



DENIS & LENORA
FORETIA foundation



Small Business and
Entrepreneurship
Center

OUTCOME REPORT

SBEC SME FORUM 2024



Strengthening Cameroon's
Entrepreneurial Ecosystem

SAVE THE DATE

SBEC SME FORUM 2025



APRIL 29-30
YAOUNDE-CAMEROON



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FOREWARD BY DR. DENIS FORETIA



The SBEC Forum, an annual event organized by the Small Business and Entrepreneurship Center (SBEC), brings together businesses, experts, consultants, policymakers, and development partners from across Cameroon and beyond at one platform to discuss and fund solutions to a wide range of issues prevalent in Central Africa and beyond. SBEC SME Forum, 2024 brought together entrepreneurs, policymakers, industry experts, and development partners to dialogue and deliberate strategies for enhancing the entrepreneurial ecosystem in Cameroon. 2024 theme, “Strengthening Cameroon’s Entrepreneurial Ecosystem”, could not have been timelier, given the significant role Small and Medium-sized Enterprises (SMEs) play in driving economic growth, job creation, and wealth distribution across the country and beyond.

Cameroon, like many other emerging economies, faces multiple challenges in its quest for economic transformation. It is notable that SMEs represent over 95% of registered businesses in the country, yet a staggering 70–80% of these fail within the first five years due to challenges such as high taxes, limited access to finance, and a lack of managerial support. Through this Forum,

we aimed at addressing some of these critical issues in pursuit of building a platform that supports the development of SMEs as engine of sustainable growth in the country and region as a whole.

The Forum’s discussions were further enriched by the participation of a wide range of stakeholders, including government officials, SME owners, business consultants, and representatives from both local and international organizations. Together, they examined the current entrepreneurial landscape, identified challenges, and proposed actionable way forward to work collaboratively to foster a more conducive business environment. Some of the key recommendations included, among others, the need for tax reforms, enhanced access to finance, and the promotion of digital transformation as critical drivers of SME growth.

Such a Forum is not easy to put in place as it calls for support from our partners and I would like to extend my sincere thanks to the Rising Tide Foundation and the John Templeton Foundation, whose support made this Forum possible. Their commitment to fostering a sustainable entrepreneurial ecosystem is truly commendable. I also express my gratitude to the SBEC and Foretia Foundation teams for their tireless efforts in organizing this impactful event.

As we move ahead, the insights and recommendations from this Forum would serve as a roadmap for shaping policies that empower SMEs to strengthen their capacities, contribute to economic development, and drive Cameroon toward a sustainable and prosperous future in lead up to Africa Agenda, 2063.

In addition, this report encapsulates our collective efforts and vision, and I am confident that the outcomes from the Forum would pave the pathway for a more vibrant and sustainable entrepreneurial ecosystem in Cameroon and in the larger quest for a prosperous Africa, going forward.

A handwritten signature in blue ink, which appears to read "Denis Foretia". The signature is fluid and cursive, written on a white background.

Acknowledgment

The success of the 2024 SBEC National Forum, under the theme Strengthening Cameroon's Entrepreneurial Ecosystem, is a testament to the collective efforts, vision, and dedication of a diverse group of stakeholders. We extend our deepest gratitude to all participants, including policymakers, entrepreneurs, business leaders, civil society representatives, and international partners, whose invaluable contributions helped make this Forum a resounding success.

This year's Forum would not have been possible without the support and commitment of our partners; the Rising Tide Foundation and John Templeton Foundation who made it possible for us to strive to strengthen the entrepreneurial ecosystem. Their willingness to listen, learn, and collaborate towards policy changes that foster a sustainable entrepreneurial ecosystem is truly commendable.

We are also grateful to our public and private sector partners, whose collaboration

and shared vision for advancing SMEs in Cameroon provided a robust foundation for our dialogue. Their advocacy for public-private partnerships and concrete recommendations to reduce the tax burden on SMEs has set the stage for actionable reforms that will propel Cameroon's economic development.

Finally, we recognize the efforts of the SBEC and Foretia Foundation team for their tireless work in ensuring the Forum's smooth execution. Their passion for fostering an inclusive and dynamic entrepreneurial environment was palpable throughout the event and remains at the heart of our mission.

Together, we have laid the groundwork for significant strides in promoting entrepreneurship as a driver of sustainable development in Cameroon. We look forward to continued collaboration as we transform the insights from this Forum into lasting impact for our nation's future.

About the Denis and Lenora Foretia Foundation and SBEC

The Denis & Lenora Foretia Foundation aims to catalyze Africa’s economic transformation through social entrepreneurship, science and technology, innovation, public health, and progressive policy. It collaborates with local governments, policymakers, private companies, civil society organizations, and development partners to enhance resources for entrepreneurs, farmers, small business owners and improve individual livelihoods. The foundation has three main departments amongst them the Small Business and Entrepreneurship Center that has brought us all here for these two days. The Small Business, Entrepreneurship Center (SBEC) aims to support Small and Medium sized Enterprises (SMEs) across the country and promotes pro-business policies that stimulate innovation and job creation.

Through the SBEC network, member SMEs benefit from monthly capacity-building workshops across five regions in Cameroon aimed at boosting productivity and efficiency. Additionally, our administrative support program operates on a rolling basis, offering selected SMEs dedicated assistance for a period of six months. After each six-month cycle, a new SME is chosen to receive this tailored support, ensuring a wide reach and impact across the network.

About Rising Tide Foundation

The Rising Tide Foundation supports studies and programs that deliver results for cancer patients and empower individuals to develop their skills to make a difference for themselves and the greater community. Based in Schaffhausen, Switzerland, but with a global reach, the Foundation believes that the market economy, combined with limited government and the rule of law, holds the greatest promise of freedom and prosperity

About John Templeton Foundation

The John Templeton Foundation, founded in 1987, supports research and dialogue on complex human questions, funding work on topics like black holes, evolution, creativity, forgiveness, and free will. With over \$2.8 billion in assets and \$220 million in annual grants, it ranks among the 25 largest grant-making foundations in the United States. The foundation engages all major faith traditions and extends its philanthropic activities to over 190 countries worldwide.



Introduction & Context for the *SBEC* Annual SME Forum



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Introduction and Context for the SBEC Annual SME Forum

In an increasingly interconnected world, nurturing an entrepreneurial ecosystem is essential for sustainable economic development, particularly in the context of emerging economies. Small and Medium-sized Enterprises (SMEs) play a pivotal role in this landscape, acting as engines of growth, job creation, and wealth redistribution. Despite their significance, entrepreneurs in many developing nations, including those in Francophone Africa, face significant barriers that impede their potential. In Cameroon, for instance, SMEs account for over 95% of registered businesses, yet a staggering 70–80% of them fail within their first five years. This phenomenon is largely attributed to a myriad of challenges, including high taxation, limited access to financing, and a lack of managerial support.

Recognizing the urgent need for a robust platform that addresses these challenges, the Small Business and Entrepreneurship Center (SBEC) organized the annual SME Forum, held at the Djeuga Palace Hotel in Yaoundé from September 11–12, 2024. The theme for this year's Forum, "Strengthening Cameroon's Entrepreneurial Ecosystem," was specifically designed to facilitate dialogue among key stakeholders from the public and private sectors, development partners, and civil society. The gathering aimed to provide a comprehensive assessment of the current business environment in Cameroon, while also identifying actionable recommendations to enhance the entrepreneurial landscape for SMEs.

Taxation remains a critical barrier to competitiveness within the Cameroonian ecosystem. With an informal sector employing over 9.5 million citizens—accounting for 90% of the working population and contributing more than 57% to the nation's Gross Domestic

Product (GDP)—the need for effective reforms is imperative. Participants at the Forum included government officials, SME owners, business consultants, and representatives from local and international organizations, all converging to share insights, challenges, and potential solutions.

The Forum featured a series of keynotes, plenary panel discussions, and breakout sessions crafted to foster collaboration and generate forward-thinking recommendations aimed at strengthening the SMEs in Cameroon. Discussion topics spanned critical areas, including tax reforms, digital transformation, and innovative financing strategies, underscoring the multifaceted approaches necessary to rectify the obstacles faced by local entrepreneurial ventures.

Key outcomes from the Forum included vital recommendations emphasizing the need for tax breaks and financial support tailored specifically to SMEs, as well as the increasingly critical role of digitalization and innovation as catalysts for business growth. The involvement of development partners in offering training and mentorship programs was recognized as essential for equipping SMEs with the digital skills necessary to thrive in a competitive environment.

The SBEC Forum serves not only as a gathering of minds but also as a call to action aimed at fostering stronger public-private partnerships and advocating for policy reforms crucial for the sustainable development of the entrepreneurial ecosystem in Cameroon. This year's Forum illustrated the commitment of all stakeholders to collaborate in creating an inclusive and nurturing environment that empowers SMEs to flourish, sustain employment, and drive economic growth for the future of Cameroon.

Conceptual Framework: Strengthening Cameroon’s Entrepreneurial Ecosystem

While skepticism surrounds the capacity of entrepreneurship to drive sustainable development, particularly in Francophone African countries where entrepreneurial activity has historically been low, the growing recognition of SMEs’ critical role in fostering economic growth, wealth redistribution, and job creation cannot be ignored. In Cameroon, SMEs are critical to employment and economic development, yet they face a plethora of challenges, from bureaucratic red tape and high tax burdens to corruption and limited access to credit. The informal sector continues to dominate, reflecting deep structural issues in the formal business environment.

The 2024 SBEC National Forum sought to address these issues under the theme “Strengthening Cameroon’s Entrepreneurial Ecosystem.” The Forum emphasized that the success of SMEs depends on a conducive policy environment that offers adequate physical, financial, human, and informational resources. The discussions covered a wide array of issues, including the need for tax reforms, public-private partnerships, technological innovation, financial inclusion, and a proposed Start-Up Act for Cameroon. The aim was to not only identify challenges but also develop clear, actionable strategies to overcome these barriers.

Through keynotes, panel discussions, and breakout sessions, participants—from government officials to business consultants—explored thematic areas that shape the future of entrepreneurship in Cameroon. These included enhancing the role of public-private partnerships,

promoting financial support, and fostering technological innovation. Participants collectively underscored the importance of tax breaks and tailored financial solutions for SMEs, as well as the pivotal role of digital transformation in driving business growth.

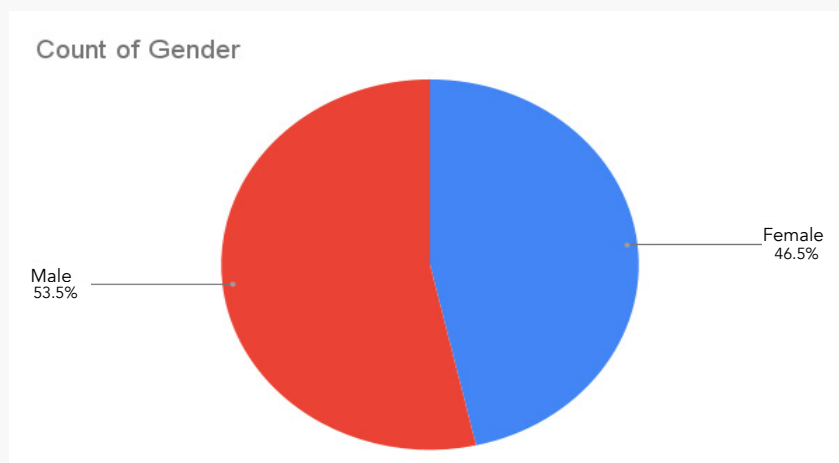
Forum Objectives

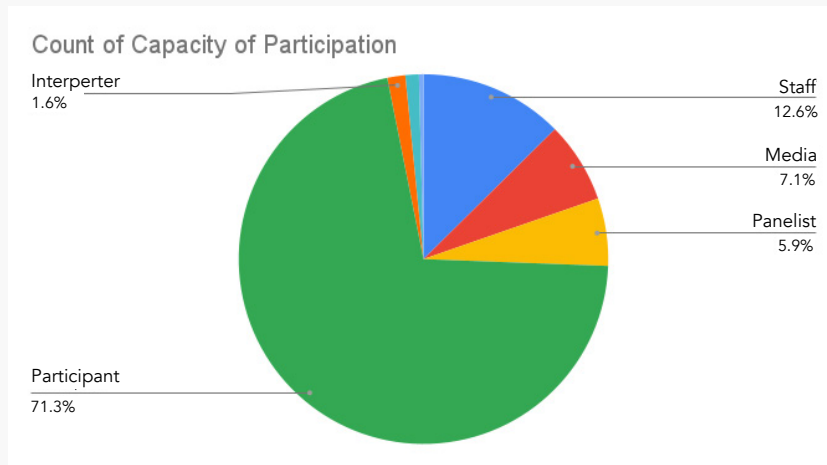
The primary objective of the 2024 SBEC National Forum was to promote policies and discussions that enhance the entrepreneurial ecosystem in Cameroon, specifically targeting sustainable economic growth. The Forum set out to:

- Evaluate existing policies that influence the private sector and recommend improvements.
- Advocate for policy reforms that reduce the tax burden on SMEs and foster a conducive business environment.
- Strengthen public-private partnerships to better support SMEs.
- Promote financial inclusion and innovation as essential drivers of a competitive business environment.

The SBEC Forum not only provided a space for robust dialogue but also generated forward-thinking recommendations aimed at empowering SMEs to drive economic growth, sustain employment, and enhance wealth redistribution. The participation of stakeholders from various sectors demonstrated a strong commitment to creating an inclusive entrepreneurial ecosystem that aligns with Cameroon’s broader economic development goals. Moving forward, these discussions must translate into action, ensuring that SMEs can overcome barriers and contribute to the sustainable development of the nation.

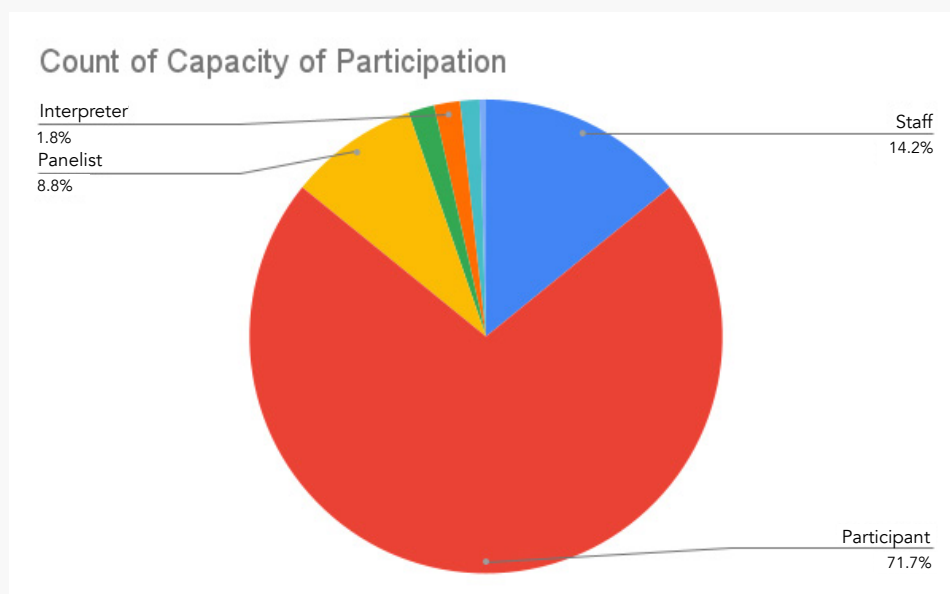
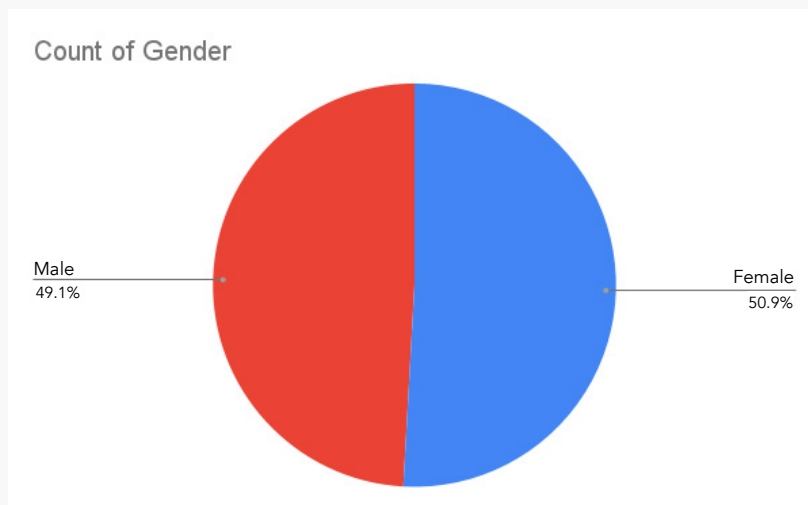
Graphical Representation of SBEC SME Forum 2024 (Day 1)





Source: Foretia Foundation, 2024

Graphical Representation of SBEC SME Forum 2024 (Day 2)

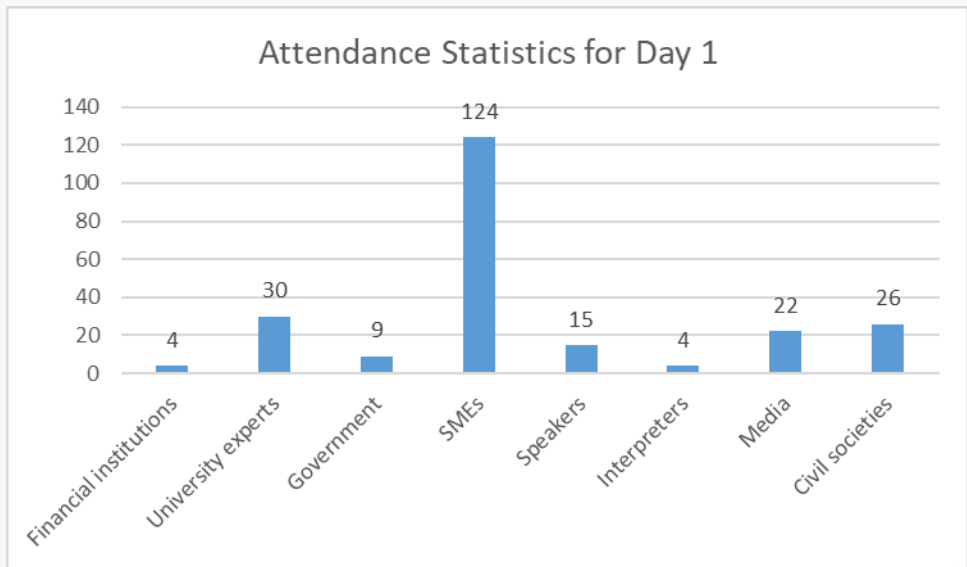


Source: Foretia Foundation, 2024

Data from the attendance sheet for the two-day Forum reveals an encouraging level of gender diversity and participation. On the first day, 53.5% of the attendees were males, while 46.5% were females, showcasing a near-equal gender distribution. Additionally, 1.6% of the attendees were media representatives, 12.6% were staff members, and 71.3% were participants, reflecting a strong turnout from key stakeholders.

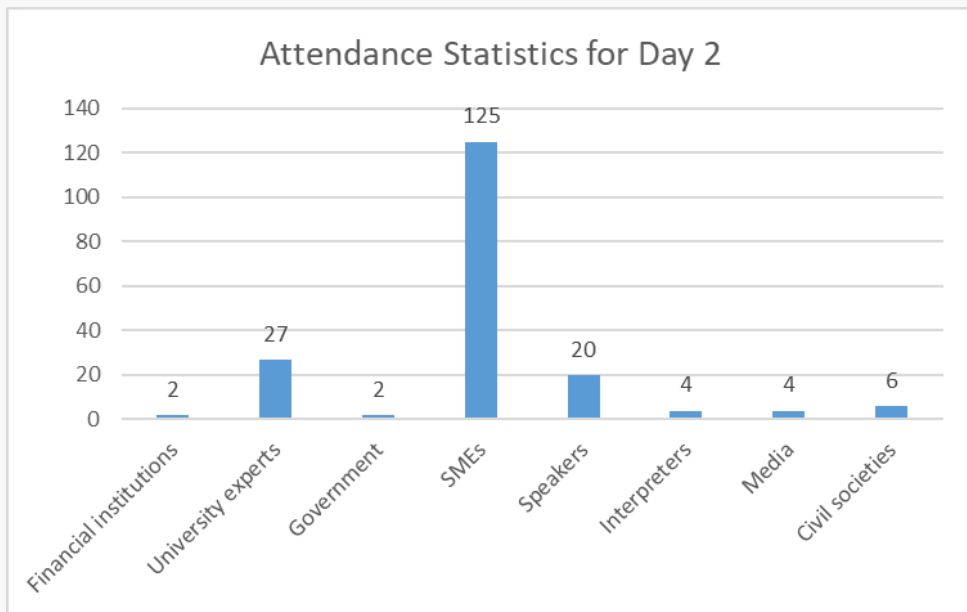
On the second day, there was a notable shift in gender representation, with 49.1% male attendees and 50.9% female attendees, indicating a slight increase in female participation. The day also saw 1.8% interpreters, 14.2% staff, 8.8% panelists, and 71.7% participants, reflecting a slight increase in overall participation compared to the first day. This growth highlights the Forum's increasing engagement and the balanced involvement of both men and women in driving discussions around entrepreneurship in Cameroon.

➤ **EVENTS STATISTICS**



The Forum attracted a diverse group of participants, encompassing various sectors that play pivotal roles in shaping Cameroon’s entrepreneurial ecosystem. Across both days, attendees included representatives from multiple key stakeholder groups. Specifically, 4 participants were from the financial sector, 30 were university experts, and 9 were representatives from government bodies, reflecting a robust engagement from academia and public institutions. A significant portion of the attendees,

124, were SMEs/business owners, showcasing the Forum’s focus on addressing real-world entrepreneurial challenges. Additionally, 15 speakers, 4 interpreters, and 22 media representatives attended, ensuring that the discussions reached a broad audience and were accessible in multiple languages. Civil society was also well-represented, with 26 participants from CSOs, underlining the collaborative approach needed to foster a vibrant entrepreneurial ecosystem.



On the second day of the Forum, the diverse group of attendees highlighted the event’s broad stakeholder engagement. The participants included representatives from various sectors that are crucial to fostering a robust entrepreneurial ecosystem in Cameroon.

Among the attendees were 2 representatives from financial institutions, signaling the involvement of key players in SME financing discussions. Additionally, 27 university experts were present, contributing academic insights and research-driven perspectives to the conversations. The Forum also welcomed 2 participants from government bodies, ensuring the inclusion of public policy considerations in the dialogue.

A significant portion of the attendees, 125, were

SME owners and business leaders, emphasizing the Forum’s focus on addressing real-world challenges faced by small and medium-sized enterprises. Furthermore, 20 distinguished speakers provided valuable contributions through their expertise and experiences. The Forum also had 4 interpreters to facilitate communication across languages, 4 media bodies that covered the event, and 6 representatives from civil society organizations (CSOs), underscoring the Forum’s inclusiveness and multi-sectoral approach to entrepreneurship development.

This diverse and engaged audience played a vital role in enriching the discussions, ensuring that the key takeaways from the Forum were well-rounded and actionable.

Executive Summary

Scepticism exists about the capacity of entrepreneurship to drive sustainable economic development, particularly in Francophone African countries with known lower levels of entrepreneurial activities. Small and Medium-sized Enterprises (SMEs) are globally well recognized as key contributors to job and wealth creation. They are also pivotal in fostering growth, wealth redistribution, and poverty reduction in developed and developing economies. Their significance is more increasingly recognized in Francophone African countries.

However, success in creating and growing businesses relies on a conducive policy environment that provides adequate physical, financial, human, informational, and relational resources in both quality and quantity. In Cameroon, as in many African countries, high taxes on SMEs have been identified as a major deterrent to a competitive entrepreneurial ecosystem.

As a result, there is a dominant informal sector, employing over 9.5 million Cameroonians (90% of the working population) and contributing more than 57% to the country's Gross Domestic Product (GDP). There are, in parallel, many other challenges, notably difficulties accessing credit, deeper levels of corruption, underdeveloped business support structures, serious administrative bottlenecks, including persistent lack of managerial capacity among entrepreneurs and SMEs, among others that plague the due and deserved growth of the sector in Cameroon and needs correction at all levels including administrative and policy levels.

The 2024 SBEC National SME Forum, held at the Djeuga Palace Hotel in Yaoundé, Cameroon from September 11-12, 2024, gathered key stakeholders from the public and private sectors, SMEs, development partners, and civil society to discuss and advocate policies for strengthening Cameroon's entrepreneurial ecosystem. With the theme "Strengthening Cameroon's Entrepreneurial Ecosystem," the Forum aimed to assess the current business environment and identify actionable solutions to foster sustainable economic growth through entrepreneurship and empowerment through a blend of plausible policies and practices.

Key activities during the Forum included plenary panel conversations, breakout group discussions, and the prestigious SBEC SME Awards, recognizing dedicated SMEs making significant strides in their industries and sectors. The Forum also offered a platform for diverse participants to share their insights, case studies and challenges, contributing to meaningful policy suggestions and

recommendations.

Spread over two days, the Forum comprised plenary panels, and breakout group sessions, attracting attendance of **254 attendees** on Day 1 (46.5% female, 53.5% male) and **226 attendees** on Day 2 (50.9% female, 49.1% male), including **22 media representatives. It also had 35 speakers**, accounting for **14%** of total participants. These sessions culminated in practical recommendations to key stakeholders in enhancing the entrepreneurial ecosystem approaches in Cameroon, focusing on short, medium and long-term actionable agenda.

The Following two salient recommendations emerged from the discussions:

- 1. Tax Reforms and Financial Support for SMEs:** The high tax burden on SMEs was identified as a critical barrier to competitiveness. To promote sustainable enterprise development, the Forum recommended that the government considers introducing tax breaks, grants, and subsidies specifically tailored to the needs of SMEs. This will encourage formalization, enhance productivity, and promote job creation, while allowing more businesses to transition from the informal sector into a formal one.
- 2. Promoting Digital Transformation and Innovation:** The Forum underscored the importance of digitalization as a driver of business growth and competitiveness. SMEs must embrace digital tools to streamline their operations, improve market presence, and engage customers more effectively. Development partners and incubators were also urged to invest in training, capacity building and mentoring programs that could better equip SMEs with digital skills, fostering an innovative and sustainable entrepreneurial ecosystem in Cameroon and beyond.

These recommendations highlight the urgent need for a collaborative approach among the government, private sector, and development partners to enhance the capacity of SMEs for them to be able to drive economic transformation at multiple layers and levels boosting socio-economic growth and market stability. By fostering a more inclusive and supportive business environment, Cameroon, it was overwhelmingly concluded, can unlock the potential of its entrepreneurial sector and pave the way for long-term economic growth for shared prosperity.



Keynotes



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Keynotes, Conversations, Plenary Panel Discussions and Breakout Sessions

Keynotes

Welcome Keynote on Strengthening Entrepreneurial Ecosystem to Achieve Sustainability Through Digitalization and Innovation.

Mme. Betha Yiberla Yenwo, Founder of the Tabwand Foundation, delivered the keynote address titled “Strengthening Entrepreneurial Ecosystem to Achieve Sustainability Through Digitalization and Innovation” at the SBEC 2024 Forum. In her speech, she emphasized the critical role of digitalization and innovation in building a resilient entrepreneurial ecosystem capable of driving sustainable economic growth.

One of the essential components of a country’s long-term economic prosperity is entrepreneurship. Therefore, fostering an atmosphere that supports its growth is crucial. The National Institute of Statistics (INS) of Cameroon discovered in a 2016 poll that the biggest barrier to launching a business is paying taxes. The second most common (34.2%) are administrative processes and annoyances with town hall or urban community leaders. A further issue raised by 30.7% is funding, encompassing both the cost and accessibility of borrowing. The same is true for market opportunities (18.1%), corruption (18.1%), and shortages of electricity and water (17.4%). Entrepreneurs will be able to use technology to create sustainable business solutions in the twenty-first century if the nation’s entrepreneurial environment is strengthened to achieve sustainability via innovation and digitalization. This is because, innovation hubs, incubators, and accelerators play a critical role in fostering entrepreneurship, not only do they provide resources, mentorship, and funding opportunities, they also facilitate collaboration, knowledge sharing, and access to markets, helping entrepreneurs scale their sustainable solutions. As a result, stakeholders must cooperate to create an enabling environment for digital entrepreneurship. The speaker went on to discuss the ecosystem’s

several elements, such as money, culture, and human capital. To ensure the sustainability of small and medium-sized enterprises (SMEs) in Cameroon, stakeholders must collaborate to establish a supportive environment that fosters innovation, encourages economic growth, and tackles social and environmental issues. This can be achieved through digitization and innovation within the entrepreneurial ecosystem.

Recommendations:

To promote sustainable enterprise effectively, the state must implement comprehensive strategies that include targeted tax breaks, grants, and subsidies. Establishing robust legislative frameworks that support entrepreneurship, digitalization, and innovation is essential to create a conducive environment for growth. Furthermore, businesses should actively collaborate with startups to foster innovation, providing them with critical resources, industry knowledge, and access to lucrative markets. This partnership can drive the development of cutting-edge solutions that address current challenges.

Development partners, funders, civil society, and NGOs play a pivotal role in this ecosystem by offering networking opportunities, mentorship, and training programs focused on digital skills development and sustainable entrepreneurship. By prioritizing these initiatives, SBEC can lead the way in cultivating an entrepreneurial culture that champions sustainability, innovation, and collaboration for a prosperous future. This multifaceted approach will not only empower existing enterprises but also pave the way for new ventures, ultimately contributing to a resilient and dynamic economy.

Unlocking Investment Opportunities: Equipping SMEs with Tools to Attract Viable Investors

On the second day of the 2024 SBEC Forum, Dr. Tumenta Kennedy delivered a keynote lecture titled “Unlocking Investment Opportunities: Equipping SMEs with Tools to Attract Viable Investors.” The session provided an insightful overview of the SME landscape in Cameroon, the challenges faced by these businesses, and strategic solutions to help SMEs attract investment and drive sustainable growth.

The significance of Small and Medium Enterprises (SMEs) to Cameroon’s economy emphasizes their crucial role in driving growth and employment. He presented key statistics, noting that there are approximately 393,166 registered SMEs in Cameroon. These businesses account for over 90% of the country’s total enterprises and contribute to 60-70% of national employment. The growth in SME numbers has been notable, with an increase of 62,623 between 2020 and 2024, when the number of SMEs rose from 330,543 to 393,166. Dr. Kennedy also provided an overview of the primary sectors where SMEs operate, with agriculture and agro-processing constituting 40% of these enterprises, focusing on key products like cocoa, coffee, and cassava. Trade and retail account for 35% of SMEs, playing a vital role in the distribution of local goods and services, while the manufacturing sector represents 15%, including industries like food processing and textiles. The remaining 10% of SMEs are in the services sector, which includes industries such as transportation, hospitality, and ICT.

The numerous challenges that prevent SMEs from securing financing and investment opportunities, highlight issues such as the lack of collateral, which hinders SMEs from securing bank loans, and limited access to financial institutions, with only 10% of SMEs having access to formal bank loans. He noted that complex application processes, high interest rates, and information asymmetry – characterized by distrust between financial institutions and SMEs – further complicate access to funding. These challenges severely limit the ability of SMEs to grow and compete, particularly in a market where larger firms and imports create stiff competition. Dr. Kennedy also focused on the critical role of capacity building and financial literacy in enhancing SMEs’ attractiveness to investors. He suggested that SMEs which demonstrate sound financial management are more likely to secure investments. To address this,

he recommended workshops and seminars on financial decision-making, mentorship programs to guide SMEs’ growth, and the use of technology tools like financial management software and online training resources to improve financial literacy and transparency. In response to the limited access to traditional bank financing, he proposed innovative financing approaches for SMEs, including digital funding platforms such as crowdfunding and peer-to-peer lending. He also encouraged the adoption of financial management software to help SMEs maintain accurate records and make informed decisions. Furthermore, he stressed on the importance of developing viable business models that include robust revenue generation strategies, financial transparency, and effective risk mitigation. Investors, he argued, are more likely to support businesses that demonstrate financial discipline, scalability, and strong growth potential.

Dr. Kennedy emphasized the importance of developing and delivering a compelling investment pitch to attract investors. He outlined the essential components of a successful pitch, including a clear value proposition that explains how the business solves a market problem, a strong market analysis to demonstrate the size and growth potential of the target market, and a proven business model that outlines the path to profitability. Additionally, he stressed on the need for realistic financial projections for the next 3-5 years and an experienced management team to build investor confidence. He also provided practical tips for creating and delivering effective pitches, such as keeping the presentation simple and focused, using storytelling techniques to engage the audience, practicing the pitch multiple times for a smooth delivery, and being prepared to answer challenging questions from potential investors. He further highlighted mentorship and networking as critical catalysts for SME growth. Mentorship provides guidance, resources, and connections, while networking helps build investor confidence through referrals and participation in investor networks and events.

In his concluding remarks, Dr. Kennedy issued a call to action for stakeholders to collaborate in building a robust entrepreneurial ecosystem. He urged for the development of supportive policies that foster entrepreneurship, digital innovation, and growth, investment in infrastructure through the establishment of competitive zones, clusters,

and Special Economic Zones (SEZs), and fostering stakeholder collaboration to create a dynamic entrepreneurial environment. Other recommendations included facilitating market access for SMEs both locally and internationally, promoting entrepreneurship education to improve financial literacy, and accelerating information banking to ensure SMEs have access to essential financial data. He also encouraged SMEs to develop strong investment pitches that appeal to both local and international investors.

Among the key recommendations, Dr. Kennedy stressed the need for developing supportive

policies to foster SME growth, the importance of infrastructure investment through SEZs and competitive zones, and promoting entrepreneurship education to enhance financial literacy and business scaling. These recommendations, if implemented, could significantly strengthen the SME ecosystem in Cameroon, creating opportunities for long-term success and sustainable economic development. His session underscored the urgent need for collaboration between government, the private sector, and civil society to foster an environment where SMEs can thrive and contribute meaningfully to Cameroon's economic growth.



High *Level* Conversation



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High Level Conversation

Public-Private Partnership (PPPs): Improving the Entrepreneurship Ecosystem for Sustainable Development.

The discussions were energized by a compelling panel on the topic, “Public-Private Partnerships (PPPs): Improving the Entrepreneurship Ecosystem for Sustainable Development.” The conversation underscored the critical role of PPPs in driving sustainable economic growth. Numerous experiences have demonstrated that, in addition to the financial challenges faced by Cameroonian SMEs, the primary obstacle to PPPs is the country’s extremely high level of corruption at all levels of public procurement, consequently, the reduction of the benefits of PPPs in enhancing the ecosystem of entrepreneurship for sustainable development. PPPs are often established in Cameroon to advance economic growth, enhance service quality construct infrastructure projects and are put up for a specific amount of time. The project must be pre-financed by a private sector investor for PPPs to be approved. The government of Cameroon often arranges seminars aimed at enhancing the skills of local company promoters through capacity-building, as PPPs lack balance and the government imposes more responsibilities on the private sector.

However, it is acknowledged that the majority of Cameroonian SMEs are not prepared for PPPs due to their insufficient financial resources and lack of self-assurance to secure bank loans. Promoters of Cameroonian SMEs are also regularly informed on the prospects presented by the African Continental Free

Trade Area. The possibility presented by the AfCFTA is to unite the currently fragmented and commodity-dependent socioeconomic spectrum of African countries into a more cohesive market characterized by increased levels of product sophistication and economic diversification. Increased productivity, the creation of jobs, and high-value exports from African nations can all result from diversification. Enterprises receive equal assistance in identifying low-cost raw material suppliers. The decrease in the price of customs charges that are relatively high in Cameroon will contribute to the growth of the SMEs. For an effective public-private partnership to improve the entrepreneurship ecosystem for sustainable development in Cameroon, the following recommendations should be taken into consideration;

- SME promoters should check on the Ministry of Small and Medium-Sized Enterprises, Social Economy and Handicrafts (MINPMEESA) for sub-contracting opportunities available.
- SME promoters should focus on Capacity building and explore methods to acquire finances and they should equally work in conjunction with others in their sphere of activity for improved efficiency.
- The government should encourage the use of items created in Cameroon.



Plenary *Panel* Discussions



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Plenary Panel Discussions

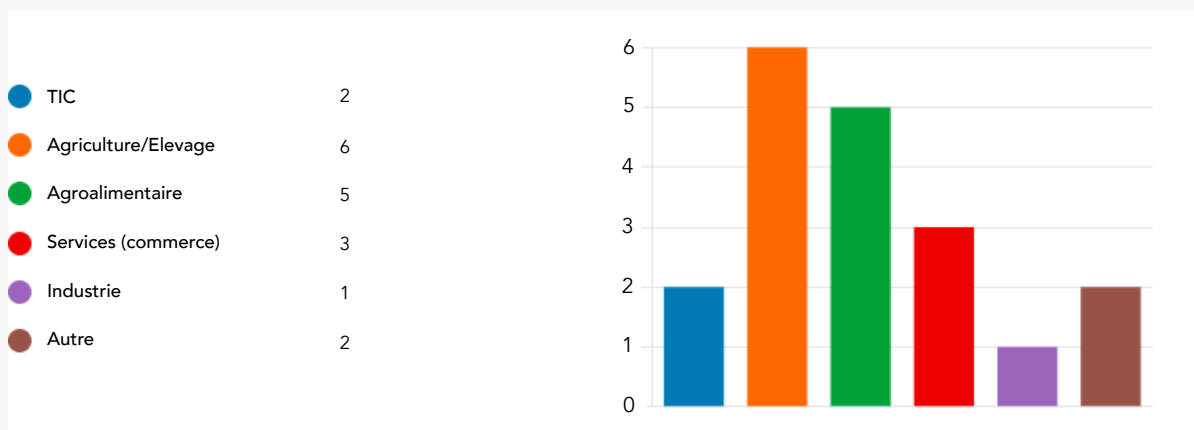
Building a Resilient and Inclusive Entrepreneurial Ecosystem in Cameroon: Strategies for Strengthening Economic Growth and Innovation.

The discussions on the session focused on creating a robust and inclusive framework to drive innovation and sustainable growth in Cameroon.. In developing nations, starting new businesses has shown to be a successful strategy for battling unemployment and lowering poverty levels over the years (Batjargal and Liu, 2002). Accordingly, entrepreneurship seems to be the key to long-term economic growth and a turning point in the battle against poverty and unemployment for women and young people. The network of individuals and elements that collaborate to promote entrepreneurship in a particular area or community is known as the entrepreneurial ecosystem. And once more, despite being a major employer and a source of income for the government, businesses in Cameroon confront several difficulties, including insufficient infrastructure, low skill levels, regulatory bottlenecks, and restricted access to capital. Establishing an atmosphere that is supportive of entrepreneurs is crucial, especially for the youth who comprise a significant share of the population. Both innovation and economic growth will be aided by this. It is also true that the government is working to create a strong and welcoming entrepreneurial environment in Cameroon through the implementation of laws and

the introduction of initiatives like the SME Law, the proposed Start-up Law, the three-year Special Plan for Youth, and the Entrepreneurship Promotion Programme.

These programs aim to support budding entrepreneurs and provide new job possibilities. However, we are unable to adequately handle the difficulties that enterprises, especially those in rural regions of the nation, encounter. To effectively build a resilient and inclusive entrepreneurial ecosystem in Cameroon, it is crucial to implement adaptive strategies that will strengthen the country’s economic growth and innovation. The following recommendations should be taken into consideration:

Preliminary statistics from the on- going Forum survey reveal that a significant majority of entrepreneurs within Cameroon’s entrepreneurial ecosystem are concentrated in SMEs operating in the agriculture, animal farming, and food processing sectors. However, these industries predominantly rely on out- dated and rudimentary methods, highlighting a crucial need for modernization and innovation. A smaller but growing proportion of entrepreneurs are engaged in the service sector, signalling potential for diversification and growth. This data underscores the importance of enhancing operational efficiency and fostering innovation to drive competitiveness in key sectors.



Source: SBEC Forum Survey, 2024

From the above diagram, it is evident that 6 respondents operate in the agriculture and animal farming sectors. These industries are crucial to Cameroon’s economy but predominantly rely on out-dated and rudimentary methods. This highlights a critical need for modernization and innovation to improve productivity and sustainability. 5 respondents are engaged in food processing. While this sector plays a significant

role in value addition and employment, it also faces similar challenges of low operational efficiency due to out-dated technology and methods. Modernization efforts could significantly boost its competitiveness. 3 respondents operate in the service sector, representing a smaller but growing portion of the entrepreneurial ecosystem. This sector’s expansion signals potential diversification and growth opportunities for the Cameroonian

economy. 2 respondents are involved in the ICT sector and other industries, which showcases the beginning of a shift towards a more technology-driven economy. This sector is key for fostering innovation and enhancing the country's global competitiveness.

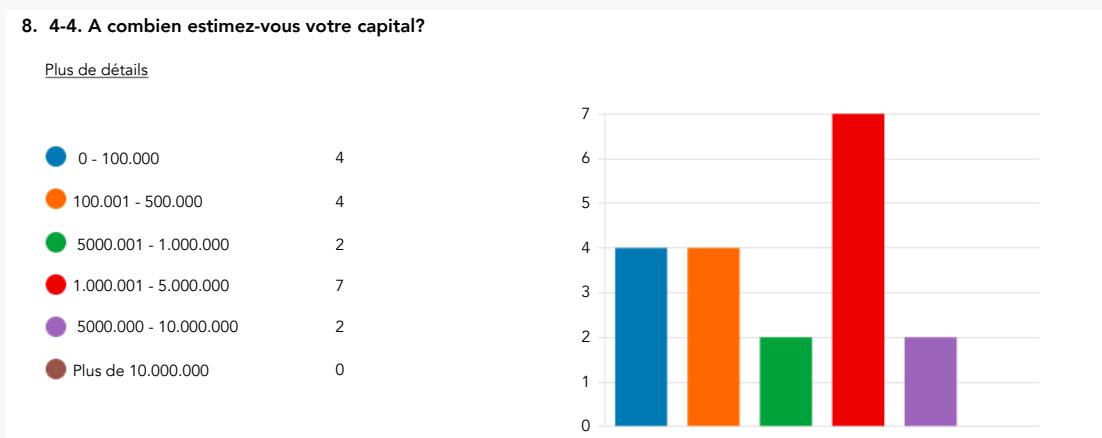
Microfinance for Inclusive Development: Empowering Communities in Cameroon.

According to the Professional Association of Credit Institutions of Cameroon (APPECAM), the rate of access to credit for small and medium enterprises (SMEs) is only 13.8% of the GDP. The lack of traceability and visibility of SMEs in the development of activities, the imprecision of accounting with the difficulty of providing reliable financial statements, etc. explain the reduced impact of all these financial institutions in general and microfinance in particular on the country's community as a whole. It's known that financial inclusion is a situation where a community feels a sense of belonging to the financial system. Because of their stringent requirements, high interest rates, and dense coverage, traditional banks in Cameroon are unable to guarantee financial

inclusion in the nation, which allowed for the growth of microfinance, particularly category 2. Microfinance enables individuals and enterprises excluded by traditional banks to access financial services. People with the lowest incomes positioned at the base of the pyramid are the main target audience for microfinance. As of 2023, there are 341 microfinance institutions in Cameroon. Most of these are located in metropolitan regions, which make it difficult for those who live in rural areas to access them. In Cameroon, twenty percent of enterprises qualify for funding.

One of the predominant challenges that SMEs in Cameroon face is the access to finance which is tax and administrative procedures that underscore the low performance and productivity of entrepreneurs in the ecosystem.

Therefore, to secure capital, entrepreneurs must demonstrate compliance, transparency, and dependability this ensures approval of a loan, without this, their loan will be rejected. Strengthening the role of microfinance in inclusive development by empowering communities in Cameroon means taking into account the following;



Source: SBEC Forum survey

According to preliminary data from the on-going post-Forum survey, out of 28 respondents to the question on business capital, 7 indicated that their capital is below 500,000 XAF, reflecting limited financial resources that constrain their ability to scale. Additionally, 8 respondents reported having capital in the range of 0 to 500,000 XAF, suggesting that a significant portion of entrepreneurs are operating with minimal resources, which may hinder their capacity for growth and innovation. Furthermore, 4 respondents have capital between 500,000 and 10,000,000 XAF, indicating a moderate financial base that offers more flexibility for business expansion and investment, though challenges still remain in terms of achieving significant growth and competitiveness.

Plenary Panel Discussions Day 2

Economic Freedom; Fostering the Cameroon entrepreneurial ecosystem for sustainable development

According to the International Monetary Fund (IMF), Cameroon's economy is set to grow by 4% in 2023, compared to 3.7% the previous year, but many believe that a more robust entrepreneurial ecosystem that plays its full part will be able to further stimulate growth and ensure sustainable economic development for the country, as well as generating the jobs that are among the pillars of

economic freedom. Adam Smith's *Wealth of Nations* defines economic freedom as the degree to which a market economy is established in a way that fosters the expansion of the private sector. As such, state action that interferes with individual autonomy limits economic freedom and entrepreneurship. Therefore, economic freedom can also be seen as the capacity of individuals to make their own economic decisions free from government intervention or limitation, or as the government's protection of anti-market behavior on behalf of powerful groups and their abuse of this authority to restrict the options available to other players in the market. Taxes, the availability of financing, bureaucracy, expensive administrative procedures, unfair competition, etc. are all recognized to pose threats to Cameroonian entrepreneurship and economic independence. Though economic freedom cannot exist in the absence of boundaries, it is equally vital to stress the State's attempts to control economic activity in Cameroon through effective laws and regulations, which can occasionally be challenging to put into practice. If the following suggestions are followed, strengthening economic freedom through the advancement of Cameroon's entrepreneurial ecosystem for sustainable development can be successful:

The pivotal role of business incubators and accelerators in empowering women and youth entrepreneurs in driving economic growth in Cameroon.

In Cameroon, business incubators and accelerators play a crucial role in empowering women and young entrepreneurs by offering resources including funding, mentorship, and training. These initiatives assist in overcoming

obstacles including restricted access to financial resources and professional networks. The African Development Bank estimates that there is a 42 billion dollar funding gap facing women-owned companies in Africa, including Cameroon. Furthermore, according to the International Trade Centre, women run nearly 50% of Cameroonian small businesses. Through the development of entrepreneurial skills and the provision of crucial support, incubators, and accelerators promote innovation and economic growth. Although women's and young people's entrepreneurship has a significant impact on Cameroon's economic growth, incubators, and accelerators also have a significant impact on the country's economic development by empowering these women and youth.

The nation's numerous incubation centers, which prioritize programs that enhance the ability of women and young entrepreneurs, have been and continue to be a vital source of assistance for startups and SMEs. Most incubators are not-for-profit organizations that seek to create jobs and stimulate the economy. As a reminder, it should be mentioned that there are accelerators and incubators. Accelerators prioritize returns on investment over having a beneficial local economic effect. Accelerators and incubators face many challenges that limit their impact on SME development, including inadequate SME business plans, lack of a model for incubators to follow, inadequate infrastructure, high internet costs, and limited access to finance, among others. The key role of business incubators and accelerators in empowering women and young entrepreneurs in stimulating economic growth in Cameroon needs to be strengthened and for this to be effective, the following recommendations should be taken into consideration by actors in the country's entrepreneurial ecosystem:



Breakout *Sessions*



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Breakout Sessions

Breakout Sessions Day 1

Boosting the Participation of Cameroonian Small and Medium Enterprises in the Africa Continental Free Trade Area

Among the 54 nations that have ratified the accords about the African Continental Free Trade Area (AfCFTA) is Cameroon. The National Assembly and Senate of Cameroon approved a measure in June 2019 allowing the President of the Republic to ratify the Agreement. To achieve this, he signed the Agreement creating the African Continental Free Trade Area (AfCFTA) with Decree No. 2019/586 on October 31, 2019. The economic progress of the continent depends on SMEs under the African Continental Free Trade Area (AfCFTA) realizing their full potential and being competitive. With a 70% decrease in tariff barriers, the anticipated market opportunity provided by the AfCFTA is 1.3 billion people, presenting a huge opportunity for Cameroonian small and medium-sized firms (SMEs). To boost the productivity and competitiveness of the nation's small and medium-sized enterprises (SMEs), it is imperative to fortify brand identities, enhance product quality, and digitize operations. As a result, high taxes and inadequate infrastructure limit the opportunities Cameroonian SMEs may take advantage of under the AfCFTA. For this reason, the government must provide support in the form of tax incentives and workshops to increase the country's ability to process raw materials more effectively. To boost SMEs' competitiveness under the AfCFTA, information-sharing platforms will also need to be implemented in addition to the following recommendations:

The Role of National Preference on the Competitiveness and Performance of SMEs in Cameroon.

Cameroon incorporated the national preference laws in 2014, as public orders are a significant market for African businesses. For instance, they make up more than 20% of the national budgets of African nations. Yet, SMEs lack access to these public marketplaces, although accounting for 80–90% of sub-Saharan Africa's productive fabric. The inclination of customers, companies, and governments to select home goods and services over those offered by international suppliers is known as national preference. Sustainable economic growth in the nation requires fostering an atmosphere that favors domestic products to provide domestic SMEs the chance to innovate and increase their wealth in the face of fierce competition from overseas companies. Additionally, customers' preference for locally made goods over

imports may increase the exposure of small and medium-sized enterprises (SMEs) in the country. The perverse features of home preference include, among other things, low standards for some items, bad government, and corruption that stifle projects. Given the established impact of home preference on the performance and competitiveness of SMEs in Cameroon, as well as the critical requirement for a strong economic basis for long-term economic growth, the following suggestions need to be taken into account.

Breakout Sessions Day 2

Unlocking the Potential: The Role of Startups in Creating Employment Opportunities for Women and Youths in Local Council Areas.

The significance of start-ups in economic development and wealth creation is growing as the global market continues to innovate and change at a never-before-seen rate. In Cameroon, where the percentage of the working population in the informal sector has continued to rise; from 56% in 1993 to 90% in 2017, startups have shown to be the cornerstone of job creation. This is especially true in a nation where the jobless rate has decreased from 12.4% to 7% (ILO, 2017). Not to be overlooked is the crucial part local government can play in helping SMEs across the nation. Because startups are crucial to the creation of equitable and sustainable jobs, the Cameroonian government should prioritize fostering entrepreneurship and skill development. By doing this, they contribute to the expansion of the local economy and lower unemployment rates for different demographic groups base in rural areas.

Hence realizing the potential by enhancing the role of startups in generating more job possibilities in Cameroon's municipalities for women and youths. Because there aren't enough jobs in Cameroon's rural areas, young people are leaving for the city in quest of better prospects. Despite the lack of adequate infrastructure and poor training provided in these communities, start-ups seem to provide a potential path to employment since they are characterized as innovative, risk-taking firms that differ from traditional SMEs and are frequently run by young people. A start-up law and the potential advantages of researching prosperous ecosystems across Africa were two of the government initiatives meant to promote a start-up-friendly climate. The suggestions listed below ought to be considered:

Harnessing Income-Generating Activities to Address Unemployment Among Women and Youths in Cameroon.

Using income-generating activities is essential to reducing youth and women's unemployment in Cameroon. According to the African Development Bank, women have a huge economic issue because just 20% of them have access to official financial services. Youths equally face difficulties, with a large percentage working informally. The International Labour Organization emphasizes that young people and women are more prone to work in low-wage, insecure jobs. Filling these gaps and promoting wider economic growth, income-generating ventures like micro-enterprises and small-scale farming provide routes to secure employment and economic empowerment. Income-generating activities are the best way to promote economic inclusion and entrepreneurship development in many African nations, including Cameroon. However, youths and women often engage in these activities without doing any prior research or consulting a specialist, which puts them at risk of failing in the unpredictable entrepreneurial climate that currently exists in the nation. Therefore, preparing youths and women for business should be the top goal. However, high-level partnerships between youths and women entrepreneurs are also essential. In addition to requiring significant efforts from the government to create a better entrepreneurial ecosystem, youth and women should also contribute to creating favorable conditions for the development of entrepreneurship in the nation. The following recommendations should be taken into consideration to better combat unemployment among women and youths in Cameroon through the use of income-generating activities.

Amplifying Voices for Youth Entrepreneurship for Prosperous Future in Cameroon.

Youth entrepreneurship plays a role in driving economic growth and job creation in Cameroon, where over 60% of the population is under 25. Despite this youthful demographic, the unemployment rate among young people remains high at 13.5% in 2023, with underemployment also posing significant challenges. To address this, the government launched initiatives like the "Three-Year Special Youth Plan" in 2016, aiming to finance 500,000 young entrepreneurs. However, access to financing remains low, with only 7% of youths receiving formal support, according to the African Development Bank. Addressing barriers in education, infrastructure, and resource access is essential for empowering young entrepreneurs and unlocking their potential to drive innovation and economic transformation in Cameroon. Numerous significant issues,

such as the deteriorating condition of the nation's road system, the regular outages, and disruptions of the Internet, the lack of a genuine policy for the development of entrepreneurship, the difficulty in obtaining funding, the punitive taxation, the inability to grasp certain fundamental business management concepts by entrepreneurs, etc. Elevating the voices of young entrepreneurs in Cameroon to support the country's transition to a wealthy future is still a very far-off goal. The following recommendations are essential:

AI-driven Innovation: How has AI-enabled entrepreneurs to create innovative products and services within the ecosystem?

AI-driven innovation has revolutionized the business landscape, enabling startups and incumbents alike to create products and services for evolving markets. According to a McKinsey report, 66% of organizations have adopted AI in at least one business function, resulting in improved efficiencies and enhanced customer experiences. AI-powered tools, such as natural language processing and machine learning algorithms, have facilitated the creation of personalized offerings, increasing customer engagement and satisfaction. As a result, companies using AI are expected to double their cash flow by 2030, demonstrating its transformative potential to drive innovation within the entrepreneurial ecosystem. Remember that artificial intelligence, or AI, is a man-made technology made up of a variety of systems that function beyond human reasoning. All entrepreneurs who have not used AI up to this point are considered low-level entrepreneurs because being an entrepreneur demands innovation. Utilizing AI may help a firm achieve its goal as it ensures that the firm becomes competitive with other players in the market.

Utilizing AI offers several benefits, but there are drawbacks as well. It enables you to save time and money by assisting entrepreneurs in completing difficult and time-consuming activities like developing business strategies, market analyses, creative designs, etc. It also gives you quick and simple access to information. However, to get the required information, you must become proficient in correct data entering. AI may result in a decline in human employment in the upcoming years as robots may replace some occupations. Because certain academic organizations emphasize acknowledging AI techniques used in research material creation, care must be taken when employing AI in academia.

Recommendations from the *SBEC* forum 2024



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Recommendations from the SBEC FORUM 2024

The Small Business and Entrepreneurship Center (SBEC) Forum 2024 brought together key stakeholders, including policy makers, private sector, entrepreneurs, academia, think tanks and international experts to discuss the current landscape of SMEs in Cameroon to explore ways to bolster the entrepreneurial ecosystem. Based on the discussions and insights shared during the Forum, the following key recommendations are proposed to foster long-term growth, innovation, and sustainability for SMEs in Cameroon:

Develop Supportive Policies to Foster SME Growth

The government prioritizes the formulation and implementation of policies that support SME development.

These include:

- Streamlining administrative and tax procedures to reduce complexity and ease the process of formalizing businesses and simply existing complexities in doing business;
- Offering targeted tax breaks and holidays, grants, and subsidies to foster SME growth, particularly for startups and SME businesses in rural areas; and
- Encouraging public-private partnerships to drive investment in infrastructure, particularly in Special Economic Zones (SEZs), to create competitive business environment and enabling ecosystem for attracting investments and technical know-how, among others.

Promote Financial Inclusion and Access to Affordable Financing

One of the significant barriers to SME growth is limited access to financing. In order to address this constraining handicap, the following actions could trigger and unlock value in business operations enabling them to contribute to growth, economy and employment among the youth:

The following recommended actions comprise:

- Financial institutions should develop products specifically tailored to SMEs, such as lower-interest loans, extended repayment terms, and credit guarantees, especially for youth and women entrepreneurs;
- Strengthening partnerships between microfinance institutions, commercial banks, and development partners to ensure SMEs can access credit with minimal risk; and
- Enhancing financial literacy and digital

financial services among entrepreneurs to help them navigate available and future funding opportunities, among others

Enhance Entrepreneurship Education and Capacity Building

Building entrepreneurial capacity is essential to fostering innovation and growth.

Key strategies recommended include:

- Expanding entrepreneurship education, focusing on financial literacy, digital skills, and business scaling;
- Increasing access to vocational training, mentorship, and networking opportunities for young entrepreneurs; and
- Incorporating digital tools and platforms into business management training programs, enabling entrepreneurs to better leverage technology for growth, among others.

Encourage Collaboration and Innovation

Collaboration between and among SMEs, startups, and larger corporations is vital for advancing innovation at scale and impact.

Recommendations include:

- Encouraging partnerships between and among established businesses and startups, offering financial and non-financial resources such as industry knowledge, market access, and mentorship.
- Promoting initiatives that drive innovation and address local challenges, including incubators that focus on specialized domains such as digital entrepreneurship and sustainable business models, and
- Increasing support for incubators and accelerators by offering funding, infrastructure, and enabling regulatory frameworks to help them scale their impact on the entrepreneurial ecosystem, among others.

Strengthen Infrastructure for Sustainable Business Development

Effectively addressing infrastructure deficits is critical to ensure the sustainability of SMEs.

Key actions include:

- Investing in reliable supply and services of energy, water supply, and digital infrastructure, particularly in underserved areas, to support businesses, and

- Encouraging the development of eco-friendly business practices by providing incentives for enterprises that prioritize sustainability.
- Addressing climate change issues in the country and the region would build further resilience among businesses and their investors at the cusp of the public policies recommended much needed to address whole of community and business challenges, among others.

Foster an Inclusive Entrepreneurial Ecosystem

Inclusivity remains central to fostering a robust SME sector that contributes meaningfully to national economic growth.

Specific recommendations include:

- Establishing a more inclusive financial system that supports entrepreneurs in rural and underserved areas and regions, with a particular focus on women, youth and low-income groups;
- Tailoring capacity-building workshops and mentorship programs to address the specific needs of various sectors, while ensuring that entrepreneurs have access to relevant and timely financial and non-financial support; and
- Cultivating a societal shift in the perception of entrepreneurship by promoting success stories and creating role models to inspire young people (both men and women, among others).

Support Local Production and Market Expansion

In reducing reliance on heavy imports and boosting the domestic economy, the government and private sector should collaborate and partner to:

- Encourage the consumption of locally made products through public awareness, outreach, and public campaigns toward favorable procurement policies;
- Provide incentives for SMEs to improve product quality and align with international standards to access wider and broader markets, including through the African Continental Free Trade Area (AfCFTA); and
- Enhance the capacity of SMEs to leverage digital marketing and e-commerce platforms to expand their reach, among others.

Enhance the Role of Development Partners, Civil Society and NGOs

Development partners, civil society, and NGOs play a pivotal role in supporting the SME ecosystem.

Recommended actions include:

- Increasing the provisions of training, mentorship, and networking opportunities for entrepreneurs, especially in digital skills and sustainable business practices;
- Continuing to offer grant funding, technical assistance and technical training for capacity-building programs that focus on entrepreneurship and innovation; and
- Facilitating multi-faceted cooperation and dialogue between and among the private sector, government, and civil society to make sure improvement and continuity in the regulatory environment for SMEs.

The recommendations as outlined provide crucial insights to strengthening Cameroon's entrepreneurial ecosystem, addressing key challenges such as high taxation, administrative bottlenecks, and limited access to finance, which continue to hinder SME growth.

The Forum also went on to emphasize the need for comprehensive tax reforms to ease the financial, non-financial and administrative burden on small businesses and need to streamline administrative processes to reduce bureaucratic delays, and enhance financial inclusion by improving access to affordable credit.

Additionally, stakeholders emphasized the importance of issues covering public-private partnerships, technological innovation, and capacity-building initiatives to equip SMEs with the skills and resources necessary for sustainable growth.

Tackling issues like corruption, energy shortages, infrastructure challenges and insufficient market access, among others also found space during wide ranging discussions during the Forum.

By implementing recommendations as outlined, it was amply highlighted that Cameroon can harness the untapped potential of its youth demographic and young population, in efficiently driving culture of innovation, and aiding job creation, while building societal resilience, in lead up to moving the country closer to its goal of becoming an emerging economy by 2035 and pursue Africa Agenda 2063 more assiduously.

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