



Success Story

CENTRAL AFRICA • Competitiveness, access to markets and finance SMEs

ENHANCING SMEs COMPETITIVENESS IN CENTRAL AFRICA

“On behalf of all the staff and in my own name, I would like to sincerely thank the CDE. This funding has allowed us to help our members increase production and place quality products on the market for households”.

Mrs Evelyne Tchichelle, Secretary General of the Chamber of Commerce, Industry, Agriculture and Crafts of Pointe-Noire, Republic of the Congo



INTRODUCTION:

As part of the Competitiveness Enhancement Programme (CEP), also underway in other ACP countries and regions, a consultant was appointed by the CDE to identify a cluster of 10 agro-industrial and agro-forestry companies in the Republic of the Congo, the Central African Republic and the Republic of Chad. It is within this context that a comprehensive programme of technical assistance for 10 companies (4 in the Congo, 3 in the Central African Republic and 3 in Chad) was proposed to the CDE, under the auspices of the Chamber of Commerce, Industry, Agriculture and Crafts (CCIAM) of Pointe-Noire, which is in charge of its coordination.

PARTNER:

Chamber of Commerce, Industry, Agriculture and Crafts (CCIAM) of Pointe-Noire.

OBJECTIVES:

Overall:

- To ensure the effective operation and development of companies experiencing financing problems.
- To increase productivity by improving various aspects of production processes identified as bottlenecks and/or weaknesses of the participating companies.

Specific:

- To improve relations between financial institutions and companies.
- To train beneficiaries in the appropriate use of accounting and financial management tools with a view to ensure effective functioning and development of companies assisted.

- To train beneficiaries in the use of production management tools.
- To provide beneficiaries with specific business plans liable to facilitate their access to finance for their development projects.

ACTIVITIES UNDERTAKEN:

- Organisation of roundtables between banks and SMEs in Pointe-Noire (Congo), Bangui (Central African Republic) and N'Djamena (Chad), bringing together almost 50 participants:
 - 17 in the Congo (incl. 7 banks and the 4 selected SMEs);
 - 14 in the Central African Republic (incl. 5 banks and the 3 selected SMEs);
 - 15 in Chad (incl. 5 banks and the 3 selected SMEs).
- Awareness-raising phase to identify the programme's stakeholders (banks, local chambers of commerce, industry and agriculture, intermediary organisations, SMEs and service providers).
- Presentation, by the SMEs, of the difficulties in accessing credit, followed by concrete responses by the banks' representatives.
- Emerging consensus on new banking products (guarantee, deposit), more flexible terms (interest rates and investment financing) and appointment of contact persons dedicated to SMEs within banks.



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SMEs



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IMPACT:

This initiative can be viewed as a pilot programme to be replicated on a larger scale (for around fifty companies) as part of the implementation of the PSDP (Private Sector Development Programme) in Cameroon and the RPSDP/ECCAS (Regional Private Sector Development Programme of the Economic Community of Central African States).

The work may be replicated in other business sectors and other countries in Central Africa.

Other Chambers of Commerce could also take inspiration from it for services to be provided to their members.

CDE VALUE ADDED:

- Recommendations of support to SMEs in terms of training, management and preparation of business plans to secure financing under beneficial terms from banks participating in the programme.
- Training 10 SMEs in accounting and financial management and set-up of dashboards. The follow-up monitoring mission, aimed at checking how the tools were implemented, showed a marked improvement, with the average score in aptitude tests increasing from 4.6/20 to 9/20.
- Training 10 SMEs in production management tools, enabling improvements in:
 - internal organisation,
 - production scheduling,
 - productivity and
 - quality of production.
- Joint development, involving the consultant and the beneficiaries, of 10 business plans.
- Submission of those business plans to the banks participating in the programme for possible financing.

RESULTS ACHIEVED:

- In total, 10 companies in the wood and agro-industry sector (water, milk, palm oil, cheese, meat, etc.) in the Republic of the Congo, the Republic of Chad and the Central African Republic benefitted from the comprehensive Competitiveness Enhancement Programme.
- Nearly 50 companies and intermediary organisations participated in roundtables organised in the three countries.
- Congolese and Cameroonian consultancy firms assisted the companies throughout the project.

- Awareness of the specific financing requirements of SMEs through better interaction between intermediary organisations and financial institutions.
- Development, by the banking institutions, of products tailored to SMEs.
- Development, by intermediary organisations, of services suited to their members.

FURTHER INFORMATION:

CDE Regional Office in Central Africa
Mr. Aliou Abdoullahi
Tel.: +237 22 23 15 00
E-mail: caf@cde.int