



OSSP-CMR

PRIVATE SECTOR SUPPORT OPERATION
IN CAMEROON 



Impact of shocks (COVID-19 and crisis in Ukraine) on enterprises, 2023

Benchmark Report



Strengthening the resilience of Cameroonian SMEs to the impact of the covid-19 and Russian-Ukrainian crises

SUMMARY

EXECUTIVE SUMMARY	6
INTRODUCTION	10



1

IMPACT OF COVID AND THE CRISIS IN UKRAINE
ON SMES 14

2

GOVERNMENT MEASURES TO MITIGATE THE
EFFECTS OF CRISES ON SMES IN CAMEROON
42



3

STRENGTHENING THE EFFECTIVENESS OF
THE IMPLEMENTATION OF THE OPERATION
TO SUPPORT THE CAMEROONIAN PRIVATE
SECTOR: PROPOSAL OF A MECHANISM FOR
THE SELECTION OF SMES BENEFITING FROM
THE PROJECT 56



CONCLUSION	69
BIBLIOGRAPHY	72
ANNEXES	73
EDITORIAL TEAM	87

ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
BADEA	Arab Bank for Economic Development in Africa
BEAC	Bank of Central African States
CA	Turnover
CAS	Special Purpose Account
CBF	Cameroun Business Forum
CEA	United Nations Economic Commission for Africa
CET	Common external tariff
COVID-19	Coronavirus Disease
RLA	Regional and Local Authorities
DGC	Directorate General of Customs
DSF	Statistical and Fiscal Declaration
ECB	European Central Bank
EESI	Enquête sur l'Emploi et le Secteur Informel
EISC	Enquête d'Evaluation de l'Impact Socioéconomique de la pandémie de la Covid-19 et du conflit en Ukraine sur les Très Petites, Petites et Moyennes Entreprises au Cameroun
FED	Federal Reserve
GECAM	Groupement des Entreprises du Cameroun
GEFAC	Cameroon Women Entrepreneur Network
GICAM	Groupement Inter patronal du Cameroun
GCE	General Census of Enterprises
ICT	Information and Communication Technology
IMF	International Monetary Fund
IPU	Informal Production Unit
FAO	Food and Agriculture Organization of the United Nations
NIS	National Institute of Statistics
LIBOR	London Interbank Bid Rate
ME	Medium Enterprises
MFI	Microfinance Institution
MINADER	Ministry of Agriculture and Rural Development
MINEPAT	Ministry of the Economy, Planning and Regional Development
MINEPIA	Ministry of Livestock, Fisheries and Animal Industries
MINFI	Ministry of Finance
MSMEs	Micro, Small and Medium sizes Enterprises
NACAM	Nomenclature of Cameroon's Activities
NDS30	National Development Strategy 2020-2030
NIU	Unique identification number
OSSP-CMR	Private Sector Support Operation in Cameroon
PARPAC	Agricultural Production Enhancement Support Programme in Cameroon
PATNUC	Projet d'Accélération de la Transformation Numérique
PECAE	Programme d'Evaluation de la Conformité Avant Embarquement
PIISAH	Plan Intégré d'Import-Substitution Agricole et Halieutique
PMU	Project Management Unit
PULCA	Emergency Programme to Combat Food Crises
SE	Small Enterprise
SME	Small and Medium Enterprise
SODECOTON	Cameroon Cotton Development Company
SYNDUSTRICAM	Syndicat des Industriels du Cameroun
UNDP	United Nations Development Programme
VAT	Value Added Tax
VSE	Very Small Enterprises
WFO	World Food Programme
WHO	World Health Organization

LIST OF TABLES

Table 1: Comparison of the transmission channels of the effects of the two crises	22
Table 2: Magnitude of decline in output by sector of activity (%)	34
Table 3: Comparative table of the impacts of COVID and the crisis in Ukraine according to a few criteria	35
Table 4: Assessment of the importance of transmission channels according to the crisis considered for Cameroon	41
Table 5: Second-tier selection criteria for non-financial support for SMEs	64
Table 6: Second-tier selection criteria for financial support for SMEs online credit	65
Table 7: Second-tier selection criteria for financial support for SMEs online credit	67

EXECUTIVE SUMMARY





Main partners in the implementation



6,3%

Inflation has risen steadily to 6.3% in 2022, a level not seen since the 2008 riots.

6/10

2023

AGAINST

9/10

2020

Nearly 6 out of 10 companies say they are still suffering these effects, compared with 9 out of 10 in 2020.



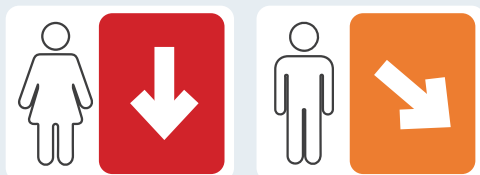
80%

Nearly 8 out of 10 SMEs say they have been affected by the consequences of the Russia-Ukraine crisis.



1 364

Companies throughout the country surveyed by the National Institute of Statistics (NIS)



Small businesses run by women have suffered more serious impacts than those run by men.

Recommendations on the general response to crises



Strengthening the financing offer for SMEs



Strengthening programmes and projects to develop local production of inputs and equipment



Strengthening the coordination of programmes



Improving communication with business leaders to ensure their support for public policy guidelines

In view of the persistent impacts of the COVID-19 pandemic, accentuated by the consequences of the crisis in Ukraine, the Cameroonian Government has put in place several actions to strengthen the resilience of SMEs. These actions have included minimizing the effects of key vulnerabilities for these enterprises. The Private Sector Support Operation in Cameroon (OSSP-CMR) is one of them. This project is mainly financed by a loan from the Arab Bank for Economic Development in Africa (BADEA), and is being implemented with technical support from the United Nations Development Programme (UNDP).

As part of the first axis of the project, which relates in particular to the diagnosis of the situation with a view to better refining the interventions envisaged, this report has been drafted. It establishes the baseline situation of the project through an assessment of the effects of the COVID-19 pandemic and the crisis in Ukraine on SMEs. It also offers some guidelines on strengthening the development and implementation of government measures in response to crises in general, and particularly for the two crises mentioned above and the OSSP-CMR project.

To do this, the methodological approach was mainly structured around documentary analysis and the realisation of a survey of a sample of SMEs. The survey, carried out by the National Institute of Statistics (NIS), covered a total of 1,364 enterprises throughout the country, including 804 modern SMEs and 560 Informal Production Units (IPUs). In addition, in accordance with the national economic policy guidelines and the project's target sectors of activity, the enterprises surveyed were mainly those in agriculture, including livestock, fishing and fish farming, and agropastoral processing.

Thus, at the international level, and particularly in Africa, the adverse effects of the pandemic and the crisis in Ukraine have been felt at both the microeconomic and macroeconomic levels. Indeed, the difficulties and underperformance experienced by enterprises as a result of these crises have led to the destabilisation of internal and external macroeconomic balances.

The pandemic has meant that many African enterprises are facing periods of sharp decline in activity, temporary closure or in extreme cases, permanent shutdown, with significant consequences on employment. Small businesses run by women have suffered more severe impacts than those run by men. SMEs have faced significant liquidity shocks, tightening financial difficulties and challenges related to the supply of raw materials. As a result, **economic growth has recorded a historic recession and public debt has risen sharply due to government intervention to support and revive activity.**

The crisis in Ukraine has led to a significant increase in enterprises' production costs. These effects were much more noticeable in countries where SMEs are highly integrated into the agricultural value chain, as the cost of inputs in this sector has increased relatively more. **From a macroeconomic perspective, inflation has reached unprecedented highs, the public deficit has widened in several countries, and post-2020 efforts to reduce and better control public debt in Africa have slowed.**

As for the transmission channels of the two crises, they are more or less identical, with a relatively different importance depending on the crisis under consideration. These channels are related to supply chains, aggregate demand, labour supply and demand, commodity prices, interest rate and access to finance, and finally, the exchange rate. The latter three channels were particularly important for the transmission of the effects of the crisis in Ukraine to enterprises.

In Cameroon, several microeconomic studies have been carried out in the case of COVID-19, but the work is almost non-existent for the crisis in Ukraine. However, the results obtained are similar and confirm those observed in other African countries. In addition, with regard to the crisis in Ukraine specifically, local SMEs have also faced a drop in demand, especially from the public sector, due to the crowding out of subsidy expenditure.

At the macroeconomic level, growth was at its lowest level in 2020 (0.3%) and was down 0.4 points in 2022 compared to forecasts at the beginning of the year. Inflation has gradually increased to 6.3% in 2022, a level not seen since the 2008 riots.

Regarding the results of the survey carried out, it appears that enterprises say they continue to suffer the effects of the pandemic in 2023, even if the magnitude has now diminished. Indeed, nearly 6 out of 10 enterprises indicate that they are still suffering from these effects, compared to 9/10 in 2020. This persistence is mainly marked among VSEs and SEs located in the regions that are home to the largest number of enterprises. These VSEs and SEs are run by women and young people, and have significant difficulties in obtaining bank financing or from MFIs. The enterprises that import the most raw materials are also those for which recovery is taking place at the slowest pace, as well as those operating in the business services, fisheries and aquaculture sectors.

Nearly 8 out of 10 SMEs say they have been affected by the consequences of the Russia-Ukraine crisis. The most affected are relatively large formal enterprises operating in the agri-food sector and sourcing from abroad. They have been in their markets for many years, are run by relatively older promoters, and typically have difficulty accessing bank and MFI financing.

The analyses show that the vulnerability factors of Cameroonian SMEs are numerous. They are related to: (i) the size of the enterprises, (ii) the insufficient capacity to mobilize financing, (iii) the place of purchase of raw materials, (iv) the gender of the promoter, (v) its age, (vi) the structure of the company's financing and (v) the level of digitalization of the activities.

As for the transmission channels of the two crises, they are broadly the same, although with relatively different levels of importance depending on the crisis under consideration. The most important ones in the case of Cameroon are related to supply chains, raw material costs, and interest rates and access to finance. In the specific case of the pandemic, the demand channel was also of significant importance.

Faced with these crises, and in addition to the internal measures taken by enterprises, the Government has intervened to support activity, promote resilience and accelerate economic recovery. This intervention has been reflected in the overall response strategy and recovery plan for the pandemic, and specific tax and customs facilities in the case of the crisis in Ukraine.

However, the analysis of the measures implemented showed shortcomings in both design and implementation, which limited the expected effects. In addition, this situation has led to a deterioration in the public-private dialogue and the business environment in general, and a reduction in performance that could have been achieved in terms of the number of enterprises directly supported.

Based on the findings made, several recommendations were made regarding the general response to crises, and more specifically for the continuation of efforts related to the response to the consequences of the pandemic and the crisis in Ukraine. In the latter case, it is a question of: (i) accelerating the operationalization of measures intended to strengthen the supply of financing for SMEs; (ii) to give priority to the implementation and strengthening of programmes and projects for the development of local production of inputs and equipment, particularly in the agricultural and agri-food sectors, with a view to reducing dependence on imports; (iii) strengthen the coordination of programmes implemented with a view to improving overall effectiveness by expanding the number of beneficiaries, strengthening partnerships and avoiding duplication of efforts; (iv) improve communication with business leaders to ensure their adherence to public policy orientations. In line with these recommendations, the SMEs surveyed indicate that the actions they recommend are essentially: (a) facilitating access to subsidies and financial assistance from the State, (b) reducing the prices of inputs and raw materials; (c) the reduction of the tax burden; and (d) facilitating access to formal credit.

Thus, the implementation of the Private Sector Support Operation in Cameroon (OSSP-CMR) takes into account the conclusions of this study. In particular, in order to further facilitate access to the support instruments developed and to improve the transparency of the process, a suggestion is made with regard to the mechanism for selecting the SMEs to be supported.

The mechanism for selecting enterprises in the framework of the OSSP-CMR project is based on eligibility criteria or first-rank criteria, and selection criteria proper, or second-rank criteria. Failure to meet one or more eligibility criteria indicates that a company is not qualified to receive project support. Otherwise, each company receives a score for each of the second-tier criteria, which are then aggregated according to a specific process to obtain an overall score from which a final judgment is made. The scoring process is specific to the project's support mechanisms, which can be financial or non-financial.

INTRODUCTION

Due to the long-term consequences of the Covid-19 pandemic and the Russia-Ukraine crisis, the trajectory of global economic activity has been permanently altered since 2020. In particular, in emerging market and developing economies, several lingering consequences of these crises continue to hamper the recovery.

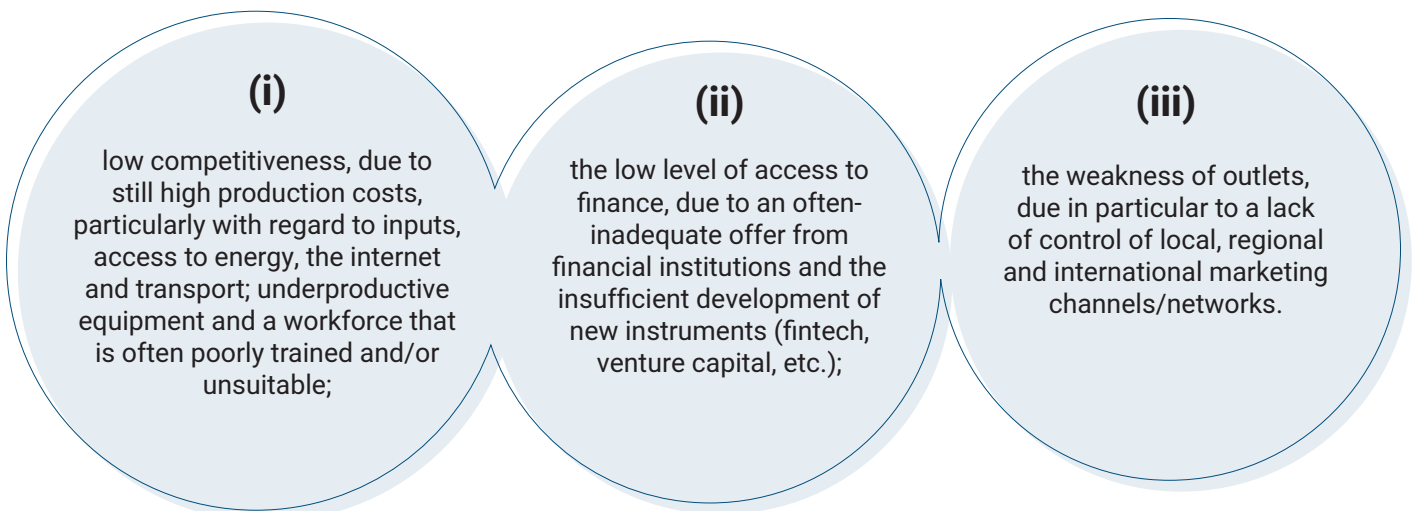
As for the Cameroonian economy, it has shown resilience despite the deep disruption of the productive fabric and the reduction in demand. Thus, the growth rate in Cameroon stood at 0.3% in 2020 against a forecast of 4.0% at the beginning of the year, but remained positive contrary to the situation observed in several African countries. Small and medium-sized enterprises, which make up about 97% of the enterprises established in the territory and 18.4% of turnover, have been particularly affected. Indeed, the survey to assess the socio-economic impacts of the pandemic, conducted in May 2020 by the INS with the support of MINEPAT and UNDP on a sample of 770 enterprises, showed that 84.3% of SMEs experienced a drop in their production; 97% recorded a reduction in their turnover and 62.2% revised downwards the number of their employees.

In order to mitigate the harmful effects of the pandemic, the Government adopted in 2020 its global strategy for response and economic and social resilience, the second axis of which, on economic and financial resilience, made it possible to identify a post-Covid-19 recovery plan.

The implementation of the actions contained in the said plan has made it possible to achieve a modest recovery. Thus, in 2021, the growth rate was 3.6%. At a time when post-covid-19 efforts are beginning to bear fruit, national economic activity has once again been affected by the disruption of production chains and the decline in productivity, following the new shock of the Russian-Ukrainian crisis.

In addition, certain structural constraints continue to weigh on the recovery, particularly in relation to the weak business environment and difficulties in accessing financing.

Thus, to strengthen the pace of recovery and promote the achievement of a growth path compatible with the catch-up of development objectives, several constraints to the development of the private sector, particularly at the level of SMEs, remain to be overcome. These include:



It is with the aim of providing solutions to these constraints that the Government, with the technical support of UNDP and the financial support of the Arab Bank for Economic Development in Africa (BADEA), has launched the implementation of the “Cameroonian Private Sector Support Operation” project.

This operation, which primarily targets very small, small and medium-sized enterprises (SMEs) in the agropastoral and agri-food sectors, is structured in 04 axes relating to: (i) the diagnosis and mapping of opportunities, in order to better refine the interventions envisaged; (ii) the preservation of the survival of enterprises and the improvement of the business climate specific to SMEs; (iii) the empowerment of target enterprises to improve their productivity, competitiveness and their ability to innovate; and (iv) access to appropriate financial products and services for SMEs.

As part of the implementation of Axis 1, this study to assess the socio-economic impacts of the COVID-19 pandemic and the crisis in Ukraine on SMEs in Cameroon aims to update the understanding of the effects of these shocks on activity, and to specify the targets and priorities of the interventions to be carried out within the framework of the Operation. It should be noted that this study, which complements the one conducted in 2020, not only makes it possible to understand the persistence of the effects of COVID 19 on enterprises, to take into account the effects of the Russian-Ukrainian crisis, and finally to establish the reference situation for the monitoring and evaluation of the implementation of the Cameroonian Private Sector Support Operation.

OBJECTIVES

The overall objective of the study is to analyse the socio-economic impacts of the COVID-19 pandemic and the crisis in Ukraine on very small, small and medium-sized enterprises in Cameroon. Specifically, and taking into account gender aspects, it is a question of:

- Review the various studies conducted as part of the assessment of the socio-economic effects of the pandemic and the crisis in Ukraine on enterprises in Africa, and particularly in Cameroon;
- Conduct an in-depth analysis of the transmission channels of the economic and social impacts of the pandemic and the crisis in Ukraine on very small, small and medium-sized enterprises in Cameroon, with a particular focus on SMEs in the agriculture and agribusiness sectors;
- Measure the extent of the consequences of the pandemic and the crisis in Ukraine on the activity of SMEs (evolution of productivity and turnover, sales volume, labour and employment, financing, production costs, access to raw materials, etc.), while highlighting the disparities by sector and by branch of activity and by region, and according to the characteristics of the entrepreneur and his production unit;
- Assess the impact of the SME support measures put in place by the Government as part of the response and recovery plans;
- Examine the evolution of the effects of crises and the adaptability of enterprises to respond to them, as well as the vulnerabilities of SMEs that remain;
- Identify the current financial and non-financial constraints and needs of SMEs, by sectors and branches of activity, by regions, and according to the characteristics of the entrepreneur and his production unit - in order to better refine the response within the framework of the operation;
- Identify opportunities for the SME private sector in the context created by the COVID-19 crisis and the crisis in Ukraine;
- Based on the evidence produced, formulate support measures and future actions to be carried out by the Government and Technical and Financial Partners to strengthen the resilience and recovery of SMEs in the face of shocks.

METHODOLOGY

Three main steps were taken to achieve the objectives of this study. For each of these stages, the OSSP-CMR project benefited from the collaboration of the National Institute of Statistics (NIS).

STEP 1 : THE DOCUMENT REVIEW

This made it possible to take stock of the various studies carried out as part of the assessment of the socio-economic effects of the Covid-19 pandemic and the crisis in Ukraine on enterprises in Africa in general, and in Cameroon in particular. In particular, the methodological aspects and results (impacts, transmission channels, shock mitigation and adaptation policies) were highlighted. It thus resulted in an analysis plan and associated indicators, as well as the variables of interest that the survey of enterprises should make it possible to fill in (step 2).

STEP 2 : THE SURVEY OF ENTERPRISES

A field survey of a representative sample of SMEs (including Informal Production Units) was carried out by the National Institute of Statistics between October and November 2023. It should be noted that the characterization of the size of SMEs refers to Law No. 2015/010 of July 16, 2015 amending and supplementing certain provisions of Law No. 2010/001 of April 13, 2010 on the promotion of SMEs in Cameroon. However, in the case of informal production units (IPUs), the size criterion is the number of persons employed in the unit, including family workers.

Geographical and sectoral scope

The geographical scope of the survey covered all ten administrative regions of Cameroon. The cities of Douala and Yaoundé, given their importance in terms of business establishment, are considered to be survey regions in their own right. Thus, twelve (12) survey regions were considered.

At the sectoral level, the survey covered the activities of the agri-food sectors, in particular those selected in the context of the structural transformation of the economy, taking into account production units in the agricultural sector, start-ups in the digital economy, as well as enterprises that have benefited from support measures in the fight against COVID-19. This orientation was adopted in view of the priority targets of the OSSP-CMR Project and the need to have precise information on the constraints and needs in these branches of activity. The Nomenclature of Activities of Cameroon (NACAM rev 1) has made it possible to classify the activities in the different branches.

Sampling frame and sampling

The sampling frame for modern SMEs¹ was compiled from the following sources:

- (i) Statistical register of enterprises in Cameroon, resulting from the second general census of enterprises², which makes it possible to identify enterprises, locate them, and classify them according to the main activity carried out and size;
- (ii) data files of enterprises in the agricultural sector available at the Ministry of Agriculture and Rural Development (MINADER) and the Ministry of Livestock, Fisheries and Animal Industries (MINEPIA).

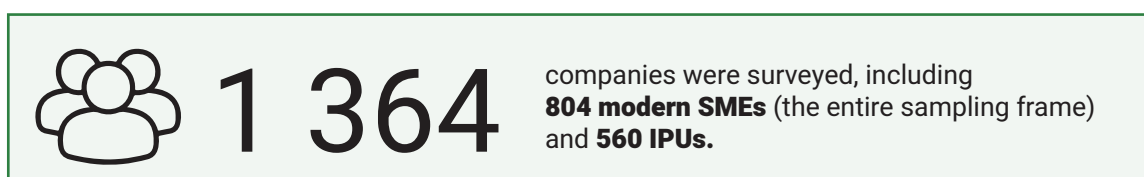
In total, the sampling frame contains 804 modern enterprises.

¹ units of production of goods and/or services filling out a Statistical and Fiscal Declaration (DSF) of the normal type (SN) or the minimum cash flow system (SMT)

² Updated annually with Statistical and Fiscal Declarations (DSF).

With regard to informal production units, 560 IPU were surveyed on the extent of the territory according to quotas by region and by sector of activity. Indeed, the files likely to constitute sampling frames, namely the list of IPU of the Survey on Employment and the Informal Sector (EESI) survey, or the georeferenced database of Census Areas (ZRs) obtained during the RGE-2 and updated during the mapping work of the RGE-3 are not suitable for the present study because of the sectoral field chosen. This is because the EESI survey is more adapted to the units observable in households and does not allow for a good targeting of units within the framework of the project. The ZRs can be used to identify observable IPU, i.e. those that work in a fixed professional premises or a fitted site. However, the sectoral scope restricted mainly to agricultural and industrial activities makes it difficult to choose ZRs to dispose of units by sector of activity.

Thus, a total of 1,364 enterprises were surveyed, including 804 modern SMEs (the entire sampling frame) and 560 IPU.



STEP 3 : DATA ANALYSIS AND REPORTING

The analysis was quantitative and qualitative, and highlighted the main factors of vulnerability to corporate shocks. It combined primary data (obtained from the survey conducted by the NSI) and secondary data from national and international reports on the effects of COVID-19 and the crisis in Ukraine. At the end of the analysis, a criterion for the choice of SMEs to be supported by the project was proposed.

PLAN OF THE REPORT

The rest of this report is structured around 03 main parts that successively deal with:

(i) the impact of COVID-19 and the Crisis in Ukraine on SMEs, through the analysis of the document review and the exploitation of survey data;

(ii) measures to mitigate the effects of these shocks, which present the measures already taken, the results of these measures and the lessons learned; and

(iii) a proposal for the accompanying mechanism to strengthen the operationalization of OSSP-CMR interventions.

IMPACT OF COVID AND THE CRISIS IN UKRAINE ON SMES



The Covid-19 pandemic has led to an exceptional economic crisis in the world and in Africa. The continent has recorded its first recession in twenty-five years and is slowly recovering. This recovery is hampered by disruptions to global trade flows and commodity markets caused by the crisis in Ukraine. To provide appropriate responses to these crises, it is necessary to distinguish their effects and to identify the arteries through which shock waves propagate in economies, and among SMEs. This analysis will inspire us for the case of Cameroon. Also, the results of the surveys conducted among Cameroonian SMEs will be exploited.

1.1 Main results of the literature review on African countries

1.1.1 MICRO AND MACROECONOMIC IMPACT OF CRISES

This subsection presents the impact of the two crises on African economies and Cameroon.

1.1.1.1 SOCIO-ECONOMIC IMPACT OF THE COVID 19 PANDEMIC

The global health crisis due to the COVID-19 pandemic, in addition to its adverse effects on the health of populations, has impacted the entire world socially and economically due to the special prevention measures to stem the spread of the disease. Countries in Africa, like other countries affected by the pandemic, have faced the twin challenges of health response and socio-economic recovery, both from a micro and macroeconomic perspective.

i. Impact of Covid-19 at the microeconomic level

At the micro level, the pandemic has particularly affected enterprises, especially SMEs, altering the progress in terms of competitiveness recorded so far by the latter. Thus, as everywhere else, many African enterprises have been confronted with periods of sharp decline in activity, temporary closure or in extreme cases, permanent shutdown, with significant consequences on employment. A study conducted by the International Finance Corporation (2021), titled "Impact of COVID-19 and Women-led MSMEs in Sub-Saharan Africa", shows that more than a quarter of all enterprises surveyed were unable to continue operations during the crisis. In addition, in South Africa, SMEs have been forced to significantly reduce their workforce. Mass layoffs and furloughs have been reported, leading to increased unemployment and increased precariousness for workers (Sloane, 2020). A similar situation has been observed in Kenya and Burkina Faso (Siddiqui et al, 2020; CCI-BF, 2020). In Morocco, many micro, small and medium-sized enterprises have had reduced opening hours because of government decisions (for 21% of small and medium-sized enterprises, and 14% of micro-enterprises) or by choice (10% to 11% depending on the size of the enterprise). In Chad, nearly 288,607 people were on technical unemployment during the pandemic, the largest of which were in the non-food trade sector, education, urban transport and finally catering (UNDP, 2021). In Congo, the decline in activity was greater for enterprises in the formal sector, as well as for those whose activity was deemed "non-essential"³ (77% to 96%). For enterprises carrying out activities that are essential or essential to life in times of confinement, the decrease was less (34 to 76%). This situation has led to the layoff of 25.2% of employees for enterprises affiliated to the Union Patronale et Interpersonnelle du Congo (UNDP, 2020). In Uganda, micro and small enterprises experienced a larger decline in activity than medium and large enterprises, due to the closure of production sites due to their inability to implement preventive health measures (provision of on-site accommodation for employees, disinfectants and handwashing equipment for customers, etc.) (Lakuma and Sunday, 2020). However, this distribution of the intensity of the shock according to the size of the company depends on the economic structure of the country. While

³ The following branches are considered to be non-essential: Automotive, Insurance, Construction, Non-essential Shops, Non-requisitioned Hotels and Restaurants, Metallurgical Industry

micro enterprises are the most affected in some cases, larger enterprises appear to be more affected in others (CEA, 2023).

In general, women-led small enterprises have experienced more severe impacts than men-led ones, largely due to their smaller size and greater concentration in highly-affected sectors (International Finance Corporation, 2021; AfDB, 2021).

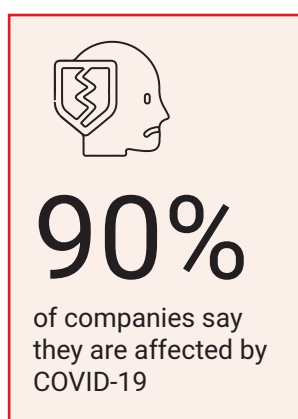
SMEs have faced significant liquidity shocks and the hardening of financial difficulties, favoured by the increase in cash flow pressures due to the decline in activity, as well as late payments from customers. This is the case in South Africa, where some enterprises reported a decrease of up to 50% in revenue, which had a significant impact on their profitability and ability to sustain operations (Sloane, 2020). In Nigeria, the most vulnerable firms were those that depended on trade credit and external sources of financing (Adeyemi et al. 2020), as the context discouraged bank lending.

To cope with all these difficulties, several SMEs have had to adapt their business model to continue operating. Many Nigerian SMEs have been diversifying products and services, adopting new technologies, transitioning to online sales channels, and exploring new markets (Adeyemi et al. 2020). Also in Kenya, many SMEs have sought to diversify their sales channels by turning to e-commerce and online platforms. In addition, in several countries, some SMEs have reoriented their activities to meet the growing demand for essential products such as health protection products and delivery services. Collaboration and partnerships among SMEs have often been sought to share costs, expertise, and resources, thereby building their collective resilience (Siddiqui et al, 2020).

In Cameroon, a baseline survey was carried out in May 2020 by the National Institute of Statistics (INS), with the support of MINEPAT and the United Nations Development Programme (UNDP). She noted that nearly 90% of enterprises say they are affected by COVID-19, with the risk of business interruption for some of them⁴. Business leaders point out that the main constraints they face are the drop in demand (94.2% of enterprises), and supply (76%) and financing (72%) difficulties. As a result, 82.6% recorded a drop in production, 95.5% a drop in turnover and 52.8% a reduction in the workforce with technical layoffs. This reduction in the number of employees is relatively more marked in SMEs in the modern sector, with nearly 62.2% of the enterprises in this group, and concerns both temporary and permanent staff.

With regard to financing difficulties in particular, 90% of the business leaders concerned say they lack equity due to the drop in their sales. Similarly, nearly 60% report that local financial partners are reluctant to do so and 42.9% report that they have encountered a refusal of financing from banks. The informal sector is also affected and some actors (45%) are already experiencing difficulties in being able to finance themselves from tontines and other associations.

Other studies conducted by the NIS in 2021 on a panel of enterprises, as well as by ISSEA and GECAM (2020) in particular, have led to similar results



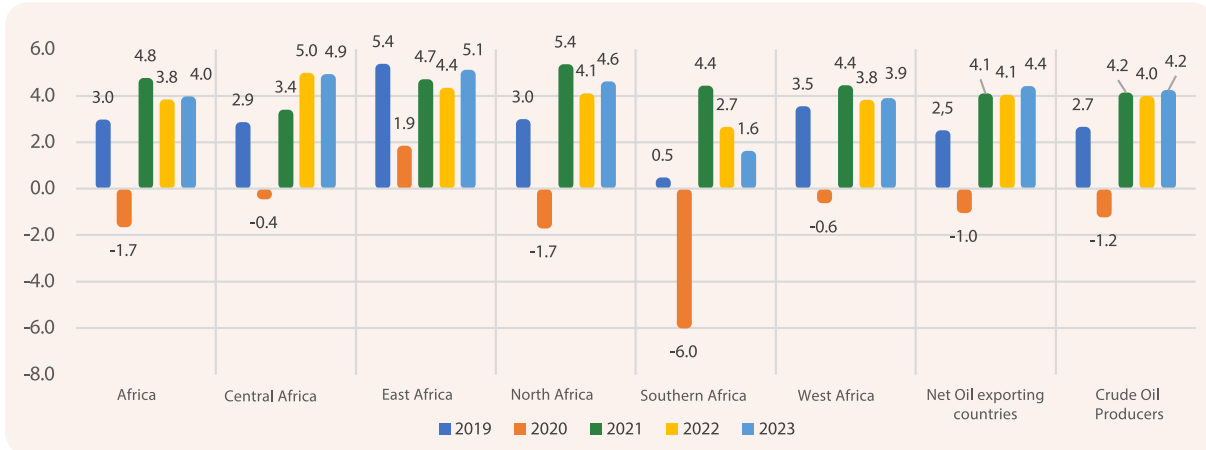
⁴ The study covered a sample of 770 enterprises, of which 10 % were large enterprises, 56 % were small and medium-sized enterprises and 34 % were informal sector units.

ii. Impact of Covid-19 at the macroeconomic level

Before the pandemic, the continent was home to the world’s fastest-growing economies and several African countries were showing the first signs of structural transformation and progress towards economic emergence. These performances have been significantly affected.

In 2020, Africa suffered its worst recession in more than 50 years. GDP decreased by 1.7% according to Graphs from the African Development Bank.

Graph 1: GDP growth in Africa, by region and country groups (%)



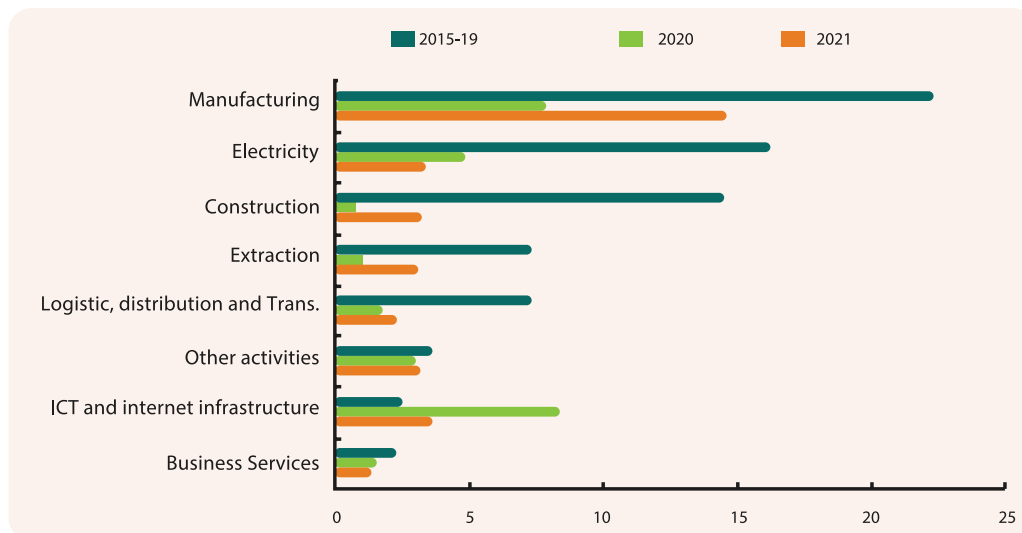
Source : AfDB(2024), calculation from OSSP-CMR experts

Southern Africa was the hardest hit region, with an economic contraction of nearly 7 per cent, due in part to the region’s dependence on the tourism sector. This is particularly the case for Mauritius (-14.5%), Botswana (-8.7%) and Lesotho (-7.5%).

In Central Africa, real GDP fell by 0.4%. Among the countries heavily affected by the crisis in the sub-region are the Republic of Congo (-6.3%), Equatorial Guinea (-4.8%), and Chad (-2.1%). Cameroon was more resilient, with a positive growth rate of 0.3%.

A general recovery was recorded in 2021 in all regions of the continent despite the persistence of the disease.

Graph 2: New Foreign Direct Investment Projects in Africa 2015-2021 (%)



Source: UNCTAD (2022), World Investment Report

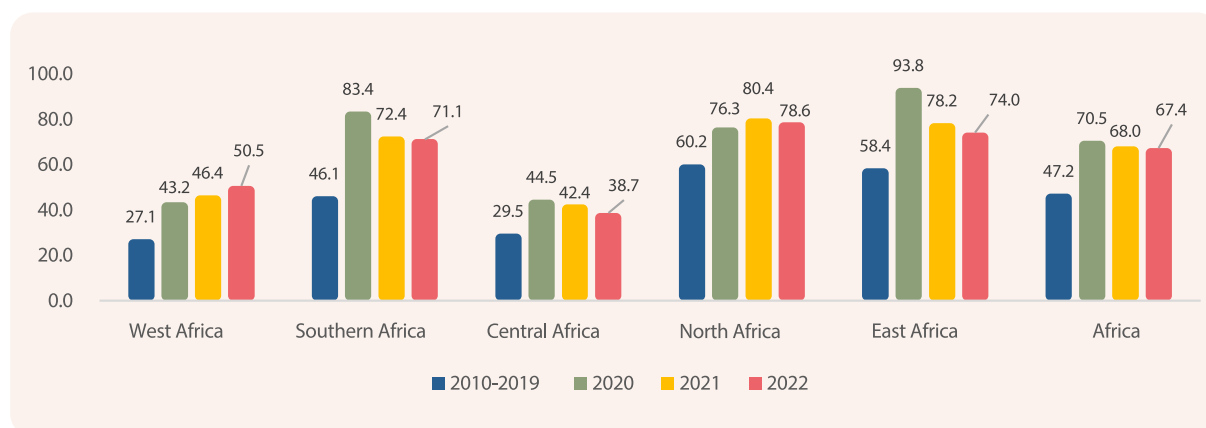
This decline in growth in 2020 was, according to UNCTAD (2022b), partly driven by a significant reduction in FDI flows to Africa. These decreased by 16% in 2020, with the largest reduction recorded in North Africa (-25%). Sub-Saharan Africa recorded a decline of -12%. Despite the overall downward trend in new FDI in Africa, investment in the continent’s ICT industries increased in 2020.

Inflation on the continent reached 9.6% in 2020 (AfDB, 2024), mainly due to the expansionary monetary policies implemented by most African countries to support economic activity (reduction in central bank key rates, reductions in bank capital requirements, loan refinancing facilities, etc.), as well as the supply consequences of supply chain disruptions. Cameroon recorded inflation of 2.5%. Inflationary pressures intensified in 2021 with the persistence of the effects of the pandemic, with prices rising by 12.5% on a continental scale.

Fiscal deficits widened significantly (-6.9% of GDP compared to -4.4% in 2019), due to Covid-19-related health and economic support interventions (implementation of economic resilience plans, including tax relief measures for enterprises and monetary and/or food support for households). In 2021, these deficits narrowed slightly in some countries, due to the economic recovery and the concomitant improvement in revenues. However, the estimated average deficit for the continent remained above pre-pandemic levels.

As a result of the widening deficits, public debt has also reached worrying levels. The continent's debt-to-GDP ratio increased by 23.3 percentage points in 2020 compared to its historical average over the period 2010-2019, standing at 70.5% according to IMF Graphs. This increase is particularly driven by debt dynamics in Southern African countries, where the increase stands at just over 37.3 points, as well as in East African countries (+35.5 points). The smallest increase was recorded in Central African countries (+14.9 points). This worrying trend in public debt was also highlighted by the ECA's Economic Report on Africa in 2021.

Graph 3: Evolution of the debt-to-GDP ratio by African region (%)



Source : IMF (2024), calculations from OSSP-CMR experts

1.1.1.2 SOCIO-ECONOMIC IMPACT OF THE RUSSIAN-UKRAINIAN CRISIS

Accentuating the effects of the pandemic, the consequences of the Russian-Ukrainian crisis have been felt both at the microeconomic level, particularly on business costs, and at the macroeconomic level, particularly on inflation.

i. Impact of the Russian-Ukrainian crisis at the microeconomic level

SME surveys conducted in 2023 in several African countries by ECA (Angola, Eswatini, Malawi, Mozambique and Namibia) show that the impacts of the crisis are differentiated according to geographical setting. While the Ukraine Crisis had a minor influence on SMEs in Angola (7% of SMEs reporting being affected), and moderate in Mozambique (35%), it affected businesses much more in Namibia (78%), Malawi (71%) and Eswatini (66%). This situation has resulted in both a drop in sales and production. This result indicates that the effects of the crisis were much greater in countries where SMEs are heavily embedded in the agricultural value chain, with input costs significantly increasing. For example, Malawi's GDP depends on agriculture for almost a third, which also accounts for 80% of exports and about 60% of the labour force.

It also appears that the perception of the effects of the crisis depends largely on the specificities of the country's SMEs. Thus, the impact was relatively greater for micro-enterprises, especially in economies such as Malawi (60% affected) where they are more numerous. On the other hand, enterprises whose activities are highly dependent on external sources, both for imports of inputs and for sales, have also experienced a greater impact.

In general, the Ukrainian crisis has had a significant impact on business activities in Africa through: **(a)** the increase in production costs, due to the disruption of global agricultural and energy markets, leading to higher input prices. This has been a particular challenge for enterprises that rely heavily on imported inputs; **(b)** reduced sales, due to the disruption of global trade and demand, which has made it more difficult to export goods. This is a challenge for enterprises that export mainly to Europe; **(c)** difficulties in accessing financing, with rising interest rates. This has been a particular challenge for small and medium-sized enterprises that rely mainly on bank financing.

The adaptation strategies implemented by SMEs in the face of these difficulties are essentially the use of local supply chains, securing existing ones, reducing the capacity utilisation rate and raising prices.

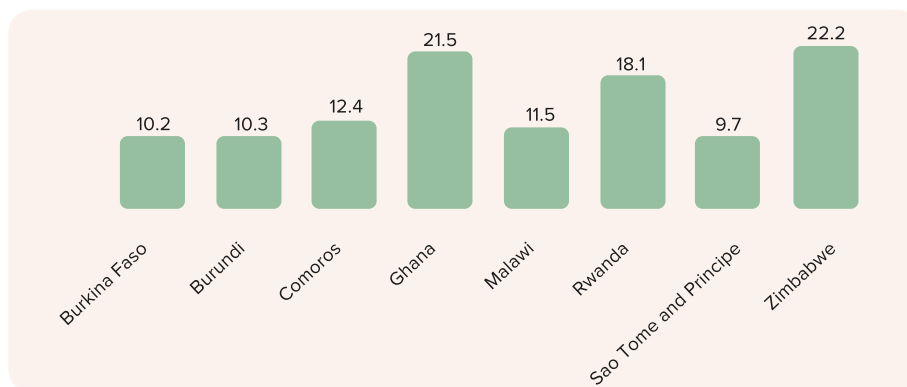
It should be noted that the orientation of enterprises towards local supply chains to promote the development of activities in certain sectors. For example, several SMEs surveyed indicate that the crisis in Ukraine has had positive effects on their activities: 41% in Namibia, and 19% in Angola in particular.

In Cameroon, the results of our research indicate that no microeconomic studies have been rigorously conducted to date to assess the effect of the crisis in Ukraine on SMEs. However, the analysis of available economic reports, in particular the MINEPAT report on the Cameroonian economy in 2022, indicates that enterprises have been significantly impacted, particularly through the increase in input costs and the tightening of financial conditions. This report also indicates that domestic demand for enterprises has decreased due to the crowding out effect of the increase in the fuel subsidy bill to be paid by the Government.

ii. Impact of the Russian-Ukrainian crisis at the macroeconomic level

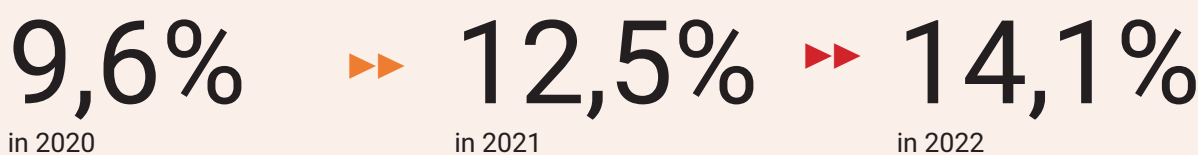
Regarding economic growth, Several countries recorded historically large forecast gaps in 2022. This is particularly the case for Burkina Faso (-4.5 points), Sudan (-4.5 points), and CAR (-3 points) according to Graphs from the World Bank's global economic outlook. Moreover, with regard to the Graph 1, growth fell by 1 point in Africa in 2022 to 3.8% after the post-pandemic recovery of 2021. This decline is attributable to the underperformance observed in Southern, North and West Africa. In Cameroon, growth stood at 3.6%.

Graph 4: Evolution of inflation in percentage points in selected African economies in 2022 compared to 2021 (%)



Source : BAD (2024)

Inflation in Africa



Inflation reached 14.1% in 2022 in Africa compared to 12.5% in 2021 and 9.6% in 2020 (AfDB). The most worrying developments were recorded in the net food and energy importing countries, including Ghana (+21.5 points), Zimbabwe (+22.2 points), Rwanda (+18.1), Comoros (+12.4 points) and Malawi (+11.5 points). In Cameroon, consumer prices reached 6.3%, up about 4 points.

On the fiscal side, some countries have faced higher current expenditure due to the combined effect of broad-based price increases and the current subsidy system. The overall deficit widened, particularly in Burundi (-7.5% compared to -3.2% in 2021), Burkina Faso (-10.6% compared to -7.5%), Sierra Leone (-9.6% compared to -7.4%), Côte d'Ivoire (-6.9% compared to -4.9%) and Togo (-8.3% compared to -4.7% in 2021). In Cameroon, fuel subsidy spending reached record levels, but the adjustment of the finance law during the year kept the deficit at a level consistent with the objectives of the 2021-2024 Economic and Financial Program.

As a result, the post-2020 efforts to reduce and better control public debt in Africa, which led to a 2.5 percentage point reduction in the debt ratio in 2021, (Graph 3), have been slowed down significantly. Public debt decreased by 0.7 percentage points to about 67.4% of GDP in 2022, with a significant increase in West Africa. This dynamic has been supported not only by the widening deficit, but also by the effect of inflation on interest rates. In Cameroon, public debt has been brought under control as a result of the reduction of the public deficit.

1.1.2 CHANNELS FOR THE TRANSMISSION OF CRISES ON ACTIVITY AND SMES

The literature review identified similarities and differences in the transmission channels of the two crises.

1.1.2.1 TRANSMISSION CHANNELS OF THE COVID-19 CRISIS

The transmission channels of this crisis were multiple, contributing to the scale and complexity of the resulting consequences (MINEPAT, 2020). The main channels that can be identified are related to the following:

- a. Supply chains :** Travel restrictions and border closures have disrupted supply chains, especially for SMEs that depend on importing raw materials or intermediate goods. Delays or unavailability of supplies have hampered production and the ability of SMEs to meet demand. These malfunctions have led to product shortages, delivery delays, and increased logistics costs. Indeed, it has been observed that the costs of sea freight have multiplied by five in 2020.
- b. Global demand :** Social distancing, lockdowns, and travel restrictions have also led to a decline in overall demand, particularly in the tourism, hospitality, and entertainment sectors. Consumers cut spending, businesses cut back on purchases, and exports were affected by trade restrictions, leading to lower revenues for SMEs.
- c. Access to finance** Financial markets have been heavily affected by economic uncertainty, volatile asset prices, and financial losses. SMEs have faced difficulties in accessing the necessary financing due to tighter credit conditions and economic uncertainty. Banks and other financial institutions have taken a more cautious approach, limiting access to loans and growth capital. These difficulties have led to a significant drop in revenues for many SMEs, making it difficult to manage financial obligations, pay salaries and suppliers, and increase the risk of bankruptcy for some enterprises.
- d. Labour supply and demand** Massive job losses, unemployment and wage cuts have had an impact on household purchasing power and consumption. Social distancing measures, increased health requirements and capacity restrictions have forced many SMEs to adjust their operations and their workforce accordingly. As the pandemic keeps production virtually at a standstill, there is a negative impact on supply chains, labor demand, and employment, leading to prolonged periods of layoffs and rising unemployment.

e. Economic policies :

The economic stimulus measures put in place by governments to mitigate the effects of the crisis have also had an impact on the economy. These include the tightening of financing conditions to deal with inflationary pressures. This policy makes it difficult to refinance the economy. In addition, several SMEs have benefited from the measures put in place by the public authorities to support activity, in particular tax and customs exemptions, as well as subsidies.

1.1.2.2 TRANSMISSION CHANNELS OF THE UKRAINE CRISIS

The Russian-Ukrainian crisis has had repercussions that affect the economic, financial and geopolitical spheres. These repercussions are due on the one hand to the interruption of production units in Ukraine, which represents a significant weight in the production of several products (cereals, energy products, etc.), and on the other hand to the international community's sanctions against Russia, which is also the main producer of several raw materials (MINEPAT, 2022). This situation has had impacts that have spread to the rest of the world economy and to Africa specifically, in particular:

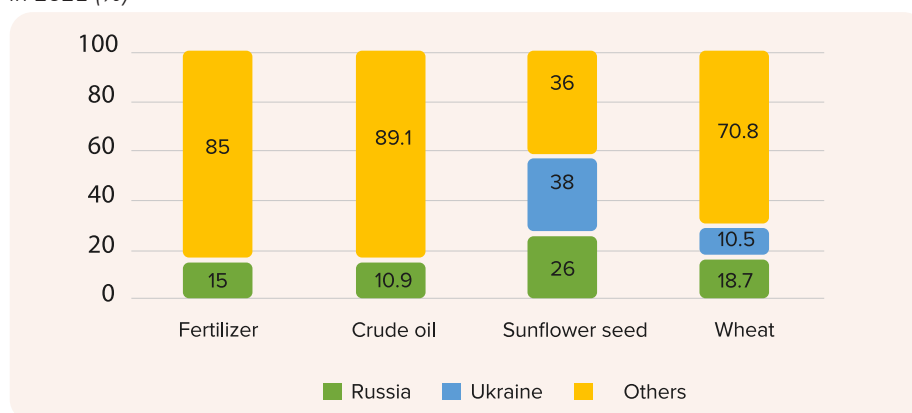
a. Supply Chains

The crisis in Ukraine has led to disruptions in the global supply chain, especially for raw materials and agricultural products that are exported by Ukraine and Russia. The destruction of logistics infrastructure in Ukraine and the sanctions imposed on Russia have affected the availability of these products (wheat, fertilizers, gas, etc.) on the world market, leading to a decrease in global supply and particularly for countries sourcing from these two countries.

b. Commodity prices

Ukraine and Russia are major producers of grains, agricultural inputs, steel and other raw materials. In 2021, these countries appeared in the top 5 exporters of wheat, corn, as well as sunflower seeds and oils. In addition, Russia is the world's largest exporter of nitrogen fertilizers, the third largest exporter of phosphorus fertilizers, and the second largest producer of potassium fertilizers. In addition, the country also supplies a large part of the world's energy supply, including liquefied natural gas and crude oil. Disruptions caused by the crisis have led not only to an increase in the prices of these products, but also to an increase in the volatility of these prices on international markets. This situation leads to an increase in production costs and the degree of uncertainty that enterprises face.

Graph 5: Weight of Russia and Ukraine in the global supply of certain commodities in 2021 (%)



Source : UNCTAD (2023)

c. Interest rates

Inflationary surges linked to the consequences of the Russian-Ukrainian crisis have led several central banks to tighten their monetary policy in order to contain inflation. This has led to higher interest rates, which have resulted in tighter debt conditions for other countries, and to some extent an upward revaluation of existing floating rate debt service. For example, the 12-month LIBOR rose from 0.5% in December 2021 to 3.75% in July 2022. The Fed's key rate rose from 0.25% before the crisis in Ukraine to 2.5% on the 28th of July, 2022, an increase of 225 basis points in 05 months. Similarly, the ECB's refinancing rate has gradually increased to 1.25% as of 8 September 2022, whereas it was zero before the start of the crisis. This situation has increased the cost of capital for enterprises and worsened their liabilities. Naturally, the most exposed enterprises are those with a higher bank debt ratio.

d. The exchange rate

The war in Ukraine and the economic and financial sanctions against Russia have led to a considerable rise in the value of the dollar, which is expected to influence not only the sovereign debt of states, but also export prices and import costs. These transmission channels underline the importance of the crisis in Ukraine in the global economy and highlight the additional challenges it poses for the economic and financial stability of states, but also of enterprises.

1.1.2.3 SIMILARITIES AND DIFFERENCES BETWEEN THE TRANSMISSION CHANNELS OF TWO CRISES

The transmission channels of the COVID-19 crisis and the crisis in Ukraine have some similarities, in particular with regard to their effects on the economy, including at the corporate level, and on financial variables. These similarities underscore the magnitude of the challenges posed by these two crises and highlight the importance of a coordinated local and international response to mitigate their effects.

Table 1: Comparison of the transmission channels of the effects of the two crises

Transmission channels		COVID-19	Russian-Ukrainian crisis
01	Supply Chains	X	X
02	Commodity prices	X	X
03	Overall demand	X	
04	Labour supply and demand	X	
05	Interest rates and access to financing	X	X
06	Exchange rates		X

Source : OSSP-CMR

1.2 Cameroonian SMEs in the face of Crises

Sur la base des résultats précédents de la revue documentaire, cette section analyse l'impact des crises et de leurs canaux de transmission sur les PME camerounaises à travers l'exploitation des données d'enquête réalisées par l'Institut National de la Statistique (INS) en 2023, et d'autres sources de données nationales.

1.2.1 IMPACT OF CRISES ON CAMEROONIAN SMES AND VULNERABILITY FACTORS

1.2.1.1 IMPACT OF COVID-19

The analysis of the impact of COVID-19 is based on a comparative approach between the situation in 2020 and that perceived by businesses at the time of the survey.

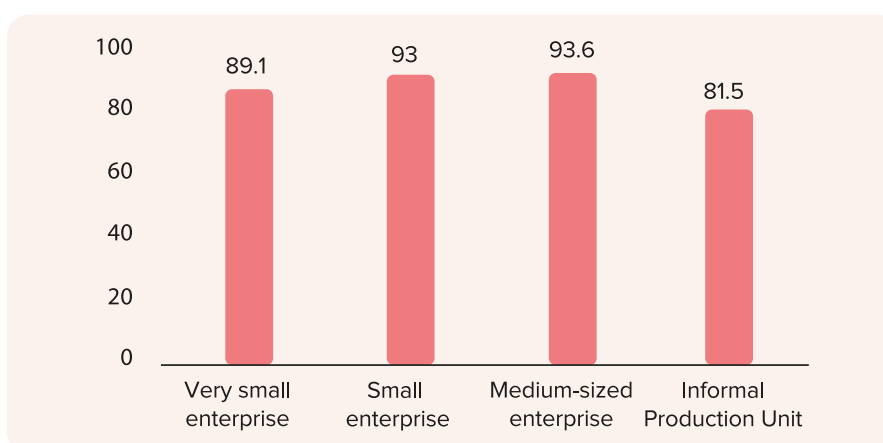
IMPACT AND MANIFESTATIONS OF THE PANDEMIC IN 2020

The vast majority of enterprises say they suffered adverse effects from the pandemic in 2020.

Indeed, about nine out of ten enterprises say that their activities have been negatively affected. Modern SMEs seem to have been more affected than IPU, in particular because of the more structured activity of the former, which required stricter compliance with the barrier measures put in place by the Government.

In the group of modern SMEs, the perception of the negative impact of the crisis increases with the size of the company. It is 93.6% for medium-sized enterprises, 93% for small enterprises and 89.1% for very small enterprises. Indeed, the Better-structured enterprises tend to have more complex operations with more extensive distribution networks and a large workforce. These characteristics have made them more vulnerable to measures taken at the national and international levels to contain the spread of the pandemic. The activity of the IPU is more flexible, given their individual nature and the lower level of fixed costs. These specificities certainly worked in their favour in dealing with the crisis, in line with the conclusions of the literature review on some countries with a similar level of development.

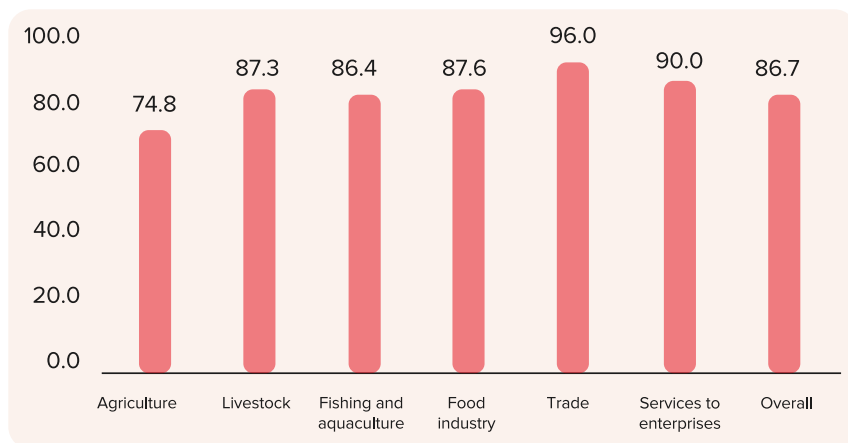
Graphic 6: perception of the harmful impact of the pandemic in 2020 by size of SMEs (%)



Source: EISC 2023 Survey

Depending on the industry, the adverse effects of the pandemic are noted with a stronger occurrence for service enterprises, given their importance and the direct effect of health measures on their activity. The most affected branches are trade (96%) and consequently business services (90%). The industrial sector was the second most affected (87.6%). Finally, in the primary sector, 87.3% of livestock businesses say they are affected, compared to 86.4% for fisheries and aquaculture and 74.8% for agriculture.

Graph 7 : perception of the harmful impact of the pandemic in 2020 by sector (%)



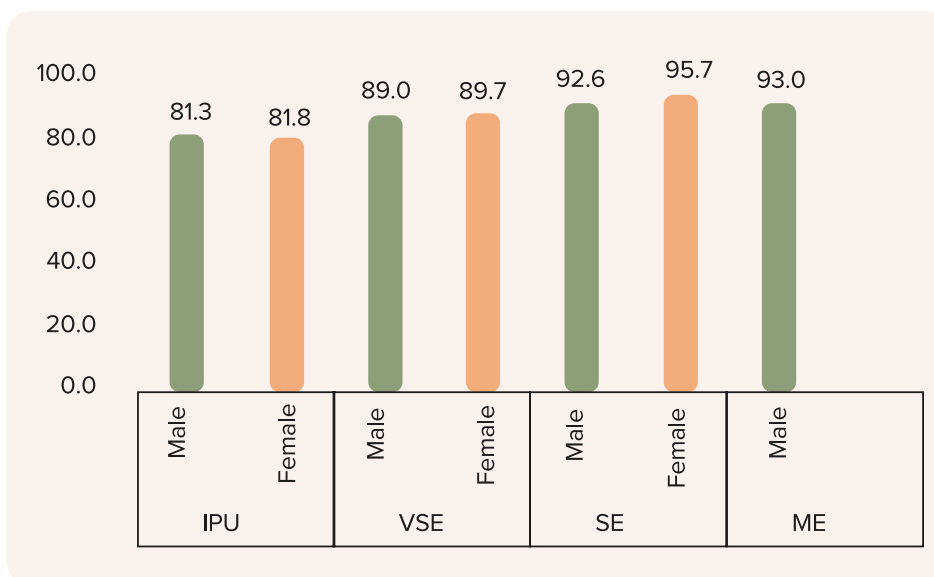
Source : EISC 2023 Survey

It should be noted that according to the documentary review, transport and tourism have also been strongly impacted as in other countries of the world. However, these activities are not among the priority areas of our investigation and are therefore weakly represented.

Analysis by gender and size reveals that among female-owned enterprises are relatively more affected. This is clearer when SMEs are differentiated according to their size, particularly in the PE and EM group. Among SEs, 95.7% of female entrepreneurs say they are negatively affected compared to 92.6% of men. In ME, the ratio is 100% compared to 93% for men.

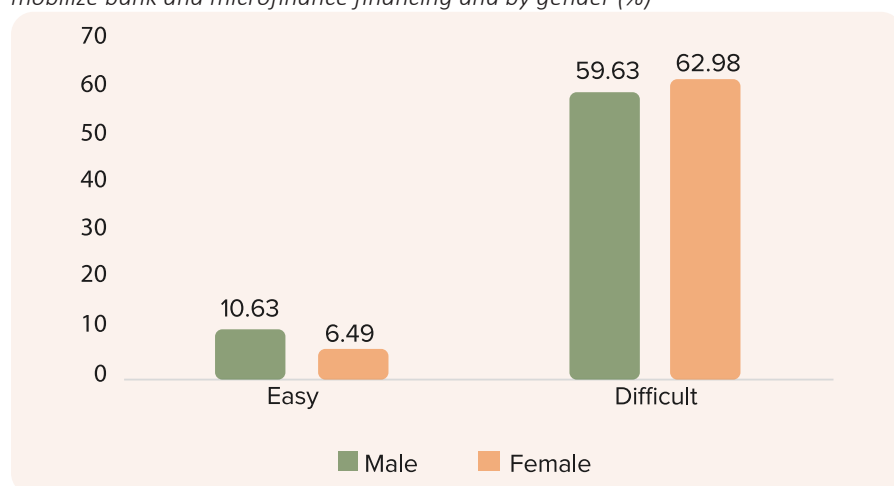
Based on the literature review, this result, which can be observed in several other countries, can be justified by the concentration of these “feminine” SMEs in the highly affected sectors, particularly services (International Finance Corporation, 2021). Also, it appears that enterprises promoted by women report having more problems accessing bank financing (Graph 9) and microfinance institutions. While overall, about 6 out of 10 SMEs indicate that it is difficult or very difficult to access this financing, it should be noted that this ratio is higher for women (63%) than for men (59.6%).

Graph 8: perception of the negative impact of the pandemic in 2020 by size of company and gender of promoter (%)



Source : EISC 2023 Survey

Graph 9 : perception of the harmful impact of the pandemic in 2020 according to the capacity to mobilize bank and microfinance financing and by gender (%)

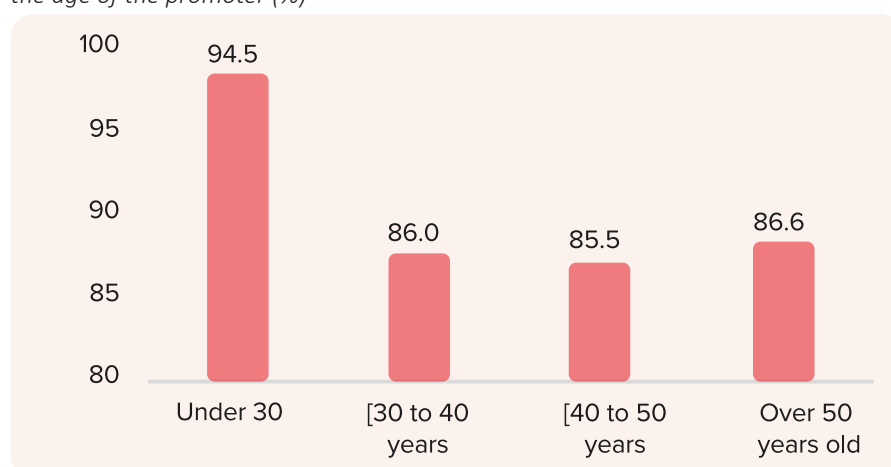


Source : EISC 2023 Survey

Analysis by age of the promoter indicates that younger people seem to be more affected. Indeed, while 94.6% of promoters under 30 years of age said they had been negatively affected, this proportion is 86.1% for the 30-40 age group and 85.6% for 40-50 year olds. Thus, it can be said that the experience of the promoter (which is considered higher with age), is an important factor in the resilience of the company.

In addition, as in the case of gender analysis, this result can be related to the financing difficulties encountered by young promoters. 64.9% of the latter (under 30 years old) said they were subject to this constraint compared to 62.1% for 30-40 year olds and 54.6% for 40-50 year olds. This observation is also confirmed in several other countries such as Angola or Zimbabwe, in the light of the documentary review.

Graph 10 : Perception of the harmful impact of the pandemic in 2020 according to the age of the promoter (%)



Source : EISC 2023 Survey

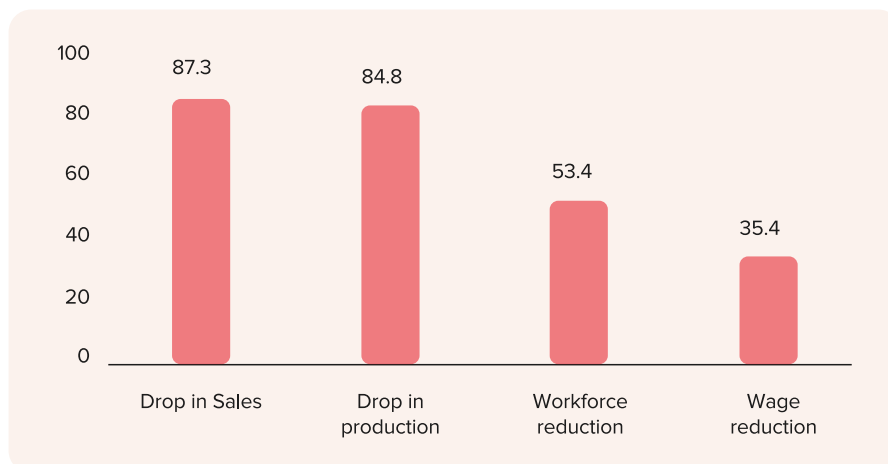
On the other hand, the look according to the age of the company indicates that SMEs less than 5 years old say they are relatively less affected (77.8%) than those of a higher age (about 9 out of 10). This is mainly due to the fact that these young enterprises are less present in the sectors most affected by the pandemic, such as trade and business services.

However, 96.1% of enterprises declaring themselves to be start-ups were affected. The vast majority of these enterprises, just over 4 out of 10, are in agropastoral processing (industrial activities), a branch strongly affected by the pandemic.

It thus emerges that the profile of the enterprises whose activities were most affected by the pandemic in 2020 are relatively large SMEs, operating in the service sector, promoted by women and young people and established in their market for a long time.

As for the manifestations of the impact of the pandemic on SMEs in 2020, they were observed particularly at the level of sales (turnover), production and employment.

Graph 11 : Perception of the harmful manifestations of the pandemic in 2020 (%)



Source : EISC 2023 Survey

Effect on sales

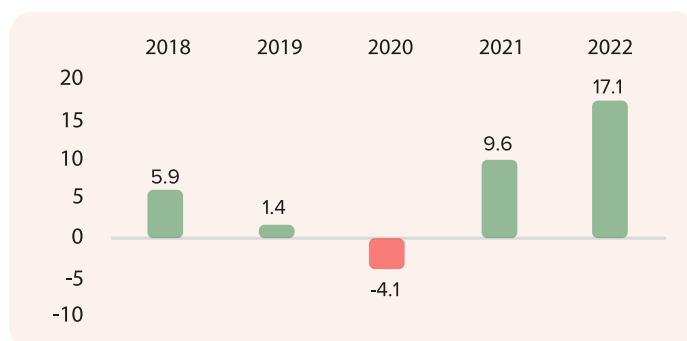
The impact of COVID-19 was generally manifested in a decline in sales for about nine out of ten SMEs. For example, the INS's economic and financial database indicates a 4.1% drop in company turnover in 2020, after increases of 5.9% in 2018 and 1.4% in 2019⁵.

According to the results of the survey, SMEs in all sectors of activity recorded a decline in their sales, with a particularly high occurrence for those in fisheries and aquaculture (97%) and those in business services (94%). By size, SEs (nearly nine out of ten) were more affected by the decline in sales, compared to very small businesses (84.9%).

It should be noted that 5% of the enterprises surveyed recorded an increase in turnover, the majority being IPU's (a little more than half). This indicates that the pandemic has created opportunities that enterprises have been able to seize because of the r uneflexibility of their business.



Graph 12 : Evolution of the pre-tax turnover of modern enterprises in Cameroon (%)



Source : NIS 2023

Graph 13 : perception of the decline in turnover in 2020 by enterprises size (%)



Source : EISC 2023 Survey

⁵ Report on the economic and financial situation of enterprises in 2022

Effect on production

Overall, eight out of ten enterprises report having suffered a negative impact on their production in 2020. From the point of view of sectors, fisheries and aquaculture (94%), the food industry (87%), agriculture (84%) and livestock (81%) are the most affected.

By size, medium-sized enterprises suffered the most from the decline in output (90.4%), followed by small enterprises (85.2%) and then very small enterprises (80.4%). Indeed, as in the case of the global business, the greater integration of EMs on the national and international territory, both for the supply and sale of their products, has made their production more sensitive to the measures implemented to fight the pandemic. In particular, there are difficulties in the supply of imported inputs and the decline in demand. This result is consistent with the conclusions of the GICAM study⁶ in 2020. As for the IPUs, 84.9% say they have been negatively impacted with regard to their production.

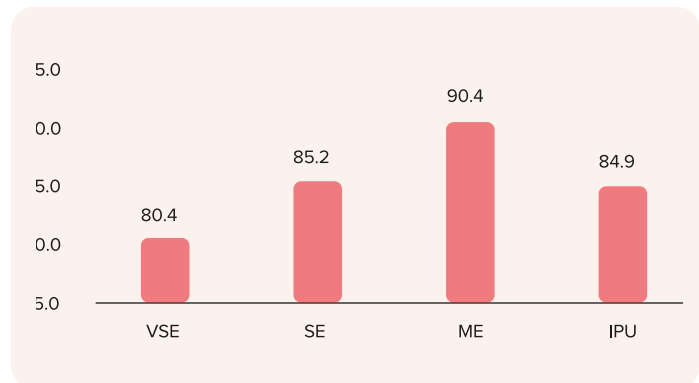
Effect on employment and wages

Overall, nearly five in ten enterprises report reducing their workforce in 2020 due to COVID-19. The sectors most affected by this decline are business services (61.1%), food industries (58.6%) and fisheries and aquaculture (58.6%), which are also the sectors most affected in their production and sales. By size and in line with the results on the evolution of production, the decline in employment was more pronounced among medium-sized enterprises (62.2%), followed by small enterprises (61.4%) and very small enterprises (51.3%).

As for salaries, 35.4% of the SMEs surveyed have reduced them due to the impact of the pandemic on their business. This is more pronounced in the fisheries and aquaculture sectors (51.4%), agriculture (39.5%), and food industries (37.2%). The analysis by firm size reveals once again that MEs are the most affected by the reduction in wages, in conjunction with the decline in their output. Indeed, very small enterprises are mostly one-person enterprises, or employ a smaller number of staff. In addition, collective agreements are relatively more prevalent in EMs.

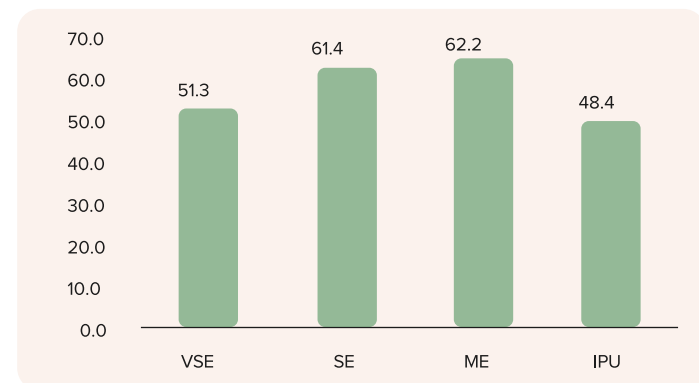
Thus, overall, the impact and manifestations of the pandemic in 2020 on SMEs is consistent with the results obtained from previous studies, in particular those carried out in Cameroon by MINEPAT, NIS and UNDP. However, the results presented above emphasize analyses in relation to the gender and age of young promoters.

Graph 14: perception of the decline in production in 2020 by size of the enterprises (%)



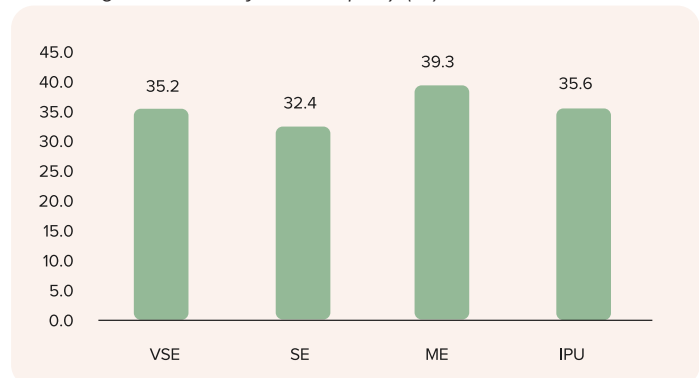
Source : EISC 2023 Survey

Graph 15: Perception of the evolution of the workforce in 2020 according to the size of the company (%)



Source : EISC 2023 Survey

Graph 16: Perception of the evolution of salaries in 2020 according to the size of the company (%)

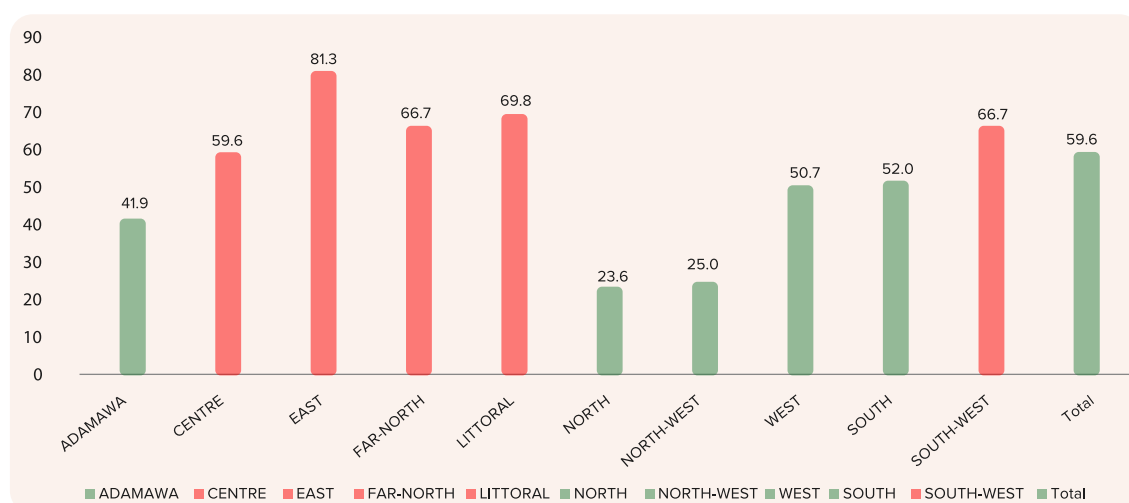


Source : EISC 2023 Survey

In 2023 compared to 2020, nearly 6 in 10 businesses indicate that they continue to suffer the adverse effects of the pandemic. This proportion, down by 3 units, suggests a partial recovery in activities consistent with the gradual absorption of the shock and the evolution of the macroeconomic framework.

According to the region, SMEs throughout the country continue to be impacted by the consequences of COVID-19. Enterprises in the East (81.3%), the Littoral (69.8%), the Far North (66.7%), the South-West (66.7%) and the Centre (59.6%) are the ones that suffer the most from this persistence. This is linked to the structure of the private sector in each of these regions, including the importance of SEs and IPU.

Graph 17: Perception of the persistence of the pandemic in 2023 by region (%)

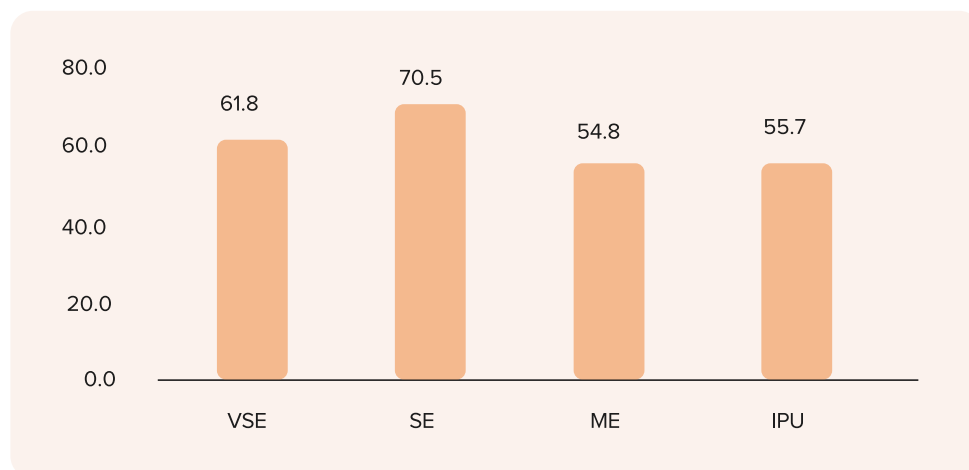


Source : EISC 2023 Survey

Depending on the activity, operators in the branches of business services (77.8%) and fisheries and aquaculture (74.3%) are characterized by a more pronounced persistence of the impacts of the pandemic. On the other hand, operators in agriculture (52.9%), the food industry (56.1%) and livestock (60.5%) say they are less affected today.

Considering the size of the company, the persistence of the effects of Covid is more marked among modern SEs and VSEs. In fact, 70.5% and 61.8% respectively of these categories of enterprises say they continue to suffer the impacts of the pandemic. It also appears that Medium-sized Enterprises (54.8%) and IPU (55.7%) are the most resilient categories. This situation stems from the structure of the latter, which has enabled the EM to quickly relaunch by benefiting from a supply and sales channel that has regained its density as soon as the anti-COVID measures were withdrawn. Similarly, IPU are characterized by the flexibility and adaptability of their activity due to the fact that they are essentially sole proprietorships with low fixed costs.

Graph 18: Perception of the persistence of the pandemic in 2023 by size (%)

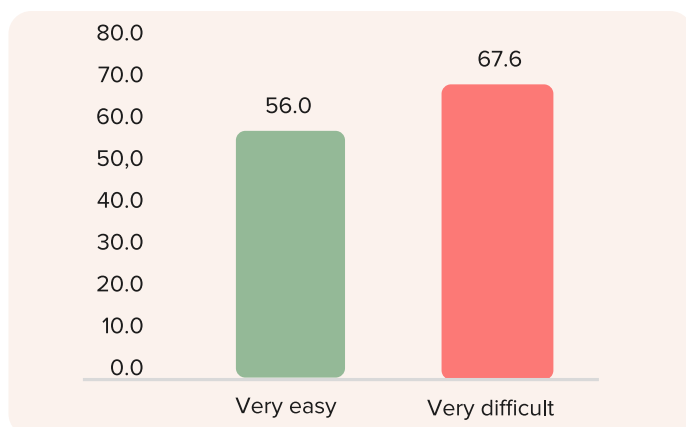


Source : EISC 2023 Survey

The persistence of the effects of the pandemic is also acutely reported for enterprises that report having significant difficulties in mobilizing financing from banks and MFIs. 67.6% of these businesses continue to suffer the impacts of COVID-19, compared to 56% of SMEs who say they have easy access to this financing. Similarly, with regard to the place of purchase of raw materials, SMEs that import exclusively their own (74.4%) indicate that they are more affected by persistence than those that have a mixed source (67.4%) and those that source exclusively locally (58%).

Graph 19: Perception of the persistence of the pandemic in 2023 according to the ability to obtain bank financing (%)

Graph 20: Perception of the persistence of the pandemic in 2023 according to the places of purchase of raw materials (%)



Source : EISC 2023 Survey



Source : EISC 2023 Survey

The analysis by gender indicates that the persistence of the pandemic is stronger among women. 61% of them say they continue to be affected compared to 59% of men. One of the reasons, as mentioned earlier, is the greater difficulty that women entrepreneurs say they have in obtaining a bank loan or at the level of MFIs. Also, women are very present in the sectors where the effect of the pandemic is most persistent.

As for the age of the promoter, the persistence of COVID, as well as its short-term impact, is more pronounced among young people. Middle-aged promoters are more resilient.

Thus, it appears that the persistence of the pandemic is mainly marked among VSEs and SEs located in the regions that are home to the largest number of enterprises. These VSEs and SEs are run by women and young people, and experience significant difficulties in obtaining bank financing or MFIs. The enterprises that import the most raw materials are also those for which recovery is taking place at the slowest pace, as well as those operating in the business services, fisheries and aquaculture sectors.

Regarding the manifestations of the continuing effects of the pandemic on sales, production and employment, it is noted that:

57%

of enterprises say they are still feeling the effect of this disease on sales, compared to 87% in 2020, a decline of 30%;

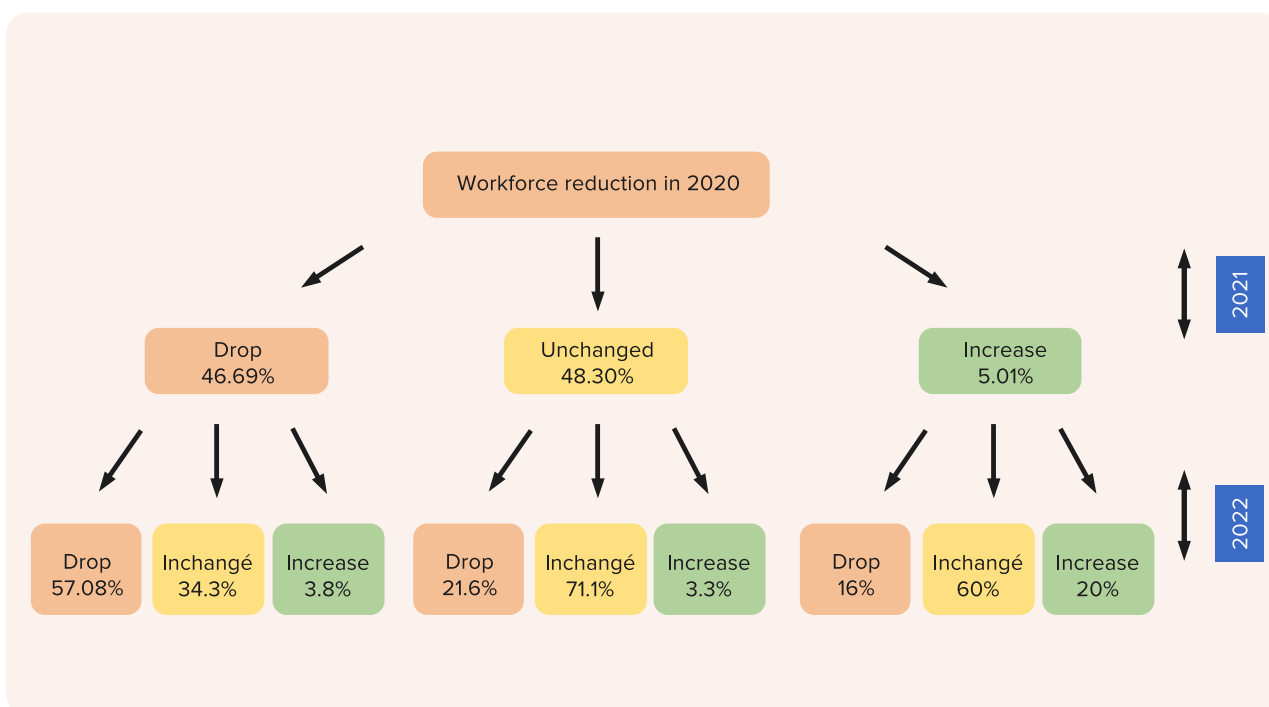
6/10

Nearly 6 out of 10 enterprises believe that their production continues to be affected in 2023 compared to 8 out of 10 in 2020, a drop of just over 2 units;

5.42%

Despite the improvement in activity and output after the end of the pandemic, the employment situation is not recovering (see Graph 1). Indeed, among the individuals who reduced their numbers in 2020, only 5.42% were able to raise it between 2020 and 2022.

Figure 1: Workforce growth tree for SMEs that recorded redundancies in 2020 (%)



Source : EISC 2023 Survey

1.2.1.2 IMPACT OF THE RUSSIAN-UKRAINIAN CRISIS ON CAMEROONIAN SMES

As with COVID-19, the vast majority of enterprises (eight out of ten) say they have suffered adverse effects from the Russia-Ukraine crisis. However, 17% of the SMEs surveyed indicate that they have not suffered any effect

While all sectors of activity were affected, those of the food industry (87.4%), trade (87%), agriculture (79.4%), livestock (78%) and fisheries and aquaculture (76.5%) were more impacted.

Indeed, the Russia-Ukraine crisis has accentuated the disruption of supply chains already affected by COVID-19, making it difficult and more expensive to access the inputs (fertilizers, wheat, wheat bran, etc.) necessary for the activity of the above-mentioned branches.

Graph 21: Perception of the harmful impact of the Russian-Ukrainian crisis by sector of activity (%)

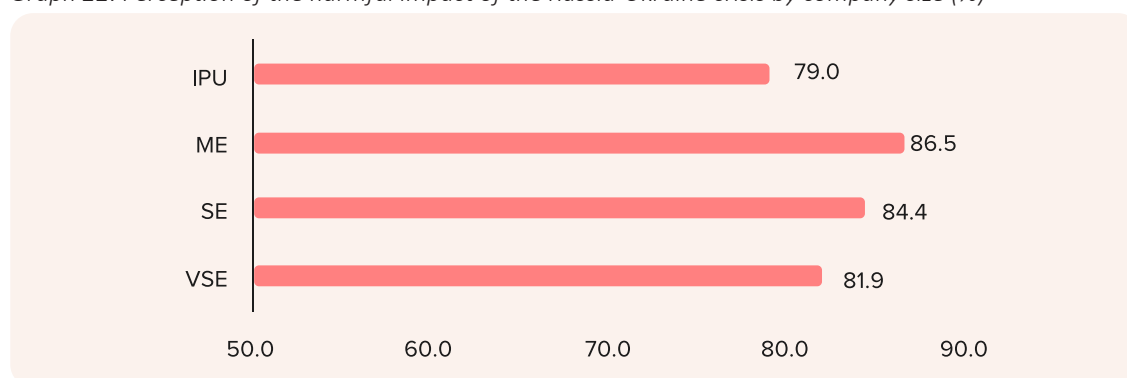


Source : EISC 2023 Survey

It is also noted that the perception of the harmful impact of the crisis intensifies with the formalization and size of the company, as in the case of COVID. Indeed, 86.5% of medium-sized enterprises reported having suffered a negative impact of the crisis, while these proportions are 84.4% and 81.9% respectively for small and very small enterprises. 79% of IPU's say they are affected.

Given that the crisis has led to a disruption of supply chains, it appears that the more pronounced effect for relatively larger firms stems from the fact that they source more from abroad than smaller firms. Indeed, 66.7% of the EMs surveyed buy their raw materials domestically, compared to 79.6% for SEs and 87.8% for VSEs. As for the IPU's, almost all buy their input directly on the national market.

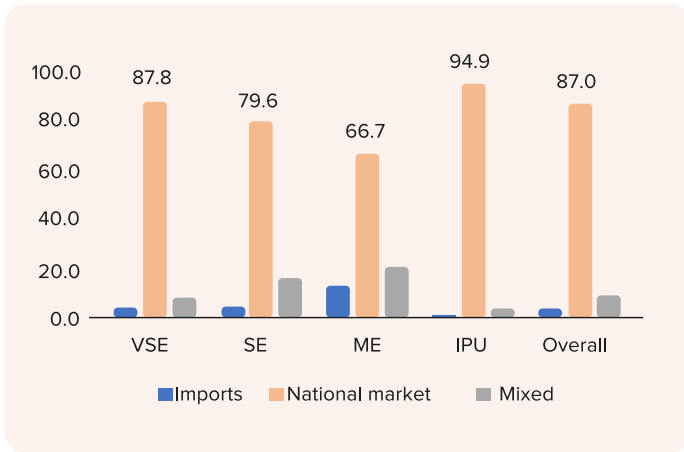
Graph 22: Perception of the harmful impact of the Russia-Ukraine crisis by company size (%)



Source : EISC 2023 Survey

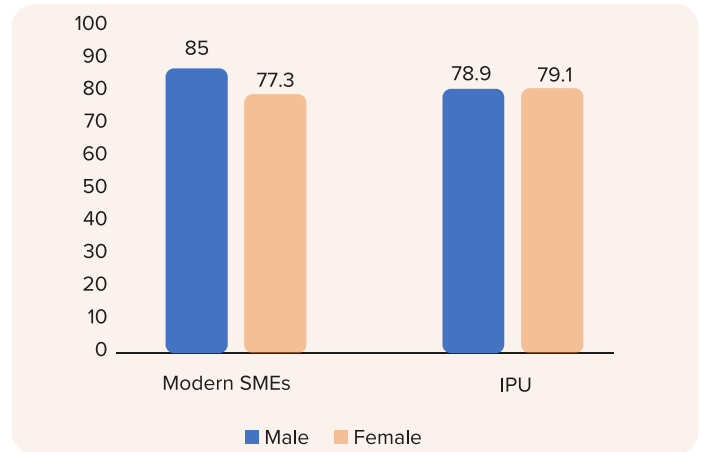
In contrast to the results obtained for COVID-19, the impact of the crisis in Ukraine is greater among formal SMEs led by men, and intensifies with the age of the promoter. Indeed, 85.0% of enterprises promoted by men say they are affected, compared to 77.3% for women in the group of modern SMEs. In addition, promoters with less than 30% of age were less impacted (71.6%) than those with an older age. More than eight out of ten promoters indicate that they have been affected in the over-40 age group.

Graph 23: Distribution of enterprises according to the size and place of purchase of raw materials (%)



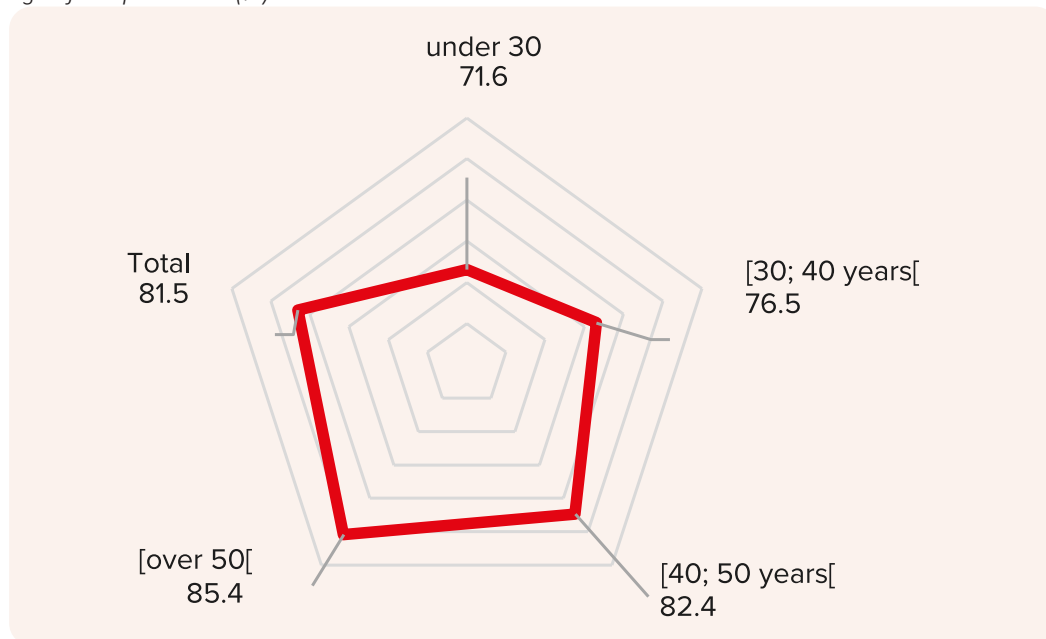
Source : EISC 2023 Survey

Graph 24: Perception of the harmful impact of the Russian-Ukrainian crisis according to the gender of the promoter (%)



Source : EISC 2023 Survey

Graph 25: Perception of the harmful impact of the Russian-Ukrainian crisis according to the age of the promoter (%)



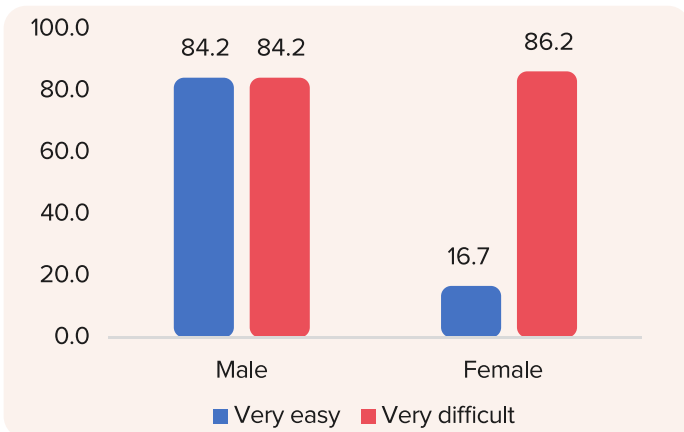
Source : EISC 2023 Survey

This observation should be seen in relation to the activity of developers. Indeed, according to gender, men are more concentrated in promoting industrial food activities and agriculture, which have suffered the most from the impact of the crisis. Similarly, the older ones are the ones who operate the most in the industry (more than 50% of promoters over 40 years old), while the younger ones are much more active in livestock farming which has been relatively less affected.

Depending on the age of the SME, it appears that the impact of the crisis increases with the number of years the company has been in existence. 73.3% of SMEs less than 5 years old say they are negatively affected compared to 92.1% for enterprises over 25 years old. This trend is much more pronounced for modern businesses, especially small businesses. As in the case of COVID, it appears that older enterprises are more present in the most affected sectors, including the agri-food industry.

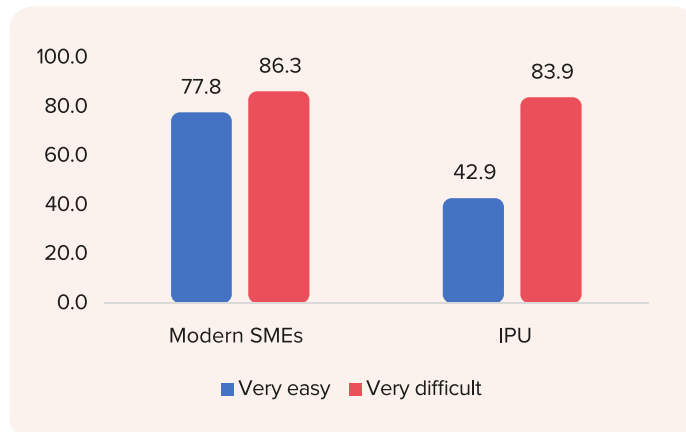
It also appears, and not surprisingly, that the impact of the Russian-Ukrainian crisis is greater for enterprises that face more difficult access to bank and MFI financing. Indeed, in the group of SMEs that say they have easy access, 68% say they have been negatively affected compared to 84.8% for the group of SMEs who say they have difficult access. Further on, access to finance is apparently much more important for the resilience of women entrepreneurs and informal production units.

Graph 26: Perception of the harmful impact of the Russian-Ukrainian crisis according to the gender of the promoter(%)



Source : EISC 2023 Survey

Graph 27: Perception of the harmful impact of the Russian-Ukrainian crisis according to the gender of the promoter(%)

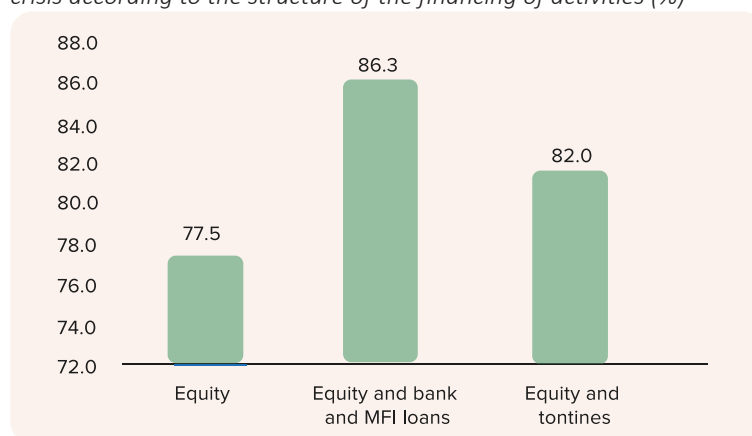


Source : EISC 2023 Survey

Regarding the structure of corporate financing, the results obtained indicate that the adverse effect of the crisis is greater for SMEs whose activity is financed both by equity and by bank loans or MFIs. This group of SMEs says it is affected by 86.3%. This observation should be seen in relation to the tightening of financial conditions due to the crisis. However, for this group of enterprises, it should be noted that the harmful impact is mitigated with the increase in the share of equity. In addition, SMEs that depend exclusively on their own funds were relatively less affected (77.5%), as were those that financed themselves through a mix of equity and loans from tontines (82%).

From the point of view of regional location, it appears that the least affected enterprises are located in the Centre region. They may have benefited better from the measures put in place by the Government.

Graph 28: Perception of the harmful impact of the Russian-Ukrainian crisis according to the structure of the financing of activities (%)



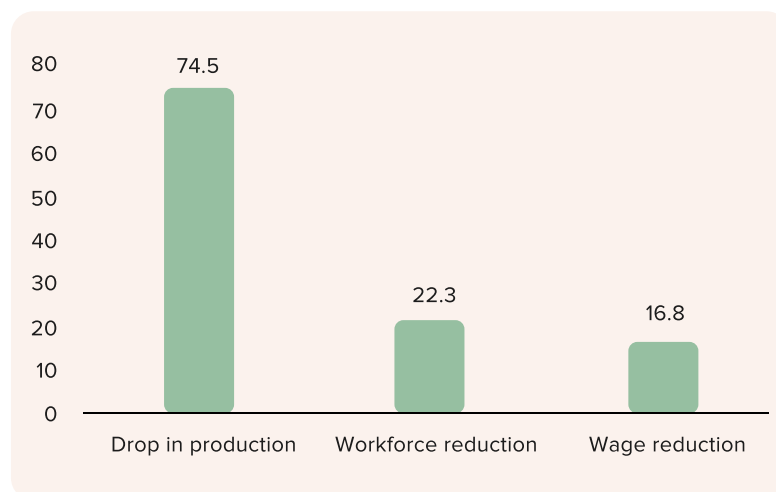
Source : EISC 2023 Survey

With regard to its manifestations, The impact of the Russia-Ukraine crisis has led to a drop in production overall (for 7 out of ten enterprises). The majority of enterprises kept the number of employees and salaries unchanged, so that only 22.3% had to contract the workforce to cope with the crisis, and 16.8% had to reduce the salaries of their employees.

As for the drop in production, the sectors most affected seem to be fisheries and aquaculture (with 94% of SMEs reporting themselves affected), the food industry (87%), agriculture (84%) and livestock (81%).

Relative to the magnitude of this decline, 70.2% and 63.7% respectively of enterprises in the fisheries and aquaculture and food industry recorded a drop in production of more than 25%. This ratio is 58.7% for enterprises in the agricultural sector.

Graph 29: Perception of the harmful manifestations of the Russian-Ukrainian crisis (%)



Source: EISC 2023 Survey

Table 2: Magnitude of decline in output by sector of activity (%)

Level of magnitude	Agriculture	Breeding	Fisheries and aquaculture	Food industry	Ensemble
Less than 10%	4.2	8.3	4.7	7.3	7.1
Between 11 and 25%	37.3	28.6	25.0	29.0	32.4
Between 26 and 50%	29.7	37.6	40.6	41.1	36.9
Between 51 and 75%	24.6	19.5	23.4	18.6	19.2
More than 75%	4.2	6.0	6.2	4.0	4.4
Total	100.0	100.0	100.0	100.0	100.0

Source: EISC 2023 Survey

Depending on the size, medium-sized enterprises (77.3%) and small enterprises (77.4%) are the categories that have been most affected. The decline in production seems less pronounced among VSEs (73.3%) and IPUs (73.1%).

Thus, the SMEs most affected by the Russian-Ukrainian crisis in Cameroon are relatively large formal enterprises, operating in the agri-food sector and sourcing from abroad. They have been in their market for many years, are led by relatively older male sponsors, and typically have difficulty accessing bank financing and MFIs. However, it should be noted that while access to bank and MFI financing increases the resilience of SMEs, a significant share of such financing has increased the vulnerability of the enterprises concerned to the effects of the crisis due to rising interest rates.

Table 3: Comparative table of the impacts of COVID and the crisis in Ukraine according to a few criteria

Criteria for analysis	COVID	Crisis in Ukraine	Observations
Overall Business Impact	greater than during the crisis in Ukraine	Less important than during COVID	
Most affected sector	Services	Food & Beverage Industry	The transmission channel on agri-food input prices was more important for the crisis
Formalization	IPUs are relatively less affected	IPUs are relatively less affected	The activity of the IPUs is lower with much lower fixed costs
Waist	Increasing impact with size for formal enterprises	Increasing impact with size for formal enterprises	
Age of the promoter	More impact among young promoters	More pronounced impact on older age promoters	For the crisis in Ukraine, older developers are more present in agribusiness
Age of the SME	Stronger impact with the age of the company	Stronger impact with the age of the company	
Gender	Stronger in women	Stronger in men	Women are more present in services, a sector that has been most affected during the pandemic
Capital Structure	Stronger impact with the share of debt to credit institutions	Increases with the share of debt to credit institutions	
Employment	relatively steeper drop in numbers than during the crisis in Ukraine	relatively smaller downsizing than during COVID	Of the people who had reduced their workforce in 2020 due to the pandemic, only 5.42% were able to increase it between 2020 and 2022

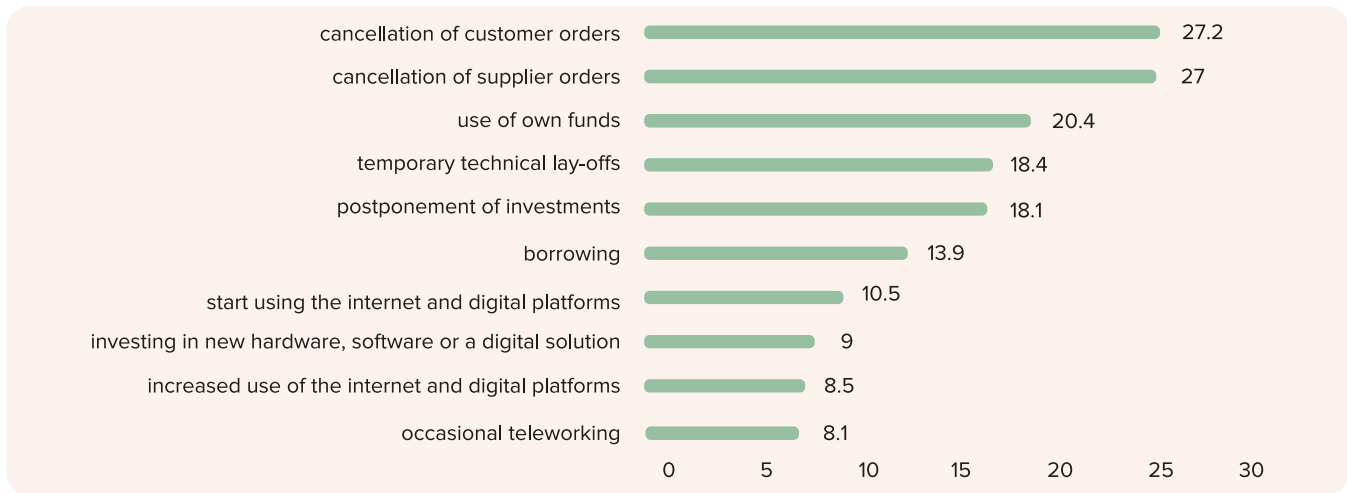
Source : OSSP-CMR

1.2.1.3 ADAPTATION MEASURES AND OPPORTUNITIES RELATED TO THE TWO CRISES

The pandemic and the crisis in Ukraine have resulted in the implementation of certain internal measures at the company level, both to deal with these shocks and to seize the opportunities that have arisen.

Regarding the measures taken in the context of the COVID-19 pandemic, it appears that they have mainly focused on short-term measures to oxygenate the cash flow of enterprises. These included the cancellation of orders from suppliers and customers, the erosion of equity, layoffs and investment postponements. Measures with structural (or long-term) effects have been taken by very few enterprises, in particular the investment in new hardware or digital solutions (9%) and the intensification of the use of digital platforms (8.5%).

Graph 30: Key measures adopted by SMEs in response to COVID-19 (%)



Source: EISC 2023 Survey

At this level, very few enterprises have developed their local supply chain, due in particular to the application of barrier measures internally.

On the other hand, it is noted that the crisis in Ukraine has allowed enterprises to put in place measures that could have beneficial effects for the local economy in the long term, including the use of local raw materials (46.5% of enterprises) and the diversification of sources of supply (37.2%).

In the specific case of the agri-food sector, which was particularly affected, some enterprises indicated that they had to carry out the following activities:

The promotion of organic products without fertilizers in order to limit the use of this input while maintaining consumer demand;

Increasing input stocks;

The reduction in the rate of capacity utilization, due to the low availability of inputs and their prohibitive cost;

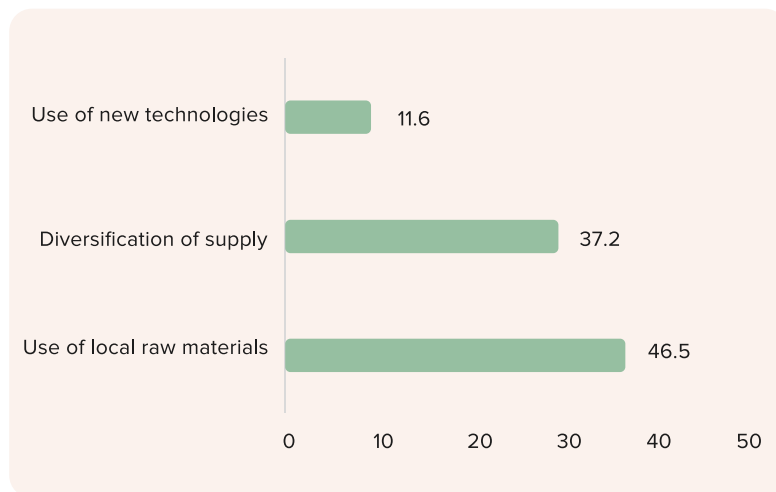
Investment in the development of local production of agricultural inputs;

Negotiation with suppliers due to the drop in credit, and subsequently with banks;

The conclusion of new partnerships;

The increase in “factory gate” prices.

Graph 31: measures adopted by SME's in response to the Crisis in Ukraine (%)



Source: EISC 2023 Survey

1.2.1.4 IDENTIFICATION OF VULNERABILITY AND RESILIENCE FACTORS FOR SMES

The analyses in the previous sections have highlighted some factors that have accentuated the effects of crises or made it possible to better withstand the shocks of COVID and the crisis in Ukraine. These factors are related to:

The size of the company:

In the medium term, the enterprises that have recovered more quickly are medium-sized enterprises, even if they are the ones that suffer the greatest immediate impacts. VSEs and SEs are therefore more vulnerable;

Ability to mobilize financing:

the recovery of post-COVID activities has been slower for enterprises with a low capacity to mobilize financing from lending institutions;

The place of purchase of raw materials:

regardless of the crisis considered, the impact and persistence of the said impact is relatively higher for enterprises sourcing raw materials from abroad;

The gender of the promoter:

women seem to have lower capacities to mobilise financing than men. From this point of view, SMEs promoted by women are often slower in reviving their activity due to the lack of access to financing. This explains why the persistence of the effects of COVID is stronger in women. It therefore appears that gender is a factor of vulnerability from the point of view of the company's ability to recover. The immediate effects of the Russo-Ukrainian crisis are stronger in men;

The age of the promoter:

the persistence of the effects of COVID is stronger in younger promoters, certainly due to their inexperience compared to older ones;

Capital structure:

Enterprises that are more resilient to shocks are those with lower debt ratios. Indeed, the more the activity is based on equity, the less vulnerable SMEs are;

The digitalization of activities:

the use of the internet, digital platforms and in particular teleworking has allowed enterprises to be less impacted.

1.2.2 MAIN CHANNELS FOR THE TRANSMISSION OF CRISES TO CAMEROONIAN SMES

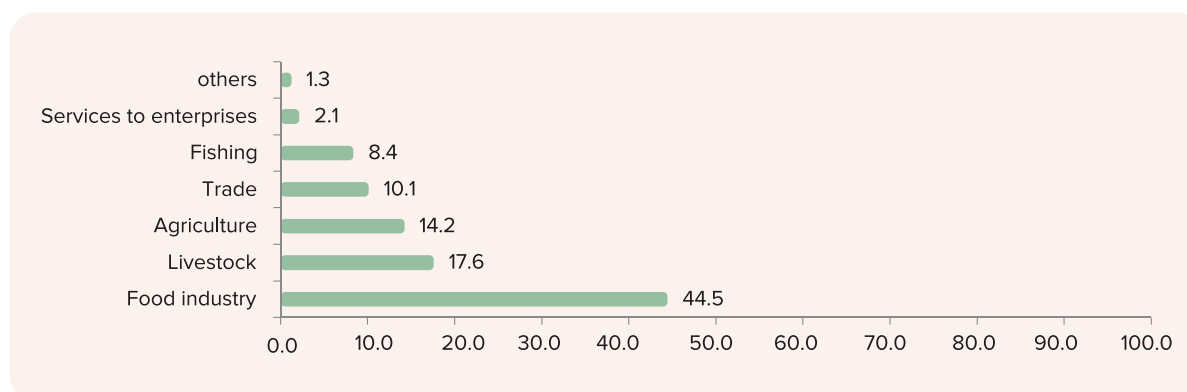
Based on the conclusions of the document review and the exploitation of the results of the survey and other data sources, it appears that with the exception of the demand-side channel which only really acted during the pandemic, the transmission of the negative impacts of the two crises on the activity of Cameroonian SMEs was mainly through the disruption of supply chains, rising input costs and limited access to finance.

1.2.2.1 SUPPLY CHAIN DISRUPTIONS AND HIGH INPUT PRICES

As Cameroon is an extroverted economy, disruptions to international supply chains have been the main transmission channel for both crises (COVID-19 border closures, sanctions against Russia, and destruction of logistics equipment in Ukraine). These disruptions have resulted in difficulties in accessing imported raw materials, which are the main production input of many SMEs: nearly 70% of raw materials come from imports.

National supply chains have also been shaken, with social distancing (COVID-19) or insufficient raw materials (crisis in Ukraine) leading more than half of business leaders to cancel customer orders due to low production levels. For the crisis in Ukraine, SEs, VSEs and IPU are the enterprises that are most affected by these cancellations due to their limited resources and reduced capacity to ensure the constitution of safety stocks of inputs over long periods. In addition, from the point of view of the industry, industrial enterprises are the most affected, followed by those in agriculture and animal husbandry.

Graph 32: Proportion of enterprises that cancelled orders by sector of activity (%)



Source: EISC 2023 Survey

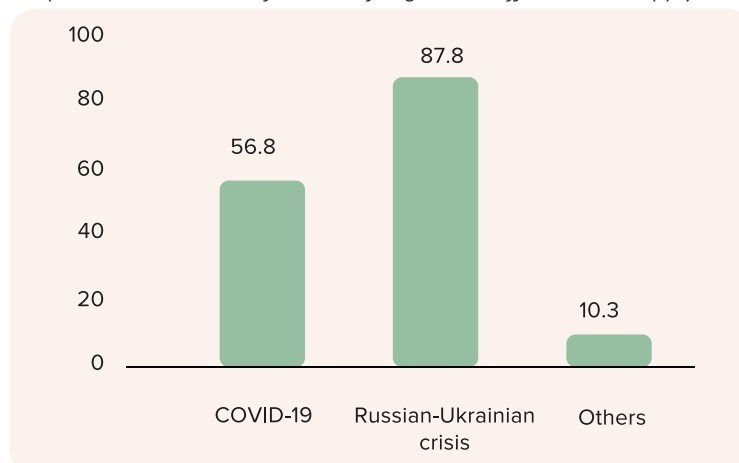


60,8%

of SMEs surveyed in 2022 believe that access to raw materials has become more difficult than in 2020, when this constraint was already significant

In 2022, 60.8% of the SMEs surveyed believe that access to raw materials has become more difficult compared to 2020 when this constraint was already significant. Among these enterprises, 87.8% believe that this stalemate is linked to the occurrence of the Russian-Ukrainian crisis (a significant part of which is in the agricultural and agri-food sector), while 56.8% note that the persistence of the effects of the pandemic is also involved. Only 10.3% of entrepreneurs attribute the tightening of supply difficulties to the effects of factors other than the pandemic and the Russia-Ukraine crisis.

Graph 33: Distribution of reasons for greater difficulties in supply in 2022 (%)

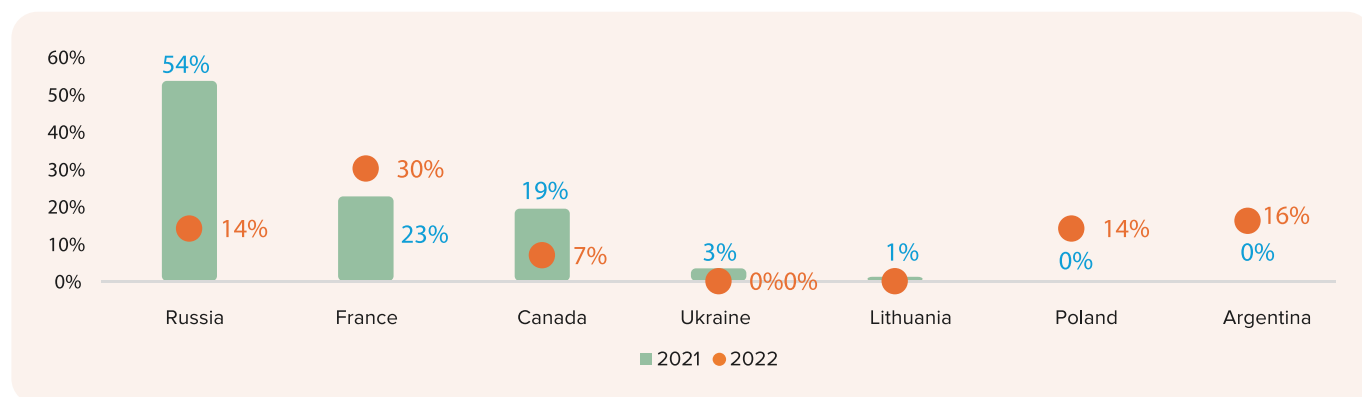


Source: EISC 2023 Survey

These difficulties in accessing raw materials have resulted in increased input costs for firms. Thus, the vast majority of these enterprises say they have experienced significant supply difficulties related to the rise in raw material prices during the Covid-19 pandemic (70.7%) and since the outbreak of the crisis in Ukraine (85.5%). This situation is almost similar regardless of the size of the company. In addition, and as mentioned earlier, it is higher for SMEs that obtain their supplies mainly from foreign markets.

To deal with this problem of access to raw materials, one of the main choices of enterprises has been to diversify their sources of supply (37.2%).

Graph 34: Main wheat supplier countries to Cameroon between 2021 and 2022 (%)



Source : Atlas of Economy

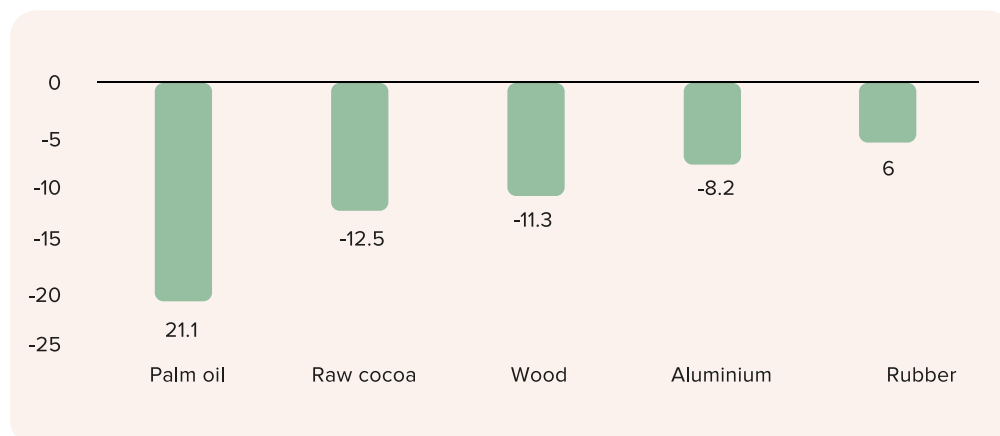
Indeed, this crisis has caused great delays in the process of importing this cereal, especially wheat, which came mainly from Russia. To meet its needs, the country's enterprises had to call on 5 new suppliers (Germany, USA, Uruguay, Estonia and Poland). In addition, in 2022, France became the leading supplier to the Cameroonian economy to the detriment of Russia, shaking up the hierarchy of the main suppliers before the crisis.

1.2.2.2 REDUCTION IN AGGREGATE DEMAND

The drop in demand was mainly felt during the pandemic. It mainly affected Cameroonian SMEs involved in the production of exported goods, particularly agricultural raw materials, due to the low growth rates of our main partners. Thus, in 2020, there was a 7.1% drop in exports in volume according to foreign trade statistics, mainly driven by the following products: palm oil (-21.1%), raw cocoa beans (-12.5%), timber logs (-11.8%), raw aluminium (-8.2%) and raw rubber (-6.0%).

As for the crisis in Ukraine, the drop in demand has been less felt, as more than half of the entrepreneurs surveyed believe that export difficulties are less severe compared to 2020. Thus, despite the slowdown in global economic activity, the volumes of the main products exported by Cameroon have increased. This is particularly the case for bananas (+8.8%), cocoa beans (+10.2%), and rubber (+16.6%). In addition, national accounts statistics indicate that domestic demand in 2022 increased in the country.

Graph 35: Change in export volumes of major commodities between 2019 and 2020 (%)



Source : DGD/MINFI

1.2.2.3 LIMITING ACCESS TO FINANCE

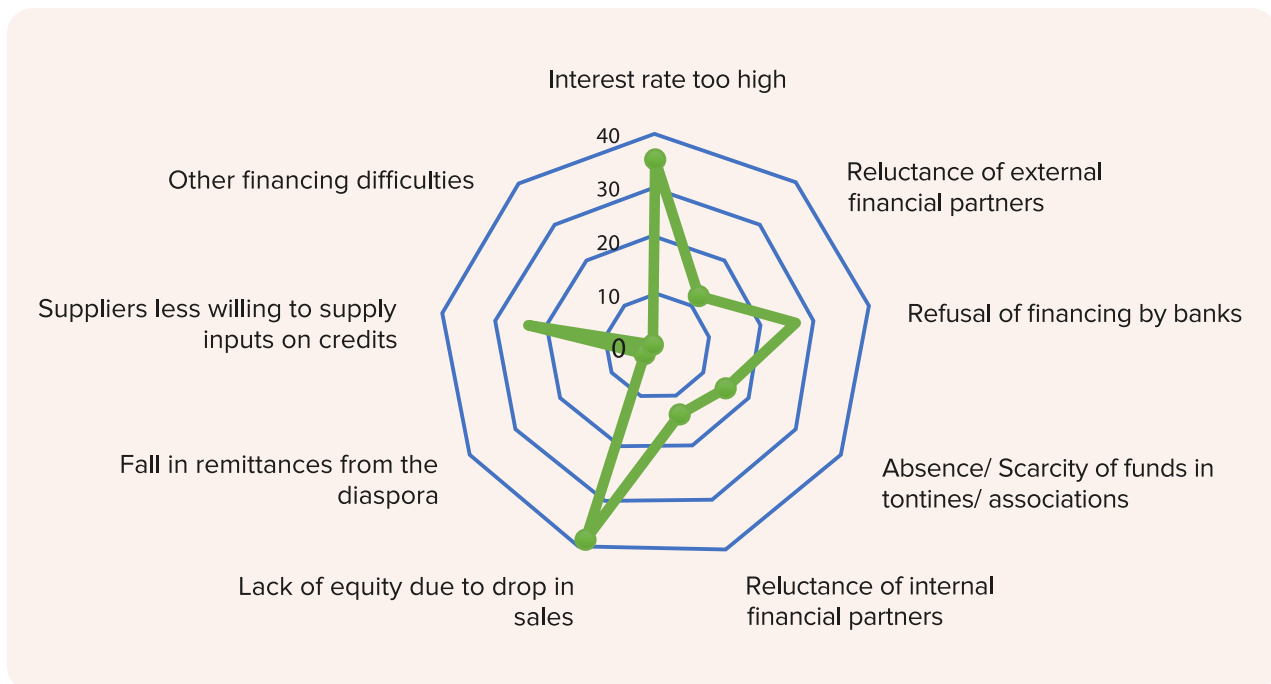
Despite the financing difficulties already reported by enterprises in 2020 due to the pandemic, 66.8% of the entrepreneurs surveyed say that it is more difficult to access financing in 2022, with a significant share (80.8%) believing that this tightening is linked to the crisis in Ukraine. Indeed, the economic uncertainties related to the crisis in Ukraine and the pandemic have led most financial institutions to adopt a more cautious approach, restricting access to finance for many enterprises, especially the smallest which are otherwise the most vulnerable. Financing difficulties have been greater for businesses promoted by women, as well as for those that are highly dependent on or have a weak capacity to mobilize financing from banks and MFIs.

It should be noted that this tightening of financing conditions can take several forms, the most recurrent being the decline in equity due to the reduction in sales, which is reported by 38% of enterprises, and the high level of the interest rate (35.1%).

The effect of high interest rates was preponderant during the crisis in Ukraine, where the key rates of the Bank of Central African States (BEAC), as for several foreign banks, were raised twice in March and September 2022. On the other hand, during the pandemic, several exceptional facilities, including rate cuts, were deployed by the BEAC to support economic activity in 2020. However, the shockwave of the effects of COVID-19 led to a rate hike in 2021 to combat inflation. As a result, the rise in rates in 2021 and 2022 has led to a readjustment of exchange rates at the international level, including the depreciation of the CFA franc against the dollar.

The other financing difficulties most reported by enterprises are the reluctance of banks to take risks (26.53%) and the increase in suppliers' aversion to the provision of inputs on credit (24.06%).

Graph 36: Financing difficulties encountered by SMEs (%)



Source: EISC 2023 Survey

In summary, the following table presents the assessment of the importance of transmission channels according to the crisis considered for Cameroon. While for COVID-19 the shaking of supply chains and the decline in aggregate demand were the most important channels, the effects of the crisis in Ukraine were mainly transmitted through higher input costs following inflation and tighter financial conditions.

Table 4: Assessment of the importance of transmission channels according to the crisis considered for Cameroon

Canal de transmission	COVID-19	Russian-Ukrainian crisis	Importance for the Cameroonian economy	Observations	
01	Supply Chains	X	X	High	Stronger during the pandemic in 2020 than in the following years
02	Input cost prices	X	X	High	Stronger during the crisis in Ukraine
03	Overall demand	X		Medium	No evidence for the crisis in Ukraine
04	Labour supply and demand	X	X	Weak	Even weaker for the crisis in Ukraine
05	Limiting access to financing and rising interest rates	X	X	High	Stronger during the crisis in Ukraine

Source : OSSP-CMR

GOVERNMENT MEASURES TO MITIGATE THE EFFECTS OF CRISES ON SMEs IN CAMEROON



This second part presents and analyses the mitigation measures implemented by the Government of Cameroon in the face of the impacts of the two crises. The lessons learned from the implementation of these measures make it possible to propose actions to improve the measures in progress, as well as new complementary measures that could be envisaged.

2.1 Presentation of the Government's response measures to crises

2.1.1 COVID-19 RESPONSE

The response to Covid-19 was carried out in three main phases: **(i)** the implementation of barrier measures to urgently contain the spread of the pandemic on the national territory, **(ii)** the institution of easing measures to mitigate the adverse socio-economic effects of barrier measures, and **(iii)** the implementation of the global response strategy to ensure the management of reported cases, resilience and socio-economic recovery and coordination of the response at the governmental level.

2.1.1.1 FIRST PHASE: BARRIER MEASURES

The first measures were announced on 17th March 2020 and had as main objective to limit the spread of the virus throughout the country following the recommendations of the World Health Organisation (WHO). Thirteen (13) in number, they were supplemented by seven (07) new measures on 9th April 2020 (see appendix). These barrier measures were, among others, the closure of borders, the closure of leisure places such as off-licences, restaurants, the closure of schools, the limitation of numbers of seats in public transport, etc.

After the application of the above-mentioned measures, the first evaluations carried out showed that the outbreak of the pandemic and the measures taken to protect the population have led to serious economic and social consequences. Indeed, the main difficulties encountered by enterprises were:

(i) the cancellation of customer orders;

(ii) the increase in non-payment or late payments by customers, which has increased the volume of bad loans in the financial sector;

(iii) the reinforcement of difficulties related to the supply of raw materials;

(iv) delays in the execution and payment of certain duly executed public contracts;

(v) the accentuation of difficulties in accessing bank financing; and

(vi) the erosion of cash flow and difficulties in meeting operating expenses, in particular salary costs.

This situation has resulted in a significant slowdown in the activity of these enterprises, leading to a decline in production, turnover and staff, as well as the postponement of investment programmes. This has led enterprises to adopt the reduction of working hours and salaries as a measure of economic resilience, leading to a resurgence of unemployment and a general decline in household incomes.

2.1.1.2 SECOND PHASE: EASING MEASURES

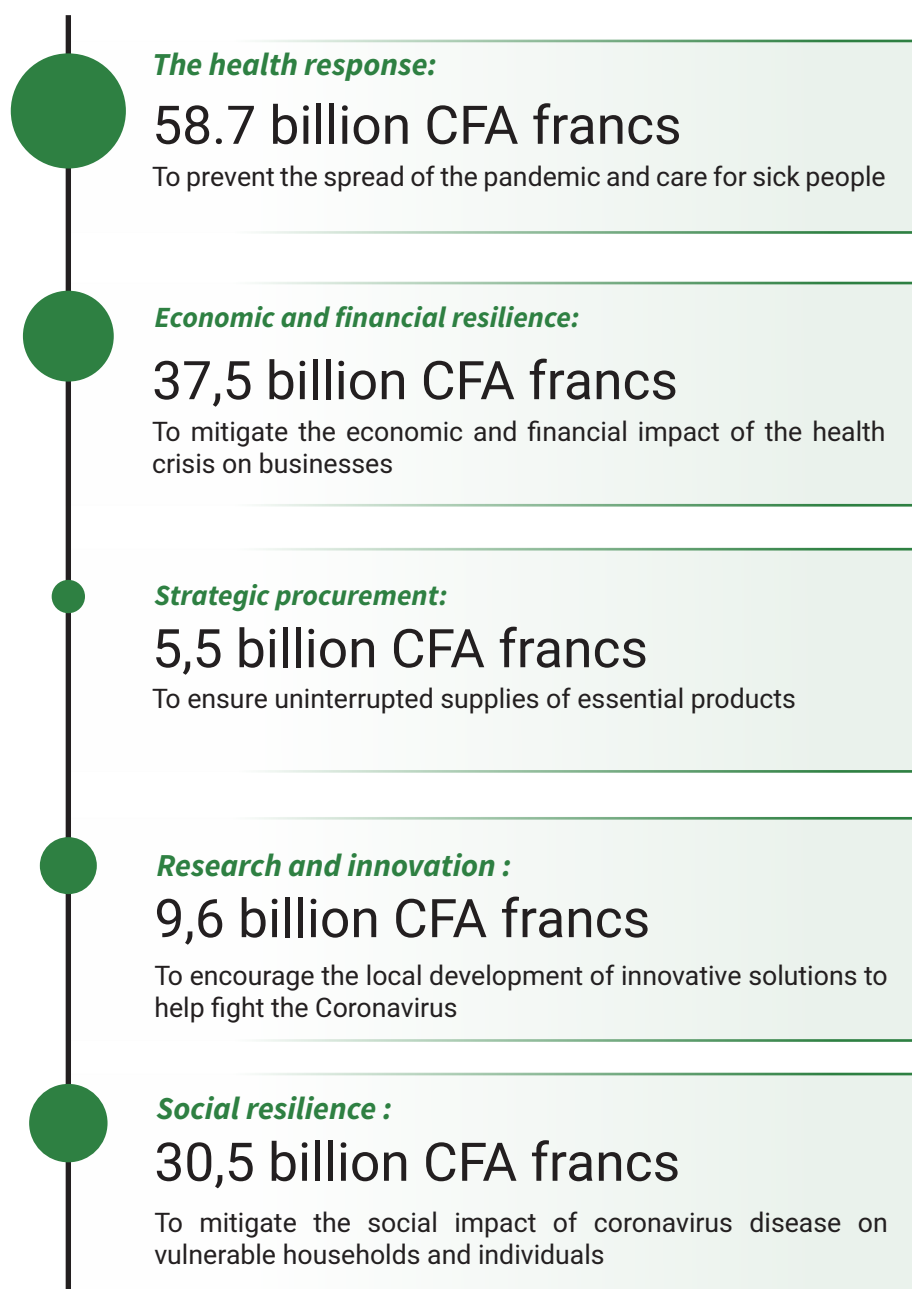
In order to mitigate the socio-economic impact of barrier measures while ensuring the protection of the population, the Prime Minister, Head of Government, announced on 30th April 2020, easing measures (see appendix), in order to relieve the sectors hard hit by this health crisis. These measures concerned in particular: the resumption of economic activity, the facilitation of tax procedures and support for enterprises and households affected by the crisis.

2.1.1.3 THIRD PHASE: DEVELOPING AND IMPLEMENTING THE GLOBAL RESPONSE STRATEGY

In parallel with this series of measures, and based on the results of the first assessments of the impact of Covid-19, the Government has developed a “Global Strategy for COVID-19 Response and Economic and Social Resilience”, which will become the framework document for the Government’s response to this crisis.

Valued at nearly 480 billion CFA francs, the “Cameroon Response Strategy to COVID-19 and Economic and Social Resilience” aimed not only to save human lives while preserving and supporting the productive sector, but also to put in place the conditions for a rapid resumption of economic activity and better implementation of the second phase of the 2035 Vision. This strategy was presented on 17th July 2020, by the Minister of Economy, Planning and Regional Development, in the presence of representatives of government administrations and technical and financial partners, including UNDP.

Five (05) main pillars have formed the backbone of the said strategy, namely:



Becoming operational in 2020 through the review of the Finance Law for the establishment of a related special appropriation account called CAS COVID-19 (special national solidarity for the fight against the coronavirus and its economic and social repercussions), the interventions related to the global response strategy in favor of enterprises mainly focused on four (04) tySEs of measures: (i) the establishment of an economic recovery fund for the productive sector to improve the production of essential goods and reduce dependence on imports, particularly for agricultural, food and medicine products; (ii) the establishment of a set of tax facilities aimed at alleviating cash flow pressures in favour of enterprises and reviving economic growth; (iii) the acceleration of domestic debt payments; (iv) the establishment of facilities relating to the payment of social security contributions.

Thus, in 2020, the Government proceeded in particular:

a) to the purchase and distribution of seeds of several activities (roots and tubers, maize, etc.) and inputs for livestock;

c) the establishment of a guarantee fund of 40 billion CFA francs for bank loans granted to affected enterprises;

(e) direct support (grants) to small and medium-sized enterprises affected by the disaster and with high potential, for 2 billion CFAF.

(b) the repayment of domestic debt arrears and VAT credits for a total amount of 50 billion CFAF (including 25 billion CFAF per item);

(d) the establishment of a fund of 10 billion for the establishment of credit lines to large enterprises and SMEs through banks and MFIs; and

In 2021, in addition to continuing the above-mentioned actions, the focus was on economic recovery from the recession of the previous year. To this end, a three-year recovery plan has been drawn up and its implementation has begun. The said plan focuses on four (04) axes, namely:

(i) support for the production and processing of consumer products;

(iii) the dynamisation of growth branches/sectors; and

(ii) the implementation of appropriate mechanisms dedicated to the financing of enterprises;

(iv) strengthening the competitiveness of enterprises.

Thus, several measures have been taken in the context of the 2021 and 2022 finance laws, and are divided into two groups: general or cross-cutting measures and specific measures.

General measures were mostly tax and customs exemptions and concessions aimed at strengthening the cash flow of enterprises through payment deferrals and tax relief, protecting the nascent local industry, particularly in the agricultural, cosmetics and pharmaceutical sectors, and promoting production by reducing the cost of inputs and equipment. In addition, in order to strengthen the supply of credit, the Government has raised the guarantee ceiling provided for in the 2020 Finance Law from 40 billion to 200 billion CFA francs. Also, the amounts planned for the repayment of domestic debt and VAT credits have been revised upwards.

Specific measures had also been taken, in addition to general measures, to revive sectors particularly affected by the COVID-19 pandemic. These included measures related to transport, ICT, health and agriculture.

By way of illustration, as far as the agricultural sector is concerned, we can note the following:



AGRICULTURAL SECTOR

- in the rice, wheat and fish sectors, the gradual readjustment of the Common External Tariff (CET) rate on these basic necessities exempted from tax following the food riots in 2008;
- the total or partial retaxation of imports of maize and soybean meal through the repeal of tax expenditures induced by the 2007 Finance Law;
- the strengthening of the tax regime for the promotion of the agricultural sector in support of the government's policy of promoting import-substitution, through the extension of the list of VAT exemptions for non-targeted agricultural, livestock and fishing inputs and equipment;
- the establishment, under the 2021 budget, of a fund to support the production and processing of consumer products in the amount of 30 billion.

Regarding the ICT sector, it should be noted that a proactive tax regime has been set up to promote start-ups in this sector, in particular:



ICT SECTOR

- exemption from the licence;
- exemption from all tax charges, including payroll deductions for a period of 3 to 5 years;
- exemption from VAT on loans granted by credit institutions;
- exemption from registration fees for leases, real estate transfers and loans granted by non-credit professionals.

It should be noted that it is within the framework of the recovery plan that negotiations with the Arab Bank for Economic Development in Africa (BADEA) to implement the Cameroonian Private Sector Support Operation have effectively started.

2.1.2 RESPONSE TO THE UKRAINE CRISIS

The general objective of these measures is to minimise the negative effects of the crisis in Ukraine on the Cameroonian economy, particularly on the agricultural and agro-industrial sector, and if necessary, to seize the opportunities offered to our country by this situation. The first strong measure was the collective budget decided by the Head of State as part of the ordinance of 2nd June 2022 supplementing and amending certain provisions of the Finance Law for the 2022 fiscal year, which increased the amount of State subsidies for petroleum products from 120 to 480 billion CFA francs, essential input in the activity of enterprises and the life of households. This decision made it possible to keep fuel prices at the pump unchanged for a while, and thus to contain upward pressure on inflation and enterprises' production costs.

In addition, the Government has taken a number of measures to support the cash flow of enterprises on the one hand, and to guarantee the local availability of inputs and finished products for the benefit of these enterprises and households on the other hand.

2.1.2.1 CASH FLOW SUPPORT MEASURES

They were particularly directed towards the most affected productive sectors, particularly those related to cereal processing. To this end, the Government has instituted:

the maintenance of the 80% reduction in the freight rate to be taken into account for the determination of the customs value of goods imported by sea, in order to mitigate the effect of the increase in sea freight on the cost of supply of local enterprises;

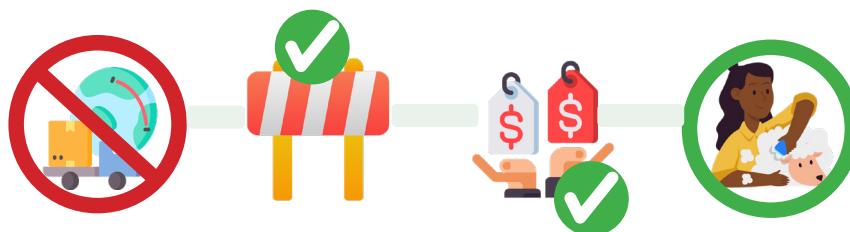
The upward adjustment of 5000 FCFA in the selling price of a 50kg bag of wheat flour, and 25 FCFA in the price of a 200-gram baguette;

the suspension of payments of certain taxes and duties for the benefit of the stakeholders in the flour milling sector, namely the weighing fee on the import of wheat, the Pre-Shipment Evaluation of Conformity Programme (PECAE), and the advance payment of Corporate Tax;

The prioritisation of enterprises in these sectors in its guarantee granting system, to promote their access to bank financing.

2.1.2.2 MEASURES TO IMPROVE THE LOCAL AVAILABILITY OF INPUTS AND FINISHED PRODUCTS

The short-term measures put in place in this context have helped to contain the evolution of local inflation, and thus to preserve the cost structure of enterprises and the purchasing power of households. These included:



the ban on exports of cereals (rice, maize, millet, sorghum) to neighbouring countries in order to guarantee supply;

the strengthening of price control missions in order to avoid speculative behaviour on the markets;

the dismantling of illegal roadblocks to reduce the costs of getting agricultural products to markets;

the development of resting, watering and grazing areas along the routes used by pastoralists from the northern region to the major urban markets in the southern zone.

In the medium term, the government has begun negotiations with some of its main partners to set up programmes to strengthen local agricultural production. These include:

Emergency Programme to Combat Food Crises (PULCA), with the support of the World Bank, the World Food Programme (WFP) and the Food and Agriculture Organisation of the United Nations (FAO). This programme should make it possible to

(i) build up security stocks for the most vulnerable populations living in the Far-North, North, Adamawa, East, North-West and South-West regions; (ii) encourage short-cycle livestock and crop production through purchases from local farmers by WFP;

Support Programme for the Strengthening of Agricultural Production in Cameroon (PARPAC), with the assistance of the African Development Bank (AfDB). Operational since the beginning of 2023, it aims to increase the production of Cameroon's main agricultural crops (Rice; Maize, Sorghum/Millet, Soybean, Potato, Oil Palm, and Vegetable Crops/Tomato) in the short and medium term, through two components:

(i) facilitating access to agricultural inputs and (ii) supporting the agricultural extension system and supporting food resilience.

2.2 Lessons learned from the implementation of the measures

These lessons come from the assessment of the design and implementation of crisis response measures, as well as from the assessment of beneficiaries.

2.2.1 REVIEW OF THE DESIGN AND IMPLEMENTATION OF MEASURES

While the evolution of the macroeconomic situation shows that the efforts made by the Government have borne fruit, it should be noted that the analysis, development and implementation of crisis response measures have encountered some limitations, some of which have been pointed out by MINEPAT (2023) and the reports of the Chamber of Auditors of Cameroon (2020, 2021 and 2023). These limitations have certainly contributed to reducing the effectiveness of these measures.

2.2.1.1 IN TERMS OF DESIGN

At the design level, measures have been defined with some shortcomings that can be related to the following:

The insufficient inclusion of the private sector and the Decentralised Local Authorities:

Indeed, although the central administrations and technical and financial partners had been invited to the reflections and validation of the global response strategy against COVID-19, the decentralised services, much closer to the realities of the population, as well as the enterprises that are among the final beneficiaries, have not been sufficiently involved. This situation has led to inaccuracies in the modalities of implementation of certain measures, and even further, their non-operationalisation. In the case of the crisis in Ukraine, the problem was less prominent given the fewer measures taken. In addition, consultations have taken place between groups of enterprises in the most affected sectors and the Government prior to the institution of the above-mentioned measures;

The low targeting of beneficiaries:

the analyses carried out show that the measures instituted in the two crises, even if they took into account the specificities of the sectors, did not have specific orientations towards the vulnerable sectors of enterprises that were identified in the first section, namely, enterprises promoted by women (gender sensitivity) and by young people, as well as start-ups. These measures were also not sensitive either to the informal sector (while promoting its formalisation), or to entrepreneurs who attach proven importance to the preservation of the environment in their activity;

Shortcomings in the calibration of measures:

due to inadequacies in simulating the impact of measures before they are implemented, they have often led to undesirable effects. The high inflation observed in 2022 is an illustration of this. The measures were calibrated without taking into account the anticipation of these impacts.

Lack of a clear definition of responsibilities:

This limitation has resulted in conflicts between various administrations, as well as between certain structures and their supervisory administrations, for the implementation of certain activities. This situation has been mainly observed in the context of the response to COVID-19;

The lack of an integrated communication plan:

a fundamental structural inadequacy of government action in Cameroon, it has also been noted in the context of the response to COVID-19 and the crisis in Ukraine. There was no communication plan for any of these crises, which limited the number of beneficiaries and slowed down the ownership of the measures instituted by both the beneficiaries and other stakeholders.

2.2.1.2 IMPLEMENTATION

By the close of the COVID-19 Special Advance Fund in 2022, all tax and customs measures had been implemented. Direct support to high-potential SMEs in the affected area, amounting to 2 billion CFA francs, had been distributed. On the other hand, the 40 billion guarantee fund (revalued at 200 billion from 2021) was still being operationalised. As for the 10 billion fund dedicated to the establishment of credit lines to enterprises with the help of banks and MFIs, it could not be realised.

Several malfunctions were noted. Among the most important are:

overruns recorded on certain activities related in particular to the lack of maturation;

the lack of coordination between the implementing structures to agree on the nature of the support to be provided and thus avoid duplication of efforts;

delays in the development and deployment of instruments for implementing measures (implementing texts for certain provisions, concept documents and procedures manuals, lack of a database of the main beneficiaries, etc.);

the slowness in the appropriation of the procedures for the execution of COVID-19 Special Advance Fund expenditure by stakeholders in the budget chain, with the consequence of an extension of the time taken to process files and execute contracts;

irregularities in the process of selecting and awarding public contracts;

delays in the delivery of equipment ordered from service providers;

the absence of a monitoring and evaluation system, particularly at the physical level, to strengthen the performance of the plan.

To these difficulties must be added the low mobilisation of financial resources for the implementation of the post-COVID-19 recovery plan.

That plan did not include specific sources of funding. The financing envisaged for its implementation should come in particular from: **(i)** tax expenditure measures to support the economic activity of enterprises; **(ii)** the support fund for the production and processing of consumer products; **(iii)** the project loan from the Arab Bank for Economic Development in Africa (BADEA) as part of the Cameroon Sector Support Operation (OSSP-CMR) project; and **(iv)** the guarantee line set up by the Government to the tune of 200 billion and housed in lending institutions.

The mobilisation of this financing has been faced with several challenges, including: the priority given to the financing of the health response, the administrative delays that have delayed the disbursement of budget support, the delays in the development of the implementation instruments of the guarantee fund and the OSSP-CMR project, and the occurrence of exceptional expenses that have reduced budgetary space.

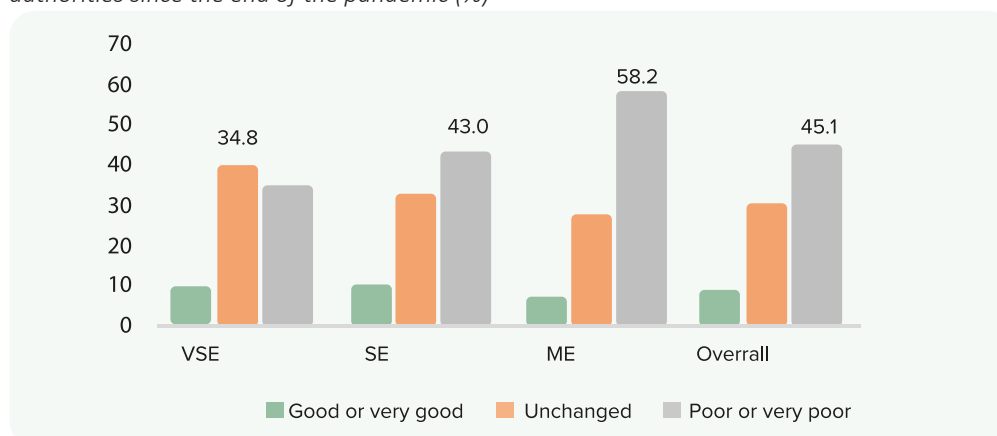
Specifically with regard to the crisis in Ukraine, the main difficulty was related to the financing of the measures. Indeed, some measures could not be deployed or were implemented on a smaller scale than initially planned, in particular due to insufficient resources. This is particularly the case for controls to combat speculative movements on the markets, as well as for the redevelopment and fluidification of transport routes for goods and livestock, which have experienced a lower intensity. Also, the PULCA is still not operational. This lack of resources is to be seen in relation to administrative delays and weak government coordination in the search for and mobilisation of funding, as well as other specific problems to which priority has been given in the context of the State budget.

2.2.2 ASSESSMENT BY ENTERPRISES OF THE EFFECTS OF THE MEASURES TAKEN BY THE GOVERNMENT

First, the survey results indicate that 45.1% of business leaders consider that the relationship between enterprises and public authorities has deteriorated overall since the outbreak of COVID-19.

This trend increases with the size of the company. Thus, the feeling of dissatisfaction is much more present among medium-sized enterprises (58.2%) and small enterprises (43%). From the point of view of activities, the most dissatisfied operators are found in the fishing (51.9%) and food industry (45.8%). In addition, entrepreneurs in the Far-North region seem to be the least satisfied with the evolution of their relationship with public authorities. These assessments by enterprises have hardly improved since the crisis in Ukraine.

Graph 37: assessment of the evolution of the relationship between enterprises and public authorities since the end of the pandemic (%)



Source: EISC 2023 Survey

These results highlight the design flaws already reported above, including the lack of deep involvement of the private sector in the definition of the measures, as well as the absence of a communication plan for the measures.

In the same vein, the reactions of GECAM (formerly GICAM), after the publication of the second phase of government measures against COVID-19 on 30th April 2020, highlighted the fact that the private sector's proposals had only been partially considered, and that some of the measures instituted required clarification (Press release of 08th May 2020 on the economic and social measures announced by the Government).

The private sector had also, in the same press release, stressed its concerns about the fact that the measures announced were much more cyclical than structural, thus leaving on the sidelines the resolution of certain fundamental problems, particularly in relation to the fiscal pressure and access to credit.

Regarding the implementation of the measures, even if several SMEs have automatically benefited from certain cross-cutting measures in the context of the pandemic or the crisis in Ukraine (postponement or suspension of the payment of certain taxes, reduction in the customs value of imported inputs and equipment, increase in market prices, etc.), the results of the survey indicate that only 2.1% of the enterprises surveyed admit to having benefited from direct subsidies.

This is due to the fact that some of the proposed subsidy programmes have not been operationalised or have been implemented with considerable delay. In addition, some proponents indicated that the conditions and process for selecting recipients were sometimes opaque. Finally, many enterprises were not eligible because they belonged to the informal sector. Nevertheless, it can be noted that the enterprises that have mainly benefited from government subsidies are VSEs and SEs. In particular, regarding enterprises indicating that they are start-ups, 4.5% of them have benefited from these subsidies.

From the above, it is easy to understand why only 9.5% of enterprises feel that the business environment in Cameroon has improved overall after the recent shocks of the pandemic and the crisis in Ukraine. On the other hand, about 6 out of 10 enterprises believe that this environment has deteriorated. Depending on the size of the company, this feeling of deterioration is much more present among medium-sized enterprises (71.6%). By industry, operators in the trade (68%) and agri-food industry (60.8%) are the least satisfied with the dynamics of the business environment. From a gender perspective, women entrepreneurs have the same appreciation as men.

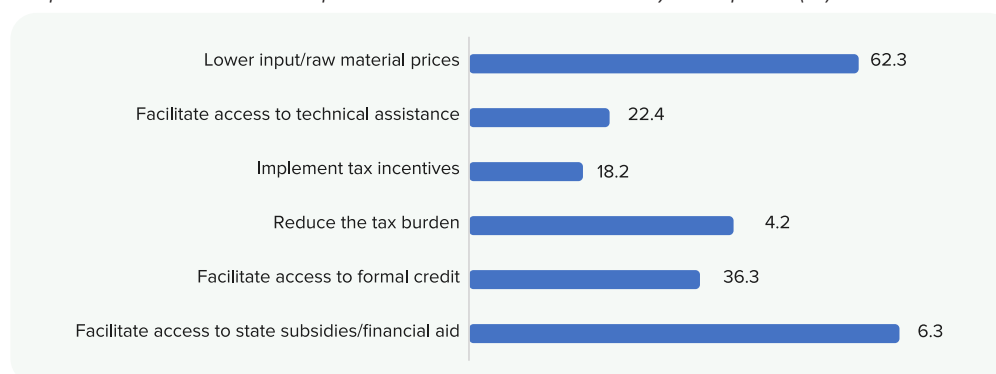
Graph 38: assessment of the evolution of the business environment since the advent of the two crises (%)



Source: EISC 2023 Survey

Finally, in the face of crises such as COVID-19 and the crisis in Ukraine, enterprises believe that the actions to be implemented by the Government to strengthen their resilience should mainly focus on: (i) facilitating access to State subsidies and financial assistance, and (ii) reducing the prices of inputs and raw materials. It should also be noted that they strongly recommend reducing the fiscal pressure and improving access to formal credit.

Graph 39: main actions in response to crises recommended by enterprises (%)



Source: EISC 2023 Survey

A gender analysis of these proposals reveals that enterprises promoted by women place more importance on reducing input costs compared to those promoted by men.

2.2.3 RECOMMENDATIONS

On the basis of the summary assessment of the measures implemented by the government in favour of SMEs, but also on the assessment made by the beneficiaries, two categories of recommendations can be made: (i) specific recommendations for the continued implementation of the response to these two crises, the effects of which continue to be felt; (ii) general recommendations for the government's response to similar crises.

2.2.3.1 SPECIFIC RECOMMENDATIONS FOR THE FURTHER IMPLEMENTATION OF THE RESPONSE TO THE TWO CRISES

These recommendations are made on the basis of the vulnerability factors already identified, the lessons learned from the implementation of response measures and the analysis of the current context.

Thus, the following recommendations can be made to the public authorities:

Accelerating the operationalisation of measures to strengthen the financing supply for SMEs: these include the 200 billion fund for State guarantees and endorsements for the benefit of public and private enterprises, for which there are still no beneficiaries to date, and the Cameroon Private Sector Support Operation (OSSP-CMR);

Prioritising the implementation and strengthening of programmes and projects for the development of local production of inputs and equipment, particularly in the agricultural and agri-food sector, with a view to reducing dependence on imports: to this end, it would be urgent to quickly finalise the instruments necessary for the deployment of the support fund for the production and processing of consumer products. This should be implemented in line with the Integrated Plan for Agricultural and Fisheries Import Substitution (PIISAH). In addition, the actions planned under both the OSSP-CMR and PARPAC projects should be accelerated, as should the implementation of the PULCA;

Strengthening the coordination of the programmes implemented with a view to improving overall effectiveness by increasing the number of beneficiaries, strengthening partnerships and avoiding duplication of work: To this end, consultation frameworks should be created, particularly for projects dealing with similar problems. The said consultation frameworks can be initiated by the projects themselves or by the Ministry in charge of the Economy, which could do this coordination work given its missions;

Improving communication with business managers to ensure their adherence to public policy orientations: This includes reforming existing consultation frameworks to make them more relevant. For example, the Cameroon Business Forum (CBF) has recently encountered many difficulties that need to be addressed as soon as possible. In addition, exchange platforms may exist at the sectoral level between public administrations in charge of these sectors and enterprises carrying out their activities there;

Further supporting SMEs in the popularisation of their products in order to promote the consumption of local content: in particular, it is a question of supporting SMEs in the organisation and participation in national and international exhibition forums, and of continuing and strengthening the exhibition of local products in large distribution areas and the production and distribution of catalogues of these products;

Continuing the incentive programme for businesses using local inputs in their production process;

Giving an important place to the Decentralised Local Authorities in the implementation of measures, in order to capitalise on their proximity to their subordinates in terms of communication and expansion of the number of beneficiaries: This involves accelerating the ongoing decentralisation process and creating partnerships with these communities;

Strengthening and accelerating the implementation of activities aimed at increasing the supply of internet services and digital solutions in order to lower their cost and promote the digitalisation of enterprises: From this point of view, it would be essential to improve innovative financing for digital start-ups, as well as to strengthen their production tools. The acceleration of the implementation of the Digital Transformation Acceleration Project (UNDAP) is essential to this end, as is the implementation of OSSP-CMR's activities on these aspects.

Strengthening the follow up and control in the execution of measures to avoid losses, maximize their effect and give greater credibility to government action in the eyes of international donors: This involves, among other things, transparency in the process of awarding public contracts and selecting enterprises benefiting from the various programmes put in place; the systematic institution of control by the public bodies responsible and the allocation of substantial financial resources; the systematic use of independent evaluations in the context of specific programmes; the preparation and regular publication of monitoring and evaluation reports and audit reports.

These actions must be carried out with particular emphasis on supporting identified vulnerable businesses, including very small and small businesses, start-ups, businesses promoted by women and young people, those that import most of their inputs, and those with a high debt ratio.

Other recommendations can be made, but this time with regard to the private sector. In particular, these include:

Promoting the digitalisation of their activities in order to remain competitive despite the challenges posed by crises: This could be done by allocating more resources to research and training of staff in the field, and by developing partnerships with existing structures that already have usable solutions;

Strengthening product diversification, supplying areas and suppliers to build resilience: this includes conducting regular satisfaction surveys to adapt products to different tySEs of consumers, developing partnerships with other foreign suppliers, but also and especially national suppliers, and funding research and development to promote local production of inputs;

Strengthening transparency in management in order to limit information asymmetries with the banking system and thus strengthen their access to credit: To this end, it would be relevant to respect the deadlines for the production and publication of reviews by insisting on the quality of information;

For informal sector enterprises, accelerating their formalisation through the facilities set up under State support programmes;

Pooling resources in times of crisis to reduce costs: For example, in the context of associations that have legal personalities such as GECAM, GEFAC, SYNDUSTRICAM, etc., the purchase of raw materials could be made by the said associations for all members in order to benefit from economies of scale.

Investing more in the local production of inputs, particularly for the agricultural sector, through vertical integration or financing and partnerships with producer groups: the example of the operation of the Cameroon Cotton Development Company (SODECOTON) is an example to follow;

For the banking sector, financing the economy more with higher risk-taking and the development of suitable products.

Finally, the following recommendations can be made to technical and financial partners:

Strengthening the scale and quality of financial support for the actions put in place by the Government: This could be done through the establishment of a Basket Fund dedicated to the financing of mature government activities to support SMEs, as well as through the multiplication of concessional support mechanisms in an environment where public debt, although controlled, has seen strong growth;

Developing partnerships with credit institutions for the establishment of credit lines and specific guarantees for certain sectors of activity and for small enterprises: To this end, it is a question of signing agreements in this regard with banks, the said agreements integrating a well-defined set of specifications and a monitoring and evaluation system to ensure that loans are oriented in line with the initial vision and Cameroon's Development Strategy (SND30);

Continuing actions to strengthen the capacities of enterprises and start-ups: The aim is to intensify the financing and support of incubators, as well as training dedicated to SMEs to improve their technical and managerial skills and their ability to innovate. Also, it is a question of helping enterprises in the acquisition and use of the most productive equipment;

Strengthening the coordination of actions: through the development of frameworks and the frequency of consultations to strengthen the complementarity of these actions in favour of SMEs.

2.2.3.2 GENERAL RECOMMENDATIONS

In addition to the specific recommendations for the continued response to the two crises, the following general recommendations can also be made in the event of a response to other crises.

To this end, **as far as public authorities are concerned**, it is a question of:

- ▶ *greater inclusion of the private sector and Decentralised Local Authorities in the design and implementation of measures in favour of enterprises and SMEs;*
- ▶ *improving the targeting of beneficiaries, with much more specific measures in terms of sectors of activity, company sizes and tySEs of needs, and having a gender sensitivity and environmental sustainability;*
- ▶ *increasing the accuracy of the calibration of the measurements, taking into account the results of the simulations and the adverse effects they could create;*
- ▶ *clear definition of the responsibilities of the different stakeholders in implementation;*
- ▶ *the development of an integrated and precise communication strategy;*
- ▶ *the establishment of a dedicated monitoring and evaluation system;*
- ▶ *the definition and implementation of a clear financing strategy;*
- ▶ *promoting transparency and accountability in the use of resources, as well as in the public procurement process.*

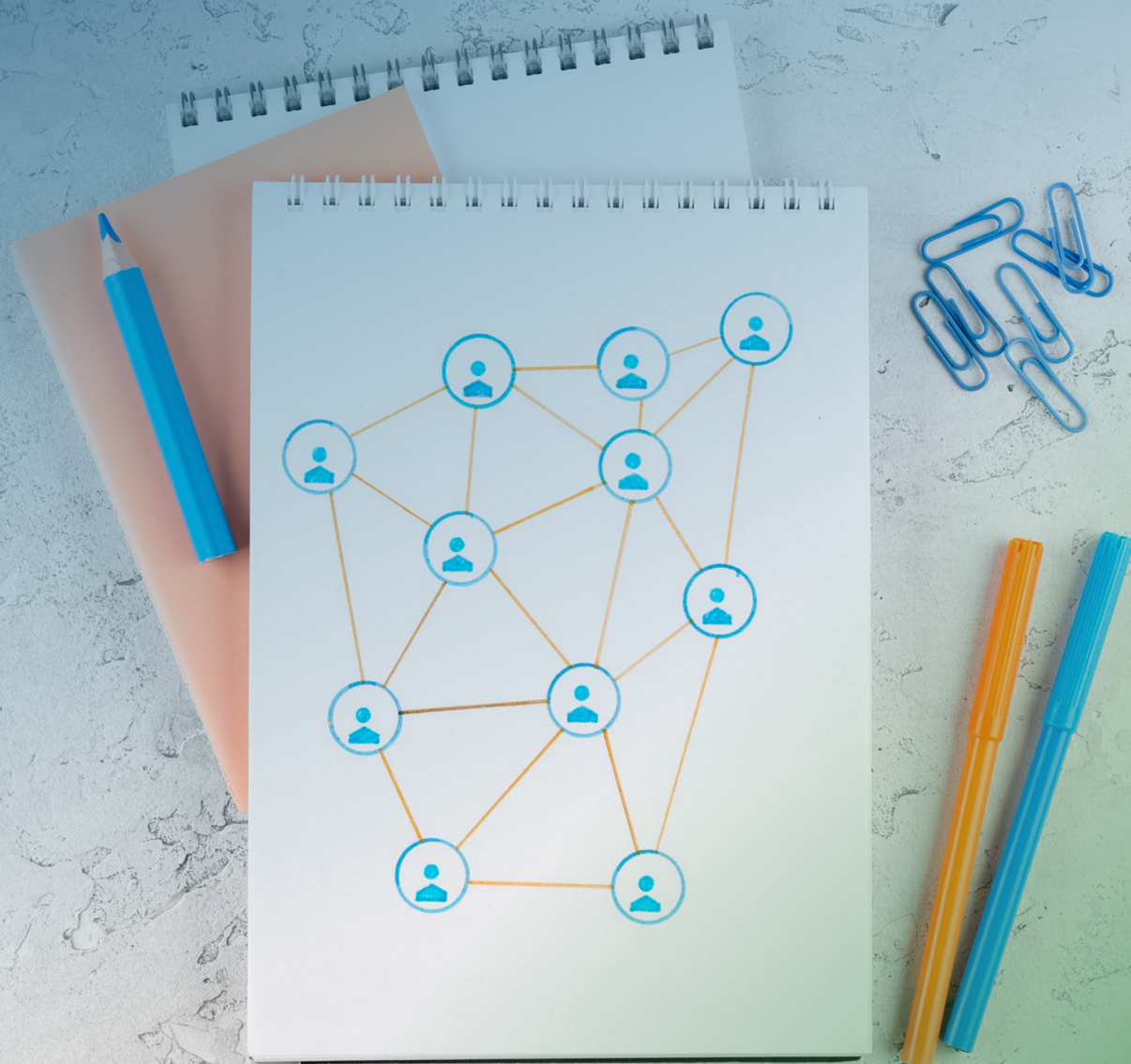
As for the private sector:

- ▶ *the development of research;*
- ▶ *the strengthening of the digitalisation of activities;*
- ▶ *the reduction of information asymmetry with the banking sector, which is one of the main absorbers of the negative effects of shocks in times of crisis;*
- ▶ *increasing the supply and quality of banking products for businesses;*
- ▶ *the diversification of products and supplies;*
- ▶ *the pooling of resources.*

For technical and financial partners:

- ▶ *the establishment of more adequate and concessional means of financing to support public sector initiatives, but also directly from the private sector;*
- ▶ *the strengthening of the coordination of actions of different entities;*
- ▶ *Continued capacity building of enterprises and the development of their supply chain and professional network.*

STRENGTHENING THE EFFECTIVENESS OF THE IMPLEMENTATION OF THE OPERATION TO SUPPORT THE CAMEROONIAN PRIVATE SECTOR: PROPOSAL OF A MECHANISM FOR THE SELECTION OF SMEs BENEFITING FROM THE PROJECT



From the preceding sections, several recommendations were made, in particular in the direction of accelerating the implementation of the OSSP-CMR project. This action must be carried out taking into account the lessons learned so far, in particular transparency in the process of selecting the enterprises benefiting from the various programmes put in place by the Government. To this end, this section focuses on the said project by proposing a transparent, coherent and exhaustive framework for the selection of SMEs benefiting from various interventions.

3.1 Brief presentation of the Cameroonian Private Sector Support Operation (OSSP-CMR)

3.1.1 THE OBJECTIVE OF SOLVING STRUCTURAL PROBLEMS AND AN ATYPICAL INSTITUTIONAL FRAMEWORK

3.1.1 THE OBJECTIVE OF SOLVING STRUCTURAL PROBLEMS AND AN ATYPICAL INSTITUTIONAL FRAMEWORK

In view of the persistent impacts of the COVID-19 pandemic, accentuated by the consequences of the crisis in Ukraine, the Government has put in place several actions to strengthen the resilience of SMEs by alleviating the main vulnerabilities identified. The OSSP-CMR project, which is being implemented by a joint team of the Government of Cameroon and UNDP, is one of these actions.

Its overall objective is to strengthen the resilience of enterprises to build sustainable and inclusive growth. Specifically, these are:

TO ENSURE THE RECOVERY OF TARGET ENTERPRISES AFFECTED BY THE CRISES AND TO IMPROVE THE BUSINESS ENVIRONMENT, in particular through:

- ▶ support for the development of the production offer and the preservation of jobs;
- ▶ capacity building of organisations/groups of enterprises and local incubators to support SMEs more effectively;
- ▶ easing of constraints on the development of target enterprises;
- ▶ strengthening of consultation frameworks between the private and public sectors (Government, decentralised local authorities) on issues related to the business environment of very small, small and medium-sized enterprises.

STRENGTHEN THE COMPETITIVENESS OF ENTERPRISES through:

- ▶ the improvement of the technical, operational and managerial capacities of SMEs;
- ▶ facilitating access and market conquest;
- ▶ strengthening the digitalization of enterprises and access to ICT.

IMPROVE ACCESS TO FINANCE, PARTICULARLY FOR SMES, through:

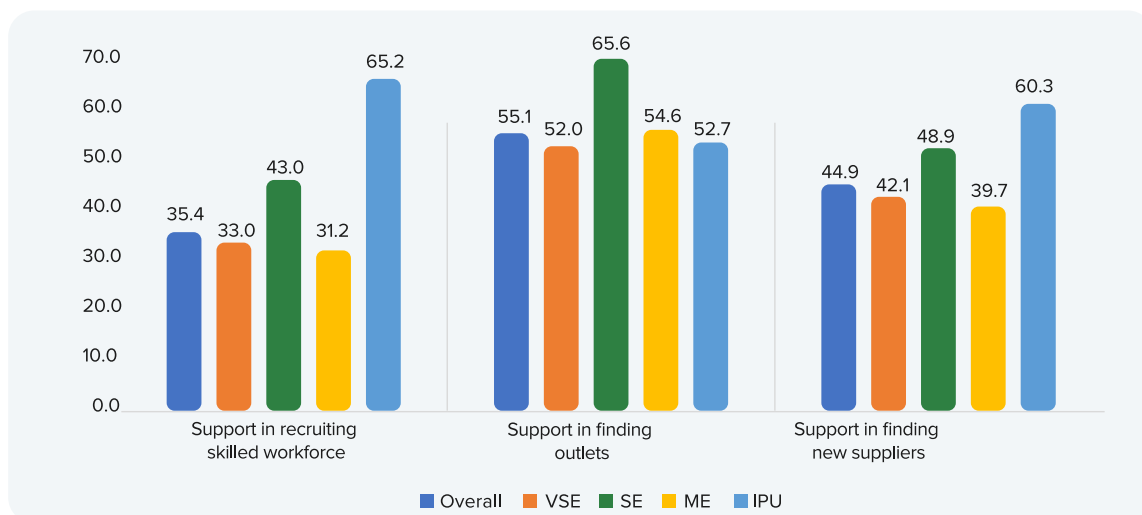
- ▶ strengthening the technical and operational capacities of microfinance institutions in order to promote the implementation of products adapted to SMEs;
- ▶ establishing dedicated financing lines;
- ▶ establishing funding facilities for digital start-ups;
- ▶ facilitating the interconnection of SME digital financial platforms;
- ▶ strengthening financial education.

These specific objectives aim to solve most of the existing problems throughout the business chain, from input supply to production to sales. To this end, the financing link is a key aspect, the effectiveness of which should be strengthened by technical support aimed at increasing the productivity of SMEs, improving management techniques and strengthening financial education. Ultimately, it is a question of granting a support package adapted to the specificities of the target SMEs.

The definition of these objectives is in line with the results of the baseline survey with regard to the needs of SMEs.

Indeed, from the point of view of their external environment, the majority of enterprises indicate that the most important need for support is related to the search for outlets (55.1%). This need is particularly predominant for small businesses, i.e. 65.6% overall. Then comes the need for support in the search for new suppliers (44.9%), mainly expressed by IPUs (60.3%) and small businesses (48.9%), and finally the need for support the recruitment of qualified labour (35.4%), recorded mainly among IPUs and SEs once again.

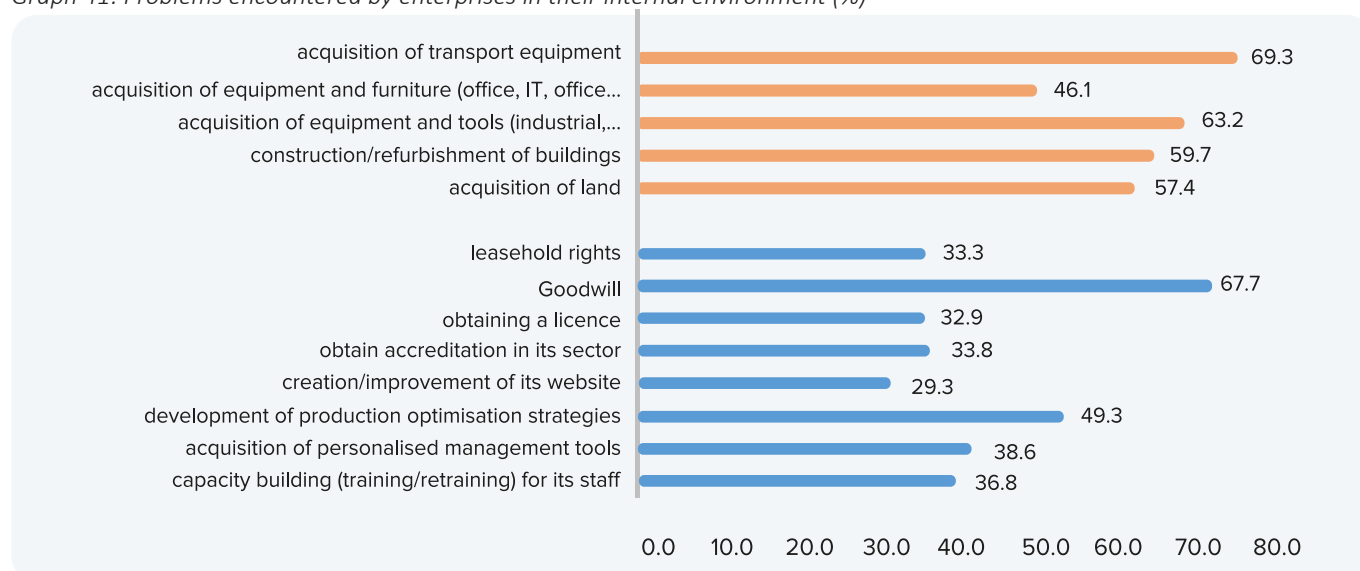
Graph 40: Problems faced by enterprises in their external environment (%)



Source: EISC 2023 Survey

As regards the internal environment, the predominant problems with regard to tangible and intangible assets are the acquisition of transport equipment (69.3% of enterprises) and the creation of commercial fund (67.7%) respectively.

Graph 41: Problems encountered by enterprises in their internal environment (%)



Source: EISC 2023 Survey

In addition, developers also note, in terms of material needs, the acquisition of industrial and agricultural equipment (63.2%), the construction or rehabilitation of buildings (59.7%) and the acquisition of land (57.4%).

Additional intangible needs relate to the development of production optimisation strategies (49.3%), the acquisition of personalised management tools (38.6%) and the strengthening of staff capacities (36.8%).

Regarding the institutional framework of the OSSP-CMR project, it should be noted that it is atypical in the Cameroonian landscape. Indeed, it brings together four stakeholders: the project owner (MINEPAT), the main donor (BADEA), the executing agency (UNDP) and the Project Management Unit (PMU) formed by a joint team of representatives of the project owner and the executing agency.

This arrangement has been designed to capitalise on the advantages of each of the partners, particularly with regard to the logistical skills and transparency of UNDP procedures on the one hand, and the technical mastery that the government side has of the internal and external environment of Cameroonian enterprises and SMEs, on the other hand. The idea is to substantially increase the speed of execution of the project's interventions. In addition, it is also a question of bringing more transparency in strategic choices, the carrying out of activities and the management of resources, thus strengthening trust and therefore the buy-in of implementing partners and above all, beneficiaries.

This newly tested configuration, for which the OSSP-CMR project should serve as a test subject, could be extended to other projects in the Cameroonian landscape if successful.

3.1.2 OSSP-CMR PROJECT INTERVENTION MECHANISM: AN ADEQUATE MIX OF FINANCIAL AND NON-FINANCIAL SUPPORT

The OSSP-CMR project is implemented according to a market development approach, through the establishment of strategic partnerships with both public and private stakeholders, in order to promote the recovery of Cameroonian SMEs and start-ups, particularly those led by young people, women, and respectful of the environment.

These strategic partnerships will focus on strengthening the capacities of SMEs in promising sectors, improving the business environment and developing financial products and services adapted to the needs of beneficiary enterprises, in line with the needs expressed by enterprises during the baseline survey. Thus, two main support mechanisms are envisaged: the financial support system and the non-financial support system.

3.1.2.1 THE FINANCIAL SUPPORT SYSTEM

Overall, it aims to increase the financial inclusion of beneficiary enterprises by increasing the quantity and quality of the credit offer and strengthening the culture of the banking relationship and repayment.

Thus, it is structured around the following activities:

- establishing, with the help of the MFIs, a facilitation fund for direct support to innovative start-ups and SMEs;
- establishing, with Banks, a stabilisation and recovery fund for the financing of target enterprises on preferential terms;
- strengthening technical and operational capacities of microfinance institutions to develop a range of financial products and services adapted to the needs of target enterprises;
- facilitating the use and connection of financial information management platforms by target enterprises;
- capacity building of target enterprises, in financial education and financing research.

The partnership with banking and microfinance institutions is of strategic importance here. Indeed, by learning from the past, these stakeholders are initially better able to assess credit risk, to grant financing and to monitor repayments and the effective use of said financing by the beneficiaries. Second, this approach allows the risk to be spread over a wider range of stakeholders compared to a direct relationship with the beneficiaries, which limits the losses that could be incurred by the Government. Finally, the partnership with banking and microfinance institutions makes it possible to capture the leverage effect linked to the additional financing they could provide for the benefit of the enterprises benefiting from the project.

It should be noted that the success of this system is linked to a good design of the partnership with banks and MFIs (conceptual framework, agreements and monitoring and evaluation system), appropriate communication and the commitment and support of the beneficiaries.

3.1.2.2 THE NON-FINANCIAL SUPPORT SYSTEM

The non-financial support system is intended to improve both the internal and external environment of enterprises.

At the external level, it is a question of strengthening the awareness and intervention of public authorities on the specific concerns of SMEs both at the central level and with the Decentralised Local Authorities (CTDs), and of improving the relationship that these SMEs have with all other market stakeholders. This is in order to strengthen the business climate specific to SMEs. To this end, the non-financial support system includes the following activities:

- conducting advocacy with the public authorities on the specific concerns of SMEs both at the central level and with the Decentralised Local Authorities;
- strengthening financial culture;
- capacity building on standards issues;

- carrying out and dissemination of several market studies in target sectors in favour of SMEs;

- facilitating the development of partnerships with suppliers as well as with national, subregional and international stakeholders.

At the domestic level, the main aim is to strengthen factor productivity, management techniques and innovation capacity. To this end, the system provides for the implementation of the following activities:

- expanding and rehabilitating the equipment of the target enterprises;

- supporting to improve worker productivity, in particular through training, coaching/mentoring, etc. ;

- strengthening managerial and organisational skills;

- raising awareness and empowering SMEs to enable them to make better use of digital tools for market conquest/penetration.

It should be noted that a combination of financial and non-financial support is possible for a target SME.

In this case, the granting of non-financial support is the prerequisite for financial support and the success of OSSP-CMR's interventions in general. Indeed, by drawing lessons from projects deployed at the national and international levels in the context of business support, particularly those carried out by UNDP in certain African countries, this sequencing produces a significant leverage effect of the financial resources granted on the overall performance of beneficiary enterprises.

3.2 Suggestion of a mechanism for selecting beneficiary enterprises

It is a question of making a proposal on the criteria and the selection process of SMEs to be supported within the framework of the OSSP-CMR project.

3.2.1 GENERAL PRINCIPLE OF THE SELECTION MECHANISM

The definition of the criteria for selecting beneficiaries for this programme is based, on the one hand, on the results of the survey that made it possible to establish the profile of the SMEs most affected by the Covid-19 health crisis and the Russian-Ukrainian crisis, and on the other hand, on the lessons learned from the measures implemented, the objectives and the instruments of the project, as well as literature search to address the inadequacies of the available data and to take into consideration the peer experience contained in the documentation.

The OSSP-CMR project aims globally to close the productivity and competitiveness gaps due to the two crises, and to strengthen the resilience and development of Cameroonian SMEs. Thus, taking into account the different forms of support envisaged, in the form of financial and non-financial support, and a mix of both, three categories of criteria are proposed for each of these tySEs of support. For each of those categories, those criteria are divided into two groups: the eligibility criteria and the selection criteria.

Failure to meet one or more of the eligibility criteria indicates that an applicant company is not qualified to receive support from the OSSP-CMR project. When these are respected, the score obtained in relation to the selection criteria makes it possible to make the final choice on the beneficiaries of the project.

For each of the selection criteria, each candidate company receives a score. The grades or scores obtained are then aggregated according to a specific process to obtain an overall score on which a judgment will be made as to whether or not the company should be admitted to the programme.

It is important to note that the type of support depends on the type of enterprise (see Graph 40). For example, non-financial support is relatively more important for small enterprises that have not yet achieved the appropriate structuring to optimise the efficiency of their production and sales process. Thus, the eligibility criteria and the scoring process of the proposed selection criteria will also be specific to the type of support considered, taking into account specific aspects such as the size of the enterprises and many others. The scoring process is intended to be as simple as possible.

3.2.2 ELIGIBILITY CRITERIA These are essential criteria, eliminatory criteria that aim to clearly define the potential beneficiaries targeted by the project. They can be transversal, or specific depending on the type of support. In addition, taking into account the activities to be carried out, the proposed criteria, as well as the related ratings, may be adapted by the Project.

3.2.2.1 CROSS-CUTTING ELIGIBILITY CRITERIA

They apply to all forms of SMEs that are eligible for project support. More specifically, they relate to the following elements:

NATIONALITY OF THE PROMOTER OR CAPITAL: the programme is primarily interested in Cameroonian enterprises. To this end, the promoter must be Cameroonian, or at least half of the capital of the structure must be held by Cameroonians;

PRODUCTION UNIT LOCATION (PROJECT REGIONS): The location here refers to the region where the company's main production unit is located. This region must belong to all those targeted by the project;

DATE OF CREATION: in view of the mortality rate of SMEs that is still very high in Cameroon, it is important to focus more in this programme on those whose risk of disappearance is lower, i.e. those who have shown a minimum of resilience during crises. This ensures that at the end of the implementation of the programme, these enterprises will still exist and will be able to sustain the gains related to the interventions. Also, this approach facilitates the project's actions and reinforces their effectiveness by directing them towards enterprises that have already demonstrated a personal will. Thus, beneficiaries must have carried out their activity for at least three years, i.e. since 2021;

SECTOR OF ACTIVITY : in accordance with the project document, the OSSP-CMR is primarily interested in the sectors of agriculture (including livestock and fish farming), agropastoral processing, and digital technology, particularly with regard to start-ups. The latter will be given priority in the granting of support, even if, depending on the economic situation, enterprises belonging to other sectors deemed strategic may be supported (forest products processing in particular).

LEGAL EXISTENCE: Having a legal existence is necessary to benefit from the support of the project. This refers to registration on the tax file (availability of a Unique Identifier Number-NIU) or on other sectoral databases available in particular at MINPMEESA and in other ministerial departments (in particular for Start-ups).

3.2.2.2 SPECIFIC ELIGIBILITY CRITERIA FOR SUPPORT SCHEMES

The specific nature of the criteria in question in this subsection is linked to the different forms of support provided for in the framework of the OSSP-CMR project.

i) Specific eligibility criteria for non-financial support

Non-financial support can be granted to all enterprises that meet the cross-cutting eligibility criteria, indicating that no additional specific criteria are specified here. However, particular attention should be given to enterprises that do not yet benefit from an appropriate structuring for their development, namely IPU⁷, VSEs and start-ups.

ii) Specific eligibility criteria for financial support

Operationally, the implementation of financial support will be carried out through two tySEs of mechanisms: direct support or subsidies and lines of credit on preferential terms. To this end, it is recommended to:

- ▀ as for subsidies, that they be granted only to start-ups and very small and small enterprises;

- ▀ As for credit lines, they should be granted to all formal enterprises (start-ups or SMEs) within the meaning of the tax file, and which present an up-to-date Certificate of Non-Royalty (ANR) and social security contributions. In addition, given that these credit lines will be implemented through banking and microfinance institutions, other specific eligibility criteria may be defined by the latter in consultation with the PMU.

iii) Specific eligibility criteria for blended support

This support will only be reserved for enterprises that meet the specific criteria for financial support, as well as for start-ups.

3.2.3 SELECTION CRITERIA PER SE OR SECOND-TIER CRITERIA

Through second-tier criteria, it is a question of selecting the enterprises that most deserve to be supported, considering the constraint of resources and the need for effective support. As mentioned above, these criteria, as well as the scoring and aggregation method applied, depend on the forms of support provided for in the OSSP-CMR project.

The maximum score after applying the following selection criteria is 20. The structures likely to be supported will be selected according to their score and the number of places available. The higher the score, the higher the priority for the SME.

However, any structure that scores below 14 out of 20 is likely to be eliminated and cannot claim support.

⁷ As recalled in the introduction to this report, a IPU is not an informal enterprise in the strict sense. The project does not provide support to strictly informal enterprises.

3.2.3.1 SECOND-TIER SELECTION CRITERIA FOR NON-FINANCIAL SUPPORT

Like the tables that will follow, this table presents the criteria used for this scheme, the terms of the said criteria and the scores given to each scheme. These scores are awarded according to the priority given to one or the other of the modalities in this system.

Table 5: Second-tier selection criteria for non-financial support for SMEs

No.	Criterion adopted	Terms	Scores (between 0 and 1)	Observations
1	Company size: Average number of jobs in 2022 and 2023	VSE	0.25	the non-financial support system is more important for IPUs, VSEs and SEs
		ME	0	
		SE	0.25	
		IPU	0.5	
2	Industry	Agriculture	1.25	Priority will be given to SMEs in the agri-food and agricultural sector whose activity has been more affected by the two crises.
		Fisheries and aquaculture	1.25	
		Breeding	1.25	
		Food	1.75	
		ICT	1	
		Wood processing	0.75	
		Services for SMEs	0.5	
Other	0.25			
3	Processing of local raw materials (% of total value of inputs)	less than 25%	0	In line with the lessons learned from the survey and the objective of structural transformation of Cameroon's economy as advocated by the SND30, priority will be given to enterprises that are involved in the transformation and enhancement of local content.
		between 25% and 50%	0.5	
		more than 50%	1	
4	Average change in turnover between 2019 and 2023 (turnover 2023/CA2019-1) ^(1/5)	less than 0%	0	The idea is to support enterprises with high potential that demonstrate an internal orientation towards the development of their business
		entre 0% et 2%	0,5	
		entre 2% et 4%	0,75	
		supérieur à 4%	1	
5	Main Source of Funding	Equity	1	The persistence of the effects of the crises is acutely reported for enterprises that report having significant difficulties in mobilising financing from banks and MFIs. They may have difficulty rehabilitating their equipment or making the necessary investments to accelerate the recovery. Priority is therefore given to enterprises that rely the most on equity, a sign of a low capacity to access financing.
		External Resources	0.5	

6	Seniority of the company	10 years and up	0.5	Enterprises with less than 10 years of existence score higher because of their greater vulnerability. The structure and management system of these enterprises can be substantially improved.
		Under 10 years old	1	
7	Membership in at least one business group	No	0.5	SMEs belonging to business clusters can easily transfer knowledge after receiving non-financial support, which increases the impact of the project
		Yes	1	
8	Gender of the sponsor	Man	0.5	The results showed that enterprises with women as promoters were more vulnerable to both crises, although they were few. Giving more importance to this category of company makes it possible both to correct these harmful effects of crises, but also to limit the gender-related distortions that could be generated by the implementation of this programme.
		Wife	0.75	
9	Degree of formalisation of the company	No administrative registration	0	Priority is given to enterprises that make the effort to migrate to the formal sector
		Presence on an industry database	0.5	
		availability of a UIN and an NRA	1	
TOTAL			20	

Source : OSSP-CMR

3.2.3.2 SECOND-TIER SELECTION CRITERIA FOR FINANCIAL SUPPORT FOR SMES

At this level, two tables can be proposed. The table relating to support through lines of credit housed in banking and microfinance institutions, and the one relating to support in terms of direct support or subsidies.

For the first on support through lines of credit housed in banking and microfinance institutions, we have the following:

Table 6: Second-tier selection criteria for financial support for SMEs online credit

No.	Criterion adopted	Terms	Scores(between 0 and 1)	Observations
1	Company size: Average number of jobs in 2022 and 2023	TPE	1	the financial support system in the form of credit lines is accessible to all enterprises that meet the eligibility criteria, in particular the availability of an NAV. IPU's are therefore excluded, unless they formalise themselves and meet the other criteria. Also, priority is given to small enterprises.
		ON	1	
		ME	0.5	
		Start-ups	1	

2	Industry	Agriculture	1.25	Priority will be given to SMEs in the agri-food and agricultural sector whose activity has been more affected by the two crises, but also because of the objective of structural transformation and the greater need for equipment in these sectors
		Fisheries and aquaculture	1.25	
		Breeding	1	
		Food	1.75	
		ICT	1	
		Wood processing	0.75	
		Handicraft	0.5	
		Other enterprises in the agriculture and agri-food sector	0.25	
3	Processing of local raw materials (% of total value of inputs)	less than 25%	0.25	In line with the lessons learned from the survey and the objective of structural transformation of Cameroon's economy as advocated by the SND30, priority will be given to enterprises that are involved in the transformation and enhancement of local content.
		between 25% and 50%	0.5	
		more than 50%	1	
4	Average change in turnover between 2019 and 2023 (turnover 2023/CA2019-1) ^(1/5)	less than 0%	0.25	The idea is to support enterprises with high potential that demonstrate an internal orientation towards the development of their business. In the event of a negative change in turnover, the score is the lowest.
		between 0% and 2%	0.5	
		between 2% and 4%	0.75	
		more than 4%	1	
5	Main Source of Funding	Equity	1	The persistence of the effects of the crises is acutely reported for enterprises that report having significant difficulties in mobilising financing from banks and MFIs. Priority is therefore given to enterprises that rely the most on equity, a sign of a low capacity to access financing.
		External Resources	0.5	
6	Seniority of the company	10 years and up	1	Unlike the non-financial system, the older a company is, the higher the chances of repayment and the greater the probability of sustaining the project's achievements. This type of company therefore has a higher score.
		Under 10 years old	0.5	
7	Gender of the sponsor	Man	0.5	One of the causes of the greater vulnerability of businesses promoted by women and their relatively limited ability to access credit. It is a question of taking this inadequacy into account.
		Wife	1	
TOTAL			20	

Source : OSSP-CMR

As mentioned above, these are preliminary criteria that partner banks and MFIs will be able to complete with regard to discussions with the PMU.

With regard to support in terms of subsidies, we have the following table, which includes criteria related to the use of an innovative and environmentally friendly production process, in accordance with the objective of this mechanism.

Table 7: Second-tier selection criteria for financial support for SMEs online credit

No.	Criterion adopted	Terms	Scores (between 0 and 1)	Observations
1	Company size: Average number of jobs in 2022 and 2023	TPE	1	the subsidy scheme is primarily dedicated to start-ups and VSEs
		PE	0,5	
		Start-ups	1,5	
2	Industry	Agriculture	1,25	Priority will be given to VSEs, SEs and Stat-ups in the agri-food and agricultural sector whose activity has been more affected by the two crises, but especially to enterprises in the digital field.
		Fisheries and aquaculture	1,25	
		Breeding	1	
		Food	1.25	
		TIC	2	
		Wood processing	0.5	
		Handicraft	0.5	
		Other enterprises in the agriculture and agri-food sector	0.25	
3	Processing/use of local raw materials (% of total value of inputs)	less than 25%	0	In line with the lessons learned from the survey and the objective of structural transformation of Cameroon's economy as advocated by the SND30, priority will be given to enterprises that are involved in the transformation and enhancement of local content.
		between 25% and 50%	0.5	
		more than 50%	1	
4	Average change in turnover between 2019 and 2023 (turnover 2023/CA2019-1)^(1/5)	less than 0%	0	The idea is to support enterprises with high potential that demonstrate an internal orientation towards the development of their business.
		between 0% and 2%	0.5	
		between 2% and 4%	1	
		more than 4%	1.5	
5	Main Source of Funding	Equity	1	Grant support is more important for enterprises with poor access to external financing
		External Resources	0.25	
6	Seniority of the company	05 years and older	0.25	Here, it is a question of supporting young enterprises to develop further and innovate
		Under 05 years old	0.75	

7	Gender of the sponsor	Male	0.5	One of the causes of the greater vulnerability of businesses promoted by women and their relatively limited ability to access credit. It is a question of taking this inadequacy into account.
		Female	0.75	
8	Use of an innovative production/sales process	Yes	0.5	The subsidy scheme aims to promote innovation
		No	0	
9	Consideration of environmental aspects in the production process	Yes	0	The subsidy scheme aims to promote and develop activities that tend to preserve the environment
		No	0.5	
TOTAL			20	

Source : OSSP-CMR

3.2.3.3 SECOND-TIER SELECTION CRITERIA FOR BLENDED SUPPORT

With regard to mixed support, it should be noted that:

- ▶ As regards mixed non-financial-financial support in the form of credit lines, the predominant criteria are those relating to financial support in the form of credit lines;
- ▶ Similarly, the criteria for rating support in terms of grants should predominate in the case of mixed non-financial-financial support in the form of grants.

CONCLUSION

The purpose of this study was to analyse the socio-economic impacts of the COVID-19 pandemic and the crisis in Ukraine on very small, small and medium-sized enterprises in Cameroon, as part of the definition of the reference situation for the implementation of the Cameroonian Private Sector Support Operation affected by the COVID-19 pandemic.

To this end, the methodological approach adopted was mainly structured around documentary analysis and the carrying out of a survey of a sample of SMEs. The survey, carried out by the National Institute of Statistics (INS), covered a total of 1.364 enterprises throughout the country, including 804 modern SMEs and 560 Informal Production Units (IPUs). The majority of these enterprises were in the agriculture and agropastoral processing sector, taking into account the priority targets of the project and the national orientations in terms of economic policy.

In addition to the stylised facts identified at the international level using the literature review, the results obtained indicate that domestic enterprises continue to suffer the effects of the pandemic, even if the magnitude is attenuated compared to 2020. The most affected enterprises are mainly MSEs and SEs led by women and young people, who mainly import their raw materials and are characterised by more difficult access to financing.

The crisis in Ukraine has also greatly affected Cameroonian SMEs. The most affected are relatively large formal enterprises operating in the agri-food sector and sourcing from abroad. They have been in their markets for many years, are run by relatively older promoters and usually have difficulty accessing bank financing and MFIs.

Thus, the cross-checking of the profiles of the enterprises most affected by these two crises has made it possible to determine some vulnerability factors. The latter are essentially related to (i) the size of the enterprises, (ii) the insufficient capacity to mobilise financing, (iii) the place of purchase of raw materials, (iv) the gender of the promoter, (v) its age, (vi) the structure of the company's financing and (v) the level of digitalisation of activities.

Moreover, the analyses indicate that the main transmission channels of these crises are the same, although with relatively different levels of importance depending on the crisis under consideration. In the case of Cameroon, these include the destabilisation of supply chains, the cost of raw materials, the cost of capital (interest rates) and access to financing. With regard to the crisis in Ukraine in particular, the last three channels have played a major role.

Faced with these crises, and in addition to the internal measures taken by enterprises, the Government has intervened to support activity, promote resilience and accelerate economic recovery. This intervention has been reflected in the overall response strategy and recovery plan for the pandemic, and specific tax and customs facilities in the case of the crisis in Ukraine.

However, the analysis of the measures implemented showed shortcomings in both design and execution, which limited the expected effects. In response, important recommendations were made both for the response to crises in general and for the continuation of efforts related to economic recovery.

With regard to these recommendations, the following are addressed to the public authorities. These are:

- **ACCELERATING THE OPERATIONALISATION OF MEASURES TO STRENGTHEN THE SUPPLY OF FINANCING FOR SMES:** these include the 200 billion fund for State guarantees and endorsements for the benefit of public and private enterprises, for which there are still no beneficiaries to date, and the Private Sector Support Operation in Cameroon (OSSP-CMR);
- **PRIORITISING THE IMPLEMENTATION AND STRENGTHENING OF PROGRAMMES AND PROJECTS FOR THE DEVELOPMENT OF LOCAL PRODUCTION OF INPUTS AND EQUIPMENT, PARTICULARLY IN THE AGRICULTURAL AND AGRI-FOOD SECTOR, WITH A VIEW TO REDUCING DEPENDENCE ON IMPORTS:** to this end, it would be urgent to quickly finalise the instruments necessary for the deployment of the support fund for the production and processing of consumer products. This should be implemented in line with the Integrated Plan for Agricultural and Fisheries Impprt Substitution (PIISAH). In addition, the actions planned under both the OSSP-CMR and PARPAC projects should be accelerated, as should the implementation of the PULCA;

STRENGTHENING THE COORDINATION OF THE PROGRAMMES IMPLEMENTED WITH A VIEW TO IMPROVING OVERALL EFFICIENCY BY INCREASING THE NUMBER OF BENEFICIARIES, STRENGTHENING PARTNERSHIPS AND AVOIDING DUPLICATION OF WORK: To this end, consultation frameworks should be created, in particular for projects addressing similar problems. The said consultation frameworks can be initiated by the projects themselves or by the Ministry in charge of the Economy, which could do this coordination work given its missions;

IMPROVING COMMUNICATION WITH BUSINESS MANAGERS TO ENSURE THEIR ADHERENCE TO PUBLIC POLICY ORIENTATIONS: This includes reforming existing consultation frameworks to make them more relevant. For example, the Cameroon Business Forum (CBF) has recently encountered many difficulties that need to be addressed as soon as possible. In addition, exchange platforms may exist at the sectoral level between public administrations in charge of these sectors and the enterprises carrying out their activities there;

FURTHER SUPPORTING SMES IN THE POPULARISATION OF THEIR PRODUCTS IN ORDER TO PROMOTE THE USE OF LOCAL CONTENT: In particular, it is a question of supporting SMEs in the organisation and participation in national and international exhibition forums, and of continuing and strengthening the exhibition of local products in large distribution areas and the production and distribution of catalogs of these products;

CONTINUING THE INCENTIVE PROGRAMME FOR BUSINESSES USING LOCAL INPUTS IN THEIR PRODUCTION PROCESS;

GIVING AN IMPORTANT PLACE TO THE DECENTRALISED LOCAL AUTHORITIES IN THE IMPLEMENTATION OF MEASURES, IN ORDER TO CAPITALISE ON THEIR PROXIMITY TO THEIR SUBORDINATES IN TERMS OF COMMUNICATION AND EXPANSION OF THE NUMBER OF BENEFICIARIES: This involves accelerating the ongoing decentralisation process and creating partnerships with these communities;

STRENGTHENING AND ACCELERATING THE IMPLEMENTATION OF ACTIVITIES AIMED AT INCREASING THE SUPPLY OF INTERNET SERVICES AND DIGITAL SOLUTIONS IN ORDER TO LOWER THEIR COST AND PROMOTE THE DIGITALISATION OF ENTERPRISES: From this point of view, it would be essential to improve innovative financing for digital start-ups, as well as to strengthen their production tools. The acceleration of the implementation of the *Projet d'Accélération de la Transformation Numérique (PATNUC)* is essential to this end, as is the implementation of OSSP-CMR's activities on these aspects.

STRENGTHENING THE FOLLOW UP AND CONTROL IN THE EXECUTION OF MEASURES IN ORDER TO AVOID LOSSES, MAXIMIZE THEIR EFFECT AND INCREASE THE CREDIBILITY OF GOVERNMENT ACTION IN THE EYES OF INTERNATIONAL DONORS: This involves, among other things, transparency in the process of awarding public contracts and selecting the beneficiary enterprises of various programmes put in place; the systematic institution of control by the public bodies responsible and the awarding of substantial financial resources; the systematic use of independent evaluations in the context of specific programmes; the preparation and regular publication of monitoring and evaluation reports and audit reports.

These actions must be carried out with particular emphasis on supporting identified vulnerable businesses, including very small and small businesses, start-ups, businesses promoted by women and young people, those that import most of their inputs, and those with a high debt ratio.

Other recommendations can be made, but this time with regard to the private sector. In particular, these include:

PROMOTING THE DIGITALISATION OF THEIR ACTIVITIES IN ORDER TO REMAIN COMPETITIVE DESPITE THE CHALLENGES POSED BY CRISES: This could be done by allocating more resources to research and training of staff in the field, and by developing partnerships with existing structures that already have usable solutions;

STRENGTHENING PRODUCT DIVERSIFICATION, SOURCING AREAS AND SUPPLIERS TO BUILD RESILIENCE: this includes conducting regular satisfaction surveys to adapt products to different tySEs of consumers, and developing partnerships with other foreign suppliers, but also and above all nationals;

STRENGTHENING TRANSPARENCY IN MANAGEMENT IN ORDER TO LIMIT INFORMATION ASYMMETRIES WITH THE BANKING SYSTEM AND THUS STRENGTHENING THEIR ACCESS TO CREDIT: To this end, it would be relevant to respect the deadlines for the production and publication of reviews by insisting on the quality of information;

- **FOR INFORMAL SECTOR ENTERPRISES, ACCELERATING THEIR FORMALISATION THROUGH THE FACILITIES PUT IN PLACE BY THE AUTHORITIES TO BE ABLE TO BENEFIT MORE FROM STATE SUPPORT PROGRAMMES;**
- **POOLING RESOURCES IN TIMES OF CRISIS TO REDUCE COSTS:** For example, in the context of associations that have legal personalities such as GECAM, GEFAC, SYNDUSTRICAM, etc., the purchase of raw materials could be made by the said associations for all members in order to benefit from economies of scale.
- **INVESTING MORE IN THE LOCAL PRODUCTION OF INPUTS, PARTICULARLY FOR THE AGRICULTURAL SECTOR, THROUGH VERTICAL INTEGRATION OR FINANCING AND PARTNERSHIPS WITH PRODUCER GROUPS:** the example of the operation of the Cameroon Cotton Development Company (SODECOTON) is an example to follow;
- **FOR THE BANKING SECTOR, FINANCING THE ECONOMY MORE WITH HIGHER RISK-TAKING AND THE DEVELOPMENT OF SUITABLE PRODUCTS.**

Finally, the following recommendations can be made to technical and financial partners:

- **STRENGTHENING THE SCALE AND QUALITY OF FINANCIAL SUPPORT FOR ACTIONS PUT IN PLACE BY THE GOVERNMENT:** This could be done through the establishment of a Basket Fund dedicated to the financing of mature government activities to support SMEs, as well as through the multiplication of concessional support mechanisms in an environment where public debt, although controlled, has known strong growth;
- **DEVELOP PARTNERSHIPS WITH CREDIT INSTITUTIONS FOR THE ESTABLISHMENT OF CREDIT LINES AND SPECIFIC GUARANTEES FOR CERTAIN SECTORS OF ACTIVITY AND FOR SMALL ENTERPRISES:** To this end, it is a question of signing agreements in this regard with banks, the said agreements integrating a well-defined set of specifications and a monitoring and evaluation system to ensure that loans are oriented in line with the initial vision and Cameroon's Development Strategy (SND30);
- **CONTINUING ACTIONS TO STRENGTHEN THE CAPACITIES OF ENTERPRISES AND START-UPS:** The aim is to intensify the financing and support of incubators, as well as training dedicated to SMEs to improve their technical and managerial skills and their ability to innovate. Also, it is a question of helping enterprises in the acquisition and use of the most productive equipment;
- **STRENGTHENING THE COORDINATION OF ACTIONS:** through the development of frameworks and the frequency of consultations to strengthen the complementarity of these actions in favour of SMEs.

The OSSP-CMR project aims to put into practice all the recommendations made above. In particular, to further facilitate access to the support instruments developed by the State and improve the transparency of the process, a suggestion is made regarding the mechanism for selecting SMEs to be supported.

The mechanism is based on eligibility criteria or first-rank criteria, and selection criteria proper, or second-rank criteria. Failure to meet one or more eligibility criteria indicates that a company is not qualified to receive project support. Otherwise, each company receives a score for each of the second-tier criteria, which are then aggregated according to a specific process to obtain an overall score from which a final judgment is made. The scoring process is specific to the project's support mechanisms, which can be financial and non-financial.

BIBLIOGRAPHY

22 ON SLOANE (2020), "COVID-19 impact on South Africa's SMMEs", A report compiled by 22 ON SLOANE, April; Presented at the NPC Small Business Colloquium, Virtual Microsoft Teams, 23–24 June.

Adeyemi (2020), « impact de la Covid-19 sur les PME au Nigeria ».

BAD (2020), « Impact de la COVID-19 sur l'emploi et les TPME au Maroc ».

BAD (2023), « Perspectives économiques en Afrique 2023 ».

BAD (2024), « Performances et perspectives macroéconomiques de l'Afrique ».

CEA (2022), « Rapport économique sur l'Afrique 2021. Lutte contre la pauvreté et la vulnérabilité en Afrique pendant la pandémie de covid-19 ».

CEA (2023), "La résilience face aux crises systémiques: les leçons de la pandémie de coronavirus en Tunisie", Note d'orientation de la CEA No. ECA/F23/029.

CEA (2023), "Impact of COVID-19 and the Russian-Ukraine crisis on Micro Small and Medium-Sized Enterprises (MSMEs) in Angola"

CEA (2023), "Impact of COVID-19 and the Russian-Ukraine crisis on Micro Small and Medium-Sized Enterprises (MSMEs) in Eswatini"

CEA (2023), "Impact of COVID-19 and the Russian-Ukraine crisis on Micro Small and Medium-Sized Enterprises (MSMEs) in Malawi"

CEA (2023), "Impact of COVID-19 and the Russian-Ukraine crisis on Micro Small and Medium-Sized Enterprises (MSMEs) in Mozambique"

CEA (2023), "Impact of COVID-19 and the Russian-Ukraine crisis on Micro Small and Medium-Sized Enterprises (MSMEs) in Namibia"

CNUCED (2022), « Rapport sur l'investissement dans le monde 2022 ».

Cour Suprême du Cameroun (2021), « Audit du Fonds spécial de Solidarité Nationale pour la lutte contre le coronavirus et ses répercussions économiques et sociales, exercice 2020 ».

Cour Suprême du Cameroun (2022), « Audit du Fonds spécial de Solidarité Nationale pour la lutte contre le coronavirus et ses répercussions économiques et sociales, exercice 2021 ».

Cour Suprême du Cameroun (2022), « Audit du Fonds spécial de Solidarité Nationale pour la lutte contre le coronavirus et ses répercussions économiques et sociales, exercice 2022 ».

FMI (2024), « World Economic Outlook », avril 2024.

GICAM (2020), Communiqué de presse du 08 mai 2020 sur les mesures économiques et sociales annoncées

par le Gouvernement.

GICAM (2020), « COVID-19 : Impact sur les entreprises au Cameroun ».

INS (2020), « Enquête d'évaluation des effets socio-économiques du Coronavirus (COVID-19) au Cameroun: Volet Entreprises », en collaboration avec le MINEPAT et le PNUD.

INS (2023), « Enquête d'évaluations de l'impact socioéconomique de la pandémie de la covid-19 et du conflit en Ukraine sur les très petites, petites et moyennes entreprises au Cameroun (EISC) », Projet OSSP-CMR.

INS (2022), « Etude économique et financière des entreprises en 2022 », 22ième édition, Gouvernement du Cameroun ».

International Finance Corporation (2021), « COVID-19 and women-led MSMEs in sub-Saharan Africa: Examining the Impact, Responses, and Solutions ».

Lakuma C., et N. Sunday (2020), « Impact of COVID-19 on micro, small, and medium businesses in Uganda ». <https://www.brookings.edu/articles/impact-of-covid-19-on-micro-small-and-medium-businesses-in-uganda>.

MINEPAT (2022), « Le conflit russo-ukrainien et l'économie camerounaise », document de travail, mars 2022.

MINEPAT (2020), « Stratégie globale de riposte face à la COVID-19 et de résilience économique et sociale ».

MINEPAT (2020), « Stratégie Nationale de Développement 2020-2030 ».

MINEPAT (2023), « Rapport sur l'économie Camerounaise en 2022 ».

PNUD (2020), « Plan de réponses socio-économiques des Nations Unies contre la COVID-19 au Cameroun ».

PNUD (2020), « Impacts socioéconomiques de la COVID-19 au Burkina Faso ».

PNUD (2020), « Evaluation des impacts économiques et Sociaux de la pandémie COVID-19 en République du Congo ».

PNUD (2021), « Étude de perception et d'impact socioéconomique de la COVID-19 dans les provinces du HADJER LAMIS ET DU LAC ».

Siddiqui, D., Shukla, A., Singh, A. (2020), « Impact of the COVID-19 pandemic on micro, small, and medium enterprises (MSMEs) », Kenya report (Round 3) December, 2020.



ANNEXES



SURVEY QUESTIONNAIRE

Confidentiality:

The information collected during this survey is strictly confidential under the terms of Law No. 2020/010 of 20 July 2020 governing statistical activity in Cameroon which, in its article 14 paragraph 1, stipulates that "nominative information relating to a natural or legal person, entered in the questionnaires during statistical data collection operations, may not be exploited outside the departments responsible for the said statistical operations".

COMPANY QUESTIONNAIRE

SECTION 0 : GENERALITES

1. QUESTIONNAIRE IDENTIFIER

		Code
S0Q01	Identifier.....	<input type="text"/> (Do not write anything here)
S0Q02	Investigation area (Region) _____	<input type="text"/>
S0Q03	SME Category: 1=SME Completing a FSD 2=SCOOP GIC 3 = IPU	<input type="text"/>

2. COLLECTION TEAM

S0Q04	Name of Supervisor	<input type="text"/>
S0Q05	Name of Investigator	<input type="text"/>
S0Q06	Date of interview : Day: <input type="text"/> <input type="text"/> Month: <input type="text"/> <input type="text"/> Year: <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 2 <input type="text"/> 3	<input type="text"/>
S0Q07	Collection result: 1=Complete survey 2=Incomplete survey	<input type="text"/>
S0Q08	If the investigation is incomplete, give the reason: 1=Partial refusal 2=Total refusal 3=Room closed for the duration of the operation 4= Temporary cessation of activity 6= Other (to be specified)	<input type="text"/>

3. IDENTIFICATION AND LOCATION OF THE COMPANY

S0Q09	Name of Company : _____	
S0Q10	Company acronym	
S0Q11	Taxpayer Number <i>If modern SME, go to S0Q13</i>	<input type="text"/>
S0Q12	Census Area Number <i>Applies only to IPU's</i>	<input type="text"/>
S0Q13	Region:	<input type="text"/>
S0Q14	Department:	<input type="text"/>
S0Q15	District:	<input type="text"/>
S0Q16	City/Town _____	
S0Q17	Landmark: (District/Street/Locality/Landmark)	
S0Q18	Tel 1 (WhatsApp) : _____ Tel 2 : _____	
S0Q19	Website: _____ E-mail _____	
S0Q20A	Is the company a Startup? 1= Yes 2 = No 3 = NPS	<input type="text"/>
S0Q20	Company size 1 = Very Small Enterprises (VSEs) 2 = Small Enterprises (SEs) 3 = Medium-sized Enterprises 4 = Informal Production Units (IPUs)	<input type="text"/>
S0Q21	Legal form 1. SARL 2. SA 3. SUARL/SARLU 4. Sole proprietorship 5. Cooperative/GIC 6. Other (to be specified) _____	<input type="text"/>
S0Q22	In which year did this company start operations? (For IPU's, If year of start of activity greater than or equal to 2018, End of the survey)	<input type="text"/>

S0Q23	What is the main activity of your company? (give detailed description of the activity)	Code NACAM _ _ _ _ _ _
-------	--	----------------------------

4. PROFILE OF THE SPONSOR AND/OR PRINCIPAL OFFICER

S0Q24A	Is the promoter of this company also the main manager? 1= yes 2 = no if S1Q24A = 1, scroll down the table once. Otherwise,	_	
		PROMOTER	CHIEF OFFICER
S0Q24B	Gender: 1. Male 2. Female	_	_
S0Q25	Marital status: 1. Single 2. Cohabitation 3. Married 4. Divorced 5. Separated 6. Widow/widower	_	_
S0Q26	Age :	_ _	_ _
S0Q27	Nationality: _____ / _____ Cf.	_ _ _ _	_ _ _ _
S0Q28	Level of education: 1. Without level 2. Primary 3. Secondary 4. Academic	_	_
S0Q29	Have you received vocational training 1. Yes 2. No If S0Q29 = 2 go to S1Q01	_	_
S0Q30	If yes, specify your field of training _____	_ _ _	_ _ _

SECTION 1: OVERALL IMPACT OF CRISIS

1. COVID-19 pandemic

S1Q01	Have your company's activities been impacted by the COVID-19 pandemic? 1= Yes Negatively 2=Yes positively 3= No 4= NSP if S1Q01= 3 or 4 go to S1Q11	_
S1Q02	As of today, do you think that your company's activities are still suffering the impact of Covid-19? 1= Yes 2=No 3=NSP	_
S1Q03a	Have your company's sales been impacted by the COVID-19 pandemic? 1= Yes, increase 2= Yes, decrease 3= No 4= NSP if S1Q03a = 3 or 4, go to S1Q04a	_
S1Q03b	As of today, do you think your company's sales are still suffering the impact of the Covid-19 pandemic? 1= Yes 2=No 3=NSP	_
S1Q04a	Has your production been impacted by the COVID-19 pandemic? 1= Yes, up 2= Yes, down 3= No 4= NSP if S1Q04a = 3 or 4, go to S1Q05	_
S1Q04b	As of today, do you think that your company's production is still suffering the impact of the Covid-19 pandemic? 1= Yes 2=No 3=NSP	_
S1Q05	In 2020, did your company adjust the workforce to deal with the consequences of the COVID-19 pandemic? 1= Yes, rise 2= Yes, drop 3= Unchanged	_
S1Q06	Compared to 2020, how has the number of employees in your company changed until 2021? 1= increased 2= unchanged 3= decreased	_
S1Q07	In 2020, did your company adjust staff salaries to deal with the consequences of the COVID-19 pandemic? 1= Yes, increased 2= Yes, decreased 3= Unchanged	_
S1Q08	Compared to 2020, how have staff salaries in your company evolved until 2021? 1= increased 2= unchanged 3= decreased	_
S1Q09	In 2020, did your company adjust the working hours in your company to deal with the consequences of the COVID-19 pandemic? 1= Yes, increased 2= Yes, decreased 3= Unchanged	_
S1Q10	Compared to 2020, how have working hours in your company changed until 2021? 1= Increased 2= Unchanged 3= Decreased	_

2. Russian-Ukrainian crisis

S1Q11	Have your company's activities been impacted by the Russian-Ukrainian crisis? 1= Yes, Negatively 2=Yes, Positively 3= No	_
S1Q12	Has your production been impacted by the Russian-Ukrainian crisis? 1= Yes, up 2= Yes, down 3= No 4= NSP if S1Q12 = 3 or 4, go to S1Q14	_
S1Q13	Can you quantify the evolution (decrease or increase) of your production during the year 2022?	_

	1=Less than 10% 2= between 11 and 25% 3= between 26% and 50% 4=51% and 75% 5= more than 75%	
S1Q14	Compared to 2021, how has the number of employees in your company changed during 2022? 1= increased 2= unchanged 3= decreased 4= NSP if S1Q14 = 2 or 4, go to S1Q16	<input type="checkbox"/>
S1Q15	What are the main reasons for this change? 1=yes 2= no (Multiple choice)	
	<ul style="list-style-type: none"> • Persistence of the Covid-19 pandemic; • Russian-Ukrainian crisis • Financial hardship • Other to be specified 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
S1Q16	Compared to 2021, how have salaries evolved in your company during 2022 1= Augmented 2= Unchanged 3= Decreased 4= NSP if S1Q16 = 2 or 4, go to S1Q18	<input type="checkbox"/>
S1Q17	What are the main reasons for this change? 1=yes 2= no (Multiple choice)	
	<ul style="list-style-type: none"> • Persistence of the Covid-19 pandemic; • Russian-Ukrainian crisis • Financial hardship • Other to be specified 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
S1Q18	Compared to 2021, how did your company's working hours evolve in 2022 1= Increased 2= Unchanged 3= Decreased 4= NSP if S1Q18 = 2 or 4, go to S2Q01	<input type="checkbox"/>
S1Q19	What are the main reasons for this change 1=yes 2= no (Multiple choice)	
	<ul style="list-style-type: none"> • Persistence of the Covid-19 pandemic; • Russian-Ukrainian crisis • Financial hardship • Other to be specified 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

SECTION 2: TRANSMISSION CHANNELS

S2Q01	During 2022, did the company have to cancel customer orders due to insufficient production inputs (delayed or interrupted delivery)? 1= Yes 2= No if S2Q01=2 go to S2Q03	<input type="checkbox"/>
S2Q02	How has the company adjusted or plans to adjust production when/if the delivery of essential inputs is delayed or interrupted? 1= No change, waiting for the situation to improve 2= Increase the number of local suppliers 3= Increase the number of international suppliers 4= Increase input production within the firm 5= Maintain larger stocks 6= Other, to be specified	<input type="checkbox"/>
S2Q03	Compared to 2020, how do you assess the evolution of the following difficulties during the year 2022? 1= less difficult 2= unchanged 3= more difficult (Multiple choice)	
	<ul style="list-style-type: none"> a) Access to raw materials? b) High commodity prices? c) Drop in local demand? d) Decline in exports e) Financing difficulties 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
S2Q04	What are the main reasons for the evolution of these difficulties? 1= persistence Covid-19 2= Russian-Ukrainian crisis 3= Other factors (Multiple choice)	
	<ul style="list-style-type: none"> a) Access to raw materials? b) High commodity prices? c) Drop in local demand? d) Decline in exports e) Financing difficulties 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
S2Q05	If there are still funding difficulties, if (S2Q03e = 3 or S2Q04e = 1 or 2), can you specify which ones? 1=Yes 2=No (Multiple Choice)	
	A. Interest rates that are too high	<input type="checkbox"/>
	B. Reluctance of external financial partners	<input type="checkbox"/>
	C. Refusal of financing by banks	<input type="checkbox"/>
	D. Absence/low funds in tontines/associations	<input type="checkbox"/>

	E. Reluctance of internal financial partners	<input type="checkbox"/>	<input type="checkbox"/>
	F. Lack of equity due to lower sales	<input type="checkbox"/>	<input type="checkbox"/>
	G. Decline in diaspora remittances	<input type="checkbox"/>	<input type="checkbox"/>
	H. The supplier is less willing to provide inputs on credit (in advance before payment)	<input type="checkbox"/>	<input type="checkbox"/>
	I. Other (to be specified)	<input type="checkbox"/>	<input type="checkbox"/>
S2Q06	Where do you buy your raw materials? 1=Imports 2=domestic market 3= mixed if S2Q06=2 go to S3Q01	<input type="checkbox"/>	
S2Q07	What is the origin of your main raw materials? 1= Cameroon 2=Ukraine 3= Russia 4= China 5= Asia excluding Russia and China 6= Europe excluding Ukraine and Russia 7= Nigeria 8= Africa excluding Cameroon 9=NSP 10= Other (to be specified)	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 3: FACTORS OF VULNERABILITY TO SHOCKS

S3Q01	How do you rate the size of your company compared to that of your main competitors? <i>1= Much larger</i> <i>2= Larger</i> <i>3= Similar</i> <i>4= Smaller</i> <i>5= Much smaller</i>	<input type="checkbox"/>	
S3Q02	How do you assess your market share compared to your main competitors? <i>1= Much larger</i> <i>2= Larger</i> <i>3= Similar</i> <i>4= Smaller</i> <i>5= Much smaller</i>	<input type="checkbox"/>	
S3Q03	How many institutions / points of sale does your company have?	<input type="checkbox"/>	<input type="checkbox"/>
S3Q04	Is your company part of a business combination? 1= yes, 2=no	<input type="checkbox"/>	
S3Q05	How many different products/services are offered by your company?	<input type="checkbox"/>	<input type="checkbox"/>
S3Q06	How many raw material sourcing area/location does your company have?	<input type="checkbox"/>	<input type="checkbox"/>
S3Q07	How many suppliers does your company have?	<input type="checkbox"/>	<input type="checkbox"/>
S3Q08	What are the sources of financing for your company's activities? For each source, the interviewee will be asked to answer 1= Yes or 2= No	Share (%)	
	1. Equity	<input type="checkbox"/>	<input type="checkbox"/>
	2. Bank loan	<input type="checkbox"/>	<input type="checkbox"/>
	3. Microfinance Loan	<input type="checkbox"/>	<input type="checkbox"/>
	4. Tontine	<input type="checkbox"/>	<input type="checkbox"/>
	5. Supplier loan	<input type="checkbox"/>	<input type="checkbox"/>
	6. Others to be defined _____	<input type="checkbox"/>	<input type="checkbox"/>
S3Q09	How do you assess your company's ability to access bank or microfinance financing? 1=Very easy 2= Easy 3= Indifferent 4= Difficult 5= Very difficult	<input type="checkbox"/>	
S3Q10	How do you assess your company's ability to obtain raw materials on credit from your suppliers? 1=Very easy 2= Easy 3= Indifferent 4= Difficult 5= Very difficult	<input type="checkbox"/>	
S3Q11	With the cash flow currently available to the company and excluding future sales, how many months can the company continue to cover all costs and payments (such as payroll, suppliers, taxes, or loan repayments) without any other specific support? <i>month 0 = no cash available</i>	<input type="checkbox"/>	<input type="checkbox"/>
S3Q12	Do you expect your company to be in default of payments to its suppliers and/or debts in the next 6 months? <i>1 = Yes. already insolvent</i> <i>2 = Yes. it will be in suspension of payments.</i> <i>3 = No</i>	<input type="checkbox"/>	
S3Q13	Do you expect your company to go bankrupt in the next 6 months? <i>1 = Yes, already bankrupt. 2 = Yes, it will go bankrupt. 3 = No</i>	<input type="checkbox"/>	
S3Q14	Do you expect your company's customers to have late payments or have they had arrears of their receivables payments with your institution in the next 6 months? <i>1= Yes, already late or in arrears</i> <i>2= Yes, will be late or in arrears</i> <i>3= No</i>	<input type="checkbox"/>	

SECTION 4 : COPING MECHANISM

S4Q01	<p>Has this company started using or increasing the use of the internet, social networks, specialised applications or digital platforms in response to the outbreak of the COVID19? <i>1 = Yes. Started. 2 = Yes. Increased. 3 = No. The company uses these tools, but has not increased their use. 4 = No, the company does not use these tools.</i></p>	<input type="checkbox"/>
S4Q02	<p>Since the start of the COVID19 pandemic (February 2020), has your company invested in any new hardware, software, or digital solution in response to COVID-19? <i>1 = Yes 2 = No 3 = Don't Know</i></p>	<input type="checkbox"/>
S4Q03	<p>Have you taken the following measures in your company to deal with the Covid-19 pandemic? <i>1=Yes, only during Covid-19 2= Yes, so far 3=No (Multiple choice)</i></p>	
	A. Reduce staff working hours	<input type="checkbox"/>
	B. Reducing salaries for oneself and/or employees	<input type="checkbox"/>
	C. Rotate staff	<input type="checkbox"/>
	D. Setting up a teleworking system	<input type="checkbox"/>
	E. Furloughing some workers	<input type="checkbox"/>
	F. Delaying the payment of employees' salaries	<input type="checkbox"/>
	G. Cancel company orders from suppliers	<input type="checkbox"/>
	H. Cancel orders made by the company's customers	<input type="checkbox"/>
	I. Deferring investments in the business	<input type="checkbox"/>
	J. Borrowing from financial institutions	<input type="checkbox"/>
	K. Drawing on the company's equity	<input type="checkbox"/>
L. Other (to be specified)	<input type="checkbox"/>	
S4Q04	<p>What measures have you taken to deal with the effects of the Russian-Ukrainian crisis in your company? <i>1=Yes 2=No (Multiple Choice)</i></p>	
	A. Use of local raw materials	<input type="checkbox"/>
	B. Diversification of sources of supply	<input type="checkbox"/>
	C. Adoption/use of alternative energy sources	<input type="checkbox"/>
	D. Adoption/use of new production technologies	<input type="checkbox"/>
	E. Other (to be specified)	<input type="checkbox"/>

SECTION 5: FINANCIAL AND NON-FINANCIAL INVESTMENT NEEDS

S5Q01	<p>Does your company need support in recruiting a qualified workforce? <i>1=Yes 2= No</i></p>	<input type="checkbox"/>
S5Q02	<p>Does your company need support in its search for opportunities? <i>1=Yes 2=No</i></p>	<input type="checkbox"/>
S5Q03	<p>Does your company need support in finding new suppliers? <i>1=Yes 2=No</i></p>	<input type="checkbox"/>
S5Q04	<p><u>INVESTMENT IN INTANGIBLE ASSETS</u> Does your company currently have a need: <i>1=Yes 2=No (Multiple choice)</i></p>	
	A. To invest in capacity building (training/retraining) of its staff?	<input type="checkbox"/>
	B. To invest in the acquisition of personalised management tools?	<input type="checkbox"/>
	C. To invest in the development of production optimisation strategies?	<input type="checkbox"/>
	D. To invest in the creation/improvement of your website?	<input type="checkbox"/>
	E. To obtain accreditation in its sector?	<input type="checkbox"/>
	F. To obtain a license?	<input type="checkbox"/>
	G. Commercial fund?	<input type="checkbox"/>
	H. Tenancy law?	<input type="checkbox"/>
I. Another intangible investment? If yes, please specify	<input type="checkbox"/>	
S5Q05	<p><u>INVESTMENT IN TANGIBLE CAPITAL ASSETS</u> Will your business currently have a need: <i>1=Yes 2=No (Multiple Choice)</i></p>	
	A. Land acquisition?	<input type="checkbox"/>
	B. Construction/repair of buildings?	<input type="checkbox"/>
	C. Acquisition of equipment and tools (industrial, commercial or agricultural)?	<input type="checkbox"/>
	D. Acquisition of equipment and furniture (office, IT, office automation)?	<input type="checkbox"/>
	E. Acquisition of transport equipment	<input type="checkbox"/>
	F. Another tangible investment? If yes, please specify	<input type="checkbox"/>
S5Q06	<p><u>INVESTMENT IN FINANCIAL CAPITAL ASSETS</u> Is there a current need for your business: <i>1=Yes 2=No (Multiple Choice)</i></p>	

	A. Share or equity	<input type="checkbox"/>
	B. Obligations	<input type="checkbox"/>
	C. Other financial assets? If yes, please specify _____	<input type="checkbox"/>
S5Q07	WORKING CAPITAL REQUIREMENTS Does your business currently need to: 1=Yes 2=No (Multiple Choice)	
	A. Pay salaries	<input type="checkbox"/>
	B. Pay for small equipment	<input type="checkbox"/>
	C. Pay bills (rent, water and electricity,	<input type="checkbox"/>
	D. Accounts payable	<input type="checkbox"/>
	E. Other	<input type="checkbox"/>

SECTION 6: GOVERNMENT MEASURES

S6Q01	<p>Since the outbreak of COVID-19 (February 2020), has this company benefited from the measures taken by local or national authorities in response to the crisis? 1 = Yes 2 = No if S6Q01 = 2, go to S6Q05</p> <p><i>INSTRUCTION : Please do not include aid from sources other than national or local, such as UN agencies, NGOs, etc. The metrics defined here are metrics given to your business directly. They do not include COVID information campaigns, or COVID education or awareness, etc.</i></p>	<input type="checkbox"/>
S6Q02	Which government structure did you receive support from? (multiple choice)	
	1) MINFI	<input type="checkbox"/>
	2) MINEPAT	<input type="checkbox"/>
	3) MINPMEESA	<input type="checkbox"/>
	4) MINADER	<input type="checkbox"/>
	5) MINEPIA	<input type="checkbox"/>
	6) Other to be specified _____	<input type="checkbox"/>
S6Q03	Which of the following support measures has the company benefited from? 1=Yes 2=No (Multiple Choice)	
	A. Subsidies	<input type="checkbox"/>
	B. Deferral of payments (rent, mortgage payments, utility bills, credit payments).	<input type="checkbox"/>
	C. Access to new credit or loans	<input type="checkbox"/>
	D. Tax exemptions, tax reductions or tax deferrals	<input type="checkbox"/>
	E. Wage subsidies	<input type="checkbox"/>
	F. Support (technical assistance and/or grants) for the adoption of digital technologies	<input type="checkbox"/>
	G. Support (technical assistance and/or grants) for the adoption of health protocols	<input type="checkbox"/>
	H. Support (technical assistance or grants) to improve my marketing and/or repackage my product	<input type="checkbox"/>
	I. Support (technical assistance or grants) to improve organisational and management practices to reduce costs	<input type="checkbox"/>
J. Other (to be specified)	<input type="checkbox"/>	
S6Q04	How have these measures impacted your company's activities? 1= Positively 2= No impact 3= Negatively	<input type="checkbox"/>
	A. Raw material sourcing	<input type="checkbox"/>
	B. Company Production	<input type="checkbox"/>
	C. Product Storage	<input type="checkbox"/>
	D. Freight transport	<input type="checkbox"/>
	E. Company Sales	<input type="checkbox"/>
	F. Staff salaries	<input type="checkbox"/>
	G. Other (to be specified) _____	<input type="checkbox"/>
S6Q05	<p>Since the outbreak of the Russian-Ukrainian crisis (February 2022), has this company benefited from the measures taken by local or national authorities in response to the crisis? 1 = Yes 2 = No if S6Q05= 2, go to S7Q01</p>	<input type="checkbox"/>
S6Q06	Which of the following support measures has your company benefited from?	

	9= Labour legislation 10 = Energy and water 11= Administrative formalities 12 = Unfair competition 13= Justice 14= Outlets 15= Granting of preferential regimes (Free zones) 16= Absence or inadequacy of public/private sector dialogue 17= Harassment with the town hall/urban community 18= No obstacles 19= Other to préciser	
	A. Obstacles 1	<input type="checkbox"/>
	B. Obstacles 2	<input type="checkbox"/>
	C. Obstacles 3	<input type="checkbox"/>
S7Q08	How do you assess the relationship between enterprises and public authorities since the outbreak of COVID-19? <i>1=Very good 2=Good 3=Indifferent 4=Poor 5=Very bad 6=NSP</i>	<input type="checkbox"/>
S7Q09	How do you assess the relations between enterprises and public authorities since the beginning of the Russian-Ukrainian crisis? <i>1=Very good 2=Good 3=Indifferent 4=Poor 5=Very bad 6=NSP</i>	<input type="checkbox"/>

SECTION 8: BUSINESS PERFORMANCE

If IPU (S0Q20=4) only request the 2022 year information for S8Q01a), S8Q01b, and S8Q02

If IPU (S0Q20=4) ask for the information about the years 2019 to 2022 for S8Q03 to S8Q09

If modern SMB (S0Q20=1, S0Q20=2, S0Q20=3) request the information for the years 2019 to 2022 from S08Q01a) to S8Q09

		2019	2020	2021	2022
S8Q01a)	Total product/service sales amount for the year... in FCFA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S8Q01b)	Of which for export	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S8Q02	Net profit for the year... in FCFA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S8Q03	Number of Paid Employees for the Year...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S8Q04	Number of female paid employees for the year...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S8Q05	Number of unpaid employees for the year...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S8Q06	Number of unpaid female employees for the year...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S8Q07	Number of employees hired during the year...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S8Q08	Number of female employees hired during the year...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S8Q09	Number of employees laid off during the year...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 9 : EMERGING OPPORTUNITIES

S9Q01	Did you develop any new activities between 2020 and 2021 in connection with COVID-19? <i>1 = Oui 2 = No</i>	<input type="checkbox"/>
S9Q02	Have you developed any new activities between 2022 and 2023 in connection with the Russian-Ukrainian crisis ? <i>1 = Yes 2 = No</i>	<input type="checkbox"/>
S9Q02A	For each of the emerging opportunities listed, which ones have affected the company? <i>1= Yes, during Covid-19 2=Yes, during the Russian-Ukrainian crisis 3=Yes, in both cases 4=Non 5=Ne sait pas</i>	
	A. Diversification of products and services	<input type="checkbox"/>
	B. Digital Transformation	<input type="checkbox"/>
	C. Adapting to new consumer behaviors	<input type="checkbox"/>
	D. Supply chain innovation	<input type="checkbox"/>
	E. Health and Safety Support	<input type="checkbox"/>
	F. Collaborations and partnerships	<input type="checkbox"/>
	G. Other (to be specified) _____	<input type="checkbox"/>
S9Q03	Has your company developed new procurement methods since 2020? <i>1=Yes between 2020 and 2021 2=Yes between 2022 and 2023 3=No</i>	<input type="checkbox"/>
S9Q04	Has your company used new financing methods since 2020? <i>1=Yes between 2020 and 2021 2=Yes between 2022 and 2023 3=No if S9Q04=3 go to S10Q01</i>	<input type="checkbox"/>
S9Q05	If so, which ones? <i>1=Leasing 2= Equity 3=Borrowing from financial institutions 4=Family financing 5=Tontine 6=Increase in the company's capital 7 = Other funding methods (to be specified) _____</i>	<input type="checkbox"/>

SECTION 10: CORRESPONDENT IN THE COMPANY

S10Q01	Name of respondent:	Company Visa
S10Q02	Quality of the respondent <input type="checkbox"/> 1=DG/Promoter 2=DGA 3=CFO/Accountant 4=Management staff 5=Management staff 6=Other to be specified	
S10Q03	A. Tel 1 <input type="text"/>	B. Tel 2 <input type="text"/>
	C. Email: <input type="text"/>	

LIST OF MEASURES IMPLEMENTED BY THE GOVERNMENT FOLLOWING THE CONSEQUENCES OF THE COVID-19 PANDEMIC AND THE CRISIS IN UKRAINE

A. Restrictive measures taken by the Government on 17th March 2020

As of Wednesday 18th March 2020 and until further notice:

1. Cameroon's land, air and sea borders will be closed: all passenger flights from abroad are suspended, with the exception of cargo flights and ships carrying everyday consumer products as well as essential goods and materials, whose stopover times will be limited and supervised; Cameroonians wishing to return to their country will have to contact various diplomatic representations of Cameroon;
2. the issuance of entry visas to Cameroon at various airports is suspended;
3. all public and private training establishments at various levels of education, from kindergarten to higher education, including vocational training centres and prestigious universities, will be closed;
4. gatherings of more than fifty (50) people are prohibited throughout the national territory;
5. school and university competitions are postponed, as are the FENASSCO games and university games;
6. off-licences, restaurants and leisure venues will be systematically closed from 6 p.m., under the control of the administrative authorities;
7. a system for regulating consumer flows will be established in markets and shopping centres;
8. urban and interurban travel should only be made in cases of extreme necessity;
9. bus, taxi and motorcycle taxi drivers are invited to avoid overloading on public transport: the law enforcement forces will be particularly vigilant about this;
10. private health facilities, hotels and other places of accommodation, vehicles and specific equipment necessary for the implementation of the response plan against the COVID-19 pandemic in Cameroon may be requisitioned as necessary, at the diligence of the competent authorities;
11. public administrations will have to favour electronic means of communication and digital tools for meetings

likely to bring together more than ten (10) people;
12. the missions abroad of members of the Government, public and parastatal sector agents are suspended;
13. the population is invited to strictly observe hygiene measures recommended by the World Health Organisation, namely to wash their hands regularly with soap, to avoid close contact such as shaking hands or kissing, and to cover their mouths when sneezing.

If necessary, the population is invited to call the toll-free number 1510 set up for the mobilisation of rescue teams.

B. Additional measures taken by the Government on 9th April 2020

1. The generalisation of the wearing of masks, as of Monday 13th April 2020, in all spaces open to the public. The Minister of Industry has been instructed to publish the standards and technical specifications, with a view to a massive and local production of the said masks;
2. The local production of medicines, screening tests, protective masks and hydro-alcoholic gels by the competent national institutions, under the responsibility of the Minister of Scientific Research, in conjunction with the Minister of Public Health;
3. The establishment of specialised centres for the treatment of COVID-19 patients in all the regional capitals, following the model of rural hospitals, to receive patients in the event of a peak of the epidemic, and to allow hospitals to operate normally;
4. The intensification of the COVID-19 screening campaign, with the collaboration of the Centre Pasteur and its branches, as well as other appropriate health institutions. The focus will be on the outbreaks already identified;
5. The intensification of the awareness-raising campaign in urban and rural areas, in both official languages and in local languages, through complementary channels

of communication to be defined by the Minister of Communication, with the support of the administrative, municipal, traditional and religious authorities;

6. The continuation of activities essential to the economy, in strict compliance with the directives of 17th March 2020 and the barrier gestures recommended by the World Health Organisation;

7. The systematic sanction of any violator of the restriction and containment measures imposed on people at risk.

C. Easing measures taken by the Government on 30th April 2020

On 30th April 2020, the Prime Minister announced the decision of the President of the Republic to apply relaxation measures, in order to relieve the sectors hard hit by this health crisis. These are:

1. the opening after 6 p.m. of off-licences, restaurants and leisure venues, with the obligation for customers and users to respect barrier measures, in particular the wearing of protective masks and social distancing;

2. the lifting of the measure reducing the regulatory number of passengers in all public transport by bus and taxi. Wearing a mask remains mandatory and overloading is prohibited;

3. the suspension of general accounting audits for the 2nd quarter of 2020, except in the event of suspicious tax behaviour;

4. the postponement of the deadline for filing Statistical and Tax Returns without penalties in the event of payment of the corresponding balance;

5. the granting of moratoriums and deferrals of payment to enterprises directly affected by the crisis, suspending forced recovery measures against them;

6. support for the cash flow of enterprises through the allocation of a special envelope of 25 billion CFA francs, for the clearance of stocks of VAT credits awaiting reimbursement;

7. the postponement to 30th September 2020 of the deadline for payment of property tax for the 2020 financial year;

8. the total deductibility for the determination of corporate income tax of gifts made by enterprises for the fight against the COVID-19 pandemic;

9. the exemption from the tourist tax in the hotel and restaurant sector for the rest of the 2020 financial year, starting in March;

10. exemption from the withholding tax and the parking tax for taxis and commercial motorcycles, as well as from the axle tax for the 2nd quarter. This measure could be extended to the rest of 2020;

11. exemption for the 2nd quarter from the withholding tax and municipal taxes (right of place on markets, etc.) for the benefit of small food dealers (bayam sellam);

12. the temporary suspension for a period of 3 months, of the payment of parking and demurrage fees in the ports of Douala and Kribi for basic necessities;

13. the establishment of a MINFI-MINEPAT consultation framework, with the main economic stakeholders, in order to mitigate the effects of the crisis and promote a rapid recovery of activity;

14. the suspension, for a period of three months, namely April, May and June, of on-site inspections by the National Social Insurance Fund (CNPS);

15. the cancellation of penalties for late payment of social security contributions due to the NSIF, upon justified request;

16. the spread over three months of the payment of the debt of social security contributions for the months of April, May and June 2020, upon justified request;

17. the maintenance, for the next three months, i.e. from May to July, of the payment of family allowances to the staff of enterprises unable to pay social security contributions or which have put their staff on technical leave due to the economic decline in activity, particularly in the catering, hotel and transport sectors;

18. the increase in the level of family allowances from 2.800 CFA francs to 4.500 CFA francs;

19. the 20% increase in the level of old pensions that did not benefit from the automatic revaluation that occurred as a result of the 2016 reform.

In addition, the President of the Republic decided to extend, for an additional period of 15 days, renewable if necessary, the other measures taken on 17th March 2020, as part of the response to the COVID-19 pandemic.

LIST OF GRAPHS

Graph 1: GDP growth in Africa, by region and country groups (%)	17
Graph 2: New Foreign Direct Investment Projects in Africa 2015-2021 (%)	17
Graph 3: Evolution of the debt-to-GDP ratio by African region (%)	18
Graph 4: Evolution of inflation in percentage points in selected African economies in 2022 compared to 2021 (%)	19
Graph 5: Weight of Russia and Ukraine in the global supply of certain commodities in 2021 (%)	21
Graphic 6: perception of the harmful impact of the pandemic in 2020 by size of SMEs (%)	23
Graph 7 : perception of the harmful impact of the pandemic in 2020 by sector (%)	24
Graph 8: perception of the negative impact of the pandemic in 2020 by size of company and gender of promoter (%)	24
Graph 10 : Perception of the harmful impact of the pandemic in 2020 according to the age of the promoter (%) ..	25
Graph 9 : perception of the harmful impact of the pandemic in 2020 according to the capacity to mobilize bank and microfinance financing and by gender (%)	25
Graph 11 : Perception of the harmful manifestations of the pandemic in 2020 (%)	26
Graph 12 : Evolution of the pre-tax turnover of modern enterprises in Cameroon (%)	26
Graph 13 : perception of the decline in turnover in 2020 by enterprises size (%)	26
Graph 14: perception of the decline in production in 2020 by size of the enterprises (%)	27
Graph 15: Perception of the evolution of the workforce in 2020 according to the size of the company (%)	27
Graph 16: Perception of the evolution of salaries in 2020 according to the size of the company (%)	27
Graph 17: Perception of the persistence of the pandemic in 2023 by region (%)	28
Graph 18: Perception of the persistence of the pandemic in 2023 by size (%)	29
Graph 19: Perception of the persistence of the pandemic in 2023 according to the ability to obtain bank financing (%)	29
Graph 20: Perception of the persistence of the pandemic in 2023 according to the places of purchase of raw materials (%)	29
Figure 1: Workforce growth tree for SMEs that recorded redundancies in 2020 (%)	30
Graph 21: Perception of the harmful impact of the Russian-Ukrainian crisis by sector of activity (%)	31
Graph 22: Perception of the harmful impact of the Russia-Ukraine crisis by company size (%)	31
Graph 23: Distribution of enterprises according to the size and place of purchase of raw materials (%)	32
Graph 24: Perception of the harmful impact of the Russian-Ukrainian crisis according to the gender of the promoter (%)	32
Graph 25: Perception of the harmful impact of the Russian-Ukrainian crisis according to the age of the promoter (%)	32
Graph 26: Perception of the harmful impact of the Russian-Ukrainian crisis according to the gender of the promoter (%)	33
Graph 27: Perception of the harmful impact of the Russian-Ukrainian crisis according to the gender of the promoter (%)	33
Graph 28: Perception of the harmful impact of the Russian-Ukrainian crisis according to the structure of the financing of activities (%)	33
Graph 29: Perception of the harmful manifestations of the Russian-Ukrainian crisis (%)	34

Graph 30: Key measures adopted by SMEs in response to COVID-19 (%)	36
Graph 31: measures adopted by SME's in response to the Crisis in Ukraine (%)	36
Graph 32: Proportion of enterprises that cancelled orders by sector of activity (%)	38
Graph 33: Distribution of reasons for greater difficulties in supply in 2022 (%)	38
Graph 34: Main wheat supplier countries to Cameroon between 2021 and 2022 (%)	39
Graph 35: Change in export volumes of major commodities between 2019 and 2020 (%)	39
Graph 36: Financing difficulties encountered by SMEs (%)	40
Graph 37: assessment of the evolution of the relationship between enterprises and public authorities since the end of the pandemic (%)	50
Graph 38: assessment of the evolution of the business environment since the advent of the two crises (%)	51
Graph 39: main actions in response to crises recommended by enterprises (%)	51
Graph 40: Problems faced by enterprises in their external environment (%)	58
Graph 41: Problems encountered by enterprises in their internal environment (%)	59

TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS	4
LIST OF TABLES	5
EXECUTIVE SUMMARY	6
INTRODUCTION	10
Objectives	11
Methodology	12
Plan of the report	13
IMPACT OF COVID AND THE CRISIS IN UKRAINE ON SMES	14
1.1 Main results of the literature review on African countries	15
1.1.1. Micro and macroeconomic impact of crises	15
1.1.2. Channels for the transmission of crises on activity and SMEs	20
1.2 Cameroonian SMEs in the face of Crises	23
1.2.1. Impact of crises on Cameroonian SMEs and vulnerability factors	23
GOVERNMENT MEASURES TO MITIGATE THE EFFECTS OF CRISES ON SMEs IN CAMEROON	42
2.1 Presentation of the Government's response measures to crises	43
2.1.1. COVID-19 response	43
2.1.2. Response to the Ukraine Crisis	46
2.2 Lessons learned from the implementation of the measures	48
2.2.1. Review of the design and implementation of measures	48
2.2.2. Assessment by enterprises of the effects of the measures taken by the Government	50
2.2.3. Recommendations	51
STRENGTHENING THE EFFECTIVENESS OF THE IMPLEMENTATION OF THE OPERATION TO SUPPORT THE CAMEROONIAN PRIVATE SECTOR: PROPOSAL OF A MECHANISM FOR THE SELECTION OF SMEs BENEFITING FROM THE PROJECT	56
3.1 Brief presentation of the Cameroonian Private Sector Support Operation (OSSP-CMR)	57
3.1.1. The objective of solving structural problems and an atypical institutional framework	57
3.1.2. OSSP-CMR project intervention mechanism: an adequate mix of financial and non-financial support	59
3.2 Suggestion of a mechanism for selecting beneficiary enterprises	61
3.2.1. General principle of the selection mechanism	61
3.2.2. Eligibility criteria	62
3.2.3. Selection criteria per se or second-tier criteria	63
CONCLUSION	69
BIBLIOGRAPHY	72
ANNEXES	73
LIST OF GRAPHS	84
EDITORIAL TEAM	87

EDITORIAL TEAM

General Supervision	
TAMBA Isaac	OSSP-RMC National Coordinator
Coordination	
SIEWE Ariane	Deputy National Coordinator OSSP-RMC
Technical Coordination	
CHOPKENG Arthur	Expert in Strengthening the Competitiveness of OSSP-CMR Enterprises
BAGUIA El Allassane	UNDP Consultant
TIZI MADIDANG Martial	Expert in Financial Support for OSSP-CMR Enterprises
ABOU MOUSSA Herman	Expert 1 in OSSP-CMR Market Acquisition
MBENDA Joel	OSSP-CMR Market Acquisition Expert 2
GWETH Jean-Vincent	UNDP Technical Advisor
Editorial Team	
CHOPKENG Arthur	Expert in Strengthening the Competitiveness of OSSP-CMR Enterprises
TIZI MADIDANG Martial	Expert in Financial Support for OSSP-CMR Enterprises
MBENDA Joel	Expert 1 in OSSP-CMR Market Acquisition
KENGNE Arline Epse Fomba	NIS
EBENA Maud	MINEPAT
TANANKEM Belmondo	Competitiveness Committee
MEPOUBONG Patrick	MINEPAT
TCHEUTCHOUA Rodrigue	MINEPAT
TSAFACK Borel	Expert



Office address :

Golf Street, opposite the US Embassy

WhatsApp :

(+237) 696 522 280 / 697 195 347

Email :

operationdesoutien_sp.cm@undp.org