized for the women's associations, or individual women with common training needs.

Ideally the activities would strengthen existing women's groups and lead to confidence-building and networking among women entrepreneurs. The courses could be developed by outside and local consultants, in conjunction with the two Women's associations, individual prominent businesswomen, women faculty at local training institutions, or--where compatible with HRDA private sector objectives--government and party-sponsored women's groups. Many of these women have ideas and energy, but lack the knowledge, contacts or capital to expand existing businesses or begin new ones.

The initial workshop(s) could also serve as a training of trainers workshop for one or several staff members of an association. Once the workshop has been given several times it is envisaged that the association trainers could continue to offer the course without outside help, or could offer the same information in the form of consultancies.

2. Support for members and staff of local training institutions

The mission should seek to identify viable local training institutions or consulting firms which provide or could provide training for the private sector. Other donors interested in private sector training, most notably the Canadian business incubator project, have indicated their preference to work with individual trainers rather than existing institutions. However, developing the capabilities of an enterprising local organization may prove to be a better means of assuring the sustainability of the training activity once USAID funding has ended.

3. Support for local business support organizations and associations

The mission is advised to consider activities which will strengthen local business support organizations and associations. Possible target groups might include the management and staff of the IFZ zone, or GRC officials providing services to the zone; the Chamber of Commerce; the two Women's entrepreneur associations; and private cooperatives.

Possible activities could include training, study tours or technical assistance for staff and key members of the organizations. These activities would be designed to help the Cameroonian groups develop a more clearly defined role for their own organizations and to explore a variety of ways of meeting their objectives.

One activity might entail providing training and technical assistance to business support organizations to develop in-house Member Assistance Units. These units would have staff or association members who offer (on a fee basis) services such as: explaining customs and other government regulations, offering advice on how to set up a business or apply for a loan, drafting and typing of business letters, sending telexes or faxes, etc. Other activities could include developing a talent bank or directory of its membership, and serving as a clearinghouse for information about investment or training opportunities.

The proposed IFZ National Investment Promotion Office is a likely candidate for this kind of technical assistance. Women's entrepreneur associations, coop associations and other business groups could also offer scaled-down versions of such services, targeting smaller businesses and potential entrepreneurs. Developing these services would allow the associations to offer client-oriented revenue-generating services to their membership.

D. HRDA Training Plan

Based on discussions with the mission, the assessment team determined that the HRDA Training Plan should show options for private sector training, some or all of which may be funded under HRDA, rather than laying out a specific five-year plan.

HRDA funding levels are currently projected at \$400,000 annually for the life of the project, for public and private sector training. The mission may spend money on the two sectors in whatever proportion is necessary to meet the 50% private sector and 35% women participant targets. Also note that under HRDA, the term "private sector participants" may include public sector

officials whose work relates to private sector development, thereby giving the mission considerable flexibility in meeting its private sector participation target.

The Training Plan is comprised of the three tables shown below:

Table I is a matrix of private sector training options, organized by training objective and type of training activity. The matrix has been designed so that training may be separated out by objective if non-HRDA funds are available for specific categories of activities. For example, the mission may wish to implement activities listed in the row for Industrial Free Zones under funding from the IFZ project. Likewise, some of the activities listed under Agribusiness Development could be developed through the Dschang project. Conversely, HRDA resources could be used to fund training related to policy reform and other mission non-project activities.

Table II is a list of costs for the various types of training. These costs can be matched with activities listed in the Table I matrix to determine total HRDA training costs.

Table III is a set of three illustrative budgets showing the range of activities which can be done at three different funding levels.

Table I
Matrix of USAID/Cameroon Private Sector Training Options

| Training Objectives | Training Type In-Country Workshops & Seminars | IESC & Other In-Country TA | Entrepreneurs International | U.S. & Third-Country Study Tours | U.S. & Third-Country Workshops, Seminars & Short-Term Training |
|---|---|--|---|--|---|
| 1. Promote Industrial Free Zone activities | <ul style="list-style-type: none"> • Export Marketing • Packaging for Export Markets • Production & Quality Issues • Intro to Computerized Business Practices • Management Skills for Mid-level Managers & Supervisors • Personnel Management | <ul style="list-style-type: none"> • Existing export industries • Newly created industries located in IFZ | <ul style="list-style-type: none"> • Selected medium & large existing industries • Entrepreneurs seeking to locate in zone | <ul style="list-style-type: none"> • World Trade Institute • City & State foreign trade offices • Other IFZs • OPIC • CIPE • Business incubator programs | <p>U.S.:</p> <ul style="list-style-type: none"> • International Marketing Institute's Market Development workshop • HIID Int'l Finance workshop <p>Third-Country: Management courses at:</p> <ul style="list-style-type: none"> • CESAG (Senegal) • CAMPC (Cote d'Ivoire) |
| 2. Promote agribusiness development | <ul style="list-style-type: none"> • Agribusiness Project Development • Marketing of Ag. Products • Fertilizer Marketing • Co-op management skills | <ul style="list-style-type: none"> • Existing Ag. transformation industries: <ul style="list-style-type: none"> - fruit drinks - wood processing - etc. | <ul style="list-style-type: none"> • Selected medium and large Ag. processing industries: <ul style="list-style-type: none"> - canning & juice plants - furniture factories - etc. | <ul style="list-style-type: none"> • Agribusiness promotion centers | <ul style="list-style-type: none"> • Ag.-oriented courses on production, marketing, transport, etc. |
| 3. Promote SME creation & expansion with emphasis on women's activities | <ul style="list-style-type: none"> • Business Plan Development • Basic Accounting • Financial Mgmt. for SMEs • How to get bank loans • Personnel Management (and above listings in IFZ and Agribusiness) | <p align="center">NA</p> | <ul style="list-style-type: none"> • Selected SMEs on case-by-case basis—preference given to women's businesses | <p>For carefully selected group of SMEs with tailored programs, e.g.:</p> <ul style="list-style-type: none"> • Women's handcraft centers • Beauty products manufacturers | <p>Women Entrepreneur Management courses in U.S. and Third Countries</p> <ul style="list-style-type: none"> • Atlanta Management Institute • CESAG • CAMPC • ESAMI (Tanzania) |

Table I (continued)
Matrix of USAID/Cameroon Private Sector Training Options

| Training Objectives | Training Type | In-Country Workshops & Seminars | IESC & Other In-Country T.A. | Entrepreneurs International | U.S. & Third-Country Study Tours | U.S. & Third-Country Workshops, Seminars & Short-Term Training |
|--|--|--|--|--|--|--|
| 4. Support policy reform | <ul style="list-style-type: none"> • How-to's of Privatization for Government Officials • Sector-specific training to support policy reform goals (e.g., fertilizer marketing, co-op management skills, etc.) • Informal sector/institutional reform issues • Round table discussions on timely topics of importance | NA | <ul style="list-style-type: none"> • For managers at government service agencies or parastatals undergoing privatization | <ul style="list-style-type: none"> • IFZ zones visit by government officials • ILD-Peru (Hernando de Soto) | <p>U.S.:</p> <ul style="list-style-type: none"> • Univ. of Pittsburgh Project Management • IMG Privatization workshop <p>Third-Country:</p> <ul style="list-style-type: none"> • ILD-Peru workshops | |
| 5. Strengthen local business support organizations | <ul style="list-style-type: none"> • Association Management workshop | TA to provide management & organization skills | <ul style="list-style-type: none"> • Co-op managers • Credit Union managers • Service organization staff (e.g., women's groups) | <p>Women's Groups:</p> <ul style="list-style-type: none"> • Women's World Banking <p>All:</p> <ul style="list-style-type: none"> • Chambers of Commerce in U.S. • SBA • Small Business Development Centers | <ul style="list-style-type: none"> • Arthur D. Little Project Analysis workshop • Univ. of Pittsburgh Project Management workshop • Center for Leadership Development workshop • Coverdale Project Management workshop | |
| 6. Strengthen local training institutions, consultant firms & training & outreach capacity | <ul style="list-style-type: none"> • Development of above courses with local institutions or consultants • TOT • Curriculum development workshop • Workshop on how-to's of consulting practice | NA | NA | <ul style="list-style-type: none"> • Wharton's Snider Entrepreneurial Center • Univ. of Georgia SBDC | <ul style="list-style-type: none"> • HIID case-writing workshop, or other curriculum development workshops • Univ. of Pittsburgh TOT workshop • TRG workshop for trainers | |

**Table II
Training Costs**

Costs for individual training programs will vary. The following are estimates of costs for each type of activity (U.S. training includes \$2500 for air fare):

| | | |
|---|---|----------|
| • | In-country training program: | |
| | - with outside technical assistance Assumes 2-week duration, 1-2 consultants, and materials development. Local costs (facilities, transportation, per diem for participants) would be additional. | \$60,000 |
| | - with local technical assistance | \$25,000 |
| • | IESC In-country technical assistance Covers consultant's travel and per diem (services are voluntary) | \$10,000 |
| • | Entrepreneurs International internship | \$ 8,000 |
| • | U.S. Short term program (non-degree) | |
| | 1 month - no ELT | \$ 6,000 |
| | 2 months - no ELT | \$ 9,000 |
| • | Study Tour/workshop - U.S. (2 weeks) | \$ 6,000 |
| • | Short term program - Africa | \$ 3,000 |
| • | Study Tour/workshop - Africa (2 weeks) | \$ 3,000 |
| • | HRDA Regional Workshops (covers travel and per diem; workshop costs covered by AFR/TR/EHR) | \$ 2,500 |

D R A F T

Table III
HRDA Funding Levels and Illustrative Training Budgets

Below are three illustrative one-year budgets for private sector training, showing what can be done with annual funding levels of approximately \$250,000, \$475,000 and \$650,000 for private sector activities.

| <u>Type of training Activity</u> | <u>Budget 1</u> | <u>Budget 2</u> | <u>Budget 3</u> |
|-----------------------------------|---------------------------|---------------------------|---------------------------|
| In-country training | | | |
| - With U.S. technical assistance | 1 course \$60,000 | 2 courses \$120,000 | 3 courses \$180,000 |
| - With local technical assistance | 2 courses \$50,000 | 6 courses \$150,000 | 8 courses \$200,000 |
| IESC Technical Assistance | 2 T.A. \$20,000 | 4 T.A. \$40,000 | 5 T.A. \$50,000 |
| Entrepreneurs International | 4 Internships \$32,000 | 6 Internships \$48,000 | 8 Internships \$64,000 |
| U.S. Short-term Training | 5 courses \$30,000 | 6 courses \$36,000 | 8 courses \$48,000 |
| U.S. Study Tours | 4 persons \$24,000 | 6 persons \$36,000 | 8 persons \$48,000 |
| 3rd-country Short-term Training | 3 courses \$9,000 | 6 courses \$15,000 | 8 courses \$21,000 |
| 3rd-country Study Tours | 4 persons \$12,000 | 5 persons \$15,000 | 6 persons \$18,000 |
| HRDA Regional workshops | 5 persons \$12,500 | 6 persons \$15,000 | 8 persons \$20,000 |
| TOTAL ANNUAL BUDGET | \$249,000 | \$475,000 | \$649,000 |

V. MANAGEMENT AND IMPLEMENTATION OF HRDA PRIVATE SECTOR TRAINING ACTIVITIES

Management of the HRDA program is much more labor-intensive than either of its predecessor projects (AMDP I & II). HRDA activities for FY 90-92 will include more in-country training than USAID has previously performed, and the selection and processing of a significant number of candidates for study tours and short term training in the U.S. and third-countries.

In order for the mission to manage this increased level of activity without becoming overburdened, it is recommended that USAID hire a Cameroonian PSC to coordinate private sector training activities, and establish a Private Sector Advisory Board to assist with implementation.

A. Private Sector Training Coordinator

The Private Sector Training Coordinator (PSTC) will be the focal point of all mission private sector training activities, and as such will play a key role in the success of the HRDA project. Key aspects of this position are described below:

1. PSTC Characteristics and Skills

In order to successfully accomplish the job, the PSTC will need to have the following characteristics:

- Significant experience in the private sector, and a clear sense of how private businesses operate.
- Well-developed set of contacts in the business community.
- Fluent in French and English.
- Young (early to mid-30's) but with sufficient maturity to deal with high level private and public sector actors.
- Risk-taker who is ambitious, dynamic, and looking for a challenging yet rewarding job.
- Ability to brainstorm, strategize, and solve problems.

- Good interpersonal skills and persuasive abilities; good at getting the foot in the door with busy businessmen or government officials.

2. PSTC Roles and Responsibilities

The PSTC will coordinate all HRDA-funded and other mission private sector training activities, and will have the following responsibilities:

- Provide liaison between the mission's Training and Private Sector Offices (as well as other mission offices) to meet key private sector training objectives. Thus the position will have dual reporting responsibilities.
- Organize the Private Sector Advisory Board, including identification of key private sector players to serve as its members, and providing guidance on its functioning.
- Chair the Private Sector Advisory Board, which will have ultimate responsibility for decisions on:
 - publicity of training activities,
 - selection and recruitment of candidates, and
 - monitoring and evaluation of training activities.
- Forward all requests to USAID for private sector training to the PSAB prior to the board's regular meetings.
- Plan and organize all in-country training.
- Develop and maintain contacts with:
 - business associations,
 - key Cameroonian businessmen and women,
 - local training institutions, and
 - GRC ministries working with the private sector, to determine training needs and promote current mission training activities.

- Liaise with other donors and donor-funded projects to maximize cooperation and avoid duplication of activities.
- Maintain contacts with returned participants to monitor quality and results of training.
- Keep abreast of U.S. and Third country training resources, through contact with AFR/TR/EHR, OIT, PIET, USDA and other missions with private sector activities.
- Draft scopes of work, contracts and PILs for in-country training activities, and PIOPs for U.S. training.

3. Funding the PSTC position

The mission should be prepared to offer a salary that is attractive enough by Cameroonian standards to attract high caliber candidates. Missions may use one of several mechanisms to fund the position:

- Split the position among the offices which will benefit from it (e.g. EHRD and Private Sector Office).
- Use local currency counterpart funds if these are available
- Use HRDA funds to provide for this position, if other mission funds are not available.

The Mission is advised to use a funding mechanism that will allow the PSTC to travel freely to regional conferences or on study tours to other countries to observe training institutions or business support organizations.

B. Private Sector Advisory Board

In order to assist USAID/Cameroon address the needs of the private sector, a key element of the HRDA private sector training strategy is the creation of a Private Sector Advisory Board (PSAB). The PSAB, made up of private entrepreneurs and representatives of organizations and institutions working directly with the business community, will recruit and select training participants, evaluate the quality, nature and direction of activities planned under HRDA, and act as the mission's sounding board/barometer for private sector training needs in Cameroon.

The PSAB's responsibilities include:

- Implementing the following activities, possibly by dividing into smaller working committees which would meet quarterly:
 - Determine the schedule and venue of training activities.
 - Publicize training opportunities, and inform key players in private sector development of mission training activities.
 - Recruit and select "short list" candidates for final approval by the mission.
 - Monitor and evaluate training programs, and conduct follow-up interviews with training beneficiaries.
- Transmitting all recommendations or findings on recruitment, monitoring and evaluation of training activities to USAID/Cameroon on a regular basis.
- Meeting annually to report on the past year's activities, and determine the overall scope and direction of mission private sector training activities.

It is recommended that the PSAB be composed of no more than seven persons, with the PSTC serving as the board's chair. The following organizations and types of individuals are recommended as board members:

- Chamber of Commerce
- CAMCCUL or other coop representative
- Training Institution representative
- Private consulting/training firm
- Two entrepreneurs

At least two of the committee members, including one of the entrepreneurs, should be women.

In order for the PSAB to gain the necessary credibility with the private sector, and effectively carry out its work, it is advisable that the board be composed entirely of private sector individuals, with the exception of the representative for the training institutions.

However, if prevailing conditions necessitate government participation, a government official could also be included on the board. Preferably this person would be a proactive and pro-private sector person who might be drawn from an SME promotion unit or other relevant office.

Note: care should be taken to choose board members who have enough seniority, energy and experience to make wise counselors, but who are not so busy they are unable to attend meetings or carry out the board's work.

It is proposed that the mission provide a small local-currency budget to the PSAB to cover expenses for publicity for training activities and other logistical expenses, such as travel expenses for board members living outside Yaounde to attend meetings. The mission may also wish to provide training to the PSAB, such as study tours to other countries with successful PSABs, or workshops in facilitation methods.

C. Implementation Steps

In order to ensure the HRDA program begins on the right foot, it is recommended that the following steps be taken:

1. Hiring of Private Sector Training Coordinator

Ideally this activity will be completed by end of July 1990. The USAID Private Sector Advisor and the Canadian incubator project manager have already suggested several excellent candidates, however the mission should widely advertise the position to ensure a strong pool to choose from.

2. Orientation and Training

It is advised that the following steps be taken to orient and train the PSTC:

- The PSTC should be sent immediately to Conakry to observe the successful PSTC/PSAB operation run by Moustapha Diallo at USAID/Guinea. A two-week TDY is advised to learn how Diallo set up his operation and pitfalls to avoid.

- On the return trip, the PSTC should stop over for several days in Abidjan to meet with HRDA regional staff there, and - more importantly - with the REDSO Contracts specialists, who have experience with contracting for in-country training activities.
- Once back in Cameroon, the PSTC will work with the HRDA Regional Training Support Advisor on the planned evaluation of in-country training institutions, which will further increase his/her experience and contacts.

3. Organization of the PSAB

It is strongly advised that the PSAB be formed only after the PSTC is on board and has completed orientation. His/her input on the board's composition will be valuable, and will ensure there are no personality/authority conflicts at the outset. The PSTC should work closely with the EHRD and Private Sector Officers to select board members, using criteria listed above.

D. Recruitment and Selection of Participants

Recruitment and selection of participants will be key to the success of the program. The PSAB, when constituted, will play a major role in publicizing training opportunities, recruiting and selecting participants from the private sector.

1. Publicity

The PSAB will be responsible for fully informing the local private sector community of training opportunities, through newspaper ads, radio announcements, and notices posted at key locations, (e.g. the offices of the Chamber of Commerce, and other business support organizations, etc.), as well as through personal, informal contacts in the local business community. A sufficient amount of funds should be made available by the mission for costs incurred for advertising, leaflet reproduction, etc.

2. Selection Criteria

The PSAB should establish selection criteria for candidates 1) for U.S. internships and short term training opportunities, within the established AID guidelines, including Handbook 10 where applicable, and 2) for local training, within established mission guidelines. Candidates should be selected both for their individual qualifications

and on the profile of their firms (i.e. growth and job creation potential, sectors of activity, etc.).

As SMEs have been selected as a primary target audience for HRDA activities, the PSAB may wish to establish a working definition of what constitutes an SME (size of business, gross sales, etc.), and is advised to confer with other key players promoting SME development (e.g., IBRD, UNDP, banks, GOC, etc.), to come up with a widely acceptable definition, and therefrom, a set of criteria to determine those needing training assistance.

3. Application and Selection Procedure

Potential participants would be expected to submit a letter requesting a specific training activity, along with an application form, to be devised by the PSAB in collaboration with the mission. The form would contain key information on the individual's training and work experience, information about his or her company, and an explanation of why the training activity is needed and how the knowledge/skills gained will be put to use afterwards. The forms would be used to determine a candidate's eligibility for the particular training activity, and would also serve as the basis for building a mission database on private sector operators and their training needs.

The Private Sector Training Coordinator, under the guidance of the EHRD Officer, will be responsible for collecting applications, evaluating them for completeness, and turning them over to the PSAB to make its selection. The PSAB will select candidates and transmit its decisions to the PSTC for final approval by the mission. Once candidates are selected, the PSAB will be responsible for informing participants of their selection, while the mission will complete the necessary paperwork.

This general process should be used, with any modifications deemed necessary by the mission or PSAB, for the selection of all candidates for U.S., third country or in-country training or study tours. Where technical assistance is required to complete an activity (e.g., course development by outside or local experts), the PSAB will evaluate the consultant's proposals and forward its choice to the mission, which will make the final approval and handle the administrative and contracting aspects of the T.A. Where support is to be given to a particular institution or association to organize an activity or activities, the PSAB should delegate one of its members (who may also be a

representative of that institution or association) to liaise with the organization concerned, and should target one person within that organization to coordinate all HRDA activities.

E. Evaluation and Follow-up

Evaluation and follow-up of the private sector component of HRDA is an important aspect of the project, as it is for any training program. All participants will be expected to complete a brief evaluation form, to be devised by the PSAB in collaboration with the mission, which will be used to determine the quality and effectiveness of the training.

Returned private sector participants (or those who have completed an in-country training activity specifically developed or organized by HRDA) should be interviewed immediately upon returning from their training, and a brief written report of each evaluation should be made by the PSAB, for its and USAID records. The PSAB should consider these evaluations when preparing for future programs, and should adjust subsequent activities as necessary, within the guidelines of the project.

In the case of participants who have merely benefitted in-country activities training activities, the participant's evaluation form may be deemed sufficient for reporting purposes, unless the mission feels it is necessary to interview some or all of these people.

Periodically, groups of returned participants should be invited to discuss aspects of their training and possible follow-on activities with the PSAB and mission training staff.

F. A.I.D./Washington Backstopping

AFR/TR/EHR will backstop the USAID/Cameroon training office as necessary, through use of its HRDA Regional Training Support Advisor (TSA). The TSA will assist AID mission personnel with implementation of Private Sector Training under HRDA.

The TSA reports directly to the Private Sector Training Coordinator in Washington, and will interact with AID mission personnel, private sector advisory committees, local training institutions, business support associations, and others as necessary.

The TSA will assist USAID mission personnel improve, as needed, their capabilities in performing the following tasks:

- Developing and modifying Country Training Strategies and Plans;
- Establish and work with Private Sector Advisory Committees;
- Budget for and monitor implementation of HRDA activities;
- Facilitate implementation of private sector training under HRDA project;
- Advise missions of best available private sector training in US and US organizations available for in-country workshops and seminars.

The TSA will assist regional training institutions improve, as needed, their capacities to provide appropriate training in support of HRDA goals. This includes:

- Assistance in course development;
- Serve as a resource to identify technical resources required to develop course materials;
- Facilitation of linkages with designated US institutions;
- Function as a catalyst to advance private sector training and promote its sustainability in these institutions.

The TSA will actively serve as a liaison between AID/Washington and the HRDA missions, communicating issues raised in the field to Washington, as well as providing information to the mission regarding innovative techniques utilized in other HRDA countries. The TSA will also participate in the development of an HRDA project manual outlining procedures used by and resources available to Training Officers in carrying out their HRDA activities.

G. Additional Technical Assistance Available under HRDA

Additional assistance is available to the mission under the LABAT-ANDERSON Inc. HRDA contract. Missions may "buy-in" to the

LAI contract for services related to private sector training activities.

Generally speaking, the core-funded TSA should be able to handle much of the technical assistance needed by the mission. However from time to time the mission may need certain specialized services which fall within LAI's overall scope of work, but which may demand more time or individualized service for the mission than can be provided by the TSA. Instances where an LAI buy-in may be advisable for the mission include:

- Services needed in excess of the four days per quarter of TA allotted to each mission, or services needed at a time when the TSA is fully booked for work in other countries in the region.
- In-depth training needs assessments of target populations highlighted in the PSTNAs, eg: informal sector, women entrepreneurs, manufacturing sector, agribusiness sector, mid-level and line managers, etc.
- In-depth assessments of local training resources considered in the PSTNAs; to identify immediately available in-country resources, and target areas to be strengthened through HRDA assistance; e.g. training of trainers, curriculum development, staff development, etc.
- Identification of training and technical resources available for U.S., third-country or in-country training; handling of contracting, implementation and other follow-up with resources in order to facilitate the activity for missions.
- Design and implementation of in-country training activities stemming from needs expressed in the PSTNAs, in the assessments described above, or from other needs which become evident over time. These could include joint development of training courses with local institutions, training of trainers (TOT), etc.
- Organization of in-country conferences, roundtables and workshops in support of private sector development, based on needs expressed in PSTNAs or yearly Country Training Plans.
- Evaluation of HRDA activities, including evaluation of in-country activities to date, impact of U.S. and third country training on returned participants, impact of

TOT on local training institutions or business support organizations, and strategies for improving mission HRDA activity portfolio.

The mission is advised to consider using the buy-in for in-depth assessments, or organization of specific workshops or conferences, as much of the on-going TA and troubleshooting related to implementation should be capably handled by the TSA.

LABAT-ANDERSON can directly provide services for most of the illustrations cited above through its associates roster of short-term consultants. A few of the specialized services required by the missions may be new kinds of training activities, for which there are no existing "off the shelf" programs. When appropriate, LABAT-ANDERSON will provide services through subcontracting with other individuals, firms, universities and institutions which will bring their expertise to bear in designing new training to reflect the specific needs of the local private sector.

All of the above services fall within LAI's original scope of work, as defined in the contract, and thus in principle could be provided for through core funds. However, in reality AFR/TR/EHR budgetary restraints prevent core-funded technical assistance from handling each and every mission request. In fact, AFR/TR has already established priority categories among participating HRDA countries, with limitations placed on services available to non-Category 1 countries.

For missions with problems that fall between TSA follow-up visits, or that demand special attention or expertise, using the buy-in facility to identify and contract with the necessary resources may be the most efficient method, from the mission's standpoint.

ANNEX 1

EDUCATIONAL AND TRAINING RESOURCES AVAILABLE TO THE PRIVATE
SECTOR IN CAMEROON

A. Local Training Institutions

Most of Cameroon's educational institutions are government-run, and were set up under French or British models, depending on their location. In general they are largely theoretical and oriented towards providing training for the public sector. In addition, enrollment is generally limited to a select few, for whom all costs are subsidized by the government. However given the country's current economic difficulties, many of the institutions have seen their enrollments fall and their budgets cut, which have prompted them to look towards the private sector as a potential source of revenue. Under current regulations, most government-run institutions are required to turn over all revenues to the Treasury, a factor which has hampered the development of for-profit services.

Some schools are beginning to look ahead, and even have petitioned the government to change the statutes. However it is clear that a number of institutions continue to operate as if the government will continue to support them indefinitely.

1. CENAM

The Centre des Ecoles Nationales d'Administration et de Magistrature offers training for civil servants through its three branches; ENAM (Ecole Nationale d'Administration et de Magistrature), ITAF (Institut des Techniques Administratives et Financières) and ISMP (Institut Supérieur de Management Publique). ENAM and ETAF offer the classic courses in administration and technical areas which are requisite for advancement in the civil service. The Institute of Management offers short-term courses in a variety of areas, and is interested in developing private sector clientele. Currently its clientele are largely ministry and parastatal clients, although ISMP has also done some tailor-made training for the staff of the Sofitel Hotel. CENAM has very large facilities which are currently under-utilized, some of which have deteriorated over time. However the school's leadership has expressed an interest in providing space, logistics and training staff for training activities.

2. CENAFOP

The Centre National de Formation Professionnelle (CENAFOP) in Douala offers short-term courses in management to private and parastatal organizations. The assessment team found that those aware of CENAFOP or who had participated in their courses considered it to be a worthwhile institution, although beyond the price range of most SMEs.

3. Cooperative College

The Cooperative College in Bamenda was established to train management and staff of the country's anglophone cooperative organizations. The school has traditionally offered two levels of training, for Assistant Cooperative technicians and Cooperative Technicians, in the areas of Accounting and Bookkeeping, Cooperative Management, Cooperative Law, Economics and other subjects. However the school appears to have trained sufficient numbers of such technicians to meet current needs for entry level workers. This combined with falling revenues for coop products like coffee and cocoa have led to a drastic drop in enrollment, which is down from 75 in the 1970's to 25 in 1989-90. In 1987 and 1988 the school had no new students, although it gained some in 1989. The school is interested in offering short-term refresher courses to those it has already trained, including new areas such as marketing. However, as a state institution, it faces decreasing funding, and has no resources to develop new courses, nor the ability to keep revenues earned from such courses if they could be offered. Most of the 17 academic staff are agronomists or economists by training, and have little or no experience with cooperatives. A sister institution for francophone cooperative managers in Ebolowa has similar problems, and currently has no students.

4. ESSEC

The Ecole Supérieure des Sciences Economiques et Commerciales (ESSEC), at the University Centre in Douala, is the branch of the university system which offers courses in management and business administration. ESSEC offers a four year program leading to a Diplôme d'Etudes Supérieures de Commerce (D.E.C.S.), with three specialization options: Accounting and Finance, Commerce and Marketing, and Production Management. According to its catalog, other options can be designed to suit the needs of a student: Management of Information, Personnel Management, New Business Creation. The program includes internships in local companies, and a thesis which usually revolves around a market study or other business-related research project. The school is generally seen as following a French model, and has been criticized by some as being very theoretical.

5. University Centre of Dschang

The University Centre at Dschang is the agriculture branch of the country's university system. Created in 1973 to train agricultural experts for the civil service, the school has been completely overhauled under an \$18-million USAID project. The project, begun in 1983, aims to make the curriculum more relevant to Cameroon's current agriculture education needs, including a new orientation towards training students for private sector agriculture jobs. Two institutions were merged into one, and many of the teaching staff were let go. Current intake is around 200 students a year for the four-year program. Almost 50 professors were sent to the U.S. for long-term training, and most had returned by the time the new administration was officially set in place in January 1990.

The school has three major functions: teaching, research and outreach, with an increased emphasis on providing services to the private agriculture and agribusiness communities. The school has nine departments, including plant, animal and soil sciences, agricultural economics, agricultural engineering, forestry, rural sociology and others.

In the past the school was criticized for having too theoretical an approach. As a result, much of the curriculum, particularly for the 3rd and 4th years, is still under development, and the new administration is attempting to inject more agribusiness-related materials into courses, as well as weaving management issues throughout the curriculum. Study programs include practical internships in agricultural and agribusiness concerns, and research projects focusing on the country's current agriculture system.

The school's research component has been tightened up to allow funding only for research related to Cameroonian agricultural needs or issues, including studies of the export hardwoods market, development of rare medicinal plants, etc.

The school's improved outreach program has attracted a growing private sector clientele for services such as soil analysis, crop and fertilizer data-gathering, technical advice in animal and plant production.

Dschang also seeks to create a separate Center for Professional Development, which would offer short-term continuing education courses to the public. Courses offered would likely include management issues related to running agriculture-related businesses, which the school has already targeted as a key demand. The school has also expressed an interested in working

with micro-entrepreneurs and village farming groups, many of whom have little or no access to training.

The school recently completed a survey of the former school's graduates and their employers, to determine ways to make their programs more responsive to clients.

One issue which remains to be resolved is the restrictions placed on state-run universities regarding the income the school earns from activities outside normal teaching, including consulting, outreach, and any future continuing education courses. At present, all revenues go straight back to the government, and the school operates solely on its yearly budget allotted by the government. If only to ensure its own viability, the school will need to find and keep outside sources of income to offset government budget cuts and other austerity measures.

B. Regional Training Institutions

1. PAID/IPD

The Pan-African Institute for Development (PAID) is a regional African training institution with four centers, one in Burkina Faso, one in Zambia, and two in Cameroon. The Institute is based Douala, which is also the site of its center for Francophone Central Africa, referred to by its French acronym IPD (Institut Panafricain Pour le Developpement). There is also a PAID center for Anglophone Central and West Africa in Buea.

PAID/IPD offers planning, management and training for the rural development sector in Africa. The Institute was created in 1964 as an international, private, non-profit organization in Switzerland, and was moved to Cameroon in 1965.

Course areas at the IPD/Douala center include training for middle and senior level managers in the areas of regional development planning, project development and management, health, training of trainers, and information management. In addition IPD/Douala is currently seeking to establish itself as a center for small enterprise development training. Clients include government ministries, parastatals and NGOs. Traditionally PAID/IPD's courses have run 4-6 months, however it has been looking to develop shorter modules.

2. UNEDIL

The UNEDIL Program to Strengthen African Training Institutions is an Africa-wide project of the United Nations Development Program, World Bank Economic Development Institute, and the ILO. Other

donors, including A.I.D./AFR/TR, also provide support for the project. The program provides technical assistance and training to reinforce 16 training institutions in sub-Saharan Africa. The regional office for francophone institutions is based in Douala, at the regional headquarters for PAID/IPD (see below). The mission is advised to liaise with the UNEDIL office on activities involving local or regional training institutions, in order to share experiences and information on course offerings, trainers, and other aspects of technical support to local institutions.

C. Private Training Institutions

A number of private training institutions and consulting firms have started up to meet the demand for training and technical assistance in the private sector. One example is Input-Output Computer Services, a computer training and service company that is already known to the mission. Such firms may be logical choices for implementing in-country training, and the mission is advised to keep abreast of developments in the private training and consulting field, as some of the firms may be useful for implementing in-country training programs.

ANNEX 2

BUSINESS SUPPORT ORGANIZATIONS IN CAMEROON

A. Chambre de Commerce

The Chamber of Commerce and Industry, based in Douala, is set up on the French chamber model, with automatic participation of all registered businesses in the country through a government tax. The Chamber has traditionally offered evening classes in electrical maintenance, welding, masonry, etc., and secretarial courses at several technical high schools in Yaoundé and Douala. The courses are offered at a nominal fee, at a rate set by the government, and are one and two year programs leading to certificates. However the Chamber's annual allotment from the government has dropped substantially in the past several years, and the course offerings were dropped to only two for the 1989-90 academic year, and are likely to be dropped entirely next year for lack of funds. A loosening of government restrictions on training revenues, course structures and the general functioning of the Chamber could allow it to compete with private firms in offering training and other services to the private sector. However it continues to operate as more of a government parastatal, heavily dependent on government financial support to carry out its operations.

B. CAMCCUL

The Cameroon Cooperative Credit Union League (CAMCCUL) regroups 240 credit unions representing 72,000 individual depositors. The league operates nationwide, although the bulk of its membership and operations are centered in the Bamenda region in the anglophone Northwest province. The credit unions are largely made up of individual savers, although some cooperatives and village associations also belong. The management and staff of the credit unions are often business owners, civil servants or farmers who work part-time or on a volunteer basis to run the credit unions. CAMCCUL has an extensive in-house training program for its 30-40 central office staff, management and personnel of the member credit unions staffs and to individual depositors. However the League is also interested in locating outside resources for training its members in areas where its own expertise or capacity is limited. The League recently began a program of offering "productive credit," destined for investment in business projects, and is particularly interested in providing marketing, financial management and other business skills to entrepreneur or newly privatized agricultural cooperative participating in this program. Cameroon's first Entrepreneurs

International participant was a cooperative banker nominated by CAMCCUL and sponsored by USAID/Cameroon HRDA funds.

C. Caisse Commune d'Epargne et d'Investissement

The Caisse Commune is Cameroon's first wholly private bank, formed by Cameroonian bankers and businessmen several years ago to meet the growing liquidity crisis and ensuing credit crunch. The bank has targeted SMEs from the formal and informal sectors as its primary clients, a group that was largely ignored or overlooked by the state-owned and foreign subsidiary banks in the past. Bank officials say their approach has attracted over 300 depositors, and that there are 120 loans in the pipeline. The bank offers all the usual commercial bank services, as well as technical assistance to borrowers to help them do feasibility studies, locate partners and get their businesses off the ground. The Caisse has also created several innovative products, including Flash Cash, a form of local traveler's check which can be purchased in large denominations (25,000 - 1 million CFA), which have attracted many businessmen involved in tontines. The bank has operations in Yaoundé, Douala and Bafoussam, and hopes to continue expanding in other areas of the country. The Caisse is working with the Canadian business incubator project (see below) to provide financing for the project's new businesses.

Generally speaking, the Caisses appear to be run by a group of young, dynamic officers who seem determined to increase the bank's assistance to SMEs. By targeting and winning over a group of clients which has traditionally shied away from formal banks in favor of tontines, the Caisse has tapped a vast hidden market of potential depositors and borrowers, while providing a much-needed service for SMEs.

D. Centre de Creation d'Entreprises de Yaoundé

This center is a four-year, C\$1 million business incubator project set up by the Canadian government to offer financial and technical assistance to promising entrepreneurs. Forty entrepreneurs will be selected on the basis of their business proposals, and will receive technical assistance to take them from the proposal stage through feasibility studies, financing and the actual setting up of their operations. The incubator is "without walls," i.e. the entrepreneurs maintain their own workshops and come to the center for information, training and other assistance. Another incubator, designed to be "within walls," or set up in the traditional model where all businesses are located on one site, has yet to get underway due to difficulties in locating an appropriate site in Douala.

E. Direction des PME

The Directorate for Small and Medium-sized Enterprises (SMEs) is a government office under the Ministry of Industrial and Commercial Development which is responsible for defining and coordinating government policy on SMEs. However the Directorate is severely hampered by lack of funds, which has prevented it from carrying out its task. Directorate officials indicated to the assessment team their interest in tabulating and updating statistics on small businesses, researching the regulatory environment governing SMEs, and identifying training needs. However unless the work of this office is accorded a higher priority by the Government of Cameroon, it is unlikely that much of this work can be done. Nonetheless it is advisable that the mission remain in contact with the Directorate, as it could become a more important player in SME development in the future.

F. Export Promotion Center

The Export Promotion Center, which is still in the planning stage, is intended to be a "one-stop shop" for all foreign or local owned businesses seeking information and assistance in obtaining investment approval. The center would be responsible for overall national investment promotion efforts, although over the short-to-medium term its focus would be principally on IFZ promotion. Once the center has been established, training for its staff and for local investors could greatly increase the center's effectiveness in serving its clients. Many of the training activities suggested for the International Free Trade Zone in Section IV, Table 1 would be appropriate for the Export Promotion Center as well.

G. La Financière

La Financière is a group of young Cameroonians who have banded together to form a fledgling venture capital group. Although the assessment team was unable to meet with the group, it assumes the group's organization is similar to Mali, Cote d'Ivoire and other francophone countries where other local "Financières" have been started. The groups are usually made up of young professionals who find themselves unable to acquire loans for starting up new businesses. Similar in many ways to the traditional tontines or njanjis, the group's members each contribute an equal monthly sum to a communal pot. The money is added to each month until the total is large enough for the group to leverage bank loans with it. Then the group loans out money to its members for individual or group business ventures, becoming a small venture capital fund.

H. FOGAPE

FOGAPE is the Cameroonian government's Aid and Loan Guarantee Fund for Small and Medium-sized Enterprises. It is responsible for providing credit and technical assistance in management and accounting to SMEs. Some of the projects it has financed include hotels, coffee processing plants and other small factories. Given the government's financial difficulties, it is unclear if the agency will be able to continue providing loans to small entrepreneurs. FOGAPE recently began implementing a UNDP/ILO "Young Business Promoters" project to recruit and train 40 young entrepreneurs. The project has already received 1500 applications.

I. GICAM

GICAM, the Groupement Interprofessionnelle Camerounais, brings together many of Cameroon's oldest largest businesses, many of which were or still are French-owned and/or operated. Over the years most of the country's parastatals have also joined, as have the country's transport and employer's unions, and the membership spans the range from industry to trade to legal and other professions. GICAM serves as a key spokesman for Cameroonian business in discussions with the government. In recent years, with the onset of the country's economic crisis, GICAM officers say the government has more actively sought the group's input prior to passing laws affecting the private sector. In addition GICAM serves as a clearinghouse for information on the customs and investment codes, trade laws, and its membership. The group also publishes a Directory of Government Officials, and a regular bulletin on business trends in the country.

J. MIDENO

The Mission de Développement du Nord Ouest (MIDENO), was created in 1982 to oversee all rural development activities in Cameroon's Northwest province. MIDENO serves as a coordinating body, executing activities indirectly through six government executing agencies. It is responsible for project management, planning evaluation and monitoring, and finance control for projects in agricultural extension, agricultural research and seed multiplication, agricultural credit, rural roads, village water supplies, and institutional support for cooperatives. The organization oversees 10 Training Demonstration Centers in the province which provide training in all six areas of the project. Monthly coordination meetings are held with all development agencies in the region, including the government agencies, CAMCCUL, etc.

MIDENO is 80% funded by the European Development Fund, ADB, World Bank and other donors, while salaries are paid by the Cameroonian government. Five of the key staff were expatriates who have now been replaced by their Cameroonian counterparts. They oversee a staff of 85, including 10 civil servants and 75 direct contract hires, and, indirectly, the 380 field workers of the six executing agencies. The project has been viewed as a success by donors, who agreed to fund a second five-year phase beginning in July 1990. There is also a possibility that MIDENO or a MIDENO-type project be used for coordination of development projects in other regions of the country.

Although only some of MIDENO's activities relate directly to private sector activities, the organization does appear to have its finger on the pulse of agriculture-related activities in the region, and should be an important resource for USAID in the region.

K. OICI

Located in Buea, Cameroon's OICI offers training in a wide variety of subject areas. A survey conducted by OIC in the Southwest Province in 1988 provided the basis for the development of several business management courses provided on a fee basis.

L. Syndustricam

Syndustricam is the employer's union of Cameroonian industry. The group is a mix of private and parastatal industries. It is focused exclusively on the industrial sector of the economy. As a result, its membership is comprised of a relatively small but influential group of business people.

M. UCCAO

The Union Centrale des Cooperatives Agricoles de l'Ouest (UCCAO), was formed in 1958, to bring together six large agricultural cooperative organizations in six departments in the country's Western Province. The coops grow a large part of the country's coffee and cocoa crops. The union is wholly private, although government officials serve on its governing board and a some of its staff are civil servants detached from their ministries. The union collects and markets the crops grown by its members, and provides seeds, fertilizer and inputs at the beginning of planting season.

Five percent of revenues are allocated for training activities for UCCAO and member cooperative staff, extension agents, and

farmers. In addition, UCCAO has used funds from a World Bank-financed integrated rural development project to fund a variety of training activities. The courses have ranged from electrical maintenance and computer training to purchasing, personnel and cooperative management.

Despite sharp drops in revenues, UCCAO officials hope to continue funding training, and even spoke to the assessment team about plans to establish a regional Cooperative Training and Continuing Education Center (Centre de Formation et de Perfectionnement des Cooperatives) to offer short term to courses to cooperatives in other regions and specializing in crops other than coffee and cocoa. UCCAO has sent several participants to the U.S. under HRDA, for short courses in marketing, information management and other management topics.

N. Women's Organizations

The Groupement des Femmes d'Affaires (GFAC) was founded several years ago as a businesswomen's self-help group. It claims a membership of about 300, of which an estimated one-third are active dues payers. Many of the members are market women, who were drawn to the group by its charismatic leader, herself a successful businesswoman and politician. Currently the GFAC offers no specific technical assistance, but has facilitated apprenticeships and contacts between members and with the Groupement des Femmes Chefs d'Entreprises Mondial, of which it is a local affiliate. However the GFAC's scope of activities has been largely defined by the interests and commitment of its founder, which prompted a number of its members to break away and form another women's organization.

The Association National des Femmes Chefs d'Entreprise was formed recently by a breakaway faction of GFAC, including a number of lawyers, doctors and other professional women. Like GFAC, the group is small and currently provides more networking and contacts between members than it does specific services.

The two women's groups both have potential to become powerful organizations, as there is a significant base of women entrepreneurs in Cameroon. However they will need technical assistance to get beyond the current turf battles between the two, and to grow from small "old girl clubs" grouped around one or two strong leaders into viable service organizations. In fact, the New York-based Women's World Banking organization has encouraged both organizations to form a local WWB chapter.

D R A F T

ANNEX 3
DONOR ACTIVITY IN SUPPORT OF THE PRIVATE SECTOR

**Annex 3
Donor Private Sector Activities**

| Donor | Title | Type | Duration | Amount | Activities | Target Groups | Objectives |
|--------------|--|---|------------------------------------|------------------------|---|---|--|
| France | CCCE | Finance (concessional & non- concessional) | | | <ul style="list-style-type: none"> • LT credit for restructuring | State enterprise (including banking sector) | Policy reform |
| | PROPARCO | Finance (below mkt.) | Since early 80's- present | 1989-CFA 30,000,000 | <ul style="list-style-type: none"> • Finance investments • Seed capital for private enterprise joint ventures | Private business | 3-4 new businesses per year; later re- sell shares to Cameroonians |
| | FAC | TA | | | <ul style="list-style-type: none"> • TA in support of parastatal & banking reform • Lines of credit | State enter- prises Banking sector | |
| Canada | CIDA | Finance | | | <ul style="list-style-type: none"> • Forestry development banks | | |
| | Centre de Creation d'Entreprises | Finance & TA | 89-93 | C\$ 5 million | <ul style="list-style-type: none"> • Training, Finance & TA for 40 Entrepreneurs | Entrepreneurs | Develop successful businesses |
| | Rural Electrifica- tion | Finance & TA | 88-92 | CFA 800 million | <ul style="list-style-type: none"> • Install power lines | Rural areas | SME contracts |
| | Regifercam | Finance & TA | 87-91 | C\$ 7 million | <ul style="list-style-type: none"> • Purchase spare parts • Train maintenance | Regifercam | Maintenance |

Annex 3 (continued)
Donor Private Sector Activities

| Donor | Title | Type | Duration | Amount | Activities | Target Groups | Objectives |
|--------------------|---------------------------|-----------------|----------|-------------------|---|-------------------------------|---|
| Canada (cont'd) | ESSEC | Finance & TA | 89-93 | C\$ 12 million | <ul style="list-style-type: none"> • Scholarships • Course development • Seminars • Teacher exchange • Purchase equipment | SMEs | <ul style="list-style-type: none"> • Improve management skills • Improve training • Develop consultancy capabilities |
| Germany | KFW | Finance | 90-91 | DM 70 million | <ul style="list-style-type: none"> • Construct Edea-Kribi Rd. • Regifercam spare parts & communications equipment • Port of Douala equipment | Infrastructure Capital | |
| | CAPME | TA | | | <ul style="list-style-type: none"> • Feasibility studies for bank finance | SMEs | <ul style="list-style-type: none"> • Obtain financing • Assist govt. agency |
| | Promotion de la PME (GTZ) | Finance & TA | 86-90 | DM 5.5 million | <ul style="list-style-type: none"> • TA-Coordinator • TA-Mechanic & Electrician • Technical training: Yaoundé, Douala, Garoua, Bemenda | | |
| | BGCCI | TA | 84-91 | DM 3 million | <ul style="list-style-type: none"> • TA providing consulting on management, exports & joint ventures | SMEs | Management Training |

Annex 3 (continued)
Donor Private Sector Activities

| Donor | Title | Type | Duration | Amount | Activities | Target Groups | Objectives |
|---------------------|-----------------------------------|------------------------------|------------|---|---|--|-----------------------------|
| Germany (cont'd) | Senior Expert Service | TA | 85-present | | <ul style="list-style-type: none"> 4-5 visits by retired execs to provide short-term Tech. Asst. | Cameroonian Private Enterprises | Management Training |
| | Highway maintenance program (GTZ) | Finance & TA | 85-90 | DM 6.5 million | <ul style="list-style-type: none"> TA to assist w/maint. of Yaoundé-Douala Rd. TA at Garoua School of Maintenance | Government personnel | Training |
| | DEG | Finance | | | <ul style="list-style-type: none"> Purchase shares in companies & institutions | Camtainer Camship Fermes Suisses CICAM SOCA-HAVE BDEAC | Furnish equity |
| | DEG | Finance | | DM 10 million | <ul style="list-style-type: none"> Purchased 18% shares TA (mgmt contract): 3 Germans for 3 years | Credit Agricole | Reduce GRC to 40% of equity |
| Britain | Commonwealth Develop. Corp. | Project Finance (mkt. rates) | | £ 3 million £ 5 million £ 1 million | <ul style="list-style-type: none"> Palm oil processing Tin production Local joint-ventures | Micro-Enterprise | Finance |

Annex 3 (continued)
Donor Private Sector Activities

| Donor | Title | Type | Duration | Amount | Activities | Target Groups | Objectives |
|-----------------------------|--|----------------------|-----------------|-----------------|-------------------|---------------|------------|
| African Development Bank | Rural Development of High Sanga | Finance (below mkt.) | 85-93 | CFA 40 billion | Infrastructure | | |
| | IRD Southwest | Finance (below mkt.) | 87-92 | CFA 30 billion | Infrastructure | | |
| | Study for fish & animal breeding SW | Finance (below mkt.) | 91-93 | CFA 170 million | | | |
| | IRD Northwest | Finance (below mkt.) | 91-96 | CFA 5 billion | Infrastructure | | |
| | Mbalmayo-Ebolowa Rd. | Finance (below mkt.) | 89-91 | CFA 17 billion | Infrastructure | | |
| | Bafoussam-Foumba Rd. | Finance (below mkt.) | 91-95 | CFA 6 billion | Infrastructure | | |
| | Schools for Technical Training | Finance (below mkt.) | 91-93 | CFA 3 billion | Infrastructure | | |
| | Training/sanitary | Finance (below mkt.) | 91-93 | CFA 2 billion | Training (Health) | | |
| | Sanitation of old Train Station Valley | Finance (below mkt.) | 87-91 | CFA 3 billion | Infrastructure | | |
| Sanitation plan for Yaoundé | Finance (below mkt.) | 91-93 | CFA 800 million | Infrastructure | | | |

**Annex 3 (continued)
Donor Private Sector Activities**

| Donor | Title | Type | Duration | Amount | Activities | Target Groups | Objectives |
|--------------|--|-------------|-----------------|---------------|--|-----------------------------------|--|
| UN | Develop Human Resources in Dept. of SMEs | TA | 89-91 | \$ 653,000 | <ul style="list-style-type: none"> • Develop priority support pgms. • Develop internal capacity to respond to SMEs • Intense training of DSMEA | DSMEA personnel | Fully trained team of experts to support SMEs |
| ILO | Assistance for creation of enterprises by graduates & artisans | TA | 89-91 | \$544,000 | <ul style="list-style-type: none"> • Training in project design, management, finance & administration | 40 selected entrepreneurs | 40 new businesses |
| UNIDO | Inter-Enterprise Parternariat | TA | 89-90 | \$633,500 | <ul style="list-style-type: none"> • Comprehensive analysis of joint ventures in Cameroon • Create domestic institutional network • Launch joint ventures | SME managers, creators, promoters | Create network of support & promotion for joint ventures |
| | Triangular cooperation by financial institutions, consultants & SMEs | TA | 89-90 | \$229,000 | <ul style="list-style-type: none"> • Analyze consulting environment • Training • Seminars | Potential Business consultants | Improve performance of SMEs by establishing consulting SMEs & banking specialization in SMEs |

*mkt. = market

ANNEX 4

ADDITIONAL RECOMMENDATIONS/ACTIVITIES

The PSTNA team feels that HRDA could be an extremely useful tool in achieving mission goals. At current funding levels its impact will be meaningful, yet limited. Given the high level of mission activity in policy reform and private sector promotion, the use of HRDA funds in an attempt to change attitudes, raise issues, and gain publicity throughout the country would appear to be very appropriate. Highly visible, well publicized seminars covering subjects of concern to the population at large can create an aura of movement which will take on a momentum of its own.

In the event funding is substantially increased, the mission should consider undertaking one or both of the following activities:

Statistically Significant PSTN Analysis

The Cameroonian economy is among the most complex and diverse of all HRDA countries evaluated using the PSTNA methodology. The geographical dispersion of business centers, the depth and breadth of economic activity, and the particular problems currently faced by this country would argue for a more comprehensive approach to the needs assessment. Should the mission decide to increase the funding levels significantly to enhance support of its objectives the team would recommend undertaking a more comprehensive analysis of private sector firms' training needs than was possible during this consultancy.

The most efficient approach would be to recontact the firms surveyed as part of the MAPS study. A considerable amount of data already exist concerning these firms which should reduce the effort required to gather the necessary information. A time table for a training survey complement to the MAPS is as follows:

D R A F T

| | <u>Activity</u> | <u>Time Required</u> |
|------------|---|--------------------------|
| Phase I: | Revise existing questionnaire | one week |
| Phase II: | Conduct Pilot Survey on approximately 40 businesses included in MAPS. Enter and process data. Review results and modify questionnaire as appropriate. | one week |
| Phase III: | Train interviewers | two days |
| Phase IV: | Conduct Survey | two weeks |
| Phase V: | Enter and process data. | three days |
| Phase VI: | Analyze data to determine the most appropriate and sustainable types of business training. | one week |
| Phase VII: | Map results against available training resources in country to determine the best means of institutionalizing the courses. | two days |

This is, in effect, a market survey. As such it will provide insight into the types of training businesses are willing to purchase and at what price. If the results show that a substantial market exists for certain types of training, USAID can act as the catalyst to get for-profit enterprises involved. Other areas are likely to appear only marginally profitable though still valuable. USAID can assist not-for-profit institutions to develop courses that address these. In short, if the results are representative of the universe of firms in Cameroon, the base will exist to plan for business training which is capable of being run as a business. If money can be made, the training should be self-sustaining.

Labor Force Study in Support of the IFZ

Similar in nature to the above activity would be an assessment of the types of labor available to potential IFZ investors. A survey could be conducted using "auto-sampling" techniques which would greatly reduce the cost of interviewers. The GRC's new National Employment Fund provides a mechanism to capture valuable information about skilled and semi-skilled workers seeking employment in the IFZ. As part of the registration procedure the clients could fill out an additional questionnaire which would indicate not just what their work history is, but would also gather information about additional occupational interests.

This information could then be used in discussions with potential IFZ investors as quantitative evidence of the ready availability of certain types of skills. It would also be useful in targeting investment promotion efforts toward the types of industries which would most likely make use of the available labor supply. A data base which included names could be useful in identifying specific candidates for specific positions. The composite data could be useful in identifying the types of training required, in general terms, to complement the types of skills available.

ANNEX 5

PERSONS INTERVIEWED

(Y = Yaoundé, D = Douala)

USAID/CAMEROON

Mr. Butch Amundsen, Deputy Director
Mr. Jim Washington, EHRD Officer
Mr. Brian Ames, Private Sector Officer
Mr. Tham Truong, Program Economist
Mr. Richard Acha, Training Assistant
Mr. Max Williams, Health Officer

U.S. CONSULATE (DOUALA)

Mr. William Gaines, Consul
Ms. Geeta PASI, Vice Consul

AID/WASHINGTON

Mr. Myron Golden, CCWA
Mr. Bill Ford, Cameroon Desk Officer

GOVERNMENT OF CAMEROON

Mr. Keith MBEBOH, Presidency (Y)
Mme. ETOCK, Soudirecteur, Direction des PME (Y)

TRAINING INSTITUTES

Mr. Joseph DION, Assistant Director General, CENAM (Y)
Dr. NIDA II Elie, Director, ESSEC, Centre Universitaire de Douala
Mr. FINUNU Samba, Coordinator, UNEDIL Project
Mr. Atamana Bernard DABIRE, Professor, PAID/DOUALA
Mr. Prosper Ngoma MBEMBA, Professor, PAID/DOUALA
Mr. Clement Samgwa'a GWANYAMA, Director, National Cooperative
College (Bamenda)
Dr. Peter HARTMANN, Chief of Party, Agricultural Education
Project, University Centre of Dschang

PRIVATE SECTOR SUPPORT ORGANIZATIONS

Mr. BOBBOY Saidou, Secretary General, Chamber of Commerce (D)
Mr. Pierre TCHANQUE, President, Chamber of Commerce (D)
Mr. Ngameni KAMGA, Chef de la Division des Etudes
Chamber of Commerce (D)
Mr. A. B. NDOFOR, Manager, CAMCCUL (Bamenda)

ANNEX 6

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