FINAL REPORT

STUDY ON THE IMPLEMENTATION OF THE SUPPORT PROJECT FOR THE INTEGRATION OF

WOOD PROCESSING PMEESA INTO LOCAL VALUES CHAINS

SEPTEMBER 2022

SUMMARY

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

i

ABREVIATIONS

AAC	Assiettes Annuelles de Coupe
AFC	African Financial Community
AFC	Analyse Factorielle des Correspondance
AFM	Analyse Factorielle Multiple
ANAFOR	Agence Nationale d'Appui au Développement Forestier
ANOR	Agence des Normes et de la Qualité
APD	Aide Publique au Développement
APE	Accords de Partenariats Economiques
API	Agence de Promotion des Investissements
APME	Agence des Petites et Moyennes Entreprises
ATIBT	Association Technique Internationale des Bois Tropicaux
AV	Added-Value
BC-PME	Banque Camerounaise des Petites et Moyennes Entreprises
BHA	Bois Hydrauliques Assemblés
BIP	Budget d'Investissement Public
BIPE	Bureau d'Information et de Prévision Economique
BM	Banque Mondiale
BMN	Bureau de Mise à Niveau des Entreprises
BMR	Bois Massifs Reconstitués
BSTP	Bourse de Sous-Traitance et de Partenariat
CAFC/COMIFAC	Central African Forest Commission
CTB	Current Transactions Balance
BTP	Bâtiments et Travaux Publics
CEEAC	Communauté Economique des Etats de l'Afrique Centrale
CELLUCAM	Cellulose du Cameroun

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

ii

CENADEFOR	Centre National de Développement Forestier
CES	*Constante Elasticity Substitution*
CIMPIP	Commission Interne de Maturation des Projets d'Investissement Public
CIPPBS	Comité Interne PPBS en matière d'Investissement Public
CITI	Classification Internationale Type, par Industrie, de toutes les branches d'activité économique
COVID-19	Epidémie au Coronavirus
CTD	Collectivités Territoriales Décentralisées
CVB	Chaîne de Valeurs du Bois
CVG	Chaîne de Valeur Globale
CVMB	Chaîne de Valeurs Mondiales du Bois
CVUC	Communes et Villes Unies du Cameroun
EMCCAS(CEMAC)	Economic and Monetary Community of Central African States
EAE	Enquête Annuelle Auprès des Entreprises
EFEI	Ecole Française d'Economie Industrielle
ECF	Extended Credit Facility
EFF	Extended Fund Facility
EFP	Economic and Financial PrograM
FCFA	Franc de la Communauté Financière Africaine
FDI	Foreign Direct Investment
FEICOM	Fonds Spécial d'Equipement et d'Intervention Intercommunale
FFOM	Force Faiblesse Opportunité Menace
FIDES	Fonds d'Investissement pour le Développement Economique et Social des Territoires d'Outre-Mer
GAR	Gestion Axée sur les Résultats
GE	Grande Entreprise
GDP	Gross Domestic Product

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

iii

GEF	*Global Environment Facility*
GESP	Growth and Employment Strategy Paper
GIZ	Organisation de Coopération Allemande / *Deutsche Gesellschaft für Internationale Zusammenarbeit*
GT/SEBIP	Groupe de Travail en charge du Suivi de l'Exécution du Budget d'Investissement Public au MINPMEESA
GTZ	Organisation de Coopération Technique Allemande / *Deutsche Gesellschaft für Technische Zusammenarbeit*
GCI	Global Competitiveness Index
GVCW	Global Value Chain of Wood
HDI	Human Development Index
ICMPIP	Internal Commission for the Maturation of Public Investment Projects
IFIA	*Inter-African Forestery Industries Association* (Association interafricaine des industries forestières
IPPBME	Internal Planning, Programming, Budgeting, Monotoring And Evaluation Committee
IMF	International Monetary Fund
INS	Institut National de la Statistique
INSEE	Institut National de la Statistique et des Etudes Economiques
IOV	Indicateur Objectivement Vérifiable
ISI	Industrialisation par la Substitution des Importations
M3	Mètre Cube
MAV	Manufacturing Added-Value
MCA	Multiple Component Analysis
ME	Moyenne Entreprise
MEDC	Mécanisme Elargi de Crédit
MEGC	Modèle d'Equilibre Général Calculable
MEGCD	Modèle d'Equilibre Général Calculable Dynamique

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

iv

MINADER	Ministry of Agriculture and Rural Development
MINAGRI	Ministry of Agriculture
MINDAF	Ministère des Domaines et des Affaires Foncières
MINDCAF	Ministère des Domaines, du Cadastre et des Affaires Foncières
MINEF	Ministère de l'Environnement et des Forêts
MINEFI	Ministère de l'Economie et des Finances
MINEFOP	Ministère de l'Emploi et de la Formation Professionnelle
MINEP	Ministère de l'Environnement et de la Protection de la Nature
MINEPDED	Ministère de l'Environnement, de la Protection de la Nature et Développement Durable
MINFI	Ministry of Finance
MINFOF	Ministère des Forêts et de la Faune
MINCOMMERCE	Ministry of Trade
MINMIDT	Ministry of Mines, Industry and Technological Development
MINPMEESA	Ministry of Small and Medium Enterprises, Social Economy and Handicrafts
MINRESI	Ministry of Scientific Research and Innovation
MINTOUL	Ministry of Tourism and Leisure
MOV	Moyen Objectivement Vérifiable
NACAM	Nomenclature des Activités et des Produits du Cameroun (NACAM)
NDS-30	National Development Strategy for Structural Transformation and Inclusive Development
OAB	Organisation Africaine des Bois
OCDE	Organisation pour la Coopération et le Développement Economique
ODD	Objectifs de Développement Durable
OES	Organisation de l'Economie Sociale
OITB	Organisation Internationale des Bois Tropicaux
OIT	Organisation Internationale du Travail

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

v

OMD	Objectifs du Millénaire pour le Développement
ONADEF	Office National de Développement Forestier
ONAREF	Office National de Régénération des Forêts
PAF	Plan d'Aménagement Forestier
PB	Payment Balance
PCA	Principal Component Analysis
PCI	Performance Composite Index
PCFC	Programme de Compétitivité des Filières de Croissance
PER-CEMAC	Programme Economique Régional
PMEESA	Petites et Moyennes Entreprises, Unités/Organisations de l'Economie Sociale et Artisans
PNDP	Programme National de Développement Participatif
RFA	Redevance Forestière Annuelle
RGE	Recensement Général des Entreprises
RIFFEAC	Réseau des Institutions de Formation Forestière et Environnementale de l'Afrique Centrale
RBM	Results-Based Management
SME	Small and Medium-Sized Enterprises
SMESEHs	Small and Medium-sized Enterprises, Social Economy Organisations/Units and craftsmen
SPF	Strategic Performance Framework
STBC	Système de Traçabilité du Bois au Cameroun
SVL	Système de Vérification de la Légalité
SAM	Social Accounting Matrix
SWOT	*Strength-Weakness-Opportunities-Threats*
TA	Taxe d'Abattage
TB	Trade Balance

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

vi

TEI	Tableau d'Echanges Inter-industriels
TEU	Taxe Entrée Usine
TIC	Technologies de l'Information et de la Communication
UE	Union Européenne
UES	Unité de l'Economie Sociale
UMIC	Upper Middle Income Country
UNECA	United Nation Economic Commission for Africa
UFA	Unité Forestière d'Aménagement
UPI	Unité de Production Informelle
UTB	Unité de Transformation du Bois
SAP	Structural Adjustment Program
SWOT	Strength-Weakness-Opportunities-Threats
WG/MPIB	Working Group in charge of the Monitoring of the Public Investment Budget.

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

vii

LIST OF FIGURES

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

viii

LIST OF GRAPH

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

ix

LIST OF TABLE

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

x

LIST OF ANNEX

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xi

AVANT-PROPOS

Environ 86 % de la population active en Afrique est employée dans le secteur informel [23% en Ile-Maurice, 32,7% en Afrique du Sud, 43,9% en Namibie, 57% au Nigeria, 76,2% en Tanzanie, 88,6% au Cameroun (85,6% d'hommes et 92,9% de femmes ; 79,3% en milieu urbain et 94,9% en milieu rural), 89,2% à Madagascar, 93,5% en Ouganda]. Ceci dans des activités comme l'agriculture, l'agro-alimentaire, le commerce, le transport, les constructions et la sylviculture et l'exploitation forestière. En Afrique, 74% des femmes sont employées dans l'informel non agricole contre 61% chez les hommes, l'auto-emploi représente 53% de l'Economie informelle et dans l'ensemble le commerce régional africain est essentiellement dominé par des activités informelles et notamment l'échange des marchandises via les frontières terrestres. L'informel non agricole inclut essentiellement les salariés sans contrat de sécurité/protection sociale ou toute autre forme d'assurance, les commerçants ambulants, les vendeurs à la criée, les travailleurs journaliers, etc…

Le taux de concentration de l'Economie informelle dans les secteurs, branches et filières d'activités varie d'un pays à l'autre à travers le continent africain mais se regroupent généralement dans les services productifs et industriels, services sociaux, mines, manufactures (agroalimentaires, tabac, textiles, cimenterie, transformation du bois), hôpitaux, entrepôts, transport, commerce, hôtel, restauration, réparation automobile, information, communication et télécommunication, maroquinerie, grossistes, détaillants, vendeurs ambulants, vendeurs à la criée, etc….

Le Document de Stratégie pour la Croissance et l'Emploi (DSCE) qui consacrait alors la première phase de la Vision Stratégique de Développement à l'horizon 2035 sur la période 2010-2020 avait pour objectifs : **(i)** l'accélération de la croissance économique, **(ii)** la création des emplois formels, **(iii)** la réduction de la pauvreté et, **(iv)** l'amélioration de la Gouvernance. **Il ressort notamment de la mise en œuvre du DSCE que** : **(1)** le taux de croissance économique est resté largement en dessous des prévisions, **(2)** la structure sectorielle du Produit Intérieur Brut (PIB) ne s'est pas modifiée et la promotion des branches et filières industrielles demeure un défi, **(3)** le déficit structurel de la Balance Commerciale (BC) et de la Balance des Transactions Courantes (BTC) s'est aggravé, **(4)** l'informalité de l'activité économique s'est davantage accrue et le climat des affaires est à améliorer, **(5)** la situation de l'Etat de droit et la confiance en la justice se sont dégradées, **(6)** la définition des besoins et profils de postes de travail dans les administrations et les entreprises publiques reste préoccupante. **Des principaux enseignements à tirer du DSCE, on peut mentionner la faible intégration des filières d'activités économiques, la forte dépendance aux technologies, biens et services importés, les résultats globalement insuffisants des programmes de promotion des Petites et Moyennes Entreprises (PME), les carences de l'environnement des affaires notamment en ce qui concerne l'architecture juridique y afférente.**

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xii

Depuis 2020, le Cameroun s'est engagé dans sa nouvelle Stratégie Nationale de Développement pour la Transformation Structurelle et le Développement Inclusif (SND-30). La SND-30 repose sur trois (03) orientations fondamentales, à savoir : **(a)** un mix entre import/substitution et promotion des exportations en s'appuyant sur les avantages comparatifs de l'Economie nationale ; **(b)** un Etat stratège et pragmatique qui met en place les facilités pour l'émergence du secteur privé comme principal moteur de la croissance économique et réalise des interventions ciblées dans des secteurs hautement stratégiques; **(c)** une articulation entre planification indicative et planification impérative combinant le format assez contraignant de la planification quinquennale et celui indicatif de la planification stratégique**.**
Les objectifs globaux de la SND-30 sont notamment de : **(i)** mettre en place les conditions favorables à la croissance économique et l'accumulation de la richesse nationale et veiller à obtenir les modifications structurelles indispensables pour l'industrialisation du pays; **(ii)** améliorer les conditions de vie des populations et leur accès aux services sociaux de base en assurant une réduction significative de la pauvreté et le sous-emploi ; **(iii)** renforcer les mesures d'adaptation et d'atténuation des effets des changements climatiques et la gestion environnementale pour garantir une croissance économique et un développement social durable et inclusif.

Pour atteindre ces objectifs, les priorités du Gouvernement portent notamment sur l'industrie de l'énergie, l'agro-industrie, le numérique, les filières **Forêt-Bois**, Textile-Confection-Cuir, Mines-Métallurgie-Sidérurgie, Hydrocarbures-Pétrochimie-Raffinage, Chimie-Pharmacie et Construction -Services - Professionnels - Scientifiques – Techniques et les services non financiers.

La SND-30 arrive dans un contexte où les contraintes ci-haut relevées et qui ont constitué de sérieuses pesanteurs à l'atteinte des objectifs du DSCE ne sont pas levées :

(A). L'Economie Camerounaise continue de faire face aux implications néfastes de la crise sanitaire du Coronavirus-19 (COVID-19),

(B). Le pays est en crise d'endettement et est rentré sous un nouveau Programme d'Ajustement Structurel avec le Fonds Monétaire International (FMI) dans le cadre de la Facilite Elargie de Crédit (FEC) et du Mécanisme Elargi de Crédit (MEDC). Ce nouveau Programme Economique et Financier (PEF) qui offre notamment des appuis budgétaires pour restaurer l'équilibre des finances publiques s'articule autour de cinq piliers à savoir: **(1)** atténuer les conséquences sanitaires, économiques et sociales de la pandémie du Covid-19 tout en assurant la viabilité intérieure et extérieure ; **(2)** renforcer la bonne gouvernance et la transparence et le cadre de la lutte contre la corruption ; **(3)** accélérer les réformes budgétaires structurelles afin de moderniser les Administrations fiscales et douanières, de mobiliser les recettes, d'améliorer la gestion des finances publiques, d'accroître l'efficience des investissements publics et de réduire les risques budgétaires liés aux entreprises publiques ; **(4)** renforcer la gestion de la dette et réduire les facteurs de vulnérabilité liés à la dette ; et **(5)** mettre en œuvre des réformes structurelles pour

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xiii

accélérer la diversification économique, renforcer la résilience et l'inclusion financière et promouvoir l'égalité des genres et une Economie plus verte,

(C). Le **MINPMEESA** vient d'adopter son nouveau **Cadre Stratégique des Performances (CSP)** structuré autour de trois programmes à savoir le **programme 043** (Promotion de l'entrepreneuriat) qui vise à résoudre le problème de la faible insertion socioéconomique de la population active, le **programme 044** (Transformation et modernisation des unités de production) dont l'objectif est de dynamiser les **Petites et Moyennes Entreprises, les Organisations/Unités de l'Economie Sociale et les Artisans (PMEESA)** et accroitre leurs contributions au Produit Intérieur Brut (PIB) et le **programme 167** (Gouvernance et appui institutionnel du sous-secteur des PMEESA) qui est le programme support. Cette mutation se situe en droite ligne de la cohérence avec le **cadre programmatique de la SND-30** qui assigne un rôle majeur au **MINPMEESA** dans la transformation des structures de l'Economie.

(D). Relevons aussi qu'au cours de la réunion des Ministres sectoriels de la Communauté Economique et Monétaire des Etats de l'Afrique Centrale (CEMAC) tenue le 18 septembre 2020, en vue de valider le cadre institutionnel et règlementaire de la Stratégie d'Industrialisation durable de la **filière « forêt-bois »** dans le bassin du Congo, il a été décidé de l'interdiction de l'exportation du bois sous forme de grumes pour compter du 1er janvier 2022. Au cours de cette année 2022, cette mesure a été reportée pour 2023. La présente étude envisage donc apporter des réponses opérationnelles pour atténuer les conséquences néfastes des chocs ci-haut évoqués et inverser la tendance et restaurer à terme les équilibres économiques.

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Le Ministre des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

Achille BASSILEKEN III

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Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xiv

FOREWORD

About 86% of the active population in Africa is employed in the informal sector [23% in Mauritius, 32.7% in South Africa, 43.9% in Namibia, 57% in Nigeria, 76.2% in Tanzania , 88.6% in Cameroon (85.6% men and 92.9% women; 79.3% in urban areas and 94.9% in rural areas), 89.2% in Madagascar, 93.5 % in Uganda]. Those people are involved in activities such as agriculture, agro-food, trade, transport, construction and forestry and lumbering. In Africa, 74% of women are employed in the non-agricultural informal sector against 61% for men, self-employment represents 53% of the informal economy and overall African regional trade is essentially dominated by informal activities and in particular the exchange of goods across land borders. The non-agricultural informal sector essentially includes employees without a social security/protection contract or any other form of insurance, itinerant traders, auction sellers, daily workers, etc.

The rate of concentration of the informal economy in sectors, branches and fields of activity varies from one country to another across the African continent but is generally grouped in productive and industrial services, social services, mines, manufacture (agri-food, tobacco, textile, cement works, wood processing), hospitals, warehouses, transport, trade, hotel, catering, car repair, information, communication and telecommunication, leather goods, wholesalers, retailers, street vendors, auction sellers, etc. ….

The Growth and Employment Strategy Paper (GESP) which then was the first phase of the Strategic Vision for Cameroonian Development by 2035 over the period 2010-2020 had the following objectives: **(i)** the acceleration of economy growth, **(ii)** the creation of formal jobs, (iii) the reduction of poverty and, (iv) the improvement of governance. **It results from the implementation of the GESP that**: **(1)** the economic growth rate has remained below the expected one, **(2)** the sectoral structure of the Gross Domestic Product (GDP) has not changed and the promotion of industrial branches and sectors remains a challenge, **(3)** the structural deficit of the Trade Balance (TB) and the Current Transaction Balance (CTB) has worsened, **(4)** the informality of economic activity has increased and the business climate needs to be improved, **(5)** the situation of the rule of law and confidence in justice have deteriorated, **(6)** the definition of competence needs and job profiles in the public administration and state enterprises remains a major concern. T**he main lessons or evidence-based advises to be drawn from the GESP include** the weak integration of economic activity sectors, the heavy dependence on imported technologies, goods and services, the generally insufficient results of the promotion programs for Small and Medium-Sized Enterprises (SMEs), the shortcomings of the business climate, particularly with regard to the related legal and judicial infrastructure.

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xv

Since 2020, Cameroon has been committed to its new National Development Strategy for Structural Transformation and Inclusive Development (SND-30). SND-30 is based on three (03) fundamental orientations, namely: **(a)** a mix between import/substitution and export promotion based on the comparative advantages of the national economy; **(b)** a strategic and pragmatic State which sets up facilities for the emergence of the private sector as the main engine of economic growth and carries out targeted interventions in highly strategic sectors; **(c)** a link between indicative planning and imperative planning combining the fairly restrictive format of five-year planning and the one of indicative strategic planning. **The overall objectives of SND-30 are in particular to**: **(i)** put in place favorable conditions for economic growth and the accumulation of national wealth and ensure that the essential structural changes for the industrialization of the country are obtained; **(ii)** improve on the living conditions of the population and their access to basic social services by ensuring a significant reduction in poverty and under-employment; **(iii)** strengthen climate change adaptation and mitigation measures and environmental management to ensure sustainable and inclusive economic growth and social development.

To achieve these objectives, the Government's priorities relate in particular to the energy industry, agro-industry, digital technology, the **Forestery-Wood**, Textile-Confection-Leather, Mining-Metallurgy-Steel industry, Hydrocarbons-Petrochemicals sectors -Refining, Chemistry-Pharmacy and Construction - Services - Professionals - Scientific - Technical and non-financial services.

The SND-30 comes in a context where the constraints noted above and which constituted serious obstacles to the achievement of the objectives of the GESP have not been lifted:

(A). The Cameroonian Economy continues to face the harmful implications of the Coronavirus-19 (COVID-19) health crisis,

(B). MINPMEESA has just adopted its new **Strategic Performance Framework (SPF)** structured around three programs, namely the **program 043** (Promotion of entrepreneurship) which aims to solve the problem of the weak socio-economic integration of the active population, the **program 044** (Transformation and modernization of production units) whose objective is to revitalize Small and Medium Enterprises, Organizations/Units of the Social Economy and Craftspeople (PMEESA) and increase their contributions to the Gross Domestic Product (GDP) and the **program 167** (Governance and institutional support for the PMEESA sub-sector), which is the support programme. This change is in line with the **programmatic framework of SND-30**, which assigns a major role to **MINPMEESA** in the transformation of economic structures.

(D). It should also be noted that during the meeting of sectoral Ministers of the Economic and Monetary Community of Central African States (CEMAC) held on September 18, 2020, with a view to validating the institutional and regulatory framework of the Sustainable Industrialization Strategy of the **"forestery-**

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xvi

wood" sector in the Congo Bassin, it was decided to ban the export of wood in the form of logs from January 1, 2022. Its has recently been postponement for 2023.

This study therefore plans to provide operational responses to mitigate the harmful consequences of the above-mentioned shocks and reverse the trend restore economic balances.

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**THE MINISTER OF SMALL AND MEDIUM SIZE ENTERPRISES,
SOCIAL ECONOMY AND HANDICRAFRTS**

Achille BASSILEKEN III

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Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xvii

RESUME EXECUTIF

Ce document constitue le rapport final de l'étude pour la mise en place du projet d'appui à l'insertion des Petites et Moyennes Entreprises, Unités/Organisations de l'Economie Sociale et Artisans (PMEESA) de la transformation du bois dans les chaînes de valeurs locales. A ce niveau, il nous semble important de préciser que les actions envisagées dans la filière forêt-bois par la seconde phase de la Vision 2035 ; Vision Stratégique de Développement du Cameroun, qui est déclinée dans la Stratégie Nationale de Développement pour la Transformation Structurelle et le Développement Inclusif (SND-30) sont notamment le : **(α)** développement des plantations forestières; et **(β)** renforcement de l'industrie de transformation du bois jusqu'à la troisième transformation, en vue de la fabrication des meubles, la construction des logements et bâtiments et les usages industriels.

Compte tenu de ce qui précède et au regard du rôle majeur assigné aux PMEESA dans la SND-30, en l'occurrence dans le Secteur « Industries et Services », et au regard des missions du Ministère des Petites et Moyennes Entreprises , de l'Economie Sociale et de l'Artisanat (MINPMEESA), il devient nécessaire de faciliter l'installation de certaines de nos cibles que sont les PMEESA dans divers segments locaux de la chaîne de valeur de la transformation du bois.

L'objectif global de cette étude est de favoriser l'**insertion des PMEESA dans divers segments de la transformation du bois dans les chaînes de valeurs locales.** De manière spécifique, il s'agit de: **(i)** Réaliser un état des lieux sur l'existant en matière d'installation et structuration des PMEESA dans la filière forêt-bois; **(ii)** Procéder à un diagnostic de l'existant en matière d'installation et re-structuration des PMEESA dans la filière forêt-bois ainsi que sur l'environnement dans lequel elles évoluent, et **(iii)** Proposer des choix stratégiques et nouveaux axes d'intervention et une re-structuration des acteurs de la filière forêt-bois en tenant compte de l'architecture institutionnelle (cadre administratif, juridique et légal), **(iv)** leur profilage ainsi que sur l'environnement dans lequel elles évoluent et **(v)** Elaborer un plan d'actions prioritaires.

Notre étude est structurée autour de l'hypothèse centrale suivant laquelle l'insertion des PMEESA dans divers segments de la transformation du bois dans les chaînes de valeurs locales génère des gains additionnels pour l'Economie en termes de compétitivité dans la Chaîne de Valeurs Mondiales du Bois (CVMB) et un accroissement des chiffres d'affaires au niveau des Chaînes de Valeurs Locales ainsi que des créations d'emplois.

Dans le cadre de cette étude, nous procédons à un état des lieux de la **filière « forêt-bois »** au Cameroun à partir d'une fouille documentaire qui passe en revue les travaux existants sur cette filière. Par la suite le diagnostic est fait sur la base d'une approche Force-Faiblesse-Opportunités-Menaces (FFOM)

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xviii

combinée à un *benchmarking* de ladite filière. Une modélisation économétrique en séries temporelles et une analyse statistique multivariée nous permettent de mettre en exergue d'une part les gains potentiels de la réalisation du projet d'insertion des PMEESA dans divers segments de la transformation du bois dans les chaînes de valeurs locales et d'autre part le profilage des produits, métiers et PMEESA à fort potentiel dans chaque segment de la Chaîne de Valeurs du Bois (CVB).

Les résultats majeurs suggèrent la mise en place d'un plan d'actions opérationnel structuré autour de la mise à disposition d'un mécanisme de financements tournants dédié exclusivement aux PMEESA de la **filière « forêt-bois »**, des mesures de soutien à l'industrialisation de cette filière en partant du développement des plantations forestières pour accroitre l'accès au bois légal, au développement des compétences et normes pour la 2ème, 3ème voire 4ème transformation du bois en vue de dominer le Marché Interne du Bois et capter des parts du marché international. Le développement de la sous-traitance dans cette filière permet également à nos cibles facilement capter les opportunités qu'offrent la commande publique et le transfert des compétences et des technologies. Nos prévisions montrent en effet que malgré l'interdiction de l'exportation du bois sous forme de grumes projetée pour compter de 2023 par la COMIFAC, une certaine part de la production de bois en grumes est toutefois conservée et exportée sur les cinq premières années de la mise en œuvre du projet ; en allant de 500 mille à 124 milles mètres cubes. Cette part peut être notamment expliquée par la prise en compte des activités illicites dans la filière forêt-bois. Par contre, on constate un accroissement des exportations des produits de première transformation comme sciage ; respectivement 1.875.324 mètres cubes la première année, 2 101 678 la seconde, 2 201 328 la troisième et 2 267 149 la quatrième année d'exécution du projet. Cet accroissement du degré de transformation du bois entraine une hausse potentielle de la contribution moyenne de la branche d'activités "sylviculture et exploitation forestière" dans le Produit Intérieur Brut (PIB) du secteur primaire de 10,048% à 16% et une hausse de 3,6% de la contribution de cette branche d'activités dans le PIB du secteur secondaire.

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xix

EXECUTIVE SUMMARY

This document constitutes the final report of the study for the implementation of the support project for the integration of Small and Medium-sized Enterprises, Units/Organizations of the Social Economy and Crafts people (PMEESA) of wood processing in the local value chains. At this level ; it seems important to specify that the actions envisaged in the forestery-wood sector by the second phase of the Cameroon's Strategic Development Vision by 2035, which is declined in the National Development Strategy for Structural Transformation and Inclusive Development (SND-30) are in particular: **(α)** development of forest plantations; and **(β)** strengthening of the wood processing industry up to the third processing step, for the manufacture of furniture, the construction of housing and buildings and industrial uses.

Following the above-mentionned statement and with regard to the major role assigned to PMEESA in the framework of the SND-30, and namely in the "Industries and Services" Sector, and considering the missions of the Ministry of Small and Medium-Sized Enterprises, of the Social Economy and Handicrafts (MINPMEESA), it becomes necessary to facilitate the installation of some of our targets, which are the PMEESA, in various local segments of the wood processing value chains.

The general objective of this study is to promote **the integration of PMEESA in various segments of wood processing in local value chains**. More specifically, this involves: **(i)** carrying out an inventory of the existing situation in terms of the installation and structuring PMEESAs in the forestery-wood sector; **(ii)** Carry out a diagnosis of the existing situation in terms of the installation and restructuring PMEESA in the forestery-wood sector as well as on the environment in which they operate, and **(iii)** Propose strategic choices and new axis of intervention and a restructuring of the actors of the forestery-wood sector taking into account the institutional architecture (administrative, legal and judicial framework), **(iv)** their profile as well as the environment in which they evolve and **(v)** Develop a priority action plan.

Our study is structured around the central hypothesis according to which the insertion of PMEESA in various segments of wood processing in local value chains generates additional gains for the Economy in terms of competitiveness in the Global Value Chain of Wood (GVCW) and an increase in turnover at the level of Local Value Chains as well as job creation.

In this study, we proceed to an inventory of the **"forestery-wood"** sector in Cameroon from a documentary search which reviews the existing works on this sector. Subsequently, the diagnosis is made on the basis of a Strength-Weakness-Opportunities-Threats (SWOT) approach combined with a benchmarking of the said sector. An econometric time series modeling and a multivariate statistical analysis allow us to highlight on the one hand the potential gain of the realization of the project of insertion of PMEESA in various segments of wood processing in the local value chains and on the other hand the profiling of products, jobs and PMEESA with high potential in each segment of the Wood Value Chain (WVC).

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xx

Major results suggest the establishment of an operational action plan structured around the provision of a revolving funding mechanism dedicated exclusively to PMEESA in the "**forestery-wood**" sector, support measures for industrialization of this sector starting from the development of forest plantations to increase access to legal timber, to the development of standard skills for the 2nd, 3rd or even 4th level of wood processing in order to dominate the Internal Wood Market and capture market share at the international level. The development of subcontracting in this sector also allows our targets to easily capture the opportunities offered by public procurement and the transfer of skills and technologies. Our forecasts indeed show that despite the ban on the export of wood in the form of logs planned to start in 2023 by COMIFAC, a certain part of the production of wood in logs is nevertheless preserved and exported over the first five years of the implementation of our project; from 500 thousand to 124 thousand cubic meters. This proportion can be explained in particular by taking into account illegal activities in the "**forestery-wood**" sector. We also notice an increase in exports of primary processing products from wood such as sawnwood; respectively 1,875,324 cubic meters in the first year, 2,101,678 in the second, 2,201,328 in the third and 2,267,149 in the fourth year of project implementation. This increase in the degree of wood processing leads to a potential increase in the average contribution of the "forestery and lumbering" branch of activity in the Gross Domestic Product (GDP) share of the primary sector from 10.048% to about 16% and an increase of 3 .6% of the contribution of this branch of activity to the GDP of the secondary sector share.

Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat   The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft

xxi

CHAPTER 1 :   GENERAL INTRODUCTION

INTRODUCTION

This chapter focuses on the context and the justification of the study, and raises the problem of the **"forestery-Wood"** sector. Subsequently, the formulated objective of the study leads to the basic hypotheses; the analytical framework and the drafting plan of the study.

Section 1-   CONTEXT AND JUSTIFICATION OF THE STUDY

In 2009, the Government of the Republic of Cameroon adopted a Long-term Development Vision (the Cameroon Vision 2035) which defines the general planning framework aimed to making Cameroon by 2035 an emerging, democratic and united country in its diversity. Vision-2035 postulates that by 2035, Cameroon should reache the stage of Upper Middle Income Country (UMIC) with the following intermediate targets: **(a)** to achieve a double-digit economic growth rate, **(b)** to reach the 25% threshold as a share of manufacturing production in the Gross Domestic Product (GDP), **(c)** to significantly reduce poverty by reducing its incidence to less than 10% by 2035, **(d)** to consolidate the democratic process and to strengthen national unity while respecting diversity.

The Growth and Employment Strategy Paper (GESP), which is the first phase of the Cameroon Vision 2035 over the period 2010-2020, aimed to: **(i)** the acceleration of economic growth, **(ii)** the creation of formal jobs, **(iii)** the reduction of poverty and, **(iv)** improving governance. **It emerges in particular from the implementation of the GESP that**: **(1)** the economic growth rate has remained below the forecasted one, **(2)** the sectoral structure of the Gross Domestic Product (GDP) has not changed and the promotion of industrial branches and sectors remains a challenge, **(3)** the structural deficit of the Trade Balance (TB) and the Current Transactions Balance (CTB) has worsened, **(4)** the informality of economic activity has further increased and the business climate needs to be improved, **(5)** the situation of the rule of law and confidence in justice have deteriorated, **(6)** the definition of needs and job profiles in public services and public enterprises remains a concern.

The main lessons to be drawn from the GESP include the weak integration of economic activity sectors, the heavy dependence on imported technologies, goods and services, the insufficient

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

1

results of the programs to promoting Small and Medium-Sized Enterprises (SMEs), the shortcomings of the business climate, particularly with regard to the related legal and judiciary architecture.

Since 2020, Cameroon has been committed to its new National Development Strategy for Structural Transformation and Inclusive Development (NDS-30). **NDS-30** is based on three (03) fundamental orientations, namely: **(a)** a mix between import/substitution and export promotion based on the comparative advantages of the national economy; **(b)** a strategic and pragmatic State Government which sets up facilities for the emergence of the private sector as the main engine of economic growth and carries out targeted interventions in highly strategic sectors; **(c)** an articulation between indicative planning and imperative planning combining the fairly restrictive format of the five-year planning and the one of the indicative or the strategic planning. **The global objectives of NDS-30 are to: (i)** put in place favorable conditions for economic growth and the accumulation of national wealth and ensure that the structural changes essential for the industrialization of the country are obtained; **(ii)** improve on the living conditions of the population and their access to basic social services by ensuring a significant reduction in poverty and underemployment; **(iii)** strengthen climate change adaptation and mitigation measures and environmental management to ensure sustainable and inclusive economic growth and social development. To achieve these objectives, the Government's priorities relate are particularly related to the energy industry, agro-industry, digital technology, the Forest-Wood, Textile-Confection-Leather, Mining-Metallurgy-Steel industry, Hydrocarbons-Petrochemicals sectors. -Refining, Chemistry-Pharmacy and Construction -Services - Professionals - Scientific - Technical and non-financial services.

The NDS-30 comes in a context where the constraints noted above and which constituted serious obstacles to the achievement of the objectives of the GESP have not been lifted:

-The Cameroonian Economy continues to face the harmful implications of the Coronavirus-19 (COVID-19) health crisis,

-The country is in a debt crisis and has entered a new Structural Adjustment Program with the International Monetary Fund within the framework of the Extended Credit Facility (ECF) Arrangement and the Extended Arrangement under the Extended Fund Facility (EFF).This new Economic and Financial Program (PEF), which notably offers budgetary support to restore the balance of public finances, is built around five pillars : **(1)** mitigating the health, economic, and social consequences of the pandemic while ensuring domestic and external sustainability; **(2)** reinforcing good governance and strengthen transparency and the anti-corruption framework; **(3)** accelerating structural fiscal reforms to modernize tax and customs administrations, mobilize revenue, improve public financial management, increase public investment efficiency, and reduce fiscal risks from state-owned enterprises; **(4)** strengthening debt management and reduce debt vulnerabilities; and **(5)**

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

2

implementing structural reforms to accelerate economic diversification, boost financial sector resilience and inclusion, and promote gender equality and a greener economy.

-**MINPMEESA** has just adopted its new **Strategic Performance Framework (SPF)** structured around three programs, namely **program 043** (Promotion of entrepreneurship) which aims to solve the problem of the weak socio-economic integration of the active population, the **program 044** (Transformation and modernization of production units) whose objective is to revitalize Small and Medium Enterprises, Organizations/Units of the Social Economy and Craftsmen (PMEESA) and increase their contributions to the Gross Domestic Product (GDP) and **program 167** (Governance and institutional support for the PMEESA sub-sector), which is the support programme. This changes are in line with the programmatic framework of NDS-30, which assigns a major role to MINPMEESA in the transformation of economic structures.

-More recently, there have been inflationary tensions for certain mass consumed products (wheat flour, vegetable oils, construction materials for Buildings and Public Works) and military and diplomatic tensions in Eastern Europe which is one of the Cameroon's main suppliers of basic products including wheat, oils, fertilizers and other industrial inputs. It should also be noted that these tensions are likely to increase the uncertainty of the expected recovery of economic activity in Cameroon. Given the risks of a new wave of COVID-19 infections with uncontrolled local variants and outbreaks, a slower rate of vaccination, a sharp increase in global risk following a tightening of monetary policy in Advanced Economies, an increase of the imported inflation and an intensification of local and international socio-political tensions and conflicts.

It should also be noted that during the meeting of sectoral Ministers of the Economic and Monetary Community of Central African States (EMCCAS/CEMAC) held on September 18, 2020, with a view to validating the institutional and regulatory framework of the Sustainable Industrialization Strategy of the **« forest-wood »** sector in the Congo Basin, it was decided to ban the export of wood in the form of logs from January 1, 2022. During this year, the application of this decision has been postponed to 2023.

Priority area of intervention number 5 of the Convergence Plan for the sustainable management of forest ecosystems in Central Africa for the period 2015-2025 of the Central African Forest Commission (COMIFAC, 2014) is called "socio-economic development and multi-stakeholder participation". The major challenge for this area of intervention is to promote growth at country level that generates jobs and incomes for the greatest number of people. The aim is to improve the contribution of the forestry sector to the socio-economic development of populations.

Its first strategic objective is to improve the contribution of the forestry sector to the economic development and well-being of the population; and the corresponding impact indicator is to increase by 10% the

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

3

contribution of the forestry and environment sector to the Human Development Index (HDI) in all Central African countries. In operational terms, the aim is to increase the contribution of the forestry sector to the economies of the CEMAC Member States, to put in place and operationalise the legal and institutional frameworks for the equitable distribution and management of revenues from the exploitation of forestry and wildlife resources, to encourage the development of employment and income-generating activities in the forestry sector, and to promote the community-based and decentralised management of forestry resources.

This measure is part of the harmonisation of the various sectoral timber management policies of the Congo Basin countries, and in particular of CEMAC, aimed at making the forestry sector one of the levers of economic and social development. The objective of such a measure is to promote and increase manufacturing value added and create stable jobs in this sector through the local processing of forest products and the development of intra-regional trade. Indeed, over the period 1993-2018, the average real growth rate of Cameroon's Gross Domestic Product (GDP) is about 4.196%, with the primary sector contributing 3.936%, the secondary sector 3.384% and the tertiary sector 4.856%. However, from 2014 onwards, the secondary sector tends to have more vigour as the main engine of economic growth. The same year also saw an upward trend in activity in the primary sector (agriculture, livestock and hunting, forestry and logging, fishing and fish farming), where the majority of production/processing units are essentially very small and small and fall within the realm of the informal economy, the underground economy or operate as individual entrepreneurs. In the primary sector, agriculture, which accounts for more than 70% of the labour force of the entire national economy, has a rather sluggish trend with an average contribution of around 3.36% over the period 1993-2018; this is much lower than the average contribution (10.048%) of the "forestry and logging" branch of activity, where there is essentially Foreign Direct Investment and therefore the value added is subsequently repatriated to the investors' countries of origin. In 2019, the national economy will lose 0.4 points of growth, and will stand at 3.7% after 4.1% in 2018. This slowdown is due to the decline in the pace of activity observed in the tertiary (3.0% after 4.4%) and primary (2.8% after 5.1%) sectors in 2019. On the other hand, the secondary sector is recording a revival in growth: 4.9% after 3.1% in 2018. This improvement in the secondary sector is mainly due to the good performance of the hydrocarbon extraction sector, which recorded an increase of 8.5% in 2019, after three consecutive years of decline, including -2.7% in 2018. Excluding oil, the slowdown in activity is more pronounced at 3.5% in 2019 after 4.4% in 2018. The growth rate in the primary sector stands at 2.8% in 2019 after 5.1% in 2018. This development is mainly the result of the slowdown in the activity of the food-producing agricultural branch (3.3% in 2019 after 5.1% in 2018) and the decline in forestry and logging activities (-2.7% in 2019 against 7.3% in 2018).

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

4

Section 2-   STATMENT OF THE PROBLEM

At this level, it seems important to specify that the actions envisaged in the forestry and wood sector by the NDS-30 are notably: (α) development of forestry plantations; and (β) strengthening of the wood processing industry up to the third stage of processing, with a view to the manufacture of furniture, the construction of housing and buildings and industrial uses.

In view of the above and in view of the major role assigned to SMEs in the NDS30, in this case in the "Industries and Services" Sector, and in view of MINPMEESA's missions, it becomes necessary to facilitate the installation of some of our targets that are Small and Medium Enterprises, Social Economy Units/Organisations and Artisans (PMEESA) in various local segments of the wood processing value chain.

Section 3-   OBJECTIVE OF THE STUDY

The overall objective of this study is to proceed with the elaboration of a project for the insertion of Small and Medium Enterprises, Social Economy Units/Organisations and Artisans (PMEESA) in various segments of the wood processing value chains.

Specifically, the project aims to:

(i) Carrying out an inventory of the existing situation in terms of installation and structuring of SMEs in the forestry-wood sector, their profiling as well as the environment in which they evolve;

(ii) Carry out a diagnosis of the existing situation in terms of installation and re-structuring of SMESAs in the forestry-wood sector as well as on the environment in which they evolve.

(iii) Propose strategic choices and new axes of intervention and a re-structuring of the actors of the forestry-wood sector taking into account the institutional architecture (administrative, legal and juridical framework) of Cameroon, the socio-economic structures and various constraints which the country must simultaneously face; and the related monitoring-evaluation mechanism;

(iv) Propose axes of revision of the policy of support and insertion of SMEESA in the forestry-wood sector with regard to the Strategic Performance Framework (SPF) and the new Mapping of MINPMEESA Programmes.

Section 4-   HYPOTHESIS OF THE STUDY

Our study is structured around the central hypothesis that the insertion of Small and Medium Enterprises, Social Economy Units/Organisations and Artisans (SMESEH) in various segments of wood processing in local value chains generates additional gains for the Economy in terms of competitiveness in the Global

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

5

Wood Value Chain (GWVC) and an increase in turnover at the level of Local Value Chains as well as job creation

Section 5-   ANALYTICAL FRAMEWORK

In the framework of this study, we proceed to an inventory of the forestry-wood sector in Cameroon based on a documentary search that reviews existing works on this sector. The diagnosis is then made on the basis of a Strength-Weakness-Opportunities-Threats (SWOT) approach combined with a benchmarking of the said sector. An econometric modelling in time series and a multivariate statistical analysis allow us to highlight on the one hand the potential gains of the implementation of the project of insertion of Small and Medium Enterprises, Units/Organisations of the Social Economy and Craftsmen (SMESEH) in various segments of the wood transformation in the local value chains and on the other hand the profiling of the products, trades and SMEESA with strong potential in each segment of the Wood Value Chain (WVC).

Section 6-   PLAN

After the general introduction, Chapter 2 delimits and segments the forestry-wood sector. Chapter 3 presents the current state of the forestry and timber sector in Cameroon and Chapter 4 carries out a diagnosis. The strategic axes of development of the forestry-wood sector in Cameroon are the subject of Chapter 5 and Chapter 6 unfolds the operational action plan as well as the priority action plan of the project aiming at the insertion of the SMEESA in the local value chains of the wood transformation. The purpose of the seventh chapter is to formulate a monitoring and evaluation model for the project. Chapter 8 highlights the risks associated with the implementation of this project and Chapter 9 formulates the conclusion of this study.

CONLCUSION

From this chapter, we note that in the primary sector, the "forestry and logging" branch of activity makes a significant contribution to the Gross Domestic Product, but is non-existent in the secondary sector, where industrial activities are found, as well as in the tertiary sector, where services are provided. This shows the insufficient development of wood processing at the level of the production units installed in Cameroon. Hence the interest in formulating a project for the insertion of Small and Medium Enterprises, Units/Organisations of

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

6

the Social Economy and Artisans (SMESEH) in various segments of wood processing in the local value chains.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

7

CHAPTER 2 : DELIMITATION AND SEGMENTATION OF THE « FORESTERY-WOOD » SECTOR

INTRODUCTION

This chapter highlights the conceptual framework of the **« forest-wood »** sector as well as its components in the industry and services sector, and its institutional scope.

Section 1- CONCEPTUAL FRAMEWORK OF THE FORESTERY WOOD-SECTOR

1.1   THE NOTION OF « INDUSTRIAL FIELD »

The concept of "industrial field" originated in the French-speaking academic world. Even if one of the oldest uses of this terminology is referenced in 1947 in the Anglo-Saxon journal Econometrica. It was on this occasion that Chait B. (1949) in the United States presented the theory of relations between agents, which analyses the flows that link outputs with inputs in a regulated system. The input/output system makes it possible to define subsets of agents in which interdependent relationships are articulated in sub-sets in economic systems. The term "industrial field" became widespread from the 1960s onwards in French national accounting and in the formulation of industrial policies that emphasised it. Indeed, the 1970s marked the application of the commodity chain concept, mainly applied to the food industry in France [Malassis (1973) and Bureau d'Information et de Prévision économique (BIPE, 1977)]. It mobilised the framework initiated in Industrial Economics to represent the structures of the agro-industry and to evaluate the role of agriculture in the economy; and the commodity chain concept became a reference framework for production strategy. The French School of Industrial Economics (EFEI) drew on this concept to approach economic reality both academically and for business management. Politicians also relied on this concept to define and decide on their industrial strategies, particularly with the implementation of production sectors to meet the expectations of French society in industrial matters at the end of the 1960s. It is precisely in France that the term "industrial field" is progressively used, based on industrial policy work conducted with national accounting tools such as the Inter-industry exchange table (IET). Hugon P. (1989) also indicates that the agricultural and agro-industrial field has made an important contribution to the study of the commodity chain concept, and that

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

8

research on developing countries has helped to propose analytical grids for the various agricultural commodity chains.

The concept of value chain makes it possible to complete and overcome the limits of an analysis in terms of input and output, whose division into branches or sectors does not make it possible to grasp all the aspects of the support and development of the economy. The concept of value chain also allows the creation of Added-Value (AV) to be analysed, and its distribution between economic agents or between production sites. The value chain is also a representation of the sequence of techniques that lead to the manufacture of increasingly complex products. As early as 1977, the Industrial Economy Review enriched the concept of the commodity chain to enable it to become a framework of analysis adopted by economists in several fields of application of Agricultural Economics, Rural Economics and Development Economics (Hugon, 1989).

From this point of view, the terminology "sector" is an economic characterisation to replace or complement the concept of "sector" or "branch" of activity. It allows for a more efficient analysis of a productive system in order to appreciate the rise or fall of the segments that make up the system. Segmentation is based on the identification of links between economic agents, from the technical point of view (input-output relationship), organisational point of view (integration, specialisation) and forms of exchange (competition, monopoly). Thus, the meso-analysis of the sector will question the concept and its application in a developing economy such as Cameroon.

The commodity chain is a conceptual framework that illustrates a structuring of meso-economic relationships. The concepts related to the notion of value chain are described in Bandt and Hugon (1988) and Morvan (1985). Many works have been carried out on the value chain. However, most of the work on the value chain has been carried out in the agro-industrial sectors (Milhau, 1954; Davis and Goldberg, 1957; Malassis, 1973). A plethora of definitions has been attributed to the concept of commodity chain, nevertheless, in the economic literature, a consensus appears around the technical structuring of the productive apparatus. One of the definitions describes the value chain as a system of interdependence bringing together actors whose production conditions are complementary and whose performances interact. It follows a vertical logic from upstream to downstream. It is an effective form of division of labour within a production unit.

According to the French National Institute for Statistics and Economic Studies (INSEE, 2016), the industry refers to all the complementary activities that contribute, from upstream to downstream, to the production of a finished product. We thus speak of the electronics industry (from silicon to computers via components) or the automotive industry (from steel to vehicles via equipment). The sector generally integrates several branches. INSEE (2016) defines a branch or industry as a grouping of homogeneous production units, i.e. those that manufacture products (or provide services) that belong to the same item of the economic activity

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

9

nomenclature under consideration. On the contrary, a sector groups together companies classified according to their main activity. Morvan Y. (1991) defines the sector as a succession of distinct operations (or sets of operations called segments), of obligatory passage and oriented towards the use of a resource or a given product or the satisfaction of a demand; underlying this succession of operations is a succession of actions of actors corresponding to segments. Moreover, Morvan Y. (1991), also based on the work of Goldberg R.A. (1968), states that the commodity chain refers to all the acts of production, transformation and distribution relating to a product or a group of homogeneous products and contributing to the satisfaction of the same final need resulting from consumption. Montigaud (1992) aroused our interest because he addressed the notion of commodity chain applied to activities related to wood processing: The commodity chain is "the set of activities closely vertically intertwined by belonging to the same product (or very similar products) and whose purpose is to satisfy the consumer".

According to Madi, (2009, page 46), 'the articulation of these operations is very often influenced by the state of techniques and technologies in progress and is defined by the producers' own strategies, which seek to make the best use of their capital; the relationships between activities and agents reveal interdependencies and complementarities, but are also largely determined by the hierarchical relationships whose interplay helps to ensure the dynamics of the whole'. Madi (2009, p49), specifies that 'the notion of commodity chain transcends the current division of the economy into primary, secondary or tertiary sectors, insofar as a commodity chain starts with the raw materials and ends with the distribution operations, incorporating all the intermediary stages in the production process'. Thus, the commodity chain brings together the stages of harvesting, processing of raw materials, research, secondary processing, trading activities, then possibly a third or fourth processing, and then sale, culminating in distribution to the final customer.

In the economic literature, there are two types of value chains: the product chain and the final demand chain. Some uses of the concept of value chains tend to narrow the scope of this definition. In relation to the consumer market, the commodity chain is defined as a system made up of a set of distribution networks, producers and intermediaries who intervene in a given market. It can also be defined in relation to the use of the same raw material. In relation to the agri-food sector, Koulytchizky (1985) specifies that this notion integrates not only the physical path of a given product, but also the service that accompanies it and the return of income to the basic farmer, through all the stages of the system. This author situates the commodity chain in a particular environment (state of markets, regulations, consumption patterns and purchasing power) that is subject to external forces acting on the chain (groups, organisations, institutions).

Faced with the difficulty of proposing a unanimous definition of the notion of commodity chain, Morvan (1985) identifies the following decisive constituent elements:

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

10

- a space of technologies: the commodity chain is a succession of dissociable and separable processing operations linked together by a sequence of techniques and technologies;

- a space of relationships: the commodity chain is a set of commercial and financial relationships that are established between all the stages of processing, resulting from upstream-downstream trade flows;

- a space of strategies: the value chain is a set of economic actions that preside over the development of the means of production.

The commodity chain thus groups together product branches linked together by exchanges from suppliers to customers (Gasana et al., 1997). The intensity of the relationships between various actors establishes interdependent links that result in common interests and constraints. The development of a value chain can thus be achieved through comprehensive policies and measures aimed at strengthening the coherence of the whole. In addition to the fundamental concept of commodity chain, Morvan Y. (1991) mentions that of production chain, which is a notion that has been constructed over time and remains imprecise due to the multiplicity of definitions specific to each field of activity. He defines it in a general way as being the whole of the stages of transformation from upstream to downstream to obtain a family of products. The production chain encompasses the complementary activities that contribute to the production of finished products.

Unlike the terms 'branches' and 'sectors', the word 'commodity chain' is often used without reference to a precise definition (Bussy, 1983). By commodity chain, we most often mean the sequence of operations that have made it possible to produce a final product, or conversely the different uses of a raw material (Terreaux J.P. and Jeandupeux L., 1996). From then on, the commodity chain represents a sequence of technical, logistical and commercial operations for the realisation of a product, from production to consumption, and these elements become useful for making economic decisions. However, the notion of value chain is a flexible concept. It is delimited according to the product to be favoured and according to the geographical context (local, national, global). This concept also applies to "forestry and logging", or even better to "forest-wood".

1.2   THE « FORESTERY-WOOD » SECTOR

Bazire and Gadant (1991) define the "forest-wood" sector as "all the economic activities that revolve around the management, exploitation of the forest, marketing and processing of wood. The sector of activities thus delimited is immense; it ranges from the seed harvested to produce seedlings in nurseries to the printing of newspapers with wood-based paper". This is how the "forest-wood" sector is defined around the raw material wood. It is a complex network in which many players (foresters, loggers, sawyers, transporters, traders, carpenters, pulp and paper manufacturers, etc.) are involved.) who are governed by

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11

often different laws and institutions. In the statistical framework of the national economy, the forestry and wood industry can be delimited by well-defined branches. These branches are upstream forestry, in the centre mechanical work, furniture, paper, cardboard, various industries and downstream trade. However, such a definition seems to limit the interest to a sub-sector of a larger sector of all forest products. It ignores non-timber forest products which have always played and increasingly play an important role in the social, economic and cultural life of local communities in many parts of the world. It is therefore sensible to design the forest-based sector around wood and non-wood forest products, if the concern is to make them available to consumers. This is further justified by the fact that the same investments can be used to promote different forest products (timber, energy, non-timber forest products) simultaneously. However, as any commodity chain can be broken down, depending on the branching of production or spatial segmentation, into branches that can at their level be considered as commodity chains depending on the context, we speak of commodity chains for specific products, in specific regions and for specific economic sectors. For example, in a study on the markets for different forest products in certain regions of Mali, Cissé and Bertrand (1985) describe the production, transport and trade chains for wood. They also distinguish between a rural 'forest-wood' chain in which the peasant producer secures a substantial share of the value of the wood and a non-rural 'forest-wood' chain in which the rural world is totally excluded and which functions to the benefit of commercial intermediaries.

1.3   THE VALUE CHAIN CONCEPT

In parallel to the notion of industrial field, the Anglo-Saxon concept of "value-chain" appeared in 1985 with Michael Porter of Harvard University in the United States of America. The "value chain" in Porter's sense is at the origin of the concept of the "Global Value Chain (GVC)", however there is a difference in the sense that the former applies to companies or firms whereas the latter applies to a global economic activity.

At the enterprise level, the concept of "value chain" is linked to the analysis of its competitive advantages. It refers to the decomposition of the company's production stages in order to identify the possible competitive advantages at the different links in the production chain. The emergence of Porter's competitive advantage paradigm with its focus on the positioning of firms, their competitiveness and the integration of "secondary" operations as determinants of the value created by companies are elements that have enriched the concept of the "value chain".

At the global level, the 'value chain' is seen as a sequence of operations from the supply of specific inputs through production, processing and marketing to final consumption. Here, the process of developing a 'value

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12

chain' involves various actors (suppliers of specific inputs, producers, service providers, traders, etc.) whose role varies according to the links in the chain. Thus, from a raw material, such as wood for example, a transformation process, segment by segment, can take place to actually obtain a finished product and products derived from it. It is from this perspective that the analysis of an industrial structure, such as the timber industry, is necessary to better understand the development of a production system in a developing country like Cameroon.

1.4   THE VALUE CHAIN OF « FORESTERY-WOOD »

The "forestry-wood" sector, which designates all the complementary activities that contribute to the production of a finished product derived from wood, involves a whole chain of several actors. These actors constitute the "value chain" of the forestry-wood sector and are therefore grouped, each according to its specificities, around the different links which are notably: (i) cultivation, (ii) cutting, (iii) transport, (iv) processing, (v) marketing and (vi) recycling the wood to the end user. In Cameroon, the most representative links or segments of this chain are forestry, logging, processing, timber transport, export and marketing.

Section 2-   FRONTIER OF THE « FORESTERY-WOOD» FIELD IN THE INDUSTRY AND SERVICES SECTOR

In Cameroon, the industry and services sector (Figure 1) includes the industrial, digital, non-financial and financial services sectors.

The industrial sector is made up of several components in which various branches of activity can be distinguished. We can mention in particular:

- ❖ The mining and quarrying component with the extraction of hydrocarbons and other energies and the extraction of minerals as branches;
- ❖ The agro-industry component with branches such as the meat and fish industry, grain and starch processing, the cocoa, coffee, tea and sugar industry, the oilseed and animal feed industry, the manufacture of cereal-based products, the milk, fruit, vegetable and other industries and the tobacco industry
- ❖ The beverage industry component
- ❖ The textile, clothing and leather industries component with the textile and clothing industry, the leather industry and shoe manufacturing as branches of activity;

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13

- ❖ **The wood and wood products component, where a distinction is made between the wood industry, excluding furniture manufacturing, the manufacture of paper and paper products, printing and publishing, furniture manufacturing and NCA manufacturing and recovery activities;**
- ❖ The chemical and petrochemical industries component distinguishes industries such as petroleum refining, coking and other energy processing, chemical and pharmaceutical manufacturing, rubber production and rubber and plastic products manufacturing;
- ❖ The non-metallic mineral products and building materials industries component;
- ❖ The metal industries component ;
- ❖ The electrical, mechanical, electronic and computer industries component, which consists of the manufacturing industry of audio-visual and communication equipment and apparatus, as well as medical instruments, optics and watches.
- ❖ The component of the naval, railway, aeronautical and land-based industries, where we distinguish as branches of activity the transport equipment manufacturing industry, the machinery and equipment repair and installation industry;
- ❖ The energy industry component;
- ❖ The water and sanitation industry component;
- ❖ The technical and industrial services component;

With reference to the International Standard Industrial Classification of all economic activities (ISIC) and taking into account the generally accepted definitions [Information and Communication Technologies (ICT) sector as defined by the Organisation for Economic Co-operation and Development (OECD)], **three (03) blocks of activities in industry and services represent the digital or information and communication technologies (ICT) sector**. These are:

- ❖ The manufacture of ICT products;
- ❖ Trade in ICT products and;
- ❖ ICT services.

The non-financial market services sector is organised around ten (10) main branches of activity, namely

- ❖ Trade;
- ❖ Transport and related services;
- ❖ Tourism;
- ❖ Information and communication;

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14

- ❖ Real estate;

- ❖ Research and development;

- ❖ Professional and technical services;

- ❖ Business and household support services;

- ❖ Employment-related services and;

- ❖ Arts, entertainment and leisure.

The financial services sector is made up of two (02) main branches of activity:

- ❖ Financial services and,

- ❖ Insurance services.

It should also be noted that in Cameroon, the institutional perimeter of industry and services includes several ministerial departments, including the Ministry of Small and Medium Enterprises, Social Economy and Handicrafts (MINPMEESA), the Ministry of Mines, Industry and Technological Development (MINMIDT), the Ministry of Trade (MINCOMMERCE), the Ministry of Tourism and Leisure (MINTOUL) and the Ministry of Scientific Research and Innovation (MINRESI).

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15

Figure 1: Segmentation of the Camerounian industry

Source : Auteur

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16
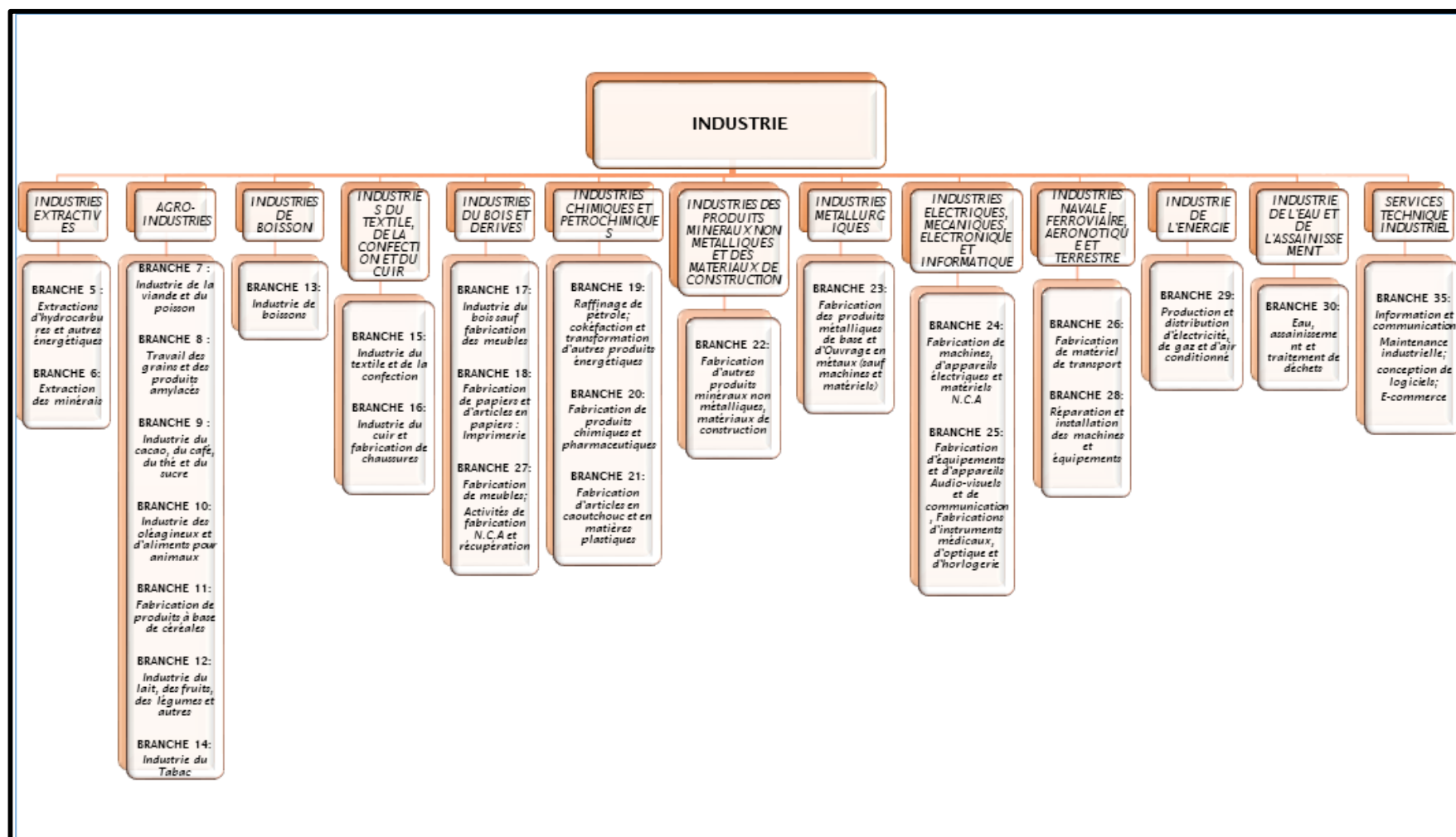
Section 3- WOOD INDUSTRIES

The wood industries, including furniture manufacturing, are, along with paper and paper products manufacturing (printing), the main processing industries for "forestry and logging" products. This industrial sector of wood in Cameroon has evolved considerably since 1994. The end of the 1990s was marked by the beginning of a reform in this sector. This reform aimed at both sustainable forest management and the creation of an efficient industrial wood processing sector. Industrial wood processing capacity increased significantly under the impetus of this law due to the partial ban on log exports enacted by Article 71 of the 1994 Forestry Code and its implementing decree from June 1999. Depending on the degree of processing carried out on logs from forestry operations, a distinction is made between primary, secondary and tertiary wood processing. Our description concerns three (03) branches, namely branch 17 (wood industry except furniture manufacture), branch 18 (manufacture of paper and paper products, printing and publishing), and branch 27 (manufacture of furniture; N.C.A. manufacturing activities and recovery).

3.1. THE INDUSTRY BRANCH OF « WOOD INDUSTRY EXCEPT MANUFACTURING FURNITURE»

3.1.1. DESCRIPTION OF THE BRANCH « WOOD INDUSTRY EXCEPT MANUFACTURE FURNITURE»

The "wood industry except furniture manufacturing" branch of activity is the one that ensures the majority of primary wood processing. In fact, according to the nomenclature of products used by the National Institute of Statistics (INS) in Cameroon, this branch groups together three main products: (i) sawing and wood processing products (sawn timber, impregnated line poles, wooden railway sleepers, sawdust and wood shavings, etc.); (ii) peeling and slicing products (veneer sheets, wood chips, etc.); (iii) wood processing products (sawdust and wood shavings, etc.); and (iv) wood processing products.); (ii) peeling and slicing products (veneer sheets, plywood and panels, etc.); (iii) assembled wood products, wooden articles, cork, basketry and spartan goods (wooden building frames and joinery, wooden doors and windows, parquet panels, wooden counters, beams, joists, staircases, stair railings, shingles, wooden mouldings, etc.)

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17

According to the latest General Business Census (RGE), the wood industry, excluding furniture manufacturing, comprises 655 companies and establishments, employs 8,103 permanent and 383 temporary employees and generates a turnover of nearly 143 billion CFA francs. Among these, ALPICAM and the MBANG industrial company (SIM) were represented in 2010, among the top 100 in terms of turnover.

Main players in the "wood industry excluding furniture manufacturing" sector

Table 1: Main enterprises of the branch "wood industries excluding manufacturing furniture"

Main actors	Location	Capital structure	Products
SOCIETE CAMEROUNAISE DE TRANSFORMATION DU BOIS (SCTB SARL)	YAOUNDE	100% national	Sawn timber and plywood
GREEN VALLEY INC (GVI)	DIBAMBA		Sawn timber
ALPICAM Industries SARL	DOUALA	83.42% private foreign 16.58% private national	Sawn timber
Société Industrielle de Mbang (SIM)	YAOUNDE		Sawn timber
MINDOUROU INDUSTRIAL AND FORESTRY CENTRE (CIFM)	DOUALA	99.8% private foreign 0.2% private national	Sawn timber
STE NOUVELLE DES CONTREPLAQUES DU CAMEROUN (SN COCAM)	DOUALA	59% private foreign 41% private national	Sawn timber and plywood
FOMA ENTREPRISE SARL	DOUALA	100% private national	
CAMEROON VENEERS (PLACAM)	DOUALA	100% foreign private	Plywood
SCIEB SA		100% private national	Sawn timber
MBAM AND KIM SAWMILL (SMK)	DOUALA	100% foreign private	Sawn timber
SOCIETE INDUSTRIELLE ET FORESTIERE DE LA LEKOUNDJE (SFIL)	DOUALA	97% private foreign 3% private national	Sawn timber

Source : Author

3.1.2. SUPPLY IN THE BRANCH « WOOD INDUSTRY, EXCEPT MANUFACTURING FURNITURE »

Industrial wood processing in Cameroon is based on both natural forest resources and on resources regenerated through artificial tree plantations.

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18

With regard to the transformation of natural forests, the meteoric evolution of the demography of companies and establishments in the "wood industry except furniture manufacturing" branch in Cameroon can be explained on the one hand by the log ban policy of stopping log exports and on the other hand by the regulatory measure, in force since the 1990s, of the compulsory creation of a primary transformation unit for each forest concession allocated. These measures have resulted in an almost regular increase in installed processing capacity from 1.2 million cubic metres in 1993-1994 to almost 3 million in 2000 and 2.7 million m^3 on average today. Cameroon has more than 60 sawmills. Nearly 75% of sawn timber is exported to Europe (Germany, Italy) and 5 species represent 70% of exported volumes (**Ayous, Sapelli, Iroko, Azobe, Tali**). However, most of these companies have low installed capacity, estimated at around 30,000 m^3 of logs per year.

The transformation resulting from the industrial exploitation of forest plantations in Cameroon is based exclusively on the production of poles from **Eucalyptus** plantations which, after treatment in impregnation factories (of which there are three in Cameroon, one in Bamoumgoum and the others in Yassa and in the Bassa industrial zone), are used to support electricity transmission lines and telephone wires.

With an almost zero penetration rate evaluated at less than 0.5% since 1993, the supply of products of the "wood industry except furniture manufacturing" branch is purely local. Its production evolves in a continuous way following an increasing trend at a sustained and varied rhythm of about 5.9% on average per year since 1993; 10% over the sub-period 1993 - 2004 and 1.7% over the remaining sub-period. However, there was a downturn in 2008 and 2009 due to the effects of the financial crisis (subprime crisis) and a slight upturn since 2018.

Graph 1: Supply of products of the "wood industry except furniture" branch in Cameroon

Source: Author based on National Accounts data (NSI)

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19
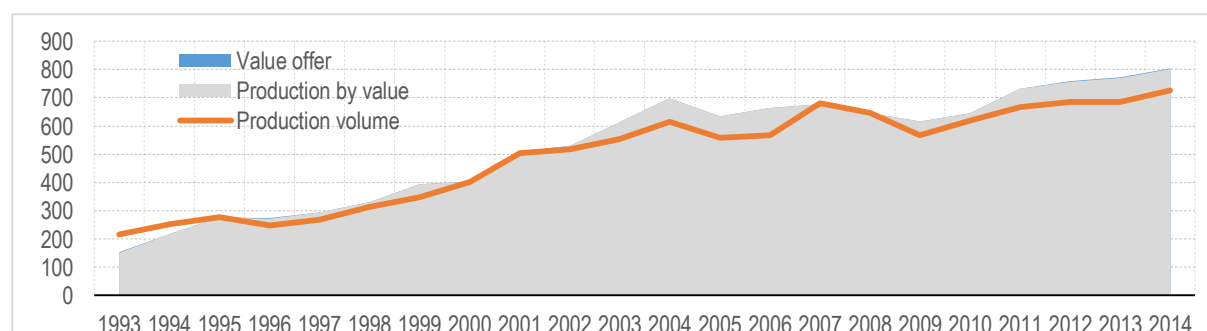
3.1.3. DEMAND IN THE BRANCH "WOOD INDUSTRY EXCEPT MANUFACTURE FURNITURE »

The products of the wood industry (except furniture manufacturing) are mostly demanded as intermediate uses and integrated into the production process of other products and the rest is exported. Those reintegrated into the production system are either as inputs for buildings and public works in major construction works, or for own account as secondary processing of assembled wood products and finally by the "furniture manufacturing" branch. The final consumption of this product is almost nil before 1999, which is the year of implementation of the **log ban** policy, prohibiting partial exports of wood in its raw state.

Two sub-periods mark the rhythm of evolution of the demand for this product according to their use. Over the 1993-2004 sub-period, the growth of external demand is stronger than that of domestic demand (29.5% against 6.9%). This increased the share of exports in overall demand from 10% in 1993 to almost 45% in 2004. In the second sub-period (2005 - 2011), external demand is slowing down while domestic demand continues to grow, but at a slower pace than in the first sub-period. This reduced the share of exports in overall demand by almost 20 percentage points to 26.7% in 2011. In terms of foreign exchange, since 1999, when the **log ban** policy was implemented, processed wood has regularly been the country's second largest source of foreign exchange after oil products. In 1993, products from the "wood industry excluding furniture manufacturing" branch accounted for 2.6% of total export earnings. They accounted for 22.8% in 2004 and have been steadily declining in contribution to foreign exchange earnings since 2005, now standing at around 6.1%.

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20

Graph 2: Evolution of the demand for products of the "wood industry except furniture manufacturing" branch in Cameroon
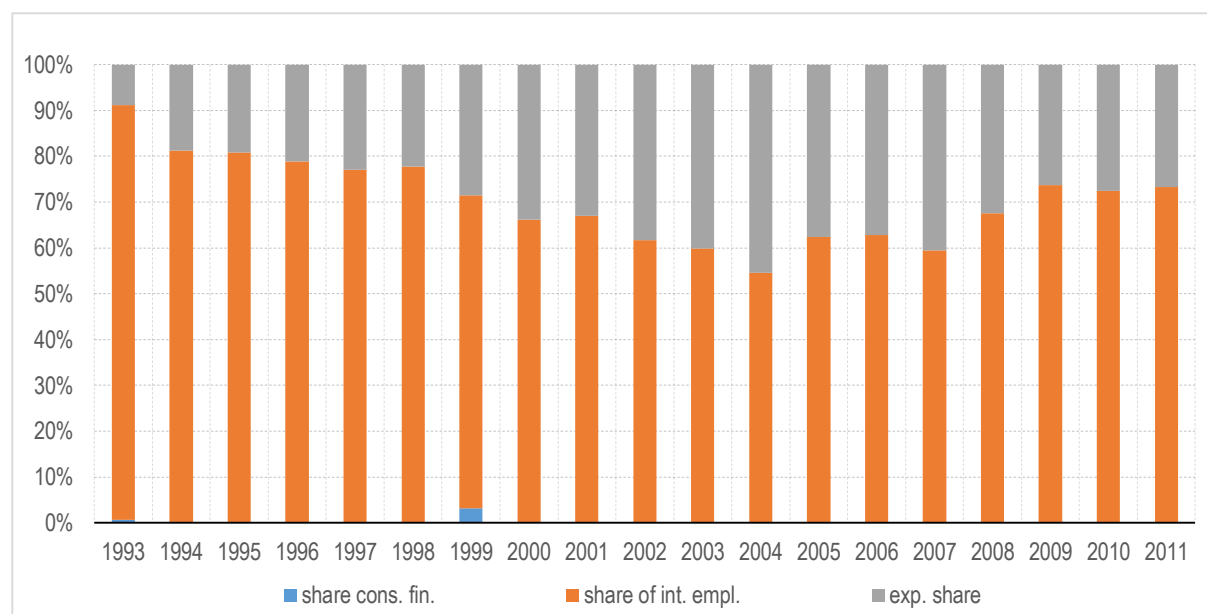
3.2.   THE 'MANUFACTURE OF PAPER AND PAPER PRODUCTS, PRINTING AND PUBLISHING' INDUSTRY

3.2.1.   DESCRIPTION OF THE INDUSTRY 'MANUFACTURE OF PAPER AND PAPER PRODUCTS, PRINTING AND PUBLISHING

According to the results of the latest RGE, the paper industry comprises 488 companies and establishments, employs 3,940 permanent and 464 temporary employees and generates a turnover of FCFA 92 billion. It includes two types of activities: the manufacture of pulp, paper and cardboard and the manufacture of printed or reproduced products on paper or digital media. Pulp, paper and cardboard manufacturing companies produce chemical or mechanical pulps. The various papers and boards constitute four main product categories: graphic papers, packaging papers, household and sanitary papers and industrial and special papers. Companies manufacturing printed or reproduced products produce products such as books, newspapers and periodicals; school and commercial stationery; printing work for the press and other printing products; finishing, binding, typesetting and photoengraving work; audio, video and computer reproduction services, etc.

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21

Table 2: Selected production units in the "Manufacture of paper products, printing and publishing" industry"

Main actors	location	Capital structure	Products
Société de Presse et d'Editions du Cameroun (SOPECAM)	YAOUNDE	100% national public	prints
Imprimerie Nationale (IN)	YAOUNDE	100% national public	prints
Multiprint Serigraphie Sarl (Multiprint H2tx)	DOUALA	100% private national	prints
Societe Industrielle De Traitement De Cellulose (SITRACEL)	YAOUNDE	100% private national	Toilet papers and pads
The Printing And Packaging Company (Printpak	DOUALA		prints
Societe Africaine De Fabrication De Cahiers (SAFCA)	DOUALA	97.55% private national 2.45% private foreign	notebooks
Graphics System Sarl	DOUALA	100% private national	prints
Ste Cam. De Cartonnage & De Fourn. De Ma (SOCARTO)	DOUALA	100% private national	Cartons
Moore Paragon Cameroun Sa (MPC)	DOUALA	100% private national	Cartons
Saint Paul Print and Bookshop	YAOUNDE	100% foreign private	Printed matter

Source: Author based on data from MINFOF, MINMIDT, MINCOMMERCE and INS

3.2.2. SUPPLY IN THE "MANUFACTURE OF PAPER AND PAPER PRODUCTS, PRINTING AND PUBLISHING" INDUSTRY

Since 1986, with the liquidation of the pulp manufacturing company "Cellulose du Cameroun" (CELLUCAM), Cameroon has not had a company upstream of the manufacture of paper, cardboard and paper products. Today, there are no companies involved in the production of paper pulp, and the production of this sector is essentially made up of paper and paper products (paper and cardboard packaging products, newsprint, paper and sanitary towels, and notebooks and notepads). It grew at an average rate of 5.1% between 1993 and 2007, from 52 billion to 110 billion in volume. Nevertheless, this supply is influenced by price variations as demonstrated by the fall in prices during 2004. This drop in prices is mainly due to a

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22

slowdown in demand by the beverage and rubber and rubber products industries. From 2008 onwards, this production boomed to around 200 billion and continues to grow, but at a slower pace than in the previous sub-period. More than three quarters of the overall supply of pulp, paper and paper products in Cameroon is now made up of local production, while imports have seen their share of this supply decline. Indeed, since 2008, the penetration rate of these products has fallen by more than 10 points, from an average level of 35% to almost 23%.

Graph 3: Supply of products in the "manufacture of paper and paper products, printing and publishing" industry in Cameroon
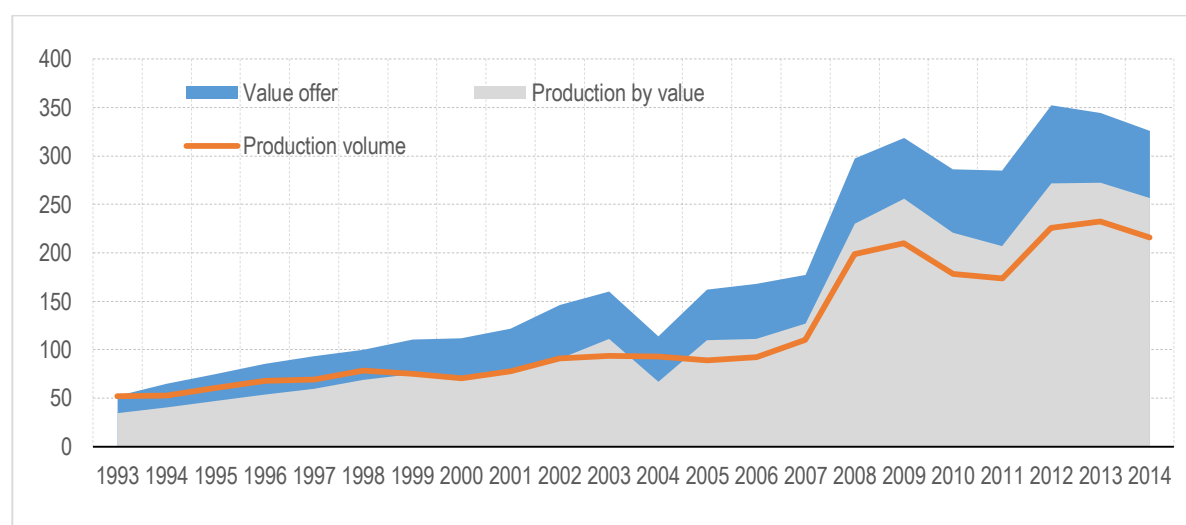
Source: Author based on National Accounts data (NSI)

3.2.3.   DEMAND IN THE INDUSTRY 'MANUFACTURE OF PAPER AND PAPER PRODUCTS, PRINTING AND PUBLISHING

More than 80% of pulp, paper and paper and cardboard products, printing and publishing in Cameroon are demanded by the local industrial fabric, while the rest is used for final household consumption and less than 1% is exported since 2001. Those reintegrated into the production system are demanded by more than half of the branches of activity of the Cameroonian economy (24 branches out of 42 use them as intermediate consumption). This makes this sector of activity a highly integrated sector through sales in the Cameroonian economy. The main user companies are from the industry itself for own-account production purposes. Then there is the education sector for services offered to the education system (notebooks, textbooks, fascicles, etc.), public administrations and service providers (reams of paper) and to a lesser extent for trade and other activities (product packaging).

The following graph shows the evolution of the two main uses of pulp, paper and paperboard products.

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23

Chart 4: Demand in the branch of activity "Manufacture of paper and paper products, printing and publishing
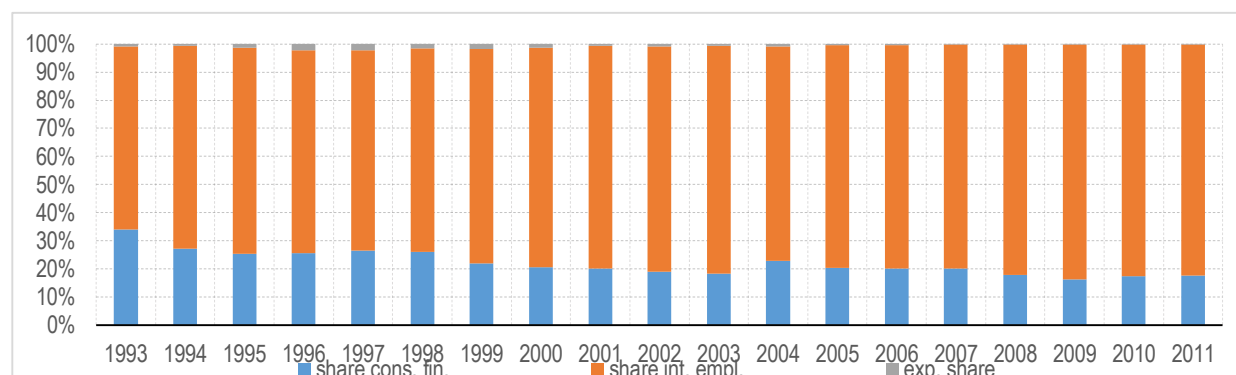
Source: Author based on National Accounts data (NSI)

It can be seen that the demand for paper and paper products for final use by households has been almost constant since 1993. On the other hand, the demand for paper and paper products by companies as intermediate consumption is clearly increasing and follows the rhythm of the industry's production.

3.3. THE "FURNITURE MANUFACTURING, NCA MANUFACTURING AND RECOVERY" BRANCH

3.3.1. DESCRIPTION OF THE BRANCH "FURNITURE MANUFACTURING, NCA MANUFACTURING AND RECOVERY ACTIVITIES

The statistics of the RGE show that the "furniture manufacturing, NCA and recovery activities" branch of activity includes 1,634 companies and establishments, employs 4,743 permanent employees and 557 temporary employees and generates a turnover of CFAF 30 billion. It includes two types of activities, the manufacture of furniture and all other manufacturing activities not listed elsewhere in the nomenclature.

The furniture manufacturing industry covers the manufacture of furniture in all materials. It distinguishes between furniture made of wood and furniture made of other materials and services related to furniture, bed bases and mattresses. This distinction is made for specific needs such as the monitoring of supply chains. The second and third transformations of wood are to a large extent guaranteed by this sector. The other manufacturing activities produce products such as coins and jewellery, musical instruments, sports articles, games and toys, etc.

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24

Table 3: Some players in the furniture manufacturing industry

Main actors	Location	Capital structure	Product
MENUISERIE ALUMINIUM DU NORD (MAN)	GAROUA		
MOSS AND DERIVATIVES OF CAMEROON (MDC)	DOUALA		Mattresses, foams
CEB MEUBLERIE SARL		50% private national 50% foreign private	Furniture
DECORATION ETUDES BRIKAS SARL (DEB SARL)		100% foreign private	

Source: Author based on

MINFOF data

3.3.2. THE OFFER OF THE BRANCH "FURNITURE MANUFACTURING, NCA MANUFACTURING ACTIVITIES AND RECOVERY

The production of furniture and N.C.A. articles has evolved with a continuous growth rate of 5% on average between 1993 and 2014, increasing in volume from 104 billion to 290 billion. This production constitutes the major part of the supply of these products, whose penetration rate has remained stable at 6% since 1993 before increasing by almost 3 points from 2013. The value added created by the sector has hovered around 1.5% of GDP since 1993 and the sector is ranked fourth among the 21 industrial sectors in terms of wealth created.

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25

Chart 5: Supply-side developments in the "furniture manufacturing, NCA manufacturing and recovery" industry
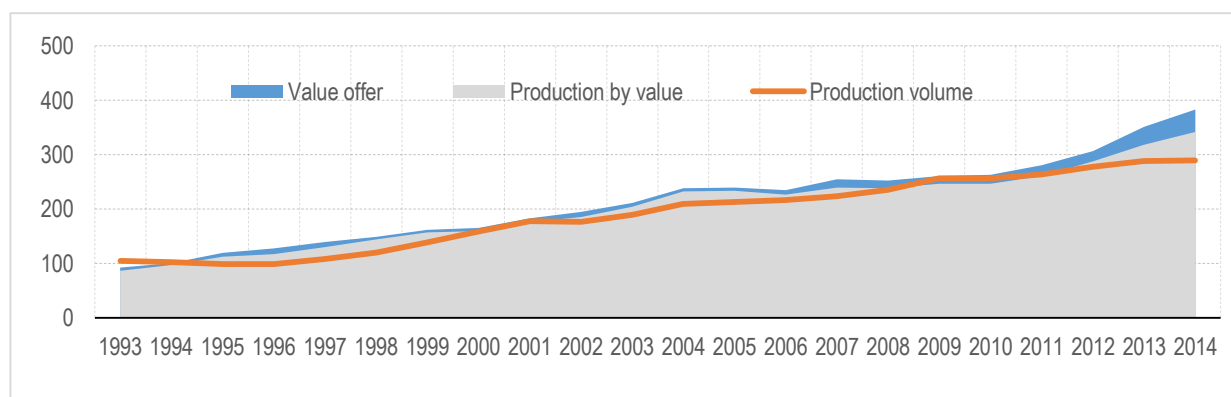
Source: Author based on National Accounts data (NSI)

The local furniture manufacturing market in Cameroon corresponds mainly to the production of small-scale furniture, which is largely carried out today by small artisanal structures. A few units are well equipped and equipped, while most work in the informal sector. Since the mid-1990s, the sector has been involved in the form of integration within primary processing companies. The trend is to gradually add drying cells and industrial joinery lines to existing sawmills.

3.3.3. DEMAND IN THE "FURNITURE MANUFACTURING, NCA MANUFACTURING AND RECOVERY" SECTOR

The demand for furniture and N.C.A. articles in Cameroon is more than 50% dominated by households as final consumption. In addition to this household demand, there are companies, mainly those operating in the branches of furniture manufacturing themselves as intermediate consumption for their own account, transport, trade, fishing and fish farming and public administrations. There is also an investment demand, essentially made up of furniture, which amounts to more than 20%. The remainder, which is very low, constitutes external demand, which has been evaluated at a maximum of 0.5% since 1993.

CONCLUSION

At the end of this chapter, we note that from the point of view of the GVC, the "**forestry-wood" value chain** in industry and services is the "**wood and wood products"** component**, where we distinguish**

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26

between the wood industry, excluding furniture manufacturing, the manufacture of paper and paper products, printing and publishing, furniture manufacturing and NCA manufacturing and recovery activities. However, the "**wood value chain**" also includes the **"forestry and logging"** link.

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27

CHAPTER 3 : OVERVIEW OF THE « FORESTERY AND WOOD » SECTOR IN CAMEROON

INTRODUCTION

This chapter looks at the structure of the Cameroonian economic and highlights the position of the **« forestry-wood »** sector, as well as the institutional framework within which the activities of the various level in the value chain of this sector are carried out.

Section 1- FRAMEWORK OF THE CAMEROONIAN ECONOMY

The elaboration and conduct of economic policy in Cameroon have not always been homogeneous even before its independence in 1960 until this year 2022. It should be noted that from 1955 to 1959, the Republic of Cameroon undertook a first economic programme under the prism of the Investment **Fund for the Economic and Social Development of the Overseas Territories (FIDES)**, but which unfortunately did not come to fruition due to the socio-political climate of that time. Subsequently, Cameroon entered into a strategy of Industrialisation by Import Substitution (ISI). This ambition is expressed through 6 five-year plans. At independence, Cameroon was essentially an agricultural country with a manufacturing sector representing only about 7% of the Gross Domestic Product (GDP) and providing 3% of jobs on the labour market. In this section, we choose the 1993-2018 period as our main time frame because this period corresponds to a period between two major shocks, namely the monetary shock that led to the devaluation of the African Financial Community (AFC) franc and the health shock of the Coronavirus-19 (Covid-19) epidemic.

Overall, over the period 1993-2018, the average real growth rate of the Gross Domestic Product (GDP) is around 4.196%, with the primary sector contributing 3.936%, the secondary sector 3.384% and the tertiary sector 4.856%. However, from 2014 onwards, the secondary sector tends to have more vigour as the main engine of economic growth. There has also been an upward trend in activity in the primary sector (agriculture, livestock and hunting, forestry and logging, fishing and fish farming), where the majority of production/processing units are essentially small and very small and fall within the informal economy, the underground economy or operate as individual entrepreneurs.

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28

Chart 6 Real GDP growth rate by sector from 1993 to 2018 (%)
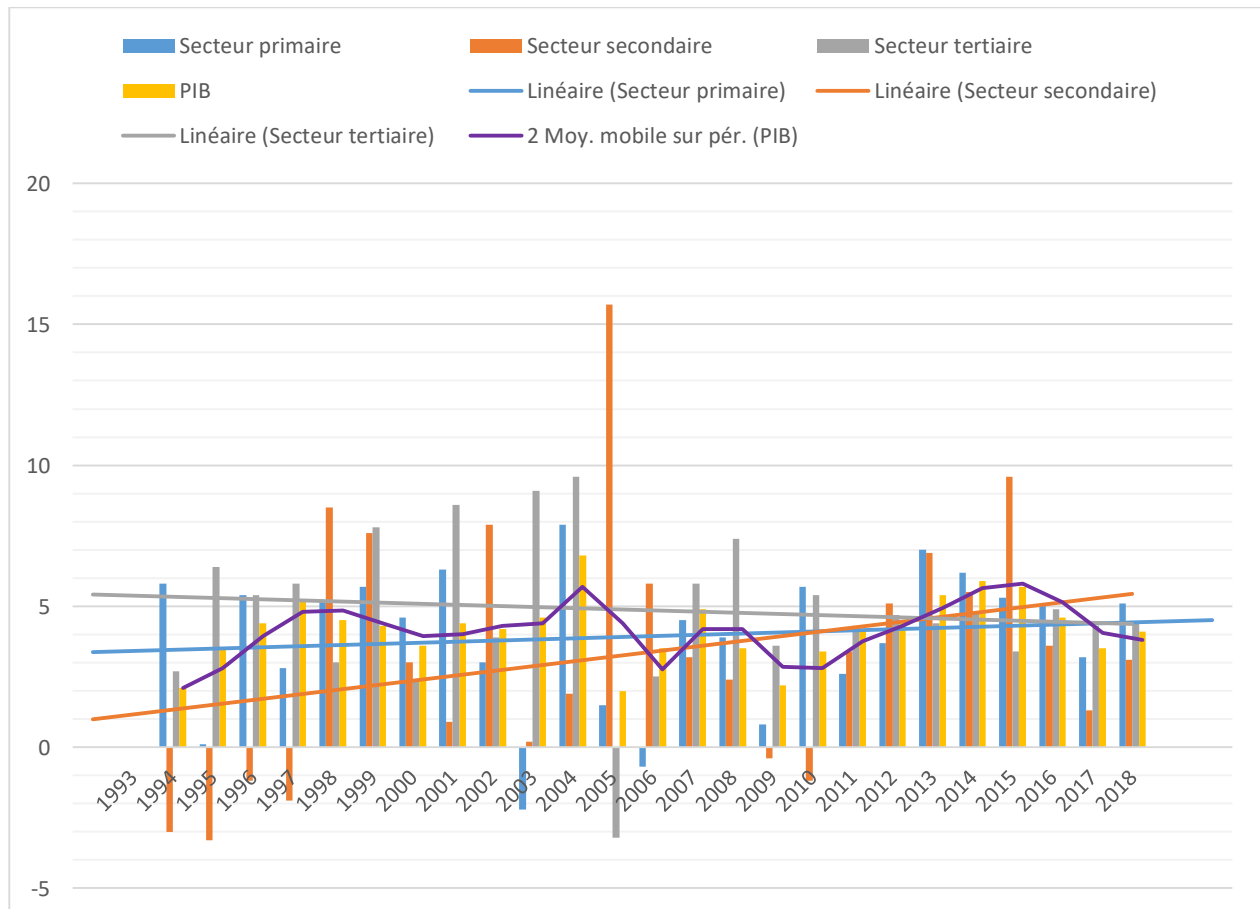
Source: Author based on data from the National Accounts (INS) and the Ministry of the Economy, Planning and Land Management (MINEPAT)

In the primary sector, agriculture, which accounts for more than 70% of the labour force of the entire national economy, has a rather sluggish trend with an average contribution of around 3.36% over the period 1993-2018; this is much lower than the average contribution (10.048%) of the "forestry and logging" branch of activity, where there is essentially Foreign Direct Investment and therefore the value added is subsequently repatriated to the investors' countries of origin.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

29

Chart 7 Real GDP growth rate by industry in the primary sector from 1993 to 2018 (%)

Legend: Agriculture · Elevage et chasse · Sylviculture et exploitation forestière · Pêche et pisciculture · Secteur primaire
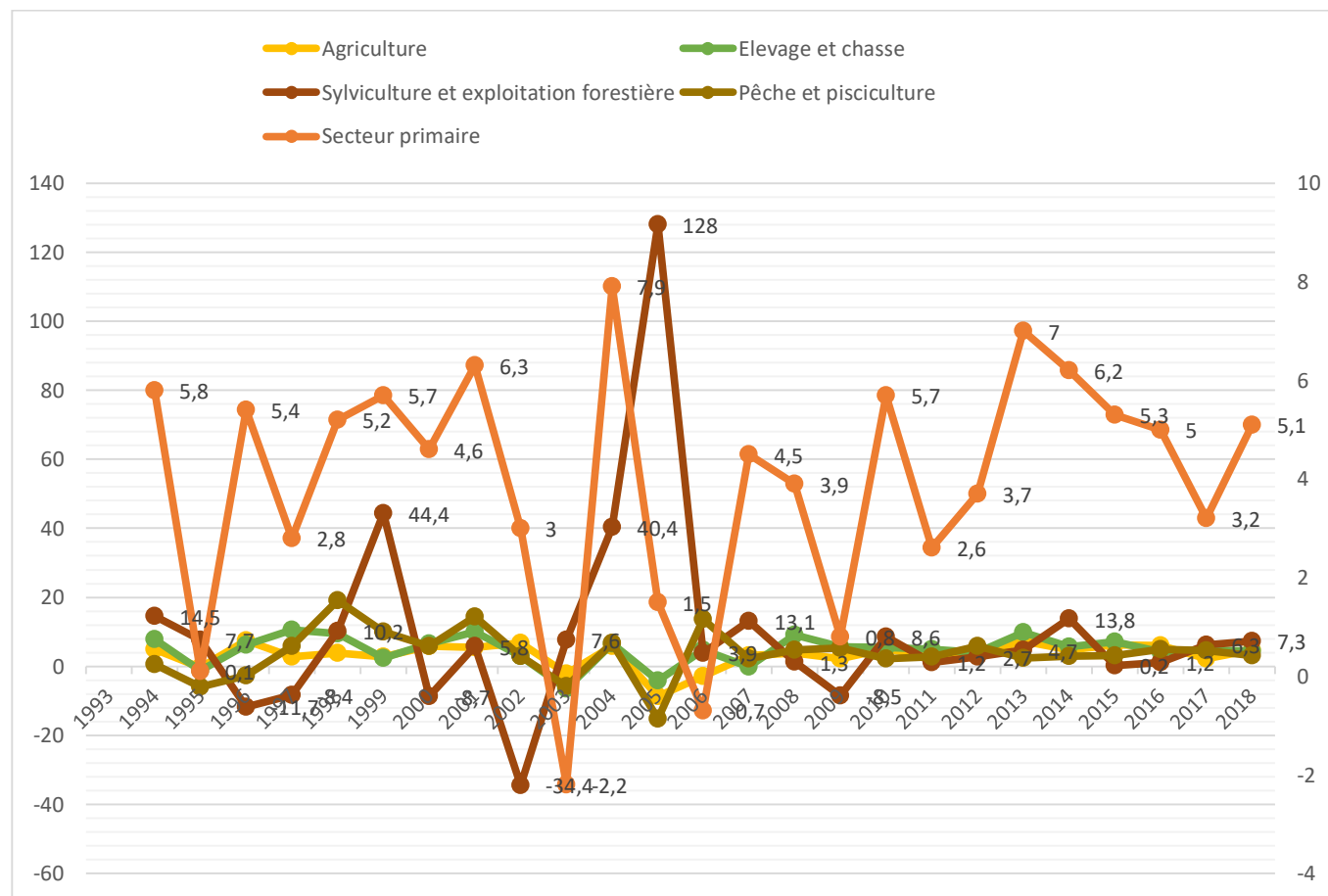
Source: Author based on National Accounts (INS) and MINEPAT data

The secondary sector is characterised by the driving role of industries such as "Construction and Public Works" and "Mining and quarrying", followed by the "Food industry". At a time when the Circular Economy (waste management, renewable energy production, etc..) as stipulated in the post-2015 development agendas [National Development Strategy (DSCE2), Regional Economic Programme (PER-CEMAC), Sustainable Development Goals (SDGs-2015), African Union Agenda-2063 (AU-2063)], one would expect industries such as water and sanitation production and distribution, and to some extent electricity production and distribution, to make more significant contributions. For example, in order to reach 25% of the energy mix and reduce the emission of greenhouse gases, the threshold of which is set at 32% by the Strategic Vision 2035, it is recommended to develop the activities of the Circular Economy in Cameroon, where there are mainly Very Small and Small Enterprises.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

30

Chart 8 Real GDP growth rate by industry in the secondary sector between 1993-2018 (%)
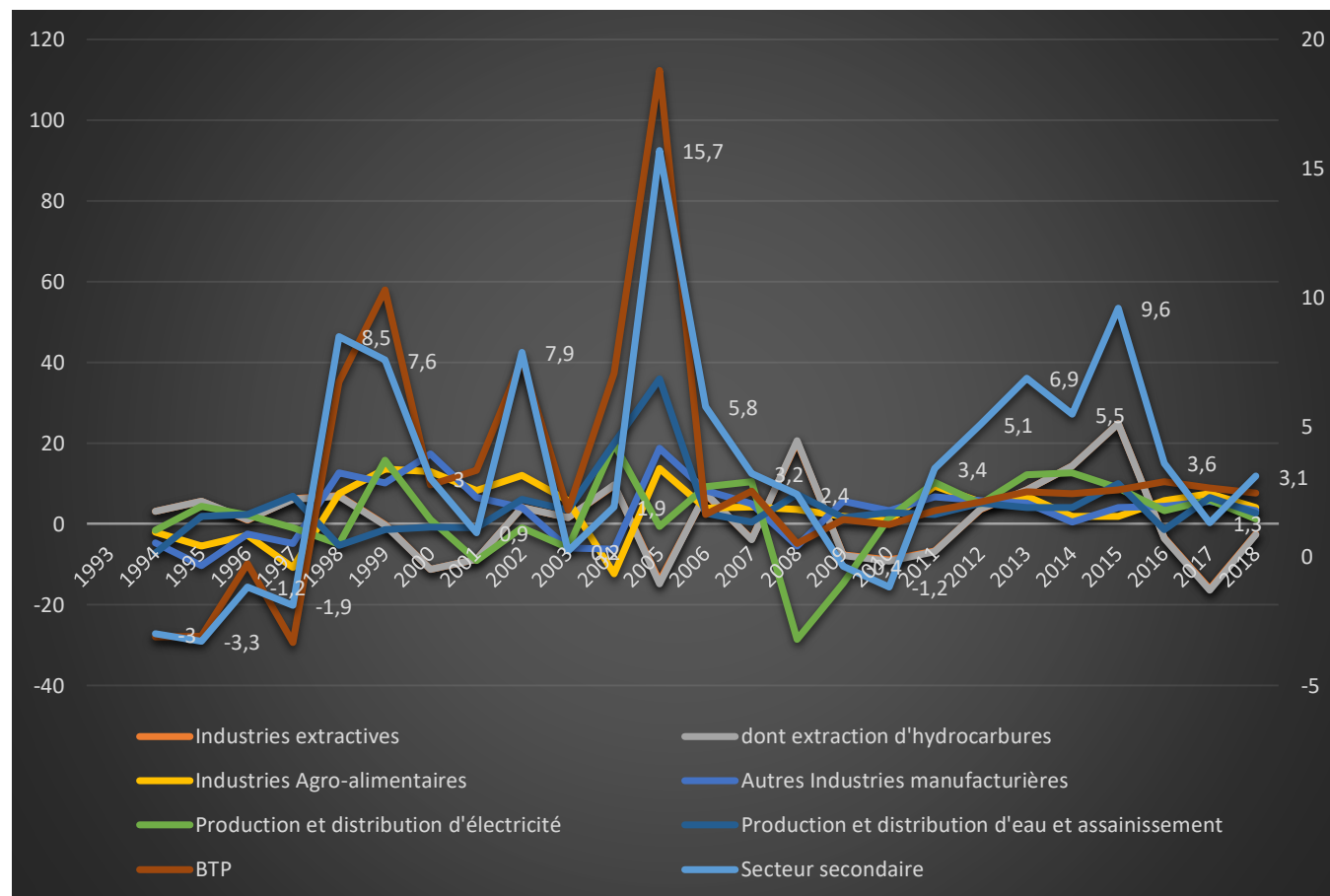
Source: Author based on data from the National Accounts (INS) of the Ministry of the Economy, Planning and Land Management (MINEPAT)

Developing the Circular Economy in Cameroon also means creating an Economy that enables socio-economic development and environmental preservation. The development of new biomass recovery techniques (household, market and sawmill waste) contributes to the reduction of pressure on forests. Innovative biomass recovery techniques, which are in full expansion in both rural and urban areas of Cameroon, but suffer from structural shortcomings at various levels, contribute in the medium term to industrial energy production with low greenhouse gas emissions into the atmosphere. These projects are alternative solutions to the lack of energy for production units in the secondary sector.

As far as the **tertiary sector is concerned**, the branches of activity "information and telecommunications", "transport, warehousing and communication", "banks and financial

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31

institutions" constitute the main ones. It should be noted, however, that this sector is essentially home to Foreign Direct Investment. The era of the digital economy is an opportunity to create appropriate conditions (economic, legal and cognitive infrastructures) to facilitate the installation of local entrepreneurs in certain segments that are not very constraining in this sector.

Chart 9 *Real GDP growth rate by service sector industries 1993-2018 (%)*
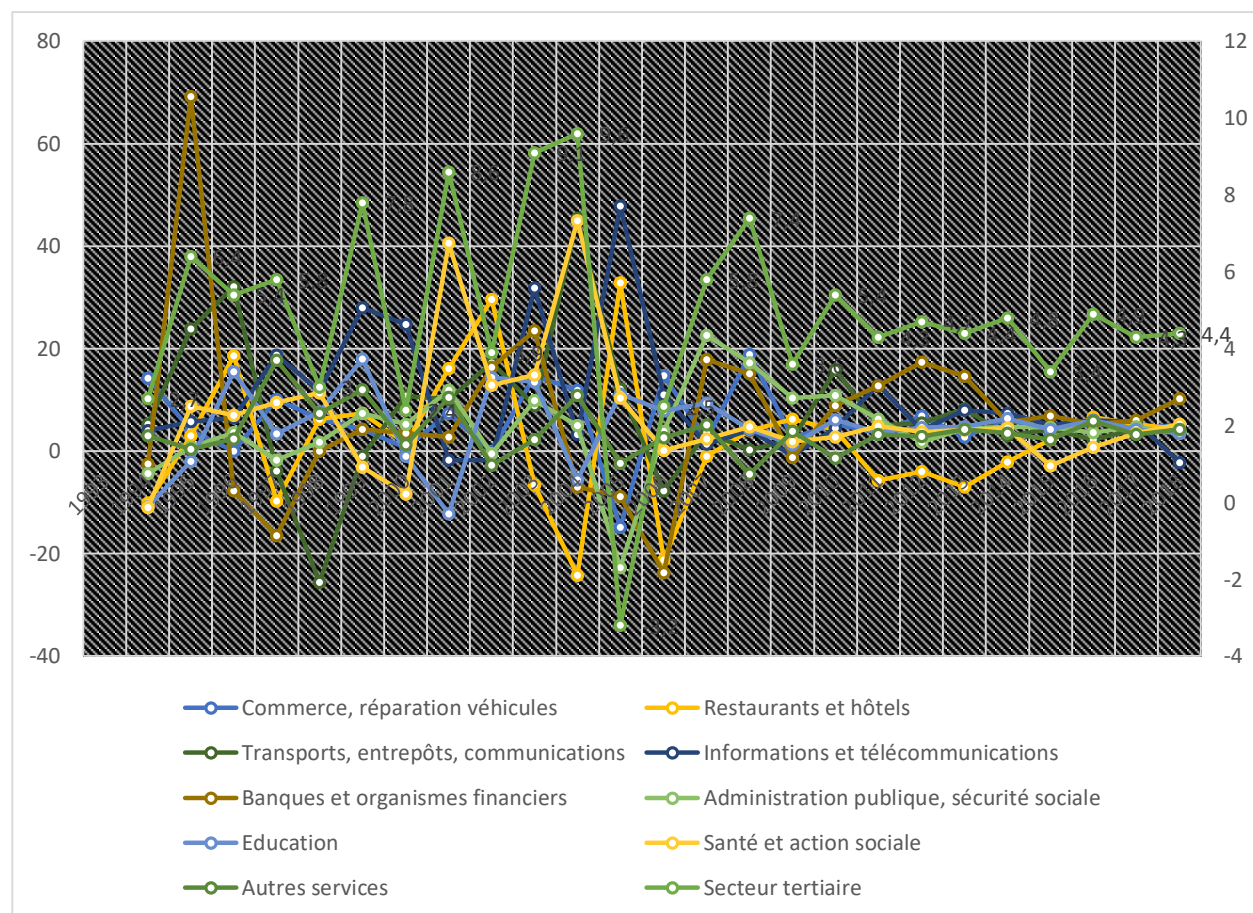
Source: Author based on National Accounts (INS) and MINEPAT data

In 2019, the national economy is evolving in a sufficiently gloomy international environment, characterised by the slowdown in global growth, uncertainties about trade and the fall in the price of exported products, particularly crude oil. At the national level, the persistent insecurity in some localities in the Far North because of the Boko Haram terrorist sect, the socio-political crisis in the North West and South West regions and the fire at SONARA at the end of May 2019 also had a

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32

negative impact on economic activities. The real GDP growth rate slowed to 3.7% in 2019 after 4.1% in 2018.

Table 4Change in gross real GDP by sector of activity (%)

Libelle	Quarter3-2018	T4-2018	T1-2019	T2-2019	T3-2019	T4-2019	Year 2019
Primary sector	**11,9**	**3,1**	**3,4**	**3,2**	**2,8**	**2,4**	**2,9**
Agriculture of food products	5,0	4,8	4,5	3,4	2,4	3,8	3,4
Industrial and export agriculture	38,4	-2,3	-3,2	13,4	2,7	4	4,2
Livestock, hunting and fishing	4,0	4,5	5,5	5,8	5,4	4,3	5,2
Forestry and logging	5,7	10,7	2,7	-6,2	2,1	-6,7	-2,2
Secondary sector	**4,7**	**6,9**	**6,2**	**5,1**	**4,5**	**5,1**	**5,2**
Extractive Industries	5,8	6,2	14,2	4,7	4,9	9,2	8,1
...... of which hydrocarbon extraction	5,9	6,2	14,4	4,7	4,8	9,3	8,2
Food and beverage industries	7,4	1,8	3,8	2,0	1,2	3,9	2,7

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33

Other Manufacturing Industries	1,2	8,3	4,1	8,5	6,5	2,8	5,6
Electricity	5,5	-2,6	8,1	-1,6	-3,8	-0,7	0,5
Water and Sanitation	1,6	4,6	2,3	2,9	1,0	2,8	2,3
BTP	5,8	14,4	5,3	5,5	6,1	6,4	5,8
Tertiary sector	**9,5**	**-0,3**	**2,7**	**5,1**	**3,6**	**3,5**	**3,8**
Trade and repair	4,2	4,9	6,2	5,6	4,6	4,3	5,2
Transport	2,3	3,1	5,8	6,6	4,9	4,6	5,5
Information and communication	-5,1	1,7	3,1	-1,0	5,4	5,6	3,3
Hotels and restaurants	4,1	5,3	3,1	2,8	3,8	4,5	3,6
Financial services	11,8	13,8	7,5	4,3	2,6	0,3	3,6
Public administrations	29,9	-12,9	-6,8	6,2	1,8	1,5	1,0
Other market services	5,5	2,5	4,0	4,1	3,5	4,3	3,9
Total Values Added	**8,5**	**2,1**	**3,9**	**4,8**	**3,7**	**3,8**	**4,0**

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34

Net taxes on products	0,2	2,2	-0,2	-0,1	2,2	3,6	1,4
GDP	**7,9**	**2,1**	**3,6**	**4,5**	**3,6**	**3,8**	**3,9**

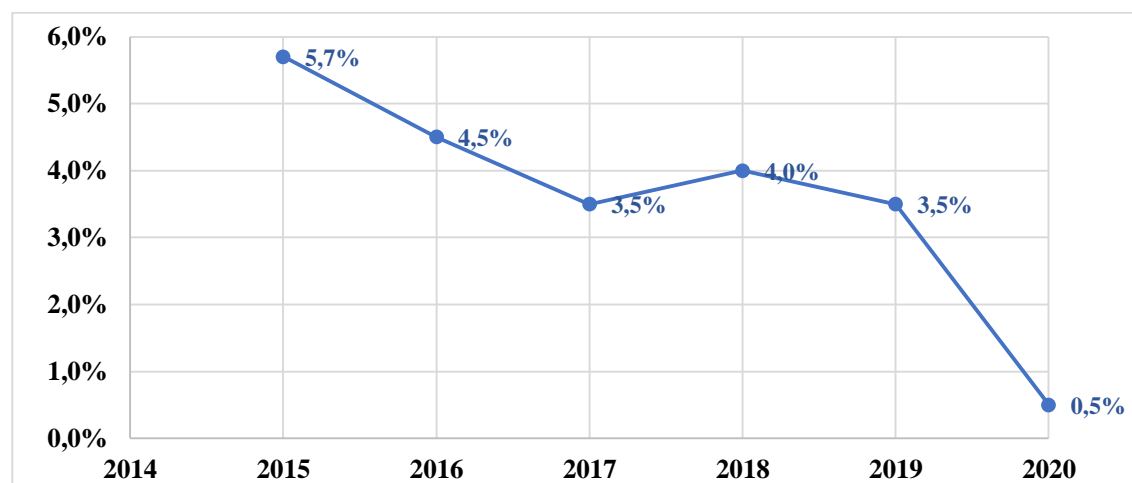Source: Author based on National Accounts data (NSI)

The national economy lost 0.4 percentage points of growth in 2019, to 3.7% after 4.1% in 2018. This slowdown is due to the decline in the pace of activity observed in the tertiary sector (3.0% after 4.4%) and the primary sector (2.8% after 5.1%) in 2019. In contrast, the secondary sector is recording renewed growth: 4.9% after 3.1% in 2018. This improvement in the secondary sector is mainly due to the good performance of the hydrocarbon extraction sector, which recorded an increase of 8.5% in 2019, after three consecutive years of decline, including -2.7% in 2018. Excluding oil, the slowdown in activity is more pronounced at 3.5% in 2019 after 4.4% in 2018. The growth rate in the primary sector stands at 2.8% in 2019 after 5.1% in 2018. This development is mainly due to the slowdown in the food-producing agricultural sector (3.3% in 2019 after 5.1% in 2018) and the decline in forestry and logging activities (-2.7% in 2019 compared with 7.3% in 2018).

With the health crisis and the **Economic and Financial Programme (EFP) signed with the International Monetary Fund (IMF) under the Extended Credit Facility (ECF)** for Growth, one of the objectives of which is to remove obstacles to the transformation of economic structures, inclusive economic growth and financial inclusion, the outlook in terms of competitiveness is rather uncertain and gloomy overall. Economic growth is tending to reverse in all areas of activity, but with variations from one sector or even one industry to another. For example, the forestry, agricultural export, petroleum, industrial, construction and public works (BTP), and services (tourism, trade, hotels) sectors are strongly impacted by the reduction in exports, the supply of inputs and goods, and the drop in the number of tourists to Cameroon.

The COVID-19 health crisis is affecting the country's economy in a number of ways, including: a fall in the price of domestically produced commodities (mainly oil and timber) combined with an overall decline in demand for these products; the freezing or postponement of Foreign Direct Investment; and instability in regional and international financial markets, which would make access to finance more expensive. If the crisis persists, it could reduce growth, generate a severe shock to public finances and erode the country's internal and external accounts.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

35

It should also be noted that in 2020, national economic activity experienced a sharp slowdown with a GDP growth rate estimated at 0.5% compared to 3.5% in 2019. This slowdown is explained in particular by the advent of the COVID-19 pandemic, which led to a drop in trade and a disruption of economic activity, due to the containment measures taken by countries to contain the spread of the disease. In addition, the volume of exports of goods and services fell by a significant 15.2%. They contribute negatively to GDP growth by 3.0 percentage points in 2020; a loss of 5.1 percentage points compared to 2019. Similarly, imports in volume of goods and services contract by 17.2% in 2020 and contribute positively to GDP growth by 4.0 percentage points. Investment expenditure falls by 5.3% and this contraction is due to its public component, which has been crowded out by the budgetary arbitrages carried out to deal with the health crisis. Furthermore, consumer spending will slow in 2020 (+0.5% compared to +4.0% in 2019). This deceleration can be observed in both private and public consumption. They will contribute 0.4 points to GDP growth in 2020.

Figure 2 Evolution of the economic growth rate in Cameroon between 2014-2020

 Source: Author based on National Accounts data (NSI)

The slowdown in national economic activity in 2020 is attributable to the tertiary sector (+0.6% compared with 3.1% in 2019) and the primary sector (+0.6% compared with 3.9%). The secondary sector has remained resilient in the face of the pandemic in Covid-19 (+3.2% after 3.8%). Moreover, the secondary sector is the main engine of growth in 2020. Indeed, this sector has a contribution of 0.8 points to GDP growth. Next comes the tertiary sector with 0.3 points and the primary sector (0.1 points).

Figure 3 Contribution of sectors to real GDP growth between 2015-2020
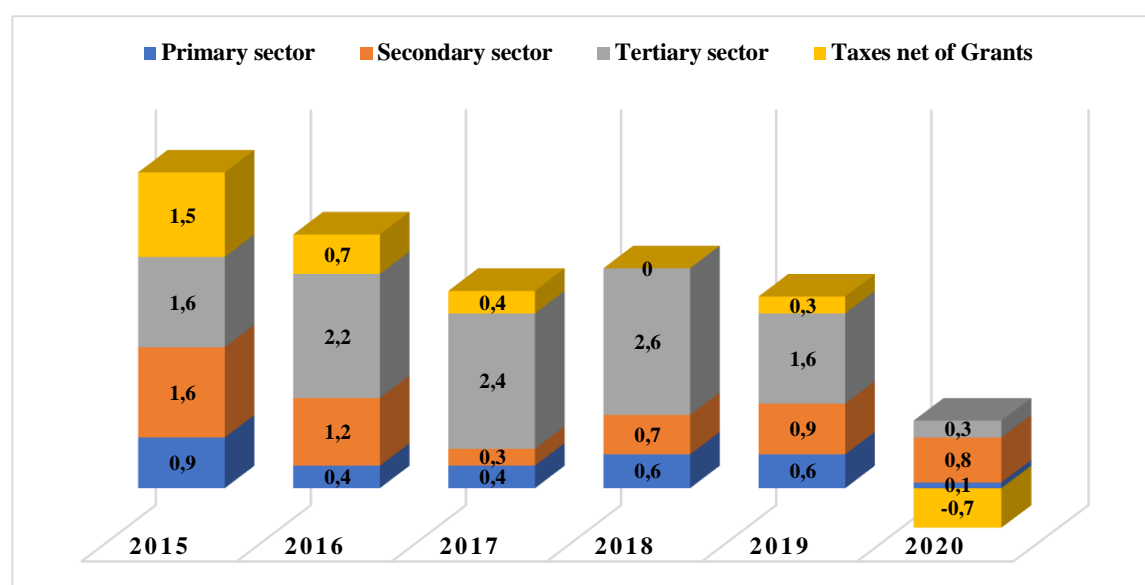
Source: Author based on National Accounts data (NSI)

Activity in the primary sector declines with growth of +0.6% in 2020 after 3.9% in 2019. The main driver of activity in the primary sector is agriculture with a contribution of 0.1 points, followed by livestock and hunting (0.1 points) and **forestry and logging** (-0.1 points**). Forestry and logging" is the only branch that contributes negatively to the overall growth of the economy. This underperformance is attributable to the decline in external demand for logs, accentuated by the outbreak of the COVID-19 pandemic**. **Despite the stagnation in secondary sector activities**, the building and public works (BTP) sector continues to support secondary sector growth. It contributes 0.4 percentage points to the overall growth of the national economy. The agri-food industries show a growth of +3.6% after 2.4% in 2019, and contribute 0.2 points to overall growth. With the exception of the cocoa, coffee, tea and sugar industry (-2.4% compared with +4.9%) and the milk, fruit and vegetable industry (-7.7% compared with 3.0%), which showed negative developments in 2020, all other sub-sectors experienced positive developments. The "Other manufacturing industries", evolve by +0.9% in 2020 (after +0.1% in 2019), and their contribution to growth is +0.1 point. This performance is explained by the good performance of the textile and clothing industries (+11.6%), **wood industries except furniture manufacturing (+10.6%)**, manufacturing of other non-metallic mineral products (+9.4%) and manufacturing of

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37

basic metal products (+7.5%). **The slowdown in activity in the tertiary sector** is due to the remarkable decline in activity in the "Accommodation and restaurants" (-6.4% against 4.2% in 2019) and "Transport and storage" (-1.3% against 4.1% in 2019) branches, under the effect of the containment linked to the health crisis. On the other hand, information and telecommunications (5.5% after 1.6%) and banking and financial institutions (3.8% after 3.2%) positively supported the tertiary sector during 2020.

In sum, the economic outlook in 2022 remains largely dependent on the scale and duration of the crises, the most recent of which is the military and diplomatic tension between Russia and Ukraine in Eastern Europe. The persistence of the Boko Haram security crisis in the northern part of the country and the socio-political tensions in the north-western and south-western regions are affecting the economic situation, with the transport, hotel, telecommunications and cash crop sectors suffering significant material and financial losses**.** At local level, the economic context is marked by a Gross Domestic Product (GDP) growth rate of 3.5% in 2021, compared with 0.5% in 2020 and a forecast of 4.1% in 2022, inflationary pressures on essential products, the rising cost of industrial inputs and the fragility of the financial infrastructure in view of technological advances and the emergence of new methods of financing economic activity in the face of a monetary and financial system undergoing major changes in the Central African sub-region. In 2022, we are witnessing the hardening of economic conditions throughout the world and the installation of SMEESA at various levels of the local wood processing value chain is likely to release the economic potential of this sector, the development of which significantly contributes to the transformation of the structures of the national economy.

Section 2- THE "FORESTRY AND WOOD" SECTOR IN THE NATIONAL ECONOMY

In Cameroon, the most representative segments of this sector are: forestry or logging, processing, wood transport, export and marketing. Overall, the contribution of the timber sector to national wealth has remained almost stable over the period 2011-2018. Indeed, it represents an average of 5.3% of GDP over this period. Moreover, the **"forestry and logging"** branch is the one that carries the most weight in the **forest-based** sector with a high contribution of 40.7%. On the other hand, the lowest contribution is recorded by the **paper** and **paper products manufacturing** branch (7.4%).

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38

Table 5 Share of the forest-based sector in GDP

Wording	2011	2012	2013	2014	2015	2016	2017	2018
Forestry and logging	2,2%	2,2%	2,2%	2,3%	2,2%	2,1%	2,2%	2,3%
Wood industries except furniture manufacturing	1,9%	1,8%	1,9%	1,7%	1,7%	1,8%	1,7%	1,8%
Manufacture of paper and paper products	0,4%	0,4%	0,4%	0,3%	0,3%	0,3%	0,3%	0,2%
Manufacture of furniture, manufacturing activities	1,2%	1,2%	1,3%	1,3%	1,3%	1,2%	1,3%	1,3%
Of which Furniture manufacturing	0,9%	0,9%	1,0%	1,0%	1,0%	0,9%	1,0%	1,0%
Wood sector	**5,4%**	**5,3%**	**5,4%**	**5,3%**	**5,2%**	**5,1%**	**5,2%**	**5,3%**

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39

Gross Domestic Product	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %

Source: Author based on National Accounts data (NSI)

With regard to Cameroon's exports, the weight of exports from the **forestry and wood** sector has undergone contrasting developments between 2011 and 2018. After a period of slight decline (2012-2015), there was an upward trend in the share of the timber sector in exports, which rose from 10.5% to 15.6%. This increase is attributable to forestry products, particularly logs, which rose from CFAF 34.2 billion in 2016 to CFAF 138.9 billion in 2017 and CFAF 156.3 billion in 2018. Despite the increase in the export tax on timber in the form of logs (30% in 2018 compared with 20% in 2017), exports to China and Germany have increased substantially.

Table 6 Share of the forest-based sector in exports

Wording	2011	2012	2013	2014	2015	2016	2017	2018
Forestry products (in billions of FCFA)	37,3	37,3	29,3	34,3	36,8	34,2	138,9	156,3
Woodworking products and wooden articles (in billions of FCFA)	211	245,2	237,1	241,3	250,8	300,7	321,7	346,2
Paper and cardboard; published and printed products (in billions of FCFA)	10,2	10,6	7,1	2,7	1,9	1,6	5,8	1,7
Furniture, Div. Industries and Sce	1	1,4	2,1	1,8	2,2	2,2	2,5	2,4

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40

products (in billions of FCFA)								
Of which wooden furniture (in billions of FCFA)	0,7	1,1	1,6	1,4	1,7	1,7	1,9	1,8
Wood sector (in billions of FCFA)	259,3	294,2	275	279,7	291,2	338,3	468,2	506
Weight in exports (%)	9,7%	10,6%	9,5%	9,2%	9,0%	10,6%	14,8%	15,7%
Total Exports (in billions of FCFA)	2 679	2 766	2 881	3 033	3 226	3 205	3 154	3 228

Source: Author based on National Accounts data (NSI)

Figure 4 Development of the forest-based sector's share of GDP and exports

Source: Author based on National Accounts data (NSI)

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41
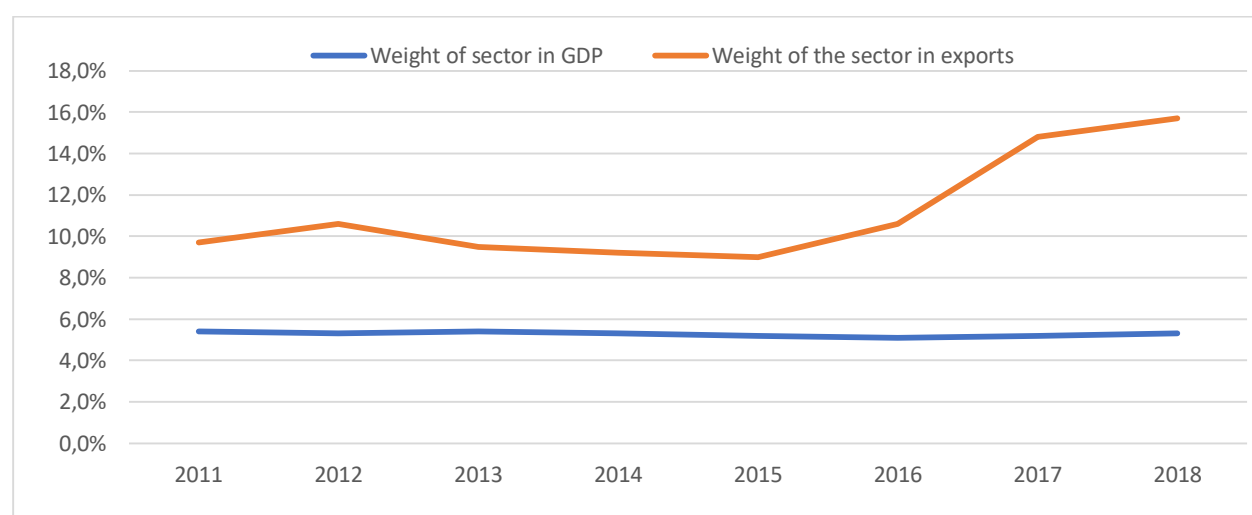
Section 3- THE VALUE CHAIN OF THE FORESTRY AND WOOD SECTOR IN THE NATIONAL ECONOMY

In Cameroon, the timber production chain is segmented into several branches of activity, namely forestry or logging, timber processing, timber transport and timber trade.

3.1. FORESTRY OR LOGGING

This industry is part of the primary sector. It involves loggers whose main activity is to cut down trees with a view to transporting them to a recovery site. Economic operators in this segment of the industry have access rights to the woody forest resource according to the forestry legislation in force in Cameroon (Law n° 94/01 of 20 January 1994 and the application Decree n° 95/535 of 23 August 1995 laying down the modalities for the application of the forestry regime). Hiolhiol F and Assembe M. (2020) carried out a study on the state of play of private sector actors in the forestry-wood sector in Cameroon. **This study identified numerous logging titles including ninety-three (93) forest concessions, thirty-eight (38) communal forests, one hundred and forty-two (142) timber sales**. **This study also indicates that these forestry titles are managed by fifty-nine (59) large international or national companies and forty-six (46) medium-sized national companies.**

Data from the Annual Business Survey (ABS, 2019) show that the **"forestry or logging"** sector was quite dynamic between 2016 and 2018. Indeed, the quantity and the total turnover of logs have continued to grow during this period. In 2018, however, the quantity of exported logs fell sharply; the share of exports in quantity fell by 13 percentage points to 8%.

Table 7 Distribution of logging operations' production of logs

Wording	Year		
	2016	**2017**	**2018**
Quantity of wood in logs (in m3)	2 575 489	2 638 749	6 587 524
Quantity of logs exported (in m3)	543 166	613 990	495 149

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42

Share of exports in quantity (%)	21%	23%	8%
Total turnover of logs (in thousands of CFA francs)	26 398 528	27 634 338	46 576 305
Export turnover of logs (in thousands of CFA francs)	13 242 445	15 969 621	29 967 215
Share of exports by value (%)	50%	58%	64%

Source: Author based on data from the Annual Business Survey -ABS- (NSI, 2019)

3.2. WOOD PROCESSING

Cameroon's forestry industry was severely affected by the international financial crisis of 2008, which led to a global economic crisis. Most countries in the Congo Basin subsequently experienced a drop in demand (around 10%) and prices (between 30 and 40%) and several logging sites and processing plants temporarily ceased operations. The drop in demand particularly affected the lesser-known and lesser-marketed species, known as promotional species. The decline in demand and prices has caused operators to seek refuge in the safer species. Generally speaking, promotional species are in demand when markets are buoyant and prices are high for traditionally sought-after species such as **Sapelli**, **Sipo**, **Okoumé**, **Ayous**, etc. With demand high, promotional species will find buyers looking for cheaper wood and alternative species to meet the mid-range demand for tropical woods.

Wood processing consists of several activities including sawing and processing of wood, carpentry and joinery of wooden buildings, furniture manufacturing and manufacture of paper and paper products. This branch is part of the secondary sector. In Cameroon, this activity is carried out by companies approved by the Ministry of Forests and Fauna (MINFOF), under the name of Wood Processing Units (UTB). **Wood processing takes place mainly at two (02) levels**. At the first level are sawn timber, peeled veneer, plywood, sliced veneer, panels, paper pulp and coal. At the second level, the products resulting from the transformation are packaging, parquet, furniture and paper and cardboard.

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43

There are about two hundred and three (203) Wood Processing Units (WTUs) installed in Cameroon, of which forty-eight (48) are of the first category, ninety-three (93) of the second category and sixty-two (62) of the third category; this is for all the by-products of wood processing.

3.2.1.   SAWING AND WOOD PROCESSING

Sawing and wood processing" includes other activities such as **sawing, planing, wood shaping and impregnation**. However, sawing is the activity carried out by the majority of Wood Processing Units, whether in the formal (85.3%) or informal (100%) sector. This can be explained by the fact that sawing is generally upstream in the wood transformation process. While in the formal sector, impregnation is the least developed activity, in the informal sector, veneer is the least developed.

Graph 10 Distribution of sawmilling and wood processing companies by type of activity (%)
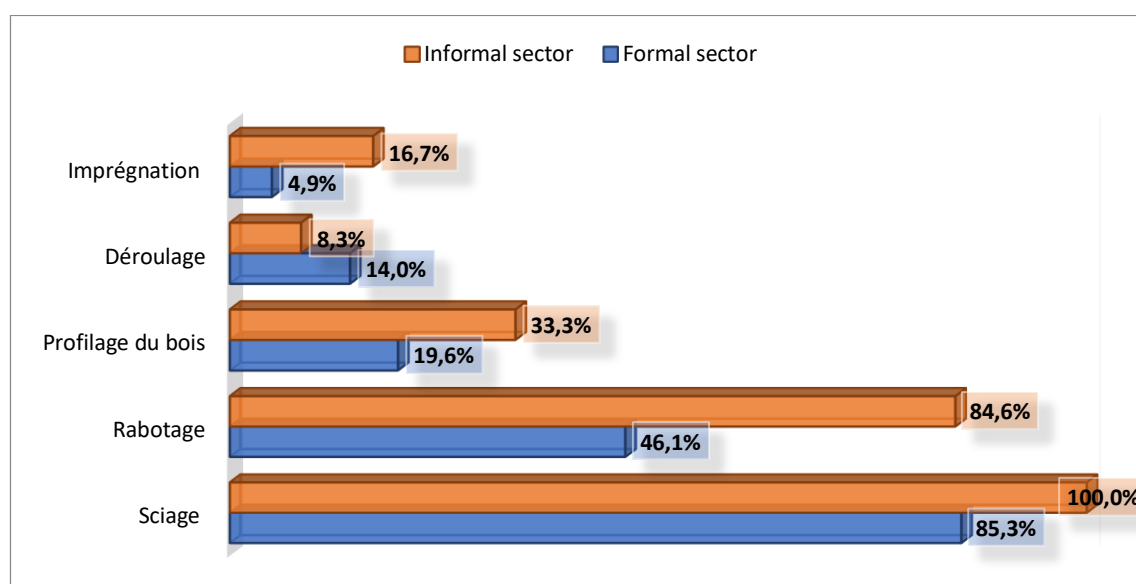
Source: Author based on data from the Annual Business Survey -ABS- (NSI, 2019)

Among the products of the sawing and wood processing activity, sawn timber is the most representative of the segment (71.9%), followed by sawn white wood (45.5%) and red wood (43.4%).

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44

Graph 11 Distribution of sawmilling and wood processing companies by product type
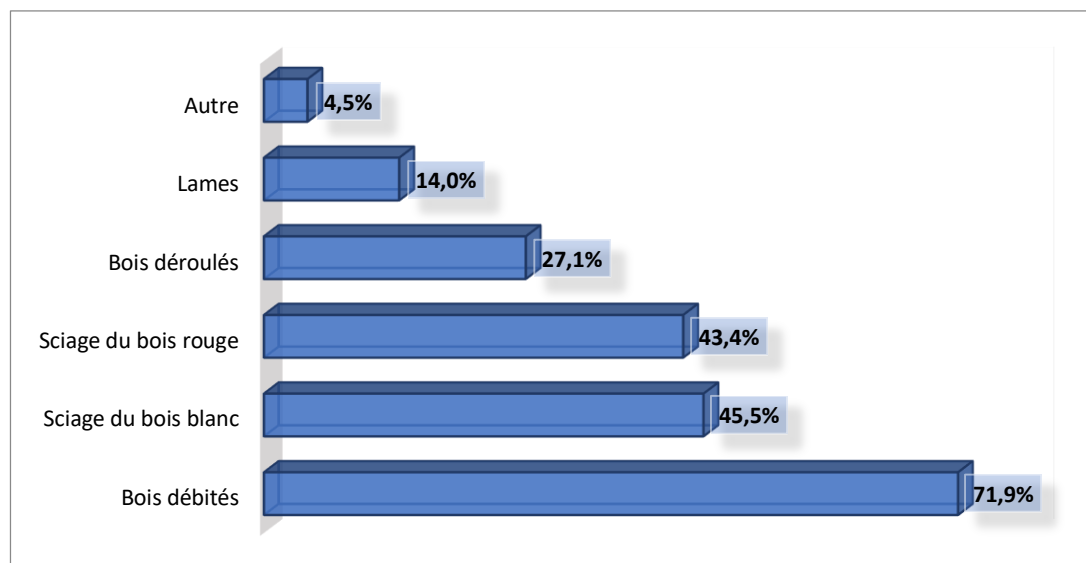
Source: Author based on data from the Annual Business Survey -ABS- (NSI, 2019)

3.2.2. MANUFACTURE OF WOODEN CARPENTRY AND JOINERY

This activity also includes two (02) sub-activities: (i) the manufacture of frameworks for residential housing, and (ii) the carpentry of wooden buildings, which consists of the manufacture of other works relating to the construction of housing such as panelling and wooden doors and windows. For the manufacture of frames, the varieties of wood used are for example **Atui**, **Azobe**, **Tali** and **Mahogany**. The majority of formal sector enterprises use **Tali** (75%) and **Azobe** (73.1%) for timber design. While in the Informal Production Units (IPU), **Atui** is the most used wood variety compared to the others (55.5%).

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45

Graph 12 Proportion of enterprises engaged in carpentry according to the type of wood used (in %)
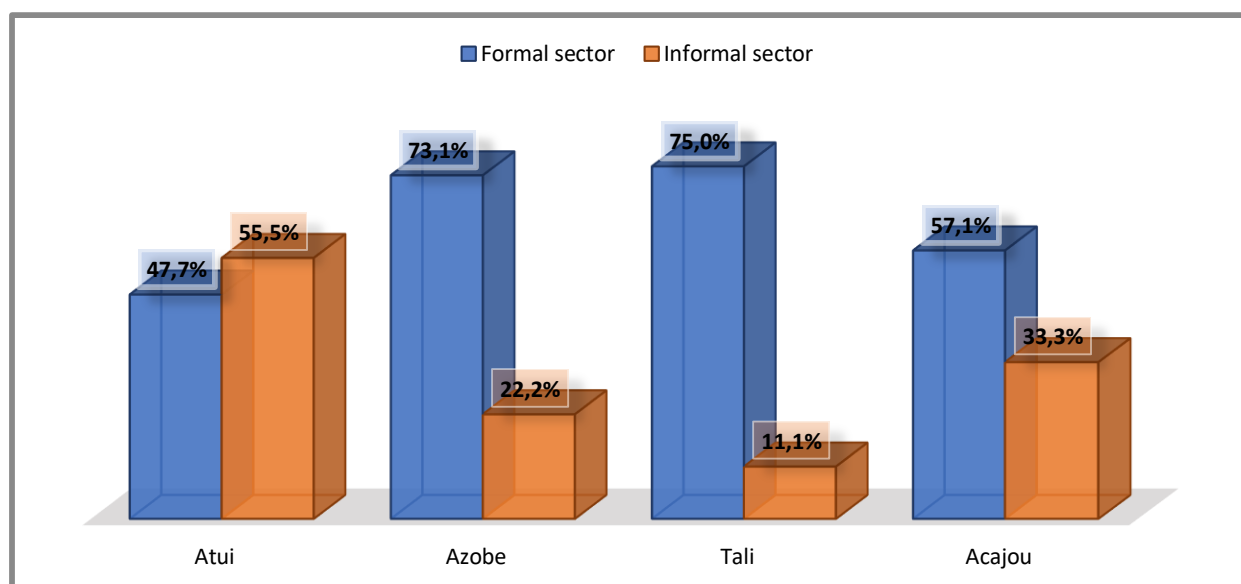
Source: Author based on data from the Annual Business Survey -ABS- (NSI, 2019)

3.2.3. MANUFACTURE OF FURNITURE

The manufacture of furniture generally takes place in two (02) modes: mass production and custom or unit production. Data from the Annual Business Survey (ABS) reveals that overall, customised production dominates the furniture manufacturing activity in Cameroon. Indeed, all the informal production units and 90.4% of the formal sector enterprises use this mode of furniture manufacture. However, mass production is of relatively low importance in the formal sector, and concerns only one third of the units.

Graph 13 Proportion of units installed according to the mode of manufacture of furniture and the formality criterion (in %)

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46
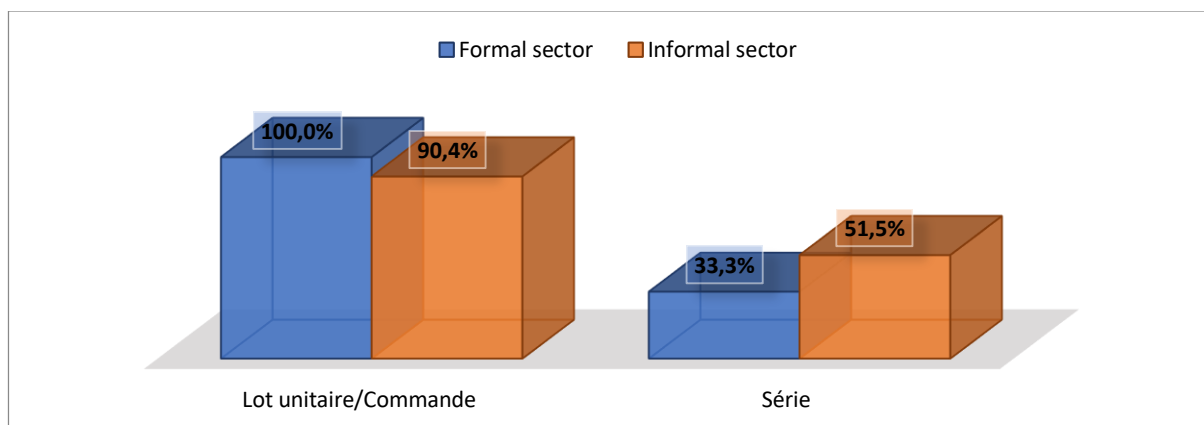
Source: Author based on data from the Annual Business Survey -ABS- (NSI, 2019)

3.2.4.   MANUFACTURE OF PAPER AND PAPER PRODUCTS

NSI statistics indicate that informal sector enterprises are hardly to be found in this industry. Indeed, the essential raw material for this activity is paper pulp, which is not produced locally. Therefore, companies that import this product do so for their own consumption. Therefore, a minimum of organisation and formalities are required to start up this activity. The products produced by this activity are: Format paper, School notebook, Notebook, Register, Toilet paper, Cardboard and Cardboard products.

3.3.TRANSPORT OF FOREST PRODUCTS

This branch of activity is part of the tertiary sector. The transport of forest products consists of transporting logs and processed wood to different destinations such as UPI, UTB, Ports, local market, etc.... This transport is carried out by two modes: road and rail.

3.4.MARKETING OF PRODUCTS

The **"Marketing of products"** branch of the **forestry and wood** sector is part of the tertiary sector. It involves economic operators who work either as exporters of raw or processed wood, or as traders, or as merchants on the local or sub-regional market.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

47

The **Annual Enterprise Survey (EAE) conducted by the NSI reveals that** 30.7% of the units in the wood sector are engaged in the trade of wood products. **These products are generally** charcoal, planks, furniture and wooden vases. **Furthermore, it appears that furniture has the highest average turnover of companies in the forestry-wood sector,** with a value of CFAF 8 347 million in 2019. Companies trading in boards, rafters, laths and panelling had an average turnover of CFAF 8,347 million, while charcoal/firewood and other wooden objects had a turnover of CFAF 8,333 million.

Graph 14 Average turnover of the trade activity by wood product (in million FCFA)
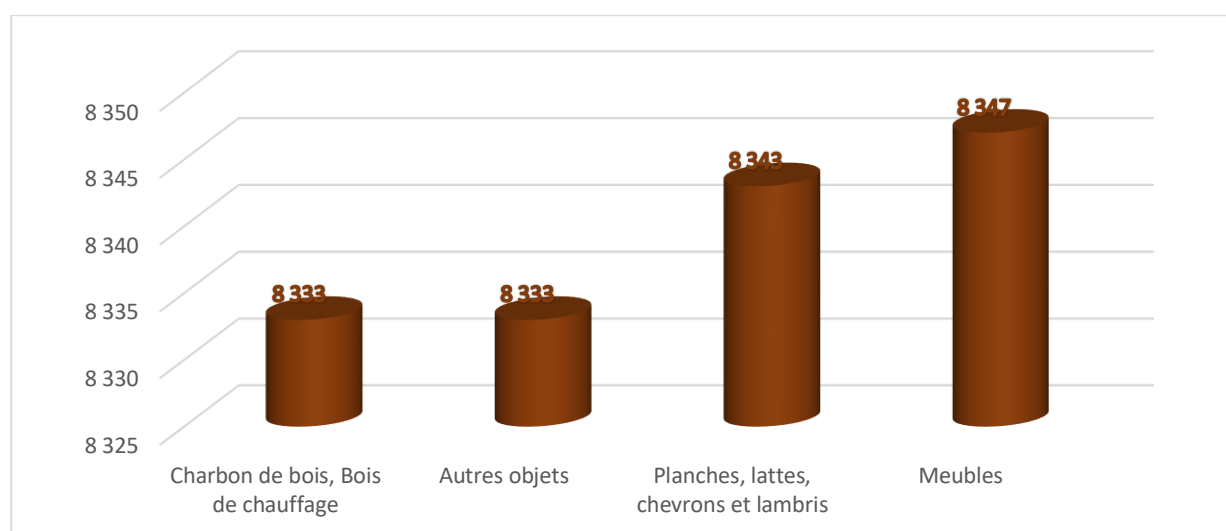
Source: Author based on data from the Annual Business Survey -ABS- (NSI, 2019)

Section 4- MAPPING OF THE FORESTRY AND WOOD INDUSTRY IN CAMEROON

In Cameroon, the production chain of the **forestry-wood** sector from the forest massifs to the international markets can be segmented into four distinct levels, from upstream to downstream, passing through the meso level and the transversal level. In each of these links, there are categories of actors that need to be clearly identified through their activities. These actors can be classified as follows:

4.1 UPSTREAM OF THE FORESTRY-WOOD VALUE CHAIN

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

48

Upstream of the production value chain of the **'forest-wood' sector** are the economic operators who hold titles of access to the forest resource. **In this respect, the forest legislation in force in Cameroon provides for, among other exploitation titles giving access to woody forest resources, the forest concession, the communal forest, the sale of cuttings, the community forest, timber exploitation permits and personal cutting on authorisation.** These different exploitation titles giving access to forest resources are acquired according to the conditions jointly set by law n° 94/01 of 20 January 1994 on the regime of forests, fauna and fisheries and decree n°95/531/PM of 23 August 1995 setting out the modalities of application of the forest regime. The legislation also provides for cases of access to timber forest resources through a sub-contracting agreement approved by the Forestry Administration in the case of Forest Management Units (FMUs).

In the first quarter of each year, the Ministry of Forests and Fauna (MINFOF) publishes the list of valid exploitation titles of private actors (timber producers). This provides sufficient information on companies/economic operators holding one or more exploitation titles giving them access to timber forest resources. **For the year 2019, MINFOF declared 93 Forest Concessions, 38 Communal Forests, 142 Timber Sales and about 50 Communal Forests valid in the first quarter of the year (MINFOF, 2019)**. These forest titles are managed by around fifty large international or national companies (59), around forty medium-sized national companies (46) and by the thirty or so rural communes (38) that own communal forests (Appendix 1).

4.2 AT THE MESO LEVEL OF THE FORESTRY AND WOOD INDUSTRY

At the meso level of the **forestry-wood** production **chain**, the actors here are mainly companies/economic operators in the niche of processing raw wood (logs) into various products (e.g. sawn timber, veneer, plywood, furniture, etc.). In this sense, the Forestry Administration maintains a list of companies/operators authorised to act as timber processors (FMUs). According to decisions n°0353/D/MINFOF of 27 February 2012 and n°2637/D/MINFOF of 06 December 2012, FMUs installed throughout the national territory are classified into four (4) distinct categories as specified in the table below.

Table 8 Categorisation of wood product processing units

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

49

Category of the Wood Processing Unit	Specificity
1st Category	It concerns industrial units with fixed or mobile production tools and whose main production tool has a cutting capacity of more than 5000 cubic metres of logs per year
2nd Category	It concerns industrial units with fixed or mobile production tools and whose main production tool has a cutting capacity of between 1000 and 5000 cubic metres of logs per year
3rd Category	It concerns units with fixed or mobile production tools and where the cutting capacity of the main production tool is less than 1000 cubic metres of logs per year
4th Category	It concerns artisanal units (craftsmen/cabinet makers) equipped with wood processing tools other than those referred to in the three previous categories and registered with MINFOF as wood processors.

Source: Author based on decisions n°0353/D/MINFOF of 27 February 2012 and n°2637/D/MINFOF of 6 December 2012.

The list of Forest Management Units (FMUs) established by MINFOF in 2019 shows that in Cameroon there are a total of 203 FMUs in the first three categories through 48 in the first category, 93 in the second category and 62 in the third category. However, this official list is not often updated because the Forest Administration does not systematically include new FMUs installed and in operation in the official database.

In addition, there are three (03) levels of processing in the **forestry-wood** sector**,** as shown in Table 6 below.

Table 9 Different degrees of wood processing

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50

Degree of wood processing	Features
1st degree of transformation	These are all the operations carried out directly on roundwoods that allow to obtain another product. The products of primary wood processing include cuttings (squared, planks, slices) and veneers, sliced or peeled, split wood, wood chips and other products. chips, sawdust, shavings, paper pulp, firewood, charcoal.
2nd degree of transformation	This is the set of operations carried out on products from the first transformation and which make it possible to obtain semi-finished and/or profiled elements. Products from secondary processing are products that have undergone drying, treatment, planing, moulding, gluing, etc. Examples of products from secondary processing are Hydraulic Assembled Timber (HAT), Solid Reconstituted Timber (SRT), treated wood, artificially dried wood, planed wood, moulded wood, sanded wood, solid wood strips (parquet, cladding, panelling, decking), pellets, and briquettes.
3rd degree of transformation	This refers to operations carried out on products of primary and secondary processing and

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

51

which result in finished products (no further processing is required).

The products of the third transformation are for example furniture, carpentry,

industrial trusses, laminated flooring, barrels, railway sleepers, and other

pallets, paper, cardboard, any other finished or ready-to-use product...

Source: Author based on literature.

This information can be used, for example, to describe the processing chain for producing windows.

Figure 5 Processing line for window production

1er Degree of Transformation :

Sawmill producing sawn timber

2ème Degree of Transformation :

Plant for the production of glulam tiles

3ème Degree of Transformation :

Carpenter's workshop making windows from tiles

Source: Author

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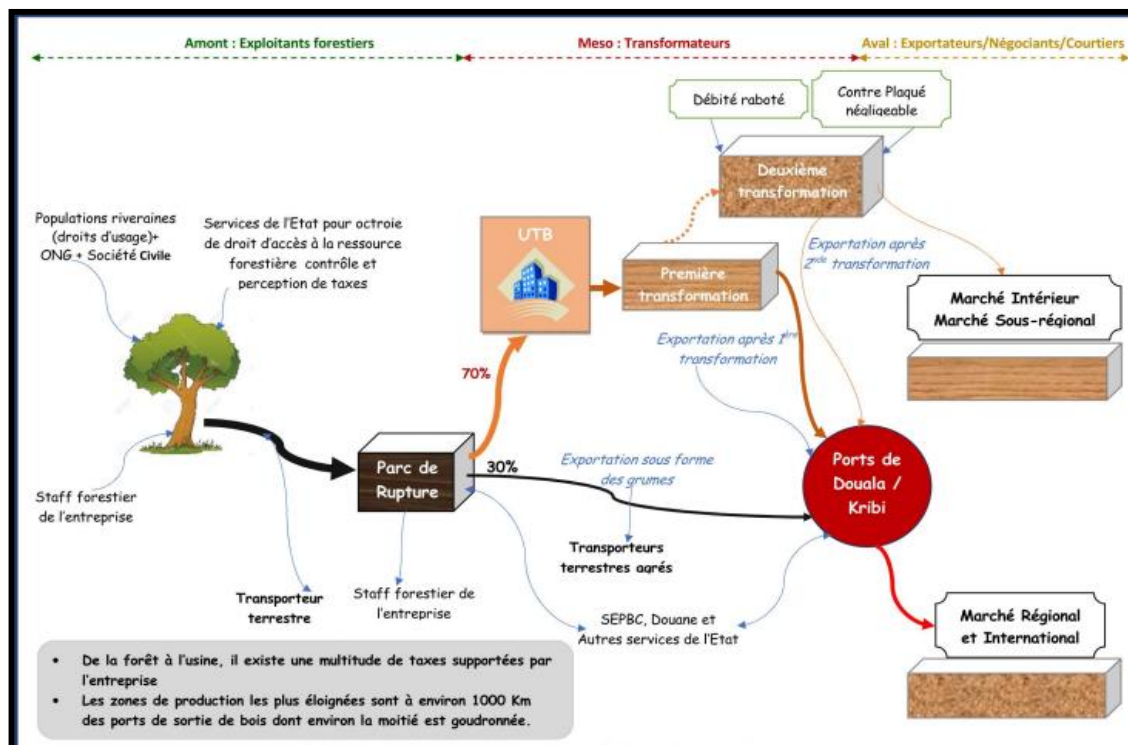
52

4.3 DOWNSTREAM OF THE FORESTRY-WOOD VALUE CHAIN

The downstream link in the value chain of the **forestry and timber sector** is structured around economic actors who operate either as exporters of raw and processed timber products (logs, sawn timber, veneer, plywood and other finished or semi-finished products), or as traders or brokers of products. This last category of private actors is mainly located in the port cities of Douala and Kribi as they act for the exit of timber products from Cameroon. To this category of private actors operating as exporters and/or traders, it is necessary to add another important type of actor, which always intervenes downstream of port transactions: the forwarding agents. It is worth mentioning that there are companies that occupy all three links in the timber chain (upstream, meso and downstream), others that operate in only one of the links as processors or exporters, and some that occupy both links as processors-exporters.

Thus, taking into account all the links in the value chain of the **forestry-wood sector** in Cameroon, the industrial timber production chain can be represented as follows.

Figure 6 Industrial timber production chain in Cameroon

Source: Author

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53

For the production of artisanal timber for the local domestic market, the functional chain highlighting the role and level of intervention of the different actors is illustrated as follows

Figure 7 Production chain for artisanal timber for the domestic timber market in Cameroon

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54
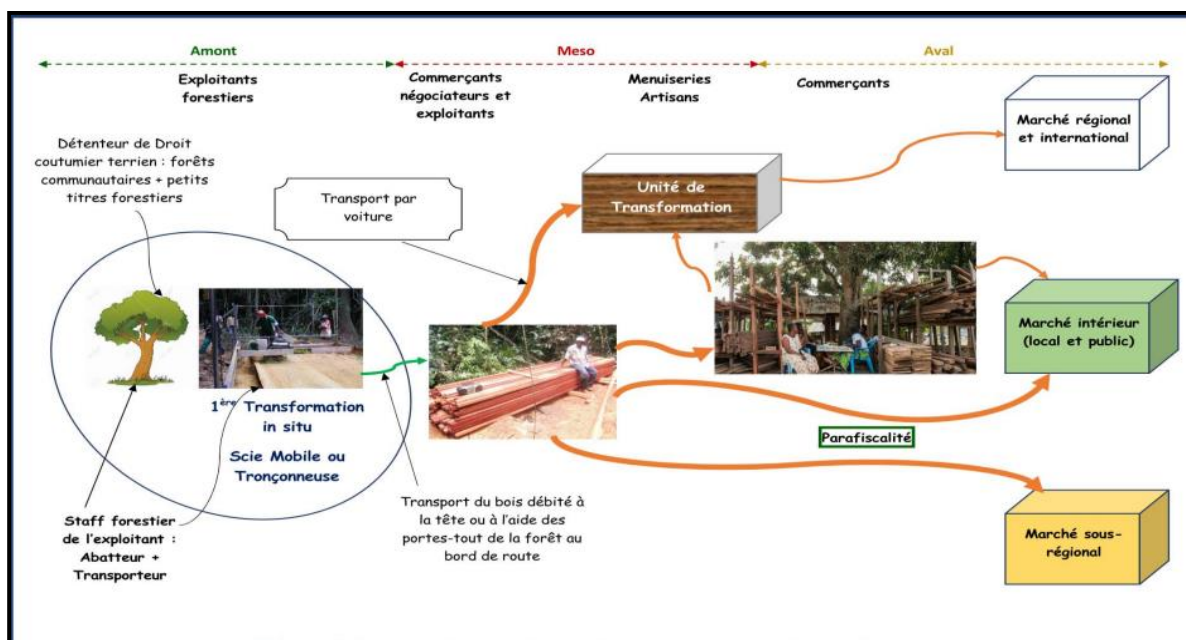
Source: Author

4.4 THE CROSS-SECTORAL LEVEL OF THE FORESTRY AND WOOD INDUSTRY

One category of private actors operates transversally along the entire value chain **of the forestry and timber sector** in Cameroon. These are the transporters of timber products, either in the form of logs or processed products. However, this category of economic operators (transporters), although influential in forest exploitation activities, does not fall under the technical supervision of MINFOF. Indeed, due to the nature of their activities (road, rail and maritime transport), they are not directly under the control of the Forest Administration.

Section 5- C INSTITUTIONAL FRAMEWORK OF THE FORESTRY-WOOD SECTOR IN CAMEROON

This section presents the administrative, legal and regulatory aspects of the **forestry and timber sector** in Cameroon.

5.1 INSTITUTIONAL ARCHITECTURE OF THE FORESTRY AND WOOD SECTOR

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

55

This paragraph deals with the role of the State as an actor in the **forestry-wood sector** in Cameroon, in the structuring and institutional animation of the actors in this sector. This is done from an organic, regulatory and legal point of view, with a view to achieving the general objectives of the forestry, wildlife and fisheries policy, within the framework of integrated management that ensures the conservation and use of these resources and the various ecosystems in a sustained and sustainable manner. Although a number of other ministerial departments (Ministry of Agriculture and Rural Development (MINADER) which replaced the Ministry of Agriculture (MINAGRI), Ministry of Lands and Land Affairs (MINDAF) which became the Ministry of Lands, Cadastre and Land Affairs (MINDCAF), Ministry of Environment, de la Protection de la Nature et Development Durable (MINEPDED) formerly Ministry of Environment, Nature Protection (MINEP)] are involved in the functioning of the forestry sector, the main ministerial department responsible for the design and implementation of forestry policy in Cameroon is the Ministry of Forests and Wildlife (MINFOF); formerly known as the Ministry of Environment and Forests (MINEF) at its creation in 1992. In addition to its central administration located in Yaoundé, MINFOF has deconcentrated services (regional and departmental) responsible for implementing forest policy, supervising, monitoring and controlling forestry activities in their respective administrative districts. However, MINEF also has an executive agency, the National Forestry Development Support Agency (ANAFOR) created in 2002 to replace the National Forestry Development Office (ONADEF) which was created in 1990. It should also be noted that ONADEF, created in 1990, succeeded the National Office for Forest Regeneration (ONAREF) and the National Centre for Forest Development (CENADEFOR). Alongside MINFOF, its executive agency carries out more technical tasks at its request. For example, the artificial regeneration of forests or even the forest inventory. Two main official documents define the administrative and legal framework for logging in Cameroon. These documents are Law No. 94/01 of 20 January 1994 on the forest, wildlife and fisheries regime (Republic of Cameroon, 1994) and Decree No. 95/531/PM of 23 August 1995 to lay down the modalities of application of the forest regime (Republic of Cameroon, 1995).

5.2 THE FORESTRY SECTOR IN CAMEROON

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

56

The law in force considers forests to be land with a vegetation cover in which trees, shrubs and other species likely to provide products other than agricultural ones predominate. the different types of forests and their respective ownership. **It categorises the national forest estate by distinguishing between permanent and non-permanent forest estate**.

All **permanent forests** belong to the state (or sometimes to the Decentralized Territorial Communities (CTDs)) and cannot be converted to other uses than forests. In contrast, **forests in the non-permanent forest estate** belong to the national community and can be converted to other forms of land use. However, parcels of land within the **non-permanent forest estate** can be set aside to produce forest goods for local communities (**community forests**) with a more or less permanent status. According to these two documents, logging activities in the field are regulated by two prior administrative steps: formal accreditation as a logger and acquisition of logging rights.

5.2.1   THE PERMANENT FOREST ESTATE

Article 20, paragraph 2, of Law No. 94/01 of 20 January 1994 on the regime of forests, wildlife and fisheries defines the **permanent forest estate** as land permanently allocated to forest and/or wildlife habitat. And according to article 21, **permanent forests** or **classified forests** are those based on the **permanent forest estate**, and belong to the private domain of the State. The law therefore defines two types of permanent forest:

- ❖ **State forests**: A state forest is a forest that has been classified for the benefit of the State. In accordance with the law and the **Decree No. 95/531/PM of 23 August 1995 establishing the modalities of application of the forest regime**, the following forest reserves are considered as state forests

- integral ecological reserves: an area whose resources of all kinds are absolutely protected, in order to preserve it in its climatic state. All human intervention is strictly forbidden. However, the Administration in charge of forests may authorise the conduct of scientific research projects, insofar as these projects are not likely to cause disturbances in the balance of the ecosystem.
- Flora sanctuaries: a perimeter intended for the absolute protection of certain endemic   plant   species. Any action that could lead to the destruction of the species concerned is prohibited. The activities that are permitted or prohibited are set out in the act classifying the sanctuary.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

57

- protection forests: a perimeter designed to protect fragile ecosystems or where the removal of environmental resources for non-scientific purposes is prohibited

- recreation forests: a forest whose purpose is to create and/or maintain a recreational environment, because of its aesthetic, artistic, sporting or health interest. All logging and hunting activities are prohibited. However, in order to improve this recreational environment, the development of footpaths, rest areas and the cleaning of the forest are authorised.

- teaching and research forests: a forest whose purpose is to allow practical work to be carried out by forestry students and scientific research projects to be carried out by organisations recognised for this purpose. All logging, hunting and fishing activities outside the framework of teaching and research are prohibited

- production forests: an area intended for the sustained and sustainable production of timber, services or any other forest product; use rights for hunting, fishing and gathering are regulated.

- reforestation areas: a piece of land that has been or will be reforested and whose objective is the production of forest products and/or the protection of a fragile ecosystem. The rights of use for hunting, fishing, grazing and gathering are regulated according to the objective assigned to the reforestation area.

- Botanical gardens: a site for the conservation and association of spontaneous or introduced plants which have been granted absolute protection, for scientific, aesthetic or cultural purposes.

  ❖ **Communal forests**: According to law n° 94/01 of 20 January 1994 on the regime of forests, fauna and fishing in the Republic of Cameroon, a communal forest is any forest which has been classified on behalf of the commune concerned or which has been planted by the commune. In accordance with **article 30 (2)**, communal forests come under the private domain of the commune concerned; and **article 33** stipulates that in urban areas, communes are obliged to respect a rate of afforestation at least equal to 800 m2 of wooded areas per 1,000 inhabitants. These afforestation areas may be of one or more tenants.

5.2.2   THE NON-PERMANENT FOREST ESTATE

In **Article 20**(3), the law defines the **non-permanent forest estate** as forest land that may be used for purposes other than forestry. In accordance with **Article 34**, **non-permanent or unclassified forests** are those based on the **non-permanent forest estate**. These include

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

58

- ❖ national domain forests;
- ❖ community forests;
- ❖ private forests.

5.3 INVENTORY, EXPLOITATION AND MANAGEMENT OF FORESTS

5.3.1 FOREST INVENTORY

According to Article 40 of the law, the inventory of forest resources is a prerogative of the State. In this regard, the exploitation of any forest is subject to a prior inventory of the forest according to the standards set by the Ministers in charge of forests and wildlife. **Decree No. 95/531/PM of 23 August 1995 laying down the modalities of application of the forestry regime specifies two types of inventories, namely**

- ❖ management inventories, which consist of a quantitative and qualitative assessment of the wealth of forest stands in a given area, with a view to the rational management of all resources (Article 42).
- ❖ exploitation inventories which consist, in a given geographical area, of an exhaustive enumeration of all commercial species, in accordance with the standards set by the Minister in charge of forests (Article 43 (1)).

5.3.2 FORESTRY EXPLOITATION

In accordance with **Article 41 (1)**, any natural or legal person wishing to carry out a forestry activity must be approved in accordance with the procedures laid down by a decree. In accordance with **Article 42 (1)**, the beneficiaries of registered exploitation titles may subcontract some of their activities, subject to the prior agreement of the administration in charge of forests. In all cases, they shall remain responsible to the latter for the proper performance of their obligations. In accordance with **Article 44 (1)**, the exploitation of a **state-owned production forest is** carried out either by **sale of the cut** or by **exploitation agreement**. However, exploitation by the State may take place when the recovery of the forest products concerned is necessary, or in the case of an experimental project and in accordance with the procedures laid down by decree. It may be carried

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

59

out within the framework of a subcontract, in accordance with the management plan of the said forest.

According to **Article 47**, the **forest concession** is the territory on which the forest exploitation agreement is exercised. It may consist of one or more exploitation units. The forest concession is awarded after the opinion of a competent commission according to the modalities set by decree.

Article 55 stipulates that a **sale of a cut in a forest of the national domain** is, within the meaning of this law, an authorisation to exploit an area not exceeding two thousand five hundred (2,500) hectares, a specific volume of timber sold as standing timber. In the forests of the national domain, sales of timber are allocated after the opinion of a competent commission for a period of three (3) years, which is not renewable. **Article 56** specifies that :

❖ An **exploitation permit** is an authorisation to exploit or harvest defined quantities of forest products in a given area. These products may be special products as defined in paragraph (2) of **Article 9** above, timber up to a volume of 500 cubic metres gross, firewood and polewood for profit.

❖ Exploitation permits for timber and certain special forest products, the list of which is determined by the administration in charge of forests, are granted after the opinion of a competent commission for a maximum period of one (1) year, non-renewable.

❖ For other special forest products, firewood and poles, exploitation permits are granted by mutual agreement by the Minister in charge of forests.

According to **Article 57**,

❖ A **personal felling permit** is an authorisation issued to a natural person to remove quantities of wood not exceeding thirty (30) cubic metres gross, for personal, non-profit-making use. This provision does not apply to local residents who retain their right of use.

❖ **Personal cutting permits** are granted on a voluntary basis, for a period of three (3) months and are not renewable.

Article 62 specifies that the logging agreement, the sale of timber, the logging permit and the personal logging authorisation confer on their holder, on the conceded area, the right to harvest exclusively, during a determined period, the products designated in the logging permit, but do not create any property right on the related land. Furthermore, the beneficiary may not prevent the exploitation of products not mentioned in the exploitation title.

Decree No. 95/531/PM of 23 August 1995 laying down the modalities of application of the forestry regime complements these provisions in terms of forest exploitation in four main ways.

❖ **Setting up the accreditation architecture**: It defines

-the areas of accreditation (forest inventory, **forestry**, **silviculture**) ;

-individuals excluded from the scope of the decree (the public body provided for in article 64 of the law, beneficiaries of personal cutting authorisations, owners of private forests, populations exercising their use rights);

-the constitution of the file to be submitted to the Administration in charge of forests for approval (which differs depending on whether the entity requesting approval is a natural person or a legal entity);

-the administrative constitution of the technical committee responsible for issuing approvals, its mode of operation, the powers of its members and the committee's annual planning.

❖ **The redefinition of the terms governing the exploitation of permanent forests:** Here, this law defines

The terms of exploitation of state-owned forests in terms of exploitation by the state, the sale of timber, the exploitation agreement (allocation of a forest concession, renewal of a forest concession, transfer of a forest concession, abandonment of a forest concession)

-The terms of the exploitation of communal forests

❖ **The redefinition of the terms governing the exploitation of non-permanent forests.** In this regard, the law defines

-The terms of exploitation of national domain forests in terms of the sale of timber, the exploitation permit (special forest products exploitation permit, timber exploitation permit, firewood or pole exploitation permit, provincial technical commission), the personal authorisation to cut

-The terms of exploitation of community forests

-The terms of the exploitation of private forests

❖ **Definition of the remit of the Interministerial Commission**

The 1995 decree defines the composition and functioning of the Interministerial Commission, as well as the modalities for examining the file (for the bid opening phase and for the forest

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

61

exploitation title award phase). **Decree No. 2000/092/PM of 21 March 2000 - amending Decree No. 95/531/PM of 23 August 1995 laying down the modalities of application of the forest regime, modifies** Article 65 of the 1994 law by redefining the elements of a submission file for a forest concession. **Decree No. 2006/0129/PM of 27 January 2006 modifying and completing certain provisions of the decree of 23 August 1995 setting out the modalities for the application of the forest regime sets up the regulatory architecture around** exploitation permits for firewood, poles or timber for artisanal processing. It defines as follows:

-individuals eligible for the acquisition of this permit (persons of Cameroonian nationality or companies in which these persons hold the entire share capital or voting rights)

-the administrations responsible for issuing these permits according to the type of forest product

-the period of validity of the permit

-the Administration responsible for issuing the personal felling permit (Minister in charge of forests)

5.3.3   FOREST MANAGEMENT

In accordance with Article 63 of the Act, the development provided for in Article 23 includes the following operations

- ❖ inventories;
- ❖ reforestation;
- ❖ natural or artificial regeneration;
- ❖ sustained logging;
- ❖ the implementation of infrastructure.

According to **Article 64**, forest management is the responsibility of the Ministry in charge of forests, which carries it out through a public body. It may subcontract certain management activities to private or community structures. **Decree No. 95/531/PM of 23 August 1995 establishing the modalities for the application of the forest regime specifies more precisely, through Articles 44** to **49**, the duties of the Ministry in charge of forests in terms of awarding forest management contracts, monitoring and controlling the execution of the management plan for permanent forests, and protecting and conserving certain state forests.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

62

5.3.4 FINANCIAL PROVISIONS AND COMMERCIAL PROVISIONS FOR FORESTS

From Article 66 to Article 70, Law No. 94/01 of 20 January 1994 sets out in turn the financial provisions on forests:

- ❖ **-the components of the financial charges related to the sale of timber and the forestry agreements,**

- ❖ **-the duties of the beneficiaries of sales of cuttings and concessions in terms of** felling taxes on forest products and the payment of any forestry tax relating to their exploitation title,

- ❖ -the rights of the Communes on the sales of forest products and the annual fees on the forests they own,

- ❖ -the use of sums resulting from the collection of taxes, royalties and sales revenues related to forest products,

- ❖ -the implications of the allocation of a timber sale or forest concession and the transfer of a forest concession

These financial provisions are reinforced by **Decree No. 96/642/PM of 17 September 1996 establishing the basis and modalities for the collection of fees and taxes relating to forestry activities**

Concerning the remuneration of services related to the forestry and timber sector, **Decree No. 96/238/PM of 10 April 1996, in its** Article 2, **establishes** the approval for one of the activities provided for by the decree on the application of the forest regime, the allocation, renewal or, where applicable, the transfer of any forest exploitation title as **services rendered by the application of the forest regime that must be remunerated;** Article 3 **setting out** the fees for the approval of a commercial forestry activity and Article 4 setting out the fees for the granting, renewal or, where applicable, transfer of a forestry exploitation title

With regard to the promotion and marketing of forest products, Article 71 of the 1994 law states that:

- ❖ -Logs are processed by species up to 70% of their production by local industry during a transitional period of five (5) years from the date of promulgation of this law. After this

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

63

period, the export of logs is prohibited and the totality of the national production is processed by the local industry;

- ❖ -The export of unprocessed special forest products is, according to the modalities fixed by decree, subject to a prior annual authorisation issued by the administration in charge of forests and to the payment of the progressive surtax fixed according to the volume exported;

- ❖ -A National Timber Office, whose organisation and operation are defined by decree, ensures export and marketing.

This law also defines the duty of the Administration in charge of forestry in terms of evaluating the exploitation in order to verify that, in accordance with the investment plan duly approved by this Administration, the required measures are taken by the logger to transform the totality of the log production from his concession; it also grants these administrations the possibility of putting in place specific measures for the promotion of little or no marketed species and other forest products.

5.3.5 TRANSITIONAL PROVISIONS, FOREST PROTECTION AND PUNISHMENT OF OFFENCES

The 1994 law, in Articles 75 to 77, sets out the terms governing **the flow/exchange of logging titles in Cameroon**. With regard to **nature protection**, Decree No. 95/531/PM of 23 August 1995 is the main text that underpins the rights and duties of the Public Administrations in charge of forests on nature and biodiversity protection. Articles 6 to 8 describe the conditions and restrictions related to the lighting of fires (under the control of the competent Administrations). Article 9 describes the conditions and restrictions related to clearing a forest (under the control of the competent administrations). Articles 10 to 12 describe the duties of the Administrations in charge of forests with regard to afforestation or reforestation in accordance with legal provisions. **The system of repression of infractions in the forestry and timber sector** is structured by Law No. 94/01 of 20 January 1994, which defines the repressive procedure, responsibilities and describes some infractions and penalties in this area. Thus,

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

64

- ❖ The repressive procedure describes the duties of sworn agents of the Administrations in charge of forests, in the interest of the State, the Communes, the Communities or private individuals in repressing offences committed in forestry matters (Articles 141 to 143);

- ❖ The responsibilities set out in Articles 150 to 153 of the law describe the individuals who are criminally responsible and liable to penalties for this. It also defines the measures to be taken by the competent authorities where appropriate;

- ❖ Some offences and penalties are described in Articles 154 to 159. These include the amount of the fine, the prison sentence incurred according to the offence committed or in the event of a repeat offence. On the other hand, the fines for late payment of forestry-related taxes and fees are defined (Articles 163 to 164);

- ❖ Articles 166 to 169 define the distribution within the administrative services of the proceeds of taxes, fines, settlements, damages, sale by public auction or by mutual agreement of products and miscellaneous objects seized.

Section 6- MAPPING OF THE PRODUCTS AND TRADES OF THE FORESTRY AND WOOD INDUSTRY

6.1 MAPPING OF FORESTRY AND WOOD PRODUCTS

At the meso level of the wood production chain, there are companies that process raw wood from forestry operations into various products (**lumber, veneer, plywood, furniture**, etc.). These products vary according to the wood sub-sector (**timber, industrial wood, petrol wood**) and the level of processing (primary and secondary processing). At the primary processing level, we find **sawn timber, peeled veneer, plywood, sliced veneer, panels, paper pulp and coal**. The products obtained at the end of the second transformation are: **packaging, parquet, furniture and paper and cardboard.** The timber sector is found in all three sectors of economic activity: the primary sector with **"forestry and logging",** the secondary sector with various transformations and the tertiary sector with transport (**logs and/or sawn timber**) and trade. In Cameroon, this activity is carried out by companies approved by MINFOF under the name of Wood Processing Units (UTB). According to Decision N° 353/D/MINFOF of 27 February 2012, UTBs are classified into 4 distinct categories as indicated above:

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

65

- ❖ first category of UTB: processing capacity over 5000 m3;
- ❖ second category of UTB: processing capacity between 1000 and 5000 m3;
- ❖ third category of UTB: processing capacity below 1000 m3;
- ❖ fourth category of UTB: other artisanal units registered as processors.

There are approximately 191 Wood Processing Units (WTUs) of the first three categories combined installed in the country as shown in the table below.

Table 10 Regional distribution of Wood Processing Units (WPU) by category

Regional location	UTB of 1^{rst} Category	UTB of 2nd Category	UTB of 3rd Category
Centre	16	26	22
East	18	18	7
Coastal	7	24	11
South	5	19	15
Other	//	2	1
Total	46	89	89
	191		

Source: MINPMEESA based on MINFOF data

With regard to the marketing of products in this segment of activity, companies sell their furniture mainly to private individuals, i.e. 89.3% of units. This result is more pronounced in the Informal Production Units (IPU) where 91.3% of enterprises have private individuals as their main customer. However, access to public orders remains low for most enterprises. Indeed, according to statistics from the NSI's Annual Business Survey (EAE, 2019), 1.5% of units declare that their main client is the government or companies in the state's portfolio. This trend is more pronounced in the informal segment, where less than 1% of units have administrations as their main client and 1.7% have companies in the state portfolio as their main client. In the formal sector, 13.3% of the

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

66

units sell their furniture mainly to public administrations and 6.7% to public enterprises. The propensity to export is higher in the informal sector (10.3%) than in formal enterprises (6.7%).

The destinations targeted by exports in the **"forestry-wood" sector** are notably Africa (Nigeria, Angola, Chad, Gabon, CAR, DRC, Rwanda, Burundi, Sao Tome and Principe, Congo), the European Union (Germany, France, Belgium, Netherlands, Italy, Spain), North America (United States of America, Canada) and Asia (China, South Korea, Japan).

6.2 MAPPING OF THE FORESTRY AND WOOD INDUSTRY

Along the different links of the value chain of the **forestry and wood industry**, we find the different professions indicated in the table below:

Table 11: The different professions in the forestry and wood industry

Forest management/exploitation professions		Audit/Certification
		Local development
		Roads/transport
		Sustainable development/management
		Logging
Processing occupations	Wood industry	Plant manager/production manager
		Lathe operator
		Sawmill/machine operator
		Carpenter
		Production Manager

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

67

		Workshop Manager
		Sawmill manager
		Dryer manager
		Unwinder
		Plant operation
		Machinist
		Upholsterer
		Sharpener
	Handicrafts	Carpenter
		Cabinetmaker
		Carpenter
		Varnisher
		Sculptor
		Visual artist
		Upholsterer
		Machinist
		Sharpener
Maintenance/servicing occupations		
Transport/logistics professions		

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

68

Sales/commerce occupations		
Finance/accounting professions		
Administration/Human Resources		
Other trades		

Source: MINPMEESA based on data from RIFFEAC (*Réseau des Institutions de Formation Forestière et Environnementale de l'Afrique Centrale*, 2021).

The forest-based sector integrates several activities, which are located upstream or downstream of the sector. Upstream, there are primary wood exploitation activities such as logging, sawing and wood processing, and veneer manufacturing. Downstream, there are advanced wood processing activities such as furniture manufacturing, woodworking, paper and cardboard manufacturing. These activities are interrelated, with the outputs of one being inputs for the others.

Section 7- GOVERNMENT POLICY IN THE FORESTRY AND WOOD SECTOR

7.1 PUBLIC POLICIES IN THE FORESTRY AND WOOD SECTOR

With a view to maintaining the economic, social and ecological functions of forests, the Government of Cameroon, in the aftermath of the 1992 Rio Summit on Environment and Development, has made participatory and sustainable management one of the fundamental objectives of its policy. Indeed, Cameroon has made many efforts to improve the contribution of the forestry sector to the national economy. A better understanding of timber production and export in Cameroon is particularly relevant in the context of strengthening the national process of controlling logging and associated trade in Cameroon. It would allow a better appreciation of the importance and dynamics of the trade, and to propose mechanisms to improve the performance of the forestry sector. It is with this objective that the Centre for Environment and Development

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

69

(CED) initiated a study of the Cameroonian forestry sector in October 2018. The study focused on the production and marketing of timber in Cameroon. Formal timber production grew steadily from the 1960s until the second half of the 1990s, when it exceeded 3.5 million cubic metres. It then dropped to around 2 million cubic metres with the entry into force of the 1994 law and the 1995 implementing decree. These texts provide, among other things, for the transition from logging licences (the last licences expired in 2000) to forest concessions grouping one or more Forest Management Units (FMUs), managed according to a Forest Management Plan (FMP). The PAF is generally based on a rotation of about 30 years with Annual Cutting Areas (AAC) within which the concessionaire can conduct logging activities (on about 1/30 of the total area if the rotation is 30 years). Between 2006 and 2015, average production was about 2.3 million cubic metres.

7.2 RESULTS OF PUBLIC POLICIES IN THE FORESTRY AND WOOD SECTOR

Formal timber production in Cameroon grew steadily from the 1960s until the second half of the 1990s. The 1994 law had the effect of reducing the volume of logs exported by Cameroon between 1998 and 2000. However, from 2005 onwards, there has been a steady increase in the volume of exports, due to a 1999 ordinance which stipulates that logging may continue within the framework of the promotion of certain species. Thus, from less than 200,000 m3 in 2005, this has increased to 900,000 m3 in 2017 and 800,000 m3 in 2018.

Most of the logs go to countries with a high processing capacity. Almost 70% of the volume exported goes to China and Vietnam. While labour is cheap in these countries, France, Italy, Germany and Belgium have more expensive and equally skilled labour. These 4 countries represent about 6.25% of the buyers of Cameroonian timber. When processed and resold in Cameroon, the purchase price of wood products (e.g. furniture) from these countries is high or even inaccessible to the average Cameroonian consumer.

The processing of Cameroonian logs generates jobs in the countries involved. However, this results in enormous economic losses for the country. It is estimated that 55,000 direct jobs could be created if primary processing was done in Cameroon. In terms of profitability, the state loses about 60 billion CFA francs, of which 10 billion CFA francs are taxes. In addition to the economic aspects, these activities have an impact on biodiversity. Pressure is increased on a reduced number

of species. As demand is dictated by buyers, **Sapelli**, **Iroko**, **Ayous**, **Tali** and **Azobé** make up 70% of exported species. This form of qualitative exploitation contributes to the skimming of the forest.

7.3 STATUS OF COMMUNITY AND COMMUNAL FORESTRY IN CAMEROON

Throughout the country, community forests and sales of cuttings are in the Non-Permanent Forest Estate (NPFE). For the former, sustainable management is required after obtaining a certificate of management issued by the chief of the forestry station; whereas the latter are characterised by exploitation without a management plan for very short-term income. In most cases, these are essentially informal activities carried out largely by women who market these products.

At the institutional level (MINFOF), decision-making remains at the level of the Forestry Department, whereas the 'communal forest' focal point should play a more important role upstream. The non-existence of a Sub-Directorate of Communal Forests remains a handicap. At the association level, the weakness of financial resources and the high mobility of human resources limit the monitoring and sustainability of community forest exploitation activities. This is due in particular to the length of the forest classification procedure, the absence of free land registration, the absence of provisional management agreements (such as FMUs and community forests) to help the CTDs finance their management plan, and the weakness of reforestation incentives.

Section 8- PROCESSING-RELATED INITIATIVES IN THE FORESTRY-WOOD SECTOR IN CENTRAL AFRICA

This section reviews the various initiatives related to processing in the **forestry and wood** sector in the Central African sub-region.

8.1 THE INTERNATIONAL TROPICAL TIMBER ORGANISATION

The International Tropical Timber Organisation (ITTO) is the main international body working to promote and develop Further Processing of Tropical Timber (FTPT). Their work began in 1994,

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

71

but it was not until the early 2000s that the issue really took off, being regularly addressed in international tropical timber forums:

- ❖ **Organisation and collaboration in the realisation of several seminars and workshops on the theme since 2000**:
  - ✓ Workshop on further processing of wood in Libreville in 2001;
  - ✓ Ministerial Conference for the Promotion of Further Processing of Tropical Timber in Africa, Libreville 2003;
  - ✓ Several national workshops between 2004 and 2008.
- ❖ **Development of an action plan for the promotion of Further Processing of Tropical Timber in Africa in 2004**;
- ❖ **Organisation of the "International Conference on the Promotion of Intra-African Trade and Other Timber Products" in Accra in July 2009, the seminar "Towards a strategy to promote the development of the forest industry in the Congo Basin" in Yaoundé in September 2010 and the "ATIBT Forum on Tropical Timber Processing" in Bologna in November 2010:**

As a follow-up to the Accra conference, ITTO adopted the Accra Action Plan on the Promotion of Intra-African Trade in Timber and Other Timber Products, which calls on the private sector, governments, international organisations such as FAO and ITTO, as well as regional organisations, to address issues such as promotion missions, networking, legal compliance, information systems, upgrading of equipment, taxation, and promotion of secondary species. This action plan also addresses further processing of wood, as it mentions "...improving incentives for the production of further processed products with a view to increasing the competitiveness of exporting companies" and "strengthening education and training and all incentives for further industrial processing, quality control and aesthetic development of products, their marketing and market intelligence". The plan is silent, however, on the concrete means to achieve this.

- ❖ **The Action Plan 2008-2011**

ITTO's Action Plan 2008-2011 also addresses the issue of the TPPBT. Among the twenty or so specified objectives, one is to "Promote increased and further processing of tropical timber from sustainable sources in producer member countries, with a view to stimulating the industrialisation of these countries and thereby increasing their employment opportunities and export earnings. The texts emphasise the importance of promoting further processing and valorisation of timber as a

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

72

tool for community development and poverty reduction. Among the means prescribed are the promotion of investments, analytical studies on the sector (technologies, markets, expertise, etc.), research and development of new products, steering committees, organisation of workshops and seminars, etc. All in all, these courses of action remain fairly general.

❖ **The Forest Industry Committee**

The issue of further processing of timber was also on the agenda of the 44^e session of the ITTO Forest Industry Committee held in Yokohama in December 2010. It discussed "Promoting the exchange of information to facilitate structural changes for the benefit of all member countries, in particular developing member countries, in the area of increased and advanced processing", as well as "Encouraging increased technical cooperation in tropical timber processing for the benefit of producing member countries". In terms of actions, it was planned to discuss the 'Establishment of a support scheme for further processing of timber in five producer countries in the Congo Basin' and to 'submit to the Council draft proposals and projects in the areas of R&D, market information, increased and further processing in producer member countries, reforestation and forest management'.

8.2 INTERNATIONAL TECHNICAL ASSOCIATION FOR TROPICAL WOODS AND INTERAFRICAN FOREST INDUSTRIES ASSOCIATION

With regard to the International Tropical Timber Technical Association (ATIBT) and the Inter-African Forest Industries Association (IFIA), we can mention :

❖ Collaboration and monitoring of ITTO, FOB and COMIFAC activities;

Preparation of briefs on the theme of further transformation:
The issue of further processing is an integral part of the IFIA code of ethics. "Further processing of wood in African producer countries is a specific economic development objective, a guarantee for the diversification of forest production and a valuable tool for sustainable forest management. "The signatory, to the extent of its economic potential, undertakes to create or modernise the existing work tool, to undertake or continue investments with the aim of further processing wood and improving overall yields, and finally to minimise waste throughout the production chain."

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

73

❖ ATIBT Forum on Tropical Timber Processing in Bologna in November 2010

This forum was a follow-up to previous seminars and workshops on the theme of processing. The management of IFIA and ATIBT recognise that further wood production is very limited and that much remains to be done in Central Africa.

❖ RACEWOOD 2011 Forum in Pointe-Noire in September 2011, during which many initiatives on TPPBT were raised:

❖ The Wooden House Development and Demonstration Programme project and the development of Wooden Trade Centres;

❖ The need to make the business climate more flexible in order to facilitate business creation;

❖ The need to set up investment funds for the creation of SMEs by cooperation agencies;

❖ Training needs along the value chain.

8.3 THE AFRICAN TIMBER ORGANISATION

In relation to the African Timber Organisation (ATO) we have :

❖ The Action Plan proposed by the Ministerial Conference (2004);

❖ Follow-up and participation in ITTO, FAO, IFIA and COMIFAC activities on further processing.

8.4 THE CENTRAL AFRICAN FORESTRY COMMISSION

The initiatives at the level of the Central African Forest Commission (COMIFAC) are

❖ Collaboration in ITTO and OAB activities;

❖ Integration of further wood processing in its convergence plan;

❖ Process of policy harmonisation in COMIFAC member countries (especially in the area of further processing);

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

74

Wood processing is one of COMIFAC's objectives. This theme is the subject of axis 5122 of its convergence plan, "Promoting further wood processing and the use of advanced technologies". COMIFAC's plan of operations includes a number of activities in this area. Two objectives under strategic axis 5 on the sustainable use of forest resources are of particular interest. A number of sub-regional operational sheets have been developed by COMIFAC to achieve the underlying objectives, namely

❖ Develop and adopt national industrialization plans for the forestry and wood sector
❖ Promote further wood processing and the use of advanced technologies:
❖ Develop a regional and sub-regional market for timber and other forest products.

8.5 THE YAOUNDE WOOD CLUSTER IN CAMEROON

The Ministry of Economy, Planning and Land Management (MINEPAT) of the Government of Cameroon planned the development of a Wood Cluster in Yaoundé. This cluster project was followed by other countries in the sub-region, notably the Republic of Congo. The Yaoundé Wood Cluster project was part of MINEPAT's Competitiveness of Growth Sectors Project (PCFC). The PCFC has 4 components, including sustainable wood processing. The objective of this component is to sustainably increase the economic added value of the timber sector in Cameroon through secondary and tertiary processing. The project envisaged a critical mass of interventions in the timber sector in order to promote productive private investment and job creation. The project envisaged a critical mass of interventions in the timber sector to promote productive private investment and job creation, by contributing to the reduction of waste and illegal logging through the promotion of the use of wood from legal and sustainably managed forests (especially community forests), the dissemination of modern techniques adapted to secondary and tertiary processing (allowing for the optimisation of yields), the use of secondary species (currently abandoned) and drying techniques (allowing for savings in transport costs and a significant increase in the quality and shelf life of the wood).

This component comprises three sub-components: **(i)** improvement of the policy framework through reforms to promote the processing of certified dried wood, **(ii)** promotion of sustainable wood processing techniques and technical and vocational training, and **(iii)** preparatory studies for the creation of a wood cluster in Yaoundé.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

75

A 50-hectare site on the outskirts of Yaoundé is planned to host the Yaoundé wood cluster facilities, which will be implemented in the form of a Mixed Economy Company (SEM) in Public-Private Partnership, and could eventually generate 3,000 direct jobs on the project site, and 5,000 indirect jobs in the immediate vicinity. The projected consolidated turnover of the cluster's companies will be in the order of CFAF 6 billion per year, generating significant local tax revenues and dividends.

8.6 THE "FURTHER PROCESSING OF WOOD AND WOOD PRODUCTS" COMPONENT OF THE CONGO'S INDUSTRIAL RECOVERY PROJECT

In 2009, the government of the Republic of Congo, with the support of the United Nations Industrial Development Organisation (UNIDO), set in motion the Integrated Programme for Industrial Recovery in Congo (PIRI-Congo). The Further Processing of Wood and Wood Products component is under the responsibility of the Ministry of Sustainable Development, Forest Economy and Environment. The Congolese government has set itself the objective of an 85% wood processing rate, but the industry is still far from the objective (44% in 2009), hence the implementation of this revival project. The strategy to be implemented over the next four years is twofold: **(a)** the development of the private productive sector by strengthening institutional capacities in terms of industrial policy, SME/SMI promotion and investment promotion, on the one hand, and on the other hand, managerial capacities through direct assistance to companies and industrial promoters; and **(b)** support for the two priority sectors recommended by the Government: agri-food and the further processing of wood and wood products.

In this context, the Congolese government has formulated the Priority Action Plan (PAP) for the period 2010-2013, for the development of the wood and wood products component, with the following objectives

- ❖ Capacity building of the supply/production/distribution value chain of the sector, including the non-existent means of institutions supporting the development of SMEs, especially at the secondary processing level;

- ❖ The support and creation of Technical Learning Centres (CAT) for the wood and wood products trades according to the alternating training model (technical study, practical and technical training in the workplace).

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

76

The approach and strategy of the priority action plan aims at short, medium and long term impact for :

- ❖ Boosting SMEs and craftsmen involved in wood processing, with a view to creating jobs and fighting poverty;
- ❖ Contribute to the promotion of secondary processing activities, with a view to improving the quality of products to make them competitive and create added value;
- ❖ Promote sustainable projects to attract investment;
- ❖ Facilitate access of products to national, regional and international markets.

An operational framework gives content to the actions to be implemented to achieve the objectives of the priority action plan. These are:

- ❖ Identification of promising sectors;
- ❖ The creation of two (02) support centres for wood processing in Pointe-Noire and Pokola;
- ❖ Capacity building of existing wood trade centres;
- ❖ Training and support for entrepreneurs from small and medium-sized businesses, establishments and carpentry craftsmen established in a network and working in synergy;
- ❖ Accompanying and/or strengthening the projects of SMEs, establishments and craftsmen in the carpentry sector with financing institutions;
- ❖ Improving the incomes of the actors involved along the value chain of the relevant commodity chains;
- ❖ Capacity building and productive and commercial techniques for SME/SMIs, establishments and craftsmen in the woodworking and cabinetmaking sectors;
- ❖ The establishment of a system of normalisation and standardisation of processed wood products;
- ❖ Training of auditors in the fields of standardisation and normalisation;
- ❖ Supporting forestry companies in implementing sustainable forest management standards.

8.7 INITIATIVES IN OTHER CENTRAL AFRICAN COUNTRIES FOR WOOD PROCESSING

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

77

In Gabon, the government announced in November 2009 that log exports would be banned from 2010 in order to promote the development of local processing, create jobs and develop products with greater added value. The forestry law provides for a processing threshold of 75% of logs to be reached in 2012. Accompanying measures are planned for the transition period and the development of new processing units. These measures mainly concern:

- ❖ The regulatory, structural and organisational framework;
- ❖ Jobs and training;
- ❖ The establishment of an innovative tax and customs environment;
- ❖ The development of special economic zones such as free trade zones;
- ❖ Strengthening infrastructure;
- ❖ Financing industrialisation.

The 44th session of the Forest Industry Committee of the ITTO International Tropical Timber Council in December 2010 discussed the establishment of a support scheme for further processing of timber in five producer countries of the Congo Basin and submitted draft project proposals to the Council in the areas of research and development, market intelligence, increased and further processing in producer member countries, reforestation and forest management. In addition, the ATIBT was to study the possibility of setting up a timber trade school in the Mbalmayo region of Cameroon for all countries in the sub-region.

The Steering Committee of the United Nations Environment Programme (UNEP)/*Global Environment Facility* (GEF) project "Harmonized Approach to Production Forest Management in the Congo Basin" launched work in 2014 on a pilot project for the sustainable management of the Congo Basin forests. The countries involved are the Central African Republic, the Democratic Republic of Congo (DRC) and the Republic of Congo.

CONCLUSION

From this third chapter on the state of play of activities in the **forestry and wood industry,** we can note
- ❖ Supply difficulties:
- At the log level for 1ère processing companies that do not hold FMUs;
- At the level of 1st transformation products, especially dried sawnwood, local timber markets are dominated by informal units. Sawn timber is produced by simple equipment such as chainsaws or mobile sawmills, and

producers are not equipped with drying kilns. Informal (sawn) timber producers are not subject to the same cost and tax structure as the formal sector.

- ❖ The processing equipment in the installed units is old and outdated.
- ❖ Inadequate economic infrastructure (transport, electricity, communications, ports):

-Landlocked regions often lacking in timber evacuation roads (roads often built and maintained by the industry itself);

-Unavailability of electricity in some regions limiting further processing of wood;

-Congestion in export ports and delays in a global just-in-time delivery context.

- ❖ Political instability and social conflict:

-Some regions of the country suffer from conflicts that hinder investors' interest, particularly with regard to community forests

- ❖ The lack of a concerted and coherent national strategy for the development of the forest industry and the non-implementation of existing strategies:

-Weakness of the administration in enforcing the law;

-Poor perception of wood material at the population level limiting the size of local markets;

-Lack of promotion of the material and the wooden house.

- ❖ Lack of adequate mechanisms for financing the further processing of wood:

-Lack of tax incentives for further processing of wood;

-Lack of venture capital and difficulty in accessing finance for the sector.

- ❖ The strategies of established multinational companies are based on intra-firm transfers: Several multinational companies export logs or simple sawn timber to other affiliated processing units, with value-added production escaping local companies;
- ❖ Lack of qualified and experienced personnel to plan, manage and market further processing of timber:
- ❖ The obsolescence of training schools specialising in wood processing (carpentry and cabinet making);
- ❖ The local market structure of the forestry and wood sector is dominated by informal activities and the import of office furniture and other wooden equipment.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

79

CHAPTER 4 : DIAGNOSTIC OF « FORESTERY-WOOD » IN CAMEROON

INTRODUCTION

Dans ce quatrième chapitre, après avoir mis en relief la démarche analytique qui structure le diagnostic de la **filière «forêt-bois»** au Cameroun, nous procèdons à un examen de la place qu'occupe cette filière dans l'Economie Camerounaise. Une analyse du cadre dans lequel les activités des différents maillons de la chaîne de valeur de cette filière s'exercent est également faite.

Section 1- ANALYTICAL FRAMEWORK OF THE DIAGNOSIS OF THE FORESTRY-WOOD SECTOR

We opt for a cross analysis of the factual and historical elements of the Cameroonian economy and its international environment, with particular emphasis on the SMEESA component of this architecture. **This cross-analysis requires us to make use of the** *Strengths Weakness Opportunities Threats* **(SWOT) Approach,** *Benchmarking* **and Meta-analysis in order to** set the trajectory to be followed to make the SMEESA an instrument for revitalising the structures of the Cameroonian economy, particularly in the **"forestry-wood"** sector, and to make up for the differences in economic growth rates in the face of headwinds and other shocks to the economic situation due to exogenous or endogenous shocks.

SWOT analysis is a strategic analysis tool. From the point of view of economic development or entrepreneurship for example. SWOT analysis combines the study of the strengths and weaknesses of a country, a territory, an organisation, a sector, an industry or a product, with that of the opportunities and threats of its direct and indirect environment, in order to facilitate the elaboration of a development strategy. The aim of this approach is to take into account both internal and external factors in the strategy, maximising the potential of strengths and opportunities and minimising the effects of weaknesses and threats. The following table shows the logic of the SWOT analysis.

Table 12 Logic of the SWOT analysis

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

80

	Positive	*Negative*
Internal	Forces	Weaknesses
External	Opportunities	Threats

Source: MINPMEESA

The SWOT analysis, which comes from the business world, is part of the structural models approach combining a series of tools for analysing the internal environment of the company and its external environment, and its logic of use is illustrated as follows.

Figure 8 Logic of using SWOT analysis
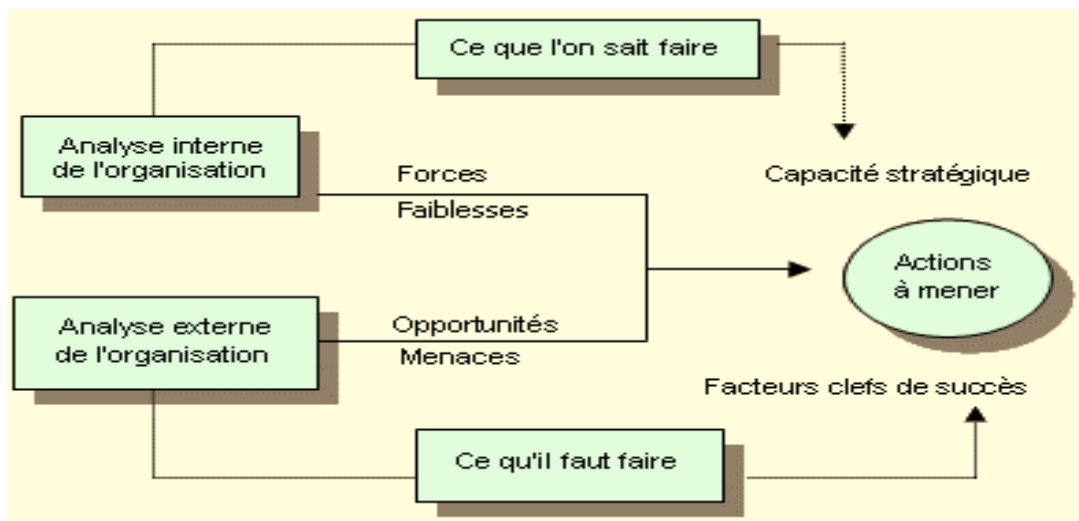
Source: Author

However, the models are multiple and give rise to many variants, especially for the intermediate tools, leading to the SWOT analysis. These tools are not always the same depending on whether the analysis is for a company, an organisation, a territory or a sector, a country, and depending on the contexts in which the SWOT analysis takes place. This approach can be complemented by **Benchmarking**.

Originally, **Benchmarking is a** method of countering the superiority of the Japanese economy, imagined by American industrial companies at the beginning of the 1980s, by taking inspiration from the methods of their adversaries. By definition, **Benchmarking** is concerned with all the activities, products and services linked to the processes of a public or private, commercial, production or service organisation in terms of development, product or service design, financial management, information systems, human resources,

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

81

administration, purchasing, production, communication, sales and logistics. The purpose of **benchmarking** is to implement *best* practices from past experiences. Although **Benchmarking was** originally used mainly by multinational companies, today it is a management tool used by SMEs/SEAs and Decentralised Territorial Communities (DTCs) in the context of decentralised management of the economy and the territorialisation of economic activities. Thus, for an SMEESA, **benchmarking** is a continuous process of evaluating its products, services and operating methods against those of its competitors or most serious partners or partner organisations recognised as leaders in their respective fields. For the SMEESA, it is also the search for the most effective methods to ensure superiority in a sector, branch or field of activity. In fact, for the SMEESA, **benchmarking** is a continuous and daily action of comparing its processes, services or products with similar activities that are considered to be better, in order to set ambitious but realistic objectives and improvement actions aimed at becoming and remaining the best of the best SMEESA. For the SMEESA, it is an evaluation procedure in relation to a recognised model, as part of a process of seeking excellence. **Benchmarking** is also a cooperative attitude that allows an internal or external comparative analysis of concepts, methods, tools, processes, services and products based on qualitative and quantitative information collection on the local and international economic environment and on the culture and understanding of the SMEESA organisation that one wants to resemble. Thus, **Benchmarking** is positioned as a tool for continuous improvement of the performance of the SMEESA that allows qualitative and quantitative leaps in productivity and competitiveness, with a view to increasing its effectiveness, efficiency and profit. This approach reveals to the SMEESA the level of performance it can achieve and also shows it how to get there.

However, it should be noted that a distinction is made between **internal** and **external benchmarking**. For an SMEESA, the objective of **internal benchmarking** is to analyse and compare various concepts, methods, tools, processes, products and services within its own organisation. It is a learning method whose advantage is that the information to be shared is easily accessible because it remains internal. The sharing of the same entrepreneurial culture due to belonging to the same SMEESA facilitates the transposition of the identified solutions and the implementation of these solutions leads to immediate performance gains. However, **internal benchmarking** has disadvantages, namely that the information used is partial and concerns only the internal environment of the SMEESA, and this information may be fragmented, truncated or biased; each employee or manager of the SMEESA wanting in such a context to protect his or her own interests, or those of his or her department. **Internal benchmarking** also presents the risk of self-satisfaction or even official consanguinity. As far as **external benchmarking is** concerned, there are several variants as shown in the following table:

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82

Table 13 : Variants of external *benchmarking*

				EXTERNAL BENCHMARKING			
	CONCURRENT	**FUNCTIONAL**	**ORGANIZATIONAL**	**PROCESSES**	**GENERICS**	**STRATEGIC**	**COOPERATIVE**
OBJECTIVES	Analyse and compare various concepts, methods, tools, processes, products and services	Analyse and compare own functions with similar functions	Improving activities that have a strong influence or impact on the organisation or business	Analyse and adapt the operations of critical processes, knowing that each process has measurable inputs and outputs.	Observe, analyse and compare to learn best practice from organisations with similar working methods and processes.	Analyse and adapt winning strategies.	Be the best and stay the best
PARTNERS	Direct competitors of the SMEESA	Leading organisations not competing in the same sector	Leading non-competing organisations within the same sector	Leading organisations in their sectors.	Leading organisations in different sectors.	Partners with whom the SMEESA already has an established collaboration or a leading organisation.	Partners with whom PMEESA has already established a fruitful long-term collaboration.
USE	Punctual or Permanent with the collaboration of one or more direct competitors	Identify and document performance-related processes	Highlights internal shortcomings and dysfunctions.	Highlights the specificity of certain operations in critical processes.	Discovering new levels of performance that encourage the acquisition of new concepts and ideas.	Facilitate foresight analysis that feeds the imagination of possible futures and strategic thinking.	Logical continuation of the Strategic Benchmarking.
BENEFITS	Partners very easy to identify and usually highly motivated. Quickly highlights any performance gaps	Partners relatively easy to identify and information readily available. Solutions identified that are easily adaptable.	Strong challenge to the organisational culture. Allows the SMEESA to adapt to a context of strong competitiveness and	Enables rapid identification of key success factors. Promotes performance leaps.	Very productive, creative, and more effective method. Discovered new levels of performance and	Decision support and resource allocation. Long-term relationship. Mutual trust established. Highly	Permanent questioning, pooling of information and many other resources. This

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83

	between the SMEESA's concepts, methods, tools, processes, products and various services and those of competitors	Benchmarking leading to functional innovations.	exacerbated competition.		gave them credibility. Uncovers new environments that open minds and remove many preconceptions. Triggers performance leaps and breakthrough innovations.	accessible and continuously exchanged information.	is the final stage of benchmarking, the most successful stage, the one that creates the most value and profit. This is the royal road.
DISADVANTAGES	Laborious data collection and limited information sharing. No real disclosures. High risk of losing sensitive information and revealing critical processes. Other economic agents, if informed, may imagine that there is a possibility of collusion between SMEs.	Limited to cost comparisons. Favours quantitative over qualitative analysis. Neglects the human factor.	Often limited to administrative management. Encounters strong resistance to change.	Potential partners difficult to identify. Adaptation and transfer sometimes difficult due to lack of know-how.	Potential partners are difficult to identify, are often approached and have to find a real interest in entering into a new partnership. Difficulty in understanding the partner company in order to adapt and transfer certain production or management processes for example.	Potential organisations that are not already partners are very difficult to identify. The organisation's partners are difficult to convince to adopt this approach.	Partners almost impossible to identify if there is no prior relationship. Partners from other Benchmarking organisations are difficult to convince

Source: MINPMEESA.

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84

Section 2- ANALYSIS OF THE WOOD INDUSTRY AND ITS DERIVATIVES

The wood industries, including furniture manufacturing, are, along with paper and paper products manufacturing (printing), the main processing industries for **"forestry and logging"** products. This industrial sector of wood in Cameroon has evolved considerably since 1994. The end of the 1990s was marked by the beginning of a reform in this sector. This reform aimed both at sustainable forest management and the creation of an efficient industrial wood processing sector. Industrial wood processing capacity increased significantly under the impetus of this law due to the partial ban on log exports enacted by Article 71 of the 1994 Forestry Code and its implementing decree from June 1999. Depending on the degree of processing carried out on logs from forestry operations, a distinction is made between primary, secondary and tertiary wood processing. Our analysis concerns three (03) branches, namely branch 17 (wood industry except furniture manufacture), branch 18 (manufacture of paper and paper products: printing), and branch 27 (manufacture of furniture; N.C.A. manufacturing activities and recovery).

2.1. ANALYSIS OF THE "WOOD INDUSTRY EXCLUDING FURNITURE MANUFACTURING" BRANCH

This branch of activity has a number of internal weaknesses. We can mention :

- ❖ The high level of illegal wood processing and the development of the informal sector;
- ❖ Supply difficulties (lack of a real market) :
    - ✓ at log level for 1ère processing companies that do not hold FMUs;
    - ✓ in terms of 1ère processing products, in particular dried sawn timber: local timber markets are dominated by the informal sector;
    - ❖ Outdated production tools and inadequate infrastructure:
    - ✓ outdated processing plants; often set up to comply with minimum processing threshold requirements with sawmilling as the main activity;
    - ✓ Sawn timber is produced by simple equipment such as chainsaws or mobile sawmills, and producers are not equipped with the drying facilities needed for further processing of the timber;

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

85

- ❖ The lack of qualified and experienced personnel in planning, management and marketing in wood processing:
  - ✓ absence and/or disuse of specialised training schools for wood processing, carpentry and cabinet making;
  - ✓ shortcomings in the number of people trained, in the range of training available and in the quality of the few courses provided;
  - ✓ staff often trained on the job in the company.

The analysis of the environment of the "wood industry except furniture manufacturing" branch of activity shows that, despite the above-mentioned constraints, there are some opportunities to be seized due to its strong potential:

- ❖ The government's desire to develop the sector, as expressed in the forest policy guidelines, in Vision 2035 (DSCE, SND-30), and in other previous initiatives (PCFC, the wood cluster project, the wood sector industrialisation plan, etc.)
- ❖ The existence of regulations, in particular Article 71 of the 1994 Forestry Code and its implementing decree of June 1999;
- ❖ The abundance and excellence of the quality of several wood species, the exploitation and transformation of which is today concentrated around a few species (**Sapelli, Ayous, Tali, Okan, Fraké, Azobé**);
- ❖ The potential for processing of **ayous** and **azobé** species. Indeed, these two species are not on the list of those forbidden for export without processing and their exports in the form of logs represent more than 200,000 m3 annually;
- ❖ The measures of the FLEGT Voluntary Partnership Agreement, which allows timber from Cameroon to demonstrate legal compliance in the European Union markets and thus improve its competitiveness. Also, these measures will promote the implementation of a Legality Assurance System (LAS) and a Cameroon Timber Traceability System (TCTS).

Among the threats to the development of the "wood industry except furniture manufacturing" branch of activity, **we can mention**

- ❖ Inadequate logging regulations;
- ❖ Landlocked regions, often lacking timber evacuation roads (roads often built and maintained by the industry itself);
- ❖ Unavailability of electricity limiting industrial development in several regions;

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86

❖ Congestion in export ports where delivery times are a key variable.

❖ The lack of a development policy or incentive framework for further processing of wood;

❖ Lack of promotion of the material and the wooden house;

❖ The security situation in the eastern region of Cameroon, which holds more than 60% of the country's forest reserves, could dampen investor interest.

2.2. ANALYSIS OF THE 'MANUFACTURE OF PAPER AND PAPER PRODUCTS, PRINTING AND PUBLISHING' INDUSTRY

On observation, the strength of this branch of activity is the increasingly marked presence of players in the field of printing. The main weakness is the absence of local companies in the manufacture of paper, leading to a total dependence of the national economy on the outside for paper.

The analysis of the business environment shows that the opportunities to be seized are essentially:

❖ Compliance with the provisions of the joint order n°005/MINEPDED/MINCOMMERCE of 24 October 2012 on the regulation of the manufacture, import and marketing of non-biodegradable packaging, which is a threat to plastic packaging and in fact an opportunity to be seized for the development of the pulp and paper products manufacturing sector as a substitute for plastic packaging;

❖ Initiatives taken to optimise the viability of the CELLUCAM site, notably through conventions between the Cameroon government and SMEESA for the production of paper pulp. This type of agreement makes it possible to develop technopoles for actors in the forestry-wood sector, as well as related sectors (energy, water treatment, development of skills in the wood trades, etc.).

Some risks to the development of the sector are discernible. These are:

❖ Ecological risks from the installation of the pulp and paper production units with chemical emissions of a polluting nature;

❖ The risks of price pressure on pulp and paper products imports. Indeed, pulpwood, the raw material for paper and board manufacturers, is increasingly used and processed for fuelwood in the main pulp producing countries.

2.3. ANALYSIS OF THE "FURNITURE MANUFACTURING, NCA MANUFACTURING AND RECOVERY" INDUSTRY

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

87

The main strength of this branch of activity is the existence of a few SMEESA manufacturing furniture to standard standards. However, its two main weaknesses are the absence of real drying units, and the low level of qualification of the workforce, skills and training in furniture design. This can be seen in the local market, which produces products of low quality and insufficient finish. At the level of the business environment, the main threat is the absence of standards and quality control of production in the "furniture manufacturing, NCA manufacturing activities and recovery" branch.

Section 3- DIAGNOSIS OF THE "FOREST-WOOD" SECTOR IN RELATION TO ITS POSITION IN THE NATIONAL ECONOMY

The analysis made in this section is based on the one hand on the current characteristics of the **forest-based sector**, seen as strengths or weaknesses according to its positioning in the national economy. On the other hand, it highlights the external elements having a possible impact on the economic contribution of the sector in the economy. This diagnosis is based on a SWOT (Strengths-Weaknesses-Opportunities-Threats) analysis of the forest-based sector.

3.1. STRENGTHS OF THE FORESTRY AND WOOD SECTOR IN THE NATIONAL ECONOMY

The **"forestry-wood"** sector has several assets that give it a fairly important position in the Cameroonian economy.

- ❖ The **forestry and timber** sector accounts for around 5.3% of GDP and 15.7% of all exports in Cameroon. In addition, this sector accounts for 20% of export earnings ;
- ❖ Cameroon's forestry and wildlife potential is quite rich but not sufficiently developed. The forest estate covers 47% of the national territory in terms of area;
- ❖ The NDS-30 aims to promote the growth of the wood processing and ecotourism sectors in sustainable conditions by improving their own level of competitiveness and the investment climate. This is achieved through the provision of 2nd and 3rd generation wood processing equipment to SMEs.
- ❖ The controls carried out by the Water and Forestry Administration have reduced illegal wood processing activities of fraudulent origin.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

88

3.2. WEAKNESSES OF THE FORESTRY AND WOOD SECTOR IN THE NATIONAL ECONOMY

In spite of its strengths, the **forestry** sector faces a number of obstacles:

❖ The national timber construction market is still in its infancy and unstructured in some places

❖ SMEESAs continue to suffer from a lack of quality training facilities aimed at improving the quality and finishes of wood-based products.

❖ The insufficient structuring of the sector's actors with, on the one hand, industrial operators linked to international markets who are mostly grouped within the Grouping of the Wood Sector du Cameroun and, on the other hand, due to their informal operating methods, smaller operators who are relatively poorly organised within multiple groupings.

❖ The poor structuring of the internal wood market, with the consequence that the supply channels for local wood processing industries are not under control.

❖ The absence of wood fibre to pulp companies in the country.

3.3. THE OPPORTUNITIES OF THE "FORESTRY-WOOD" SECTOR IN THE NATIONAL ECONOMY

The forestry sector in Cameroon has a strong potential to be developed, notably because of:

❖ The growing demand of the domestic market

❖ The Asian and European markets constitute an important outlet to be exploited for the marketing of the sector's products

❖ National and sub-regional markets are expanding

3.4. SOME THREATS TO THE FORESTRY AND WOOD INDUSTRY

In the forestry and timber sector in Cameroon, certain current or future changes may have a negative impact on the sector's position in the national economy. These include, among others

❖ The absence of financing structures essentially dedicated to the actors of the **"forestry-wood"** sector;

❖ Insufficient training of SMEESA for the production of quality wood products;

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89

❖ Lack of a systematic mechanism for the recovery and valorisation of waste (logging waste and wood processing offcuts);

❖ The poor state and inadequacy of the economic infrastructure (transport, information, telecommunications, energy);

❖ Some shortcomings of the legal and judicial infrastructure;

❖ Control hassles (tax, police, gendarmerie, administrative authorities, customary authorities);

❖ The decision to ban the export of logs has been difficult to implement.

Section 4- DIAGNOSIS OF THE ACTORS, PRODUCTS AND TRADES OF THE "FOREST-WOOD" SECTOR

4.1 ANALYSIS OF THE ACTORS IN THE FORESTRY AND WOOD SECTOR

The **forestry and timber** sector in Cameroon is made up of around one hundred (113) large and medium-sized actors, as well as a multitude of other small and very small actors. These actors operate along the entire timber production chain, which is segmented into four levels: **(i)** upstream forest production, **(ii)** meso-level timber processing, **(iii)** downstream marketing of timber products and **(iv)** cross-sectoral transport of timber products.

The majority of upstream actors in the value chain operate on forest areas representing almost 88% (6.22 million out of 7 million ha) of the country's production forests, with an average of 100,000 ha of forest per actor. Actors in the middle of the value chain, with about 191 operational units, have a processing capacity of about 2.8 million m³, or 85% of the national log production. The downstream actors are responsible for the export of more than 0.8 million m³ of logs and about 0.85 million m³ of sawn timber (2.5 million m³ of processed logs).

In addition to this productive capacity, the actors in the wood sector carry out their activities while maintaining an associative landscape based on affinities and other common interests. The associative landscape of the private forestry sector actors is very fragmented as it is made up of around thirty (33) associations and unions sharing the vast majority of the large actors, and around fifty (57) for the small and very small actors. As regards trade unions, there are 23 trade union associations of craft operators, 14 associations and trade unions of large, medium and small enterprises and around 50 trade union associations of very small enterprises. This highly fragmented form of structural organisation is at the root of relatively

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90

weak collective action to capture opportunities in the upper links of the value chain, and the driving force behind the communication and functional difficulties noted by the sector's players.

It thus appears that, in a summary way, private sector actors in the **forestry and timber** sector in Cameroon have, to varying degrees, a rough knowledge of the different mechanisms (FLEGT VPA, REDD, Certification, etc.) as well as of the tools likely to promote the legality of timber. It is therefore necessary to consider a capacity building programme based, for some, on transparency to ensure better visibility of their activities, and for others, on awareness raising and training in all aspects and complexities of the mechanisms mentioned to enable them to become more involved.

In addition, the insufficient structuring of the Internal Wood Market has resulted in the lack of control over supply channels for local wood processing industries.

4.2   ANALYSIS OF THE PRODUCTS AND TRADES OF THE "FORESTRY-WOOD" SECTOR

The main strength of the products and trades of the **forestry and wood** industry lies in the level of:

- ❖ The rich but underdeveloped forest and wildlife potential;
- ❖ Many species are still little known and under-exploited;

In terms of weaknesses, the following can be mentioned:

- ❖ The production of artisanal sawn timber in Cameroon is mostly illegal and consequently so is its marketing. In addition, access to legal timber remains a major constraint to the development of SMEs in the timber processing sector in Cameroon. The centralisation of the issuing of permits since 2006 and the cumbersome procedures are not likely to encourage the migration of these actors' activities from illegality to legality.

- ❖ Despite the significant weight of artisanal wood processing in the sector, artisans continue to face a lack of quality training structures aimed at improving the quality and finish of wood-based craft products.

Section 5- DIAGNOSIS OF THE LEGAL FRAMEWORK FOR THE FORESTRY-WOOD SECTOR

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

91

The main feature of the formal system of governance of the forestry-wood sector in Cameroon is **community forestry,** which for more than 20 years has allowed the creation of community forests within the framework of the forestry law.

5.1   REVIEW OF LAND OWNERSHIP ARRANGEMENTS

This review underpins community rights to ownership, access and use of land and forest resources in Cameroon. The system of land ownership, use and allocation in Cameroon is complex, with laws emanating from different sectors and often showing contradictions or conflicting approaches. Land tenure is governed primarily by **Ordinance No. 74-1 of 1974 establishing the land tenure system** (the '1974 Land Law'), which provides that all land is either **private**, **public** or **national land** (Article 14).

-Private land includes registered land, *freehold* land and concessions and may include private land owned by the state or state entities as well as by individuals or third parties.

-Public land includes land held by the state for very specific public purposes (and includes the 'natural' public domain such as coastal land, waterways, subsoil and space, and the 'man-made' public domain which is mainly related to infrastructure such as roads, railways, telecommunications, etc.).

-The 'remaining' **national lands are** all lands that are not officially registered as public or private. It encompasses the vast majority of Cameroon and is under the formal administration of the state. This includes almost all land under customary ownership and use (see below). Land ownership and titling is primarily the responsibility of the Ministry of Domains, Cadastre and Land Affairs (MINDCAF), while decisions on zoning and more general land use are taken by the Ministry of Economy, Planning and Territorial Development (MINEPAT). Superimposed on the title and ownership system are the land classifications and authorities of a number of other ministries.

5.2   FOREST GOVERNANCE

The Ministry of Forests and Wildlife (MINFOF) is the authority in charge of all forest resources, which are governed in accordance with the 1994 Forest Law. According to the terms of this law, Cameroon's forest areas are divided into **permanent forest domain** and **non-permanent forest domain.** The **permanent forest estate** deals with areas that are permanently allocated to forest areas. These can include several different uses, including national parks and wildlife reserves, as well as 'production forests', i.e. large-scale forest concessions intended for sustainable management (thus preserving them in the **permanent forest**

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92

estate). It should be noted that statutory community forests *are not* (and cannot be) part of the **permanent forest estate** but rather fall under the **non-permanent forest estate**.

To become part of the **permanent forest estate**, a forest area must be 'classified' by an administrative act, and the act of classification creates a private (state) property right in the area, which means that it moves from the category of '**national land**' to that of '**private land**'. Under the **terms of** the **1994 Forestry Law**, **the state is obliged to maintain at least 30% of its total land in the permanent forest estate and therefore an area cannot be downgraded from the permanent forest estate unless an equivalent area (in terms of size and quality, and from the same ecological zone) is classified in the permanent forest estate as compensation**.

The **non-permanent forest estate** consists of areas that are currently under forest cover but are not intended to remain so and can be allocated to other uses. MINFOF is authorised to allocate these areas to, among other things, standing timber sales (short-term single-cut logging permits, usually for 1,000-2,500 ha), salvage logging permits (logging permits where the land has been allocated by another Ministry for purposes that are not compatible with maintaining it as a forest area) and statutory community forests. Crucially, none of these permitted uses in the **non-permanent forest estate** (including statutory community forests) create a property right. The **non-permanent forest estate** consists of forest land that is national and private (such as concession land) that has not been allocated to the permanent **forest estate**, but since classification under the permanent forest estate involves the creation of a new title, in principle only non-private land (or land whose private owner is expropriated under public procedures) can be classified as **permanent forest estate.**
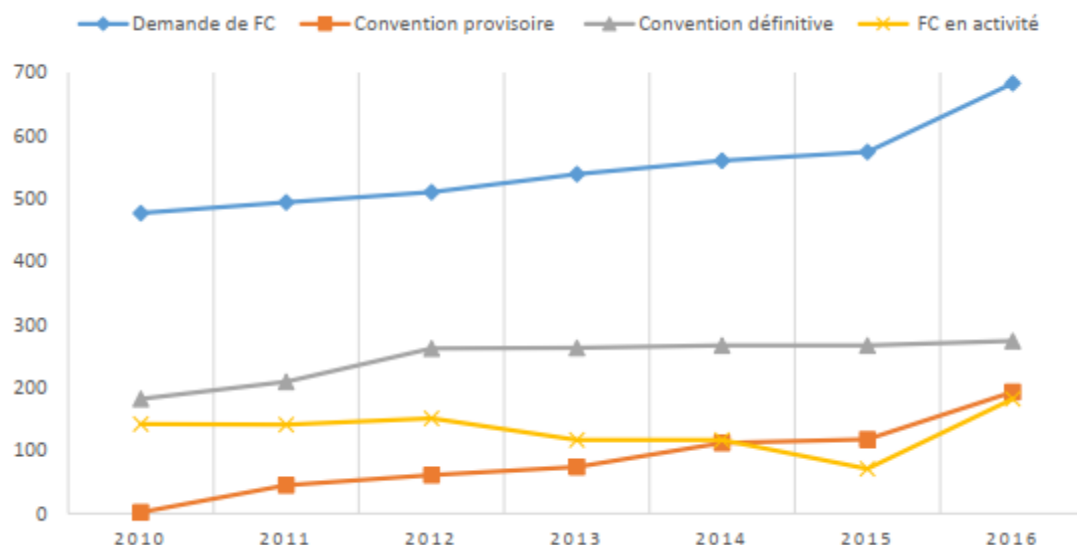
5.3   NATIONAL LAND USE

The use of national land - unallocated land under state administration - is subject to a variety of actors. A key means of transforming national land into private land is through the granting of a concession, according to the National Domain Management Decree of 1976. According to this decree, applications for concessions must be submitted to MINEPAT and are granted either by ministerial order or, in the case of concessions larger than 50 hectares, by presidential decree. However, in practice, other ministries (in particular the Ministry of Agriculture and Rural Development - MINADER) are closely involved in the preparation and proposal of concession areas. As a general rule, concessions can only be granted on land under the national domain (and not on private land, unless an expropriation procedure is adopted).

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

93

It is also possible for national land to be transformed into private state land at the request of a particular ministry. In some cases (in particular, in the case of public investments or investments with state participation), this procedure can be used to extract certain lots from national land to support economic investments in the **forestry and timber sector** in particular. If a Ministry such as MINPMEESA requests that land be allocated to it and does not develop it within three years, the land becomes unallocated private state land and can be sold. Industrial investments most often follow a concession allocation procedure but may also involve the use of private state land in certain circumstances.

5.4 STATUTORY COMMUNITY FORESTRY IN CAMEROON

Cameroon was the first country in Central Africa to introduce the concept of statutory community forestry in 1994. After a slow start (the first community forest was established in 1997), the creation of community forests progressed steadily until 2011. However, by 2016 the rate of establishment of permanent community forests had stagnated despite increasing demand. At the same time, there were more allocations of provisional community forest management agreements. The figure below illustrates the progression in the number of community forests over time.

Figure 9 Evolution of the number of conventions awarded in community forestry in Cameroon

Source: Author based on MINFOF data

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94

While remarkable progress has been made in the initial allocation of community forest rights for some years, the maintenance of these rights has been more problematic. According to MINOF and World Resources Institute (WRI) data, a number of simple management plans are significantly older than 5 years. This suggests that many of these 'final' community forests are no longer actively managed by the communities in question. This may be due to the administrative hurdles (red tape) involved in renewing the management plan, the 'asset stripping' of the most accessible logging forests during the first cycle of the plan, or other reasons. Another reason is that they are active but do not comply with legal requirements to submit a new simple management plan every five years in order to apply for the relevant logging permits. According to the 1994 Forestry Law, communities can apply for exclusive rights to manage forest areas within their community forest zones as (statutory) community forests. Statutory community forests are only allowed in the **non-permanent forest estate** and must not exceed 5,000 hectares in size

❖ **The constraints of the community forestry system**

Reviews of the benefits of the existing statutory community forestry framework for communities have shown questionable results from an economic, social and environmental perspective and community forestry is widely regarded as a failure. While a few marginal studies show economic benefits for communities, most suggest that community forestry has not had a marked impact on their standard of living, household incomes or asset base, nor has it reduced their vulnerability. Elements of this model of forestry that are considered flawed include

- ✓ The size limit of 5,000 hectares
- ✓ Precarious security of tenure and insufficient duration of a statutory community forest
- ✓ Cumbersome bureaucratic process of establishing and managing community forests
- ✓ Administrative bottlenecks
- ✓ Weak capacity building and community support

❖ **Challenges and obstacles community forestry system**

There are many reasons for these difficulties. Some stem from traditional community hierarchies that are no longer compatible with a rights-based vision of human development. In some communities, a 'community-based' model may be incompatible with traditional socio-economic organisation, which is based primarily on securing the well-being of the clan or family, and the imposition of a community-based model may create conflict. However, inequalities and hierarchies have been reinforced by various policies, including the (de

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95

facto) lack of access to universal primary and secondary education and changes in the structure of chieftaincies to make them accountable upstream (to the state) rather than downstream (to the community). With regard to barriers, there are a number of factors that create trade barriers that hinder the proper functioning of community forestry enterprises:

✓ The state of the road infrastructure

✓ Lack of electricity

✓ Authorisations, permits and taxes that burden small businesses

✓ Corruption

✓ Lack of political support for the marketing of products

✓ Inadequacies in the legal and judicial infrastructure

CONCLUSION

At the end of this chapter, it is clear that in order to guarantee access to legal timber for SMEs, it is necessary to consider the creation of forest plantations at the level of the CTDs (Communes and Regions). This also allows them to be involved in the sustainable management of natural resources and to structure the local economic fabric with the installation of SMEs in the links of the local wood processing value chains; links for which each CTD has a comparative advantage. The combination of actions at the level of each CTD, particularly those located in the major basins of the **"forest-wood" sector,** will eventually contribute at the national level to increasing the number of forest plantations and strengthening the structure of the wood processing industry up to the third stage of processing, particularly with a view to furniture manufacture, housing and building construction and industrial uses.

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96

CHAPTER 5 : STRATEGICAL AXIS FOR THE DEVELOPMENT « FORESTERY-WOOD » IN CAMEROON

INTRODUCTION

The objective of this fifth chapter is to present the econometric model in time series and the multivariate statistical analysis which allows us to highlight on the one hand the potential gains of the realization of the project of insertion of SMESEH in various segments of the transformation of wood in local value chains and on the other hand the profiling of products, trades and SMESEH with high potential in each segment of the Wood Value Chain (WVC).

Section 1- MODEL FOR FORECASTING POTENTIAL GAIN FROM THE PROJECT TO INSERT SMESEH INTO LOCAL WOOD PROCESSING VALUE CHAINS

In this part of our analysis, we build a model for predicting the behavior of all actors in the "forest-timber" sector in Cameroon. To do this we decline in the following lines the methodology adopted to achieve our objective mentioned above.Thus, it is a question of first identifying the actors and the different dynamics in order to ultimately identify their relationships along the value chain of the **"forest-timber" sector.**

1.1 CONDITION FOR ANALYSIS OF THE FORECAST MODEL

The study of expectations in relation to the **"forest-timber" sector** in Cameroon requires prior identification and knowledge of the various actors who influence the dynamics observed on the market. Based on the uses and analysis of the **"forest-timber" sector** at national and international level, our model is based on hypotheses related to the climate of the sector.

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97

First or all, we are interested in the resource in its raw form. Depending on the regions of origin, species and destinations, adjustments to the supply and demand of forest products differ. It is this observation that justifies our first hypothesis which stipulates that "homogeneous wood" products are perfectly substitutable depending on their region of origin or destination. Thus the prices that justify the choice are almost controllable when we take into account the costs of transport and therefore of delivery to the places of sale.

So if our model takes into account the dynamics of trade between the ten (10) regions of the country, it is now interesting to introduce factors that take into account the determinants of international supply and demand in order to capture them effectively in our model.

The second hypothesis concerns regulatory actions and the impact of administrative, fiscal and commercial barriers, the presence of trade unions or that of powerful consumer associations. Indeed, we formulate hypothesize that the latter influence both supply and demand behavior.

The last hypothesis of the model is that the possibility of setting up a company or even a SMESEH in the country gives it comparative advantages vis-à-vis imported products only if they have the same production technologies.

1.2   FORMALIZATION OF THE FORECAST MODEL

As demonstrated in the analyzes above, the potential evolutions of the **"forest-timber" sector** in Cameroon can only be perceived and anticipated through the various components. It is therefore for us to define the framework that will allow us to visualize these different possible evolutions in a precise way. Our model starts from the formulation that describes the timber market according to its different components as we have:

$$Q = f(D, O, T, e)$$

In this equation :

Q : refers to the entire timber market on national territory

D : represents the national demand

O : the national supply

T : all actors in the timber industry

E : all the elements not captured such as the activities that are practiced at different levels in the value chain of the **"forest-wood" sector** illegally.

After having defined the general structure of our **"forest-wood" sector**, it is a question of taking an interest in each of the elements, because it is these that will allow us to decide efficiently on the most optimal actors for the integrations with the various links of the Value Chain.

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98

❖ The demand component

In this section of our equation, we take as a reference the Armington model (1969) which was developed to represent the choice of consumption between domestic goods and foreign one.

The demand for a composite good p is expressed in the following form::

$$D_{p,i} = (1 - b_{D_{p,i}})PN_{p,i} + b_{D_{p,i}}M_{p,i} \; ; \qquad \text{where}$$

$D_{p,i}$ The demand for composite products p, in region i. The demand for composite products represents a kind of "weighted average" of domestic product and foreign product;

$PN_{p,i}$ The demand for domestic wood products p (produced in Cameroon) in region i;

$M_{p,i}$ The demand for imported wood products p (produced abroad) in region i

$b_{D_{p,i}}$ is a constant that verifies $0 < b_{D_{p,i}} < 1$

Given the assumptions of our model, demand for domestic products $PN_{p,i}$ and imported products $M_{p,i}$ are expressed as functions of composite demand and relative prices of domestic and foreign products.

❖ The supply component

Like the demand function, the supply function is subject to several variables that determine it. Thus, drawing inspiration from the model of Geraci and Prewo (1982), the structure of the supply is given as follows:

$$O_{w,i=}(1 - b_{S_{w,i}})LS_{w,i} + b_{S_{w,i}}X_{w,i} + R_i \; ; \text{Avec :}$$

$O_{w,i}$ the supply of composite products w, in the region i;

$LS_{w,i}$ the supply of products w destinated to local market (Camerounoon), in the region i;

$X_{w,i}$ The supply of products w to the rest of the world, that is, the volume of products exported, in region i;

R_i is a vector of variables that takes into account all the regulatory and political measures that influence demand. This will include taking into account governance measures and the actions of labor organizations.

$b_{S_{w,i}}$ is constant that verifies : $0 < b_{S_{w,i}} < 1$.

Like with the demand function, we can define $LS_{w,i}$ like functions of $O_{w,i}$ and the relative price of the two products on the market of the good.

❖ Actors in the « forest-wood » sector (T)

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99

This component of our function is a dummy variable of categorical type. This variable allows us in particular to define with precision which component of the **"forest-wood"** sector is the most likely to integrate following any shock encountered in the sector.

This variable notably takes into account the following components:

- ✓ Handicrafts
- ✓ Social Economy Organizations (SEOs)
- ✓ Social Economy Units (UES)
- ✓ Small and Medium Enterprises (SMEs)
- ✓ Medium-sized enterprises (MEs)

These components can be aggregated or disaggregated when forecasting.

❖ **Invisible elements**

This component of our model aims in particular to take into account all of the illegal components of the value chain of the **"forest-timber" sector** and therefore integrates illegal logging and "black market" measures observed on the timber market.

❖ **Forescating Results**

Table 14: Description of the variable of the forecasting model

Variables	Period of available data	Data sources
Forest rent		World Development Indicators-WDI (World Bank, 2021)
Share of the "forest-wood" sector in exports	2012-2020	NIS (National Accounts)
Slaughter statistics	2011-2020	Ministry of Forest and Wildlife (MINFOF)
Formal wood production	2010-2019	MINFOF
Different wood species exported	2010-2020	MINFOF
Consumption of forest products	2010-2020	National Accounts (NIS)
Exported wooden products and articles	2011-2020	National Accounts (NIS)

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

100

Share of the "forest-wood" sector in furniture exports	2011-2020	National Accounts (NIS)	
Timber and non-timber forest products	2009-2020	Foreign trade data (Cameroonian Custums)	
Wood exports for different species	2008-2021	MINFOF	
Contribution to GDP	2008-2021	NIS	
Timber export rate for each recipient	2000-2020	Foreign trade data (Cameroonian Custums)	
Timber export volumes and costs	2000-2020	Foreign trade data (Cameroonian Custums)	
Taxes collected on Forest products	2010-2020	MINFOF	

Source : MINPMEESA.

Our forecasts indeed show that despite the ban on the export of wood in the form of logs planned to start in 2023 by COMIFAC, a certain part of the production of wood in logs is nevertheless preserved and exported over the first five years of project implementation; ranging from 500 thousand to 124 thousand cubic meters. This share can be explained in particular by taking into account illegal activities in the forest-wood sector. On the other hand, there is an increase in exports of primary processing products such as sawnwood; respectively 1,875,324 cubic meters in the first year, 2,101,678 in the second, 2,201,328 in the third and 2,267,149 in the fourth year of project implementation

Table 15: Results of the forecast model

Parameters		Periods (as from 2023, avec N= year 2023)			
		N+1	N+2	N+3	N+5
Forecast for exports and production of raw and processed wood	Production of logs (in cubic meters)	428,413	508,221	552,207	645,257
	Export of logs	552,000	543,000	360,000	124,000
	Sawn timber	2,743,856	3,031,052	3,078,124	3,154,000
	Export of sawn timber	1,875,324	2.101.678	2.201.328	2.267.149

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

101

Section 2- MULTIVARIATE APPROACH TO PROFILING SMESEH AND THE BELONGING COUNTRIES OF THE SMESEH IN THE WOOD PROCESSING VALUE CHAIN

Multiple Component Analysis (MCA) is the appropriate method when the primary indicators relating to SMESEHs or their countries of affiliation can be codified in binary form. A multidimensional database is thus obtained where all the primary indicators are coded as 0 or 1. With K indicators and n individuals (SMESEHs or country to which the SMESEHs belongs), each unit can be represented by a line vector of dimension (1, K). Similarly, each indicator can be represented as a column-vector of dimension (n, 1). The relations between the variables and or the individuals are not directly apprehendable in this space of dimension (n, k). Like all other factorial analysis techniques, MCA seeks an optimal subspace in which one can detect (non-linear) links between indicators, between individuals (SMESEHs or country to which the SMESEHs belongs) or between indicators and individuals. The search process for optimal subspaces involves maximizing the inertia of the point cloud. From the data matrix, we seek the eigenvectors associated with the first eigenvalues which measure the inertia of the cloud of projected points. The first eigenvector associated with the first eigenvalue (the highest eigenvalue) is called the first factorial axis; it has a special meaning. It is indeed the axis in the direction of which the spreading of the point cloud is maximum. On the first factorial axis resulting from the projection of the cloud of points-variables, each primary indicator of economic performance has a factorial coordinate also called score. This score reflects the importance of the indicator on the first factorial axis. The weight sought in the functional form of the Performance Composite Index (PCI) corresponds to this normalized score (ratio between the score and the eigenvalue). The CPI thus obtained ultimately allows us to make robust comparisons of the profiles of SMESEHs in the **"forest-wood" sector** from one competing country to another on the market for wood and its derived-products.

2.1 CONSTRUCTION OF THE PERFORMANCE COMPOSITE INDEX

Considering the inertia approach stated above, we build a Performance Composite Index (PCI). This choice is dictated by our desire to eliminate arbitrariness in the calculation of such an index while avoiding redundancy in the selection of relevant dimensions of performance of the "forest-wood" sector. We used a

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

102

technique based on multivariate factor statistical analysis [the Multiple Component Analysis (MCA)], in order to aggregate various dimensions of performance to build up our index (PCI). The MCA chosen as method will allow us to transform qualitative variables into quantitative variable by putting them into classes or by a binary encoding. In order to formulate our PCI, we first present a number of basic notations, and then we highlight elements of the PCI such as the Khi-Deux distance, the factorial axis, inertia of different clouds. They lead to the functional form of the PCI and its exploitation for calculation of its values

NOTATION

According to Lebart and al., (1995, 1997)[1],

I = Set of SMESEHs i who have responded to a questionnaire. $Card\ I = n$

Q= Set of performances variables

J_q = Set of all possible answers (modalities) to question q.

$J = \cup \{J_q\ /\ q \in Q\}$ is the set of answers (response modalities) to all questions.

$Card\ J = p$;

X= Table of responses with n rows and p columns; $x_{ij} = 1$ or $x_{ij} = 0$ according to the modality chosen by SMESEHI i for the question q. Such a table is called a complete disjunctive table. It is the juxtaposition of Q sub-tables : $X = [X_1, X_2, ... X_q .... X_Q]$.

The Multiple Component Analysis is the analysis of the table X or the one of the table $B = X'X$ called a Burt contingency table, with the general term: $b_{jj'} = \sum_{i=1}^{n} x_{ij}x_{ij'}$. There is an equivalence between the two analyzes.

The margins in rows of the table X are constant and equal to the number of performance variables (Q):

$$x_i = \sum_{j=1}^{p} x_{ij} = Q$$

The margins in columns correspond to the number on SMESEH who have choosen the modality j of the question q : $x_j = \sum_{j=1}^{p} x_{ij}$.

For each sub-table X_q , the total number is : $x_q = \sum_{j \in q} x_{.j} = n$

The sum of margins gives the total number x (total effective) of the table X, that is:

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[1] See Bibi (2002).

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103

$$x = \sum_{i=1}^{n} \sum_{j=1}^{p} x_{ij} = nQ$$

We fit each SMESEH i with an identical mass equals to $m_i = \frac{1}{n}$ and each modality j is weighted by its frequency $m_j = \frac{x_{.j}}{nQ}$

As far as the Khi-Deux (χ^2) distance is concerned, in the set $\mathbb{R}^n$ of real number, the distance between two modalities is expressed as

$$d^2(j,j') = \sum_{i \in I} n \left(\frac{x_{ij}}{x_{.j}} - \frac{x_{ij'}}{x_{.j'}} \right)^2$$

In the set $\mathbb{R}^p$, the distance between two SMESEH i and i' is given by:

$$d^2(i,i') = \frac{1}{Q} \sum_{j \in J} \frac{n}{x_{.j}} \left(x_{ij} - x_{i'j} \right)^2$$

The distance between the modality j and the centre of gravity of the cloud g is:

$$d^2(j,g) = nd^2(j,g) = n \sum_{i=1}^{n} \left(\frac{x_{ij}}{x_{.j}} - \frac{1}{n} \right) = \frac{n}{x_{.j}} - 1$$

Concerning factorial axis, factors and formulation of inertia, if we denote by D the matrix of order (j,j') with the same diagonal elements (number corresponding to each modality) like B, to find the factorial axis, we diagonalize the matrix: $V = \frac{1}{Q} X'XD^{-1}$

In the set $\mathbb{R}^p$, the equation of the αth factorial axis u_α is : $\frac{1}{Q} X'XD^{-1}u_\alpha = \lambda_\alpha u_\alpha$

The equation of the αth factor φ_α can be written as: $\frac{1}{Q} D^{-1}X'X\varphi_\alpha = \lambda_\alpha \varphi_\alpha$

Similarly, the equation of the αth factor ψ_α in the set $\mathbb{R}^n$ is:

$$\frac{1}{Q} XD^{-1}X'\psi_\alpha = \frac{1}{Q} XD^{-1}X' = \lambda_\alpha \psi_\alpha$$

Between the two factors we have the following transition relations:

$$\varphi_\alpha = \lambda_\alpha^{-1/2} D^{-1}X'\psi_\alpha$$

$$\psi_\alpha = \frac{1}{Q} \lambda_\alpha^{-1/2} X\varphi_\alpha$$

The factorial coordonate of SMESEH i on the axis α is:

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

104

$$\psi_{\alpha i} = \lambda_\alpha^{-1/2} \sum_{j=1}^{p} \frac{x_{ij}}{x_{i.}} \varphi_{\alpha j} = \frac{1}{Q} \lambda_\alpha^{-1/2} \sum_{j \in p(i)} \varphi_{\alpha j}$$

Where $p(i)$ is the set of modalities choosen by SMESEH i. The coordonate of the modality j on the axis α is

$$\varphi_{\alpha j} = \lambda_\alpha^{-1/2} \sum_{i=1}^{n} \frac{x_{ij}}{x_{.j}} \psi_{\alpha i} = \frac{1}{x_{.j}} \lambda_\alpha^{-1/2} \sum_{i \in I(j)} \psi_{\alpha i}$$

Where $I(j)$ is the set of SMESEH who choose the modality j.

Then, the formulation of inertia is a follow:

The inertia $I_n(j)$ of the modality j is:

$$I_n(j) = m_j d^2(j, g) = \frac{1}{Q} \left(1 - \frac{x_{.j}}{n} \right)$$

While the inertia of the question is:

$$I_n(q) = \sum_{j \in J_q} I_n(j) = \frac{1}{Q} (J_q - 1)$$

We deduce that the total inertia is :

$$I_T = \sum_q I_n(q) = \sum_{j=1}^{p} \frac{x_{.j}}{nQ} d^2(j, g) = \frac{P}{Q} - 1$$

The total inertia depends only on the number of variables and modalities, and not on the relations between variables.

2.2 FUNCTIONAL FORM OF THE PERFORMANCE COMPOSITE INDEX

✓ **General form of the PCI**

Let's consider Q primary indicators that reflect the performance of a given SMESEH such as turnover, marginal productivity or even the number of jobs created. The problem we want to solve is the following: how to aggregate these qualitative indicators into a single composite index that has the property of being a good summary of the information provided by the initial indicators, as far as performance is concerned? The basic ideas is then to summarize the information provided by these qualitative indicators into a single performance index denoted PCI_i. Considering notations mentioned above,

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

105

J_q is the number of modalities of the indicator q;

W_j^q is the weight given to the modality $j, j \in J_q$ and determined in a non arbitrary way through the Multiple Component Analysis (MCA) ;

x_j^q is a variable that takes the value 1 when the SMESEH i choose the modality j and it takes the value 0 ($zero$) in the contrary. Finally the Performance Composite Index (PCI) for the SMESEH i can be presented in the following functional form

$$PCI_i = \frac{\sum_{q=1}^{Q} \sum_{j \in J_q} W_j^q x_j^q}{Q}$$

For the SMESEH i, this index is simply an average of the weight of the binary variable x_j^q . The weight, W_j^q , given to each component of the index $\ddot{P}CI_i$ is the normalized score (score^2/ $\lambda_1^{1/2}$) of the modality x_j obtained after implementation of a MCA. The appropriate method that enables us to determine the weight W_j^q is the MCA as proposed by Asselin (2002). In the literature it is shown that MCA is a special case of the Generalized Component Analysis (GCA). In our study we adopt the approach of Asselin (2002), because this method lends itself better to the type of data at our disposal and which includes a set of binary variables representing the different modalities that the primary indicators reflecting the performance of the SMESEH in the **"forest-timber"** sector in Cameroon or in other competing countries on the timber market.

✓ **Data and variables of the study**

Our database extracted from the WDI (2021) covers 132 countries and provides data relating to the socio-demographic situation of SMESEH. The database comprises 17 variables, namely 3 macroeconomic variables and 13 socio-demographic variables. The macroeconomic variables are: the Gross National Product per capita (GNPhab), the share of the **"forest-wood"** sector in the Gross National Product (ForBoPNB), the share of industry in the Gross National Product (IndusGNP), the share of services in the Gross National Product (SerPNB). The socio-demographic variables are: life expectancy at birth (Esper de vie), infant mortality rate (Death rate I), percentage of the urban population (Pourc pop urb), percentage of illiterates (Pourc analph), the rate of access to drinking water (T. Racc E Po), the number of telephones per 1000 inhabitants (Nbre Téléph), the number of computers per 1000 inhabitants (Nbre Ordin), the number of cars per 1000 inhabitants (Nbre Cars), the number of internet per 1000 inhabitants (Nbre Intern), the number

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[2] A score is the factorial coordinates on the first axis.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

106

of newspapers per inhabitant (journhab), the number of hospital beds per 1000 inhabitants (Nbrlithop), the number of doctors per 1000 inhabitants (Nbrmedec) and the fertility rate (Taux fertil)
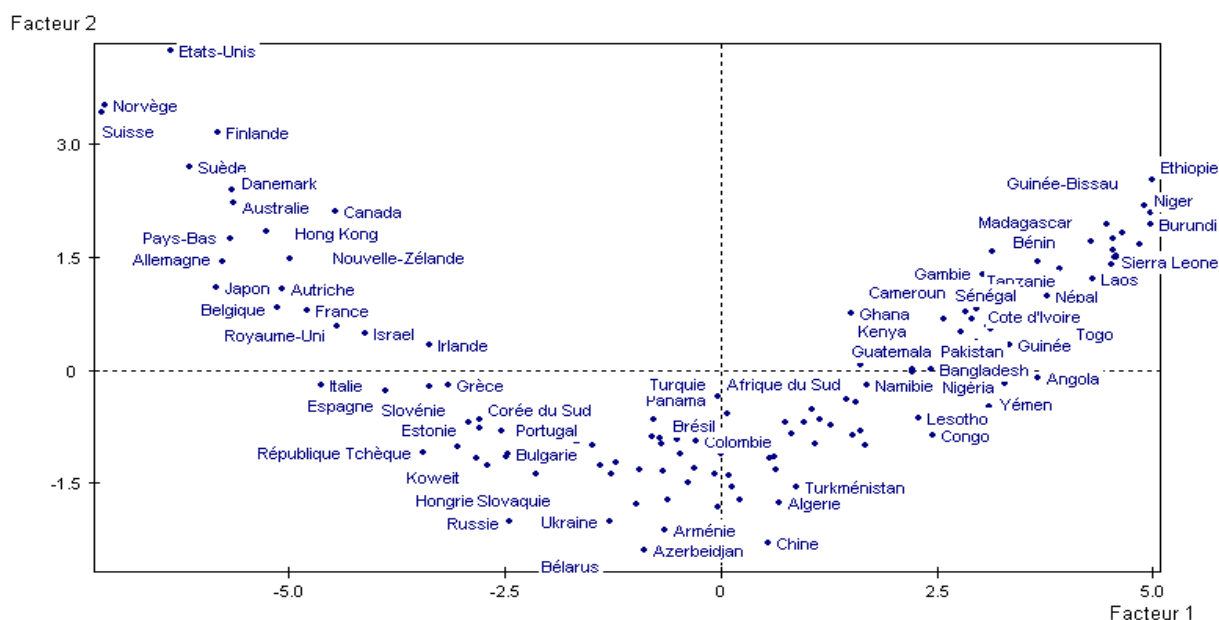
Our assigned objective is to achieve a classification of these countries. The classification method seeks to partition a set of individuals (SMESEH or country to which the SMESEH belongs) into homogeneous groups according to what they have in common. The individuals belonging to the same given group (here it is the quadrant of the factorial space) have a homogeneous profile with respect to the variables of the analysis; contrary to the SMESEH or the countries of membership of the SMESEH which are outside the group considered.

❖ **Analysis of results**

Analysis of the scatter plot (Figure 9) presenting the countries to which SMESEHs belong on the timber market shows four groups of countries with homogeneous profiles taken separately. One of the groups is made up of Côte d'Ivoire from countries such as Cameroon, Guatemala, Pakistan, Kenya, Côte d'Ivoire, Laos, Tanzania, etc.

While the top 10 destinations for Cameroonian log exports in 2020 are respectively China (333,765 cubic meters), Vietnam (186,542 cubic meters), Bangladesh (33,372 cubic meters), Turkey (8,590 cubic meters), India (4,818 cubic meters), Belgium (3,760 cubic meters), the United Arab Emirates (2,894 cubic meters), France (2,878 cubic meters), Portugal (2,480 cubic meters) and Pakistan (2,006 cubic meters), the main potential destinations for products from the 2nd, 3rd or even 4th transformation of Cameroonian wood are rather the countries mentioned above which have SMESEHs with the same average profile as that of Cameroon.

Figure 10: Scatter plot of timber market countries

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

107

Source : MINPMEESA with SPAD software.

Section 3- SIMULATION OF THE IMPACT OF THE PROJECT OF INSERTION OF SMESEH IN THE LOCAL VALUE CHAINS OF WOOD TRANSFORMATION ON ECONOMICS AGREGATES

In the economic literature, the use of static or even dynamic Computable General Equilibrium Models (CGEM) is widespread, particularly with regard to the study of shocks (endogenous and exogenous) and the analysis of the implications on the growth rate of economic policy measures. For example, one may want to assess the effects of regional integration, Economic Partnership Agreements (EPA) or the African Continental Free Trade Area (AfCFTA) on the level of employment or the inflation rate or even on foreign exchange reserves (external balance). In the case of this study, we want to know what is the impact of the insertion project of PMEESA in the local value chains of wood processing on certain economic aggregates such as the GDP growth rate in Cameroon. For this, we mobilize a Dynamic Computable General Equilibrium Model (CGEM).

Our CGEM is inspired by the microeconomic theory of General Equilibrium developed by M. E. L. Walras [Walras (1874 and 1898); Guillermo (2013)]. It is a tool for simulating the impact of structural shocks with a view to assisting public decision-making. The interest of the CGEM compared to other macroeconomic

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

108

models is its ability to explicitly represent the potential transmission channels of shocks and to take into account the structure of the economy by integrating in a single framework the different interdependencies between the economic agents. Indeed, by definition a CGEM is a general equilibrium model; it takes into account the entire economy and determines the relative prices on all the factor product markets in such a way as to ensure the balance of the latter. Also by definition, a CGEM is a computable model; it allows a quantitative analysis of economic problems that are sometimes difficult, if not impossible, to study on the sole basis of theoretical modelling.

3.1 STRUCTURE AND TECHNOLOGY OF PRODUCTION OF SMESEH IN THE « FOREST-WOOD » SECTOR

The architecture of our theoretical model, which is inspired by the work of Décaluwé, Limelin, Robichaud and Maisonnave (2012 and 2020) developed with the support of AGRODEP, PEP and IFPRI, includes three sectors or branches of production, two of which are goods [wood products (processed and unprocessed) and other products and by-products derived from wood] and market and non-administrative services (agriculture, industry) and a non-market sector (service) which produces administrative services such as the management of Public Investment Budget (BIP), Public Development Assistance (ODA) or Foreign Direct Investments (FDI) or the rules governing the timber market and access to legal timber, for example, or the rules of intra trade -regional wood products and derivatives. These different sectors use for their production operations two primary factors of production, capital (K) and labor (L). In our baseline scenario, these two factors are considered mobile in the international market. The "forest-timber" sector whose products from the different branches are consumed locally (logs for example) and sold to local industry or exported (sawing for example) is identified in the rest of the text by the index FW (**Forestery-Wood).**

Assuming a homogeneous type of SMESEH, we work under the assumption of perfect and complete markets, and therefore of separability which, once we accept the assumption of rationality, may seem absurd because it is difficult to claim the completeness of markets wood (processed wood or not) or to their almost completeness on the basis of the economic conditions prevailing in Cameroon in particular. Indeed, we postulate that the **"forest-wood" sector** in Developing Countries (DCs) such as Cameroon is an example of a long-term Walrasian equilibrium". It follows firstly, by a direct application of the First Fundamental Theorem of Welfare, that we are in the presence, in DCs, of a Pareto optimum. The Schultzian vision can moreover be synthesized in another equivalent assertion; "poor, but effective". The equivalence comes from a direct application of the First Theorem, hence the importance of understanding it well. From the efficiency

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

109

property of the equilibrium follows the uselessness of any government intervention, except through a lump-sum redistribution of the initial endowments, in order to choose a Pareto optimal allocation among several.

In the literature, market failures (agricultural, timber and land in particular) are widely documented. We consider a unitary model where the SMESEH is considered to act as a single decision-maker (note the contradiction with one of the fundamental premises of the microeconomic theory: methodological individualism). The production technology used is with Constant and Positive Elasticity of Substitution (CES). A simple way to understand the behavior of a SMESEH in the "forest-timber" sector in a developing country like Cameroon is to model it as a small General Equilibrium system where the SMESEH exchange through their activities in the value chain. in external markets, and through their activities within the value chain, their initial endowments. If we interpret the initial endowments, for example, as being endowments in time or in capital or even in technology, the General Equilibrium theory allows us to understand the allocations of labor within the SMESEH as well as the activities of other SMESEHs outside the value chain. In such a context, the social welfare function of a SMESEH represents the weighted sum of the utility functions of the different SMESEH of the whole country.

Within the framework of our CGEM, the production of administrative services is the exclusive prerogatives of the State. The open nature of the Cameroonian economy in which we are interested has an influence on the production of the market sectors and on the overall domestic demand for market goods. The opening of the economy is taken into account through the specification of an international trade bloc taking into account the Armington hypothesis (1969) which states that imports are imperfect substitutes for local production. However, the differentiation of the offer is captured by a Constant Transformation Elasticity (CET) function.

3.2 SPECIFIC EQUATIONS FOR THE DYNAMIC CALCULABLE GENERAL EQUILIBRIUM MODEL

❖ **Specific equations of our model are :**

✓ Sectorial production: $XS_i = B_i * [\beta_i * LD_i{}^{\kappa_i} + (1 - \beta_i) * KD_i{}^{\kappa_i}]^{1/\kappa_i}$

✓ Public captial stock: KG(t)=IG(t-1)+(1-deltag)*KG(t-1)

✓ Revenu of SMESEH:

$$Y_{PMEESA} = SALPMEESA + lambda\_1 . SUMRKD + \sum_{g \, \epsilon \, agents} TRF\_1\_g$$

✓ Wellbeing Indicator : BIENETRE$_i$(t)= BIENETRE$_i$(t-1)*(CONSMEN(t)/CONSMEN(t-1))

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

110

❖ **Presentation of the Social Accounting Matrix (SAM)**

The data for our study come from the NIS of Cameroon, which offers a SAM for the year 2018. This SAM has 21 row accounts and 21 column accounts: The product account, the activity account, three accounts of the factors of production (the capital account, the mixed income account, the labor account, seven resident institutional sector current income accounts, seven capital accounts and two Rest of the World (ROW) accounts

❖ **Closure of the model**

The model applied to this study is a determined system of 202 equations with 202 endogenous variables and 202 exogenous variables and 40 parameters.

❖ **Parameters of the model**

The parameters are calculated directly in the SAM. For more details on their values, see the tables below in the appendix.

❖ **Analysis of simulation results**

From the assumption of perfect mobility of the factors of production (Capital K and Labour), we simulate an 18% increase in the supply of financial capital each year for 5 successive years. By assumption, this additional investment comes from (BIP, ODA, FDI). This upward variation of financial capital, mainly oriented towards the development of the **"Forest-Wood" (FW)** sector, makes it possible to increase the number of forest plantations, but above all makes it possible to increase and improve the quantity and quality of inputs for the "forest-wood" sector (phytosanitary products, seeds, wood in logs, wood waste, etc.), to buy equipment for the processing industry (saws, dryers and other tools) and to open up the basins of production (construction of economic infrastructure). Thus, this positive shock in the "forest-wood" sector allows an increase in the production of wood products and its derivatives by 36.8%. The products of the "forest-wood" sector supplied by the industrial sector increase by 30% and the Market (local and regional, i.e. the other Central African countries except Cameroon) will see an increase in supply of products from the **"Forest-Wood" sector** by 26%. This additional supply of products from the **"Forest-Wood" sector** promotes, because of the Law of Supply and Demand, a reduction in the prices products. Indeed, production costs are reduced by 12% in all sectors supplying products from the **"Forest-Wood" sector**. Logically, this reduction in producer prices continues on the market, the prices of wood products therefore fall by 22% on the markets. This price reduction makes it possible to improve the conditions for achieving the NDS-30 targets. Better still, the reduction in the price of products in the **"Forest-Wood" sector**, makes it possible to improve the living conditions (reduction of poverty by approximately 3.4%) of Cameroonian households, primarily thanks to the

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111

increase in the power of purchase with a reduction in the Consumer Price Index (deflation) of 12%. This price reduction does not stop only at domestic markets. The process is continuing even on foreign markets, particularly in Central Africa, with an 18% reduction in export prices. This reduction makes it possible to improve the terms of trade with, as a corollary, an increase in the foreign income of Cameroon's regional trading partners, thus making the **"Forest-Wood" sector** and the wood processing industry competitive. Subsequently, there is therefore an increase in exports of products from the "**Forest-Wood"** sector of 16%, thus responding to an increase in demand of the same rate (16%). Cameroon will thus improve its Balance of Payment and precisely its Balance of Current Transactions (BCT), and position itself as a true Upper Middle Income Country. Cameroon is therefore the main supplier of products in the "forest-wood" sector of the other member countries of Central Africa, in particular those of the Economic and Monetary Community of Central Africa (CEMAC), (Congo, Gabon, Equatorial Guinea , Central African Republic and Chad), the latter are therefore the primary beneficiaries of this dynamic. This increase in the production of the "forest-wood" sector leads to an increase in intra-regional trade, thus strengthening regional integration. However, on the Cameroonian domestic market, it should be noted a reduction in the consumption of products from the "forest-wood" sector by households of 12.7%, and an increase in the consumption of these products by the administrations of 39%. . The "forest-wood" sector is itself the main beneficiary of this increase in production, with an increase in the consumption of intermediate products (ICI) of 28%, followed by the industrial sector with an increase in consumption of 12, 6% (industry of the 2nd and 3rd transformation of wood). We are thus witnessing a decrease in the consumption of products from the "forest-wood" sector in the services sector by 9%, but with an increase in the use of services in this sector by 18%. This situation can be explained by the fact that the increase in production of the **"Forest-Wood" sector** via foreign capital is mainly oriented towards processing (industry of 2nd, 3rd or even 4th processing) and exports. Foreign investors seeking first to make their investment profitable. With regard to the remuneration of the factors of production, while the remuneration of the labor factor increases by 33% with an increase in the demand for labor by 36% in the primary sector, there is on the contrary a reduction in the profitability of the investments of 22%. There is also a decrease in state income of 44%, a decrease in household income of 26%, but an increase in income from the rest of the world of 140%. This leads to an increase in Manufacturing Added Value in the **"Forest-Wood" sector** by 23% and an increase in Gross Domestic Product by 0.0007%.

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112

Tableau 16: Simulation of the impact of increased investments for the project on macroeconomic aggregates

		T0	T1	T2	T3	T4	T5
Valeur des agrégats dans le scénario de référence (en milliards de fcfa)	Investissement public en infrastructures	148	148	148	148	148	148
	Investissement total	5396	6630	7863	9097	10331	11564
	importations	7288	8510	9721	10924	12122	13318
	PIB	12292	12323	12445	12619	12826	13053
	exportations	3805	3839	3895	3963	4040	4120
	consommation des ménages	8108	8113	8180	8283	8408	8546
Impacts du choc	Investissement public en infrastructures	12.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Investissement total	2.74%	2.23%	1.88%	1.63%	1.43%	1.28%
	importations	1.94%	1.60%	1.41%	1.26%	1.14%	1.04%
	PIB	0.01%	1.21%	1.10%	1.01%	0.93%	0.86%
	exportations	0.00%	1.16%	1.06%	0.97%	0.90%	0.83%
	consommation des ménages	0.00%	1.20%	1.09%	1.00%	0.92%	0.86%

Source : MINPMEESA with GAMS software.

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113

Tableau 17: Simulation of the impact of the project on the living conditions of the Cameroonian populations

		T0	T1	T2	T3	T4	T5
scénario de référence	Nombre de pauvres	7169847	7363081	7561757	7767650	7982734	8203330
	Population	18082933	18589255	19109754	19644827	20194883	20760339
	Taux de pauvreté	39.6%	39.6%	39.6%	39.5%	39.5%	39.5%
scénario de choc	Nombre de pauvres	7169847	7236798	7296539	7353753	7413805	7490685
	Population	18082933	18589255	19109754	19644827	20194883	20760339
	Taux de pauvreté	39.6%	38.9%	38.2%	37.4%	36.7%	36.1%
Écarts absolus (choc-référence)	Nombre de pauvres	0	-126283	-265218	-413897	-568929	-712645
	Taux de pauvreté	0	-0.7%	-1.4%	-2.1%	-2.8%	-3.4%

Source : MINPMEESA with GAMS software.

CONCLUSION

The main results obtained from this chapter 5 are:

- Our forecasts indeed show that despite the ban on the export of wood in the form of logs planned to start in 2023 by COMIFAC, a certain part of the production of wood in logs is nevertheless preserved and exported over the first five years of the implementation of the project; ranging from 500 thousand to 124 thousand cubic meters. This share can be explained in particular by taking into account illegal activities in the forest-wood sector. On the other hand, there is an increase in exports of primary processing products such as sawnwood; respectively 1,875,324 cubic meters in the first year, 2,101,678 in the second year , 2,201,328 in the third and 2,267,149 in the fourth year of project implementation. This increase in the degree of wood processing leads to a potential increase in the average contribution of the "silviculture and logging" branch of activity in the Gross Domestic Product (GDP) of the primary sector from 10.048% to 16% and an increase of 3 .6% of the contribution of this branch of activity to the GDP of the secondary sector.

Cameroonian SMESEHs in the 2nd, 3rd or even 4th wood processing have a better chance of capturing market share in countries such as Guatemala, Pakistan, Kenya, Côte d'Ivoire, Laos, Tanzania, or Benin.

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114

CHAPTER 6 : ACTION PLAN AND PRIORITY ACTION PLAN FOR THE INTEGRATION OF SMESEH IN WOOD PROCESSING LOCALVALUE CHAINS

INTRODUCTION

The objective of this chapter 6 is to highlight the structuring/restructuring measures to be initiated to facilitate the insertion of SMESEH in the links with high potential for wealth and job creation in local wood processing value chains.

Section 1- FINANCIAL SUPPORT FOR SMEAS IN THE FORESTRY AND WOOD SECTOR

1.1 VISION AND OBJECTIVES OF THE FINANCING MECHANISM FOR SMEAS IN THE FORESTRY AND WOOD SECTOR

This involves activating financing lines in the form of revolving **funds** exclusively dedicated to financing local development through wood processing. It is also about promoting the financial inclusion of beneficiary entities through the granting of credit at reasonable cost, thus enabling them to develop, while offering the possibility for these lines to be self-financing and therefore sustainable.

The strategic positioning of the proposed mechanism is defined on the basis of its comparative advantages, Cameroon's structural development challenges and emerging issues as reflected in the country's reference frameworks and international commitments. It is on the basis of these different elements, the Vision 2035, the DSCE and the SND-30 that the vision and strategic positioning of the proposed financial support mechanism for SMEESA in the **forestry and wood** sector, and in particular those in the processing sector (2ème , 3ème and even 4 wood processing), are defined. The medium-term perspectives are to:

- ❖ Develop an Internal Wood Market (IWM);
- ❖ To improve the technological profile of the 2nd, 3rd and even 4th transformation wood entities;
- ❖ Strengthen the capacity of the workforce ;

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115

❖ Facilitate access to formal sources of finance for 2nd, 3rd and even 4th stage wood processing entities.

These challenges, which are part of a long-term perspective, guide certain strategies implemented by the government, as well as the reference and cooperation frameworks with development partners. In particular, they shed light on the key considerations that underpin the strategic positioning of a financial support mechanism dedicated to SMEs in the 2, 3 and 4 TB sector, with a view to making it one of the main levers for the development of this sector and hence of the Cameroonian economy in general.

These considerations include

❖ **Highlighting the principles of the International Development Agendas (UN-2030) and (AU-2063)**: These principles prescribe, among other things, the strengthening of resilience and the inclusion of the most disadvantaged. Through such a support mechanism, it is a question of reducing vulnerabilities, the accentuation of which poses a threat to social cohesion and calls into question certain achievements to which significant efforts and resources have been devoted.

❖ **Alignment with national strategic frameworks and development priorities**: The NDS-30 articulates the strategies for implementing the 2035 vision for the 2010-2020 decade around four overall objectives: (i) reducing poverty to a socially acceptable level; (ii) becoming a middle-income country; (iii) reaching the stage of a Newly Industrialised Country; and (iv) strengthening national unity and consolidating the democratic process. This means that the achievement of these objectives requires the development of all sectors of the economy, including the wood processing sector. The establishment of a financial support mechanism here is an important response to achieving national development objectives.

On the basis of all this, the proposed financial support mechanism is based on the granting of credits to companies in the 2nd, 3rd and even 4th[ème] wood processing sector from dedicated financing lines.

1.2 STRATEGY OF THE FINANCIAL SUPPORT MECHANISM FOR SMEAS IN THE FORESTRY AND WOOD SECTOR

The target beneficiaries of the financing lines are economic entities with few assets to provide guarantees, although they are active and have the potential to develop income-generating activities. In this case, the target of the financial support mechanism proposed by this study is VSEs, SMEs and MEs in the 2ème, 3ème or 4ème wood processing sector.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

116

The revolving credits will be granted to MSEs, PEs and MEs of the 2nd, 3rd and 4th categories through accredited MFIs, which will be able to finance them thanks to the credit line made available to them. The strategy of the line of credit is outlined in the following points:

- ❖ **SMEESAs** submit their credit applications to accredited Microfinance Institutions (MFIs) of their choice for analysis (first review);

- ❖ The **EMF** transmits the files to the **Credit Committee** of the financing line with a favourable or unfavourable opinion with reasons;

- The **Credit Committee,** made up, among others, of accredited financial institutions (one representative member per MFI) and members of the **Technical Support Unit to the Financial Mechanism** (Technical Coordinator and Financial Analyst), selects the best applications according to the procedure adopted on the basis of the quality of the applications and the resources available (second review). Through this action, it verifies the conformity (conformity according to its eligibility criteria) of the payment claim files and presents the files finally retained;

- The commercial bank where the funds are housed shall, after receipt of the discharge from the **Credit Committee and the Technical Support Unit to the funding mechanism,** transfer the funds to the accounts of the MFIs for the benefit of the final beneficiaries;

- The financed **SMEESA** repays according to the contractual maturities and each principal amount (annuity excluding interest and taxes) repaid is fed back into the financing circuit to ensure the rotation of the fund.

1.3 RESOURCES AND ACTIVITIES OF THE FINANCIAL SUPPORT MECHANISM FOR SMEAS IN THE FORESTRY AND WOOD SECTOR

The resources of the mechanism come mainly from the Public Investment Budget of MINPMEESA and secondarily from bilateral cooperation (with friendly countries) and multilateral cooperation (with the Technical and Financial Partners (TFP)) of Cameroon. These TFPs include the Development Banks [African Development Bank (ADB), the Development Bank of Central African States (BDEAC), the World Bank (WB)], the Development Agencies [United Nations Development Programme (UNDP), the Common Fund, Common Fund for Commodities, United Nations Industrial Development Organisation (UNIDO)], Cooperation Agencies [Agence Française de Développement (AFD), Canadian International Development Agency (CIDA), German Cooperation Agency (GIZ)

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117

The revolving credits granted under this mechanism to beneficiaries are intended for jobs related to the purchase of equipment, the purchase of raw materials, the acquisition of operating infrastructure.

1.4 STRUCTURING OF THE FINANCIAL SUPPORT MECHANISM FOR SMEAS IN THE FORESTRY-WOOD SECTOR

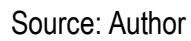The governance of the SMEESA financial support mechanism is structured around :

- ❖ A **Steering Committee**: Chaired by the Chairman of the MINPMEESA's Internal PPBS Committee and comprising representatives of the Administrations of the industries and services sector, TFPs, accredited Financial and Credit Institutions, representatives of professional groups of the wood processing sector. This committee is assisted by a Technical Support Unit for the Mechanism. The Steering Committee is exclusively in charge of steering the financing mechanism. Its mission is to give strategic orientations, to determine the annual allocations of the credit line, to examine the results achieved, in particular for the continuation of the implementation, to ensure the joint coordination and monitoring of the interventions and to validate the Annual Work Plan and Budget (AWPB). The steering committee meets four times a year and its deliverables include the validated AWPB and the validated physical and financial implementation report of the mechanism.

- ❖ A **Technical Support Unit**: Housed in a TFP, this unit is dedicated exclusively to the implementation of the financial support mechanism for SMEs in the wood processing sector and comprises a Technical Coordinator, an Assistant to the Coordinator, an Administrative and Financial Officer, a Financial Analyst, a Monitoring and Evaluation Specialist, an Accountant and support staff. The Technical Support Unit prepares the documentation for the Steering Committee meetings. In other words, it prepares the draft PTBA and Physical-Financial Implementation Report of the Facility. In addition, it convenes and chairs the Credit Committee meetings. It operates on a permanent basis and its deliverables include the draft PTBA and the draft physical and financial implementation report of the facility.

- ❖ A **Credit Committee**: This committee is made up of specialists in the sector concerned. It is made up of the Technical Support Unit (Technical Coordinator and Financial Analyst), analysts from the partner Financial and Credit Institutions, the representative of MINPMEESA and the representative of the professional organisations of the forestry and wood sector. The **Credit Committee** permanently examines the credit application files of the SMEESA previously examined by the partner

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118

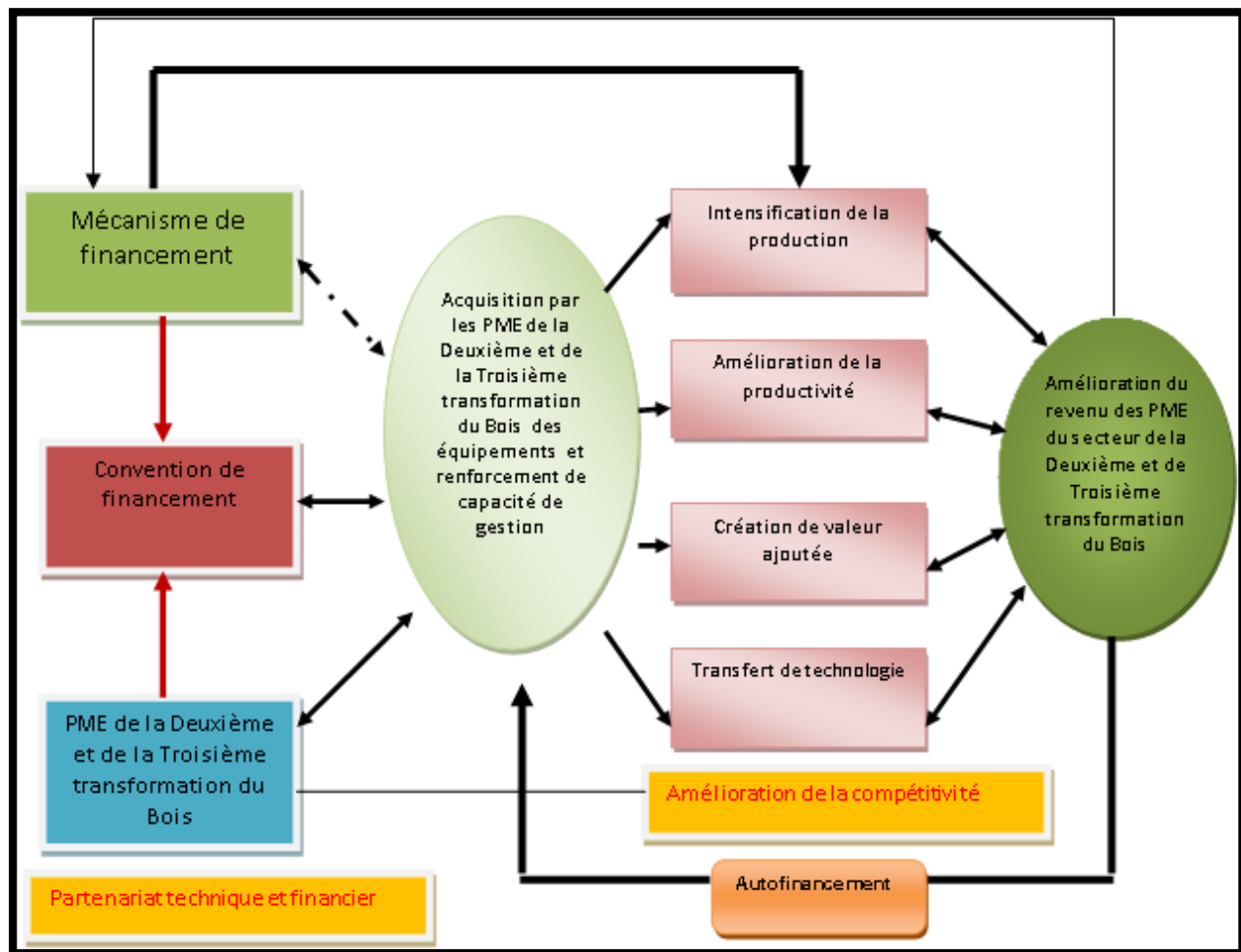Financial and Credit Institutions. Its deliverables are summary reports on credits granted and recoveries.

❖ **Accredited Financial and Credit Institutions**: They collect the clients' files and carry out an initial examination, the conclusions of which they submit to the Credit Committee for assessment. They continuously review the credit application files that constitute their deliverables.

❖ The **forestry and wood industry umbrella organisations**: Their mission is to train and raise awareness among potential SMEESA beneficiaries.

The organisational structure and flow chart of the financial support mechanism for SMEs in the forestry and wood sector, as well as the credit granting circuit, can be summarised in the graphs below.

Graph 15 Organic structure of the financial support mechanism for SMEs in the forestry and wood industry

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119

Source: Author

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120

Graph 16 Diagram of the financial support for SMEESA in the forestry and wood sector

Source: Author

Section 2- STRUCTURING OF THE LOCAL FORESTRY AND WOOD INDUSTRY

The project to support the integration of SMEESA in local wood processing value chains also consists of promoting the transition from unsustainable primary exploitation and processing to forest management and further industrial development of wood. This is to be achieved through diversification in line with market realities. These actions can be adopted at the national level, reflecting individual countries' efforts, and at the regional level integrating cooperation and integration objectives.

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121

Table 18 Logical framework for structuring the local wood processing industry

General objective (GO) of the structuring of the local forestry and wood industry:	GL: Increase the degree of wood processing in the different links of the local value chains				
Specific objectives (SO) of the structuring of the local forestry and wood industry:	SO1: Develop Forest plantations; SO2: Strengthen the wood processing industry up to the third stage of processing, for furniture, housing and building construction and industrial uses.				
Axes	Actions	Activities	Operational unit/ Transmission channel	Administrations / Structures concerned	Cost (in millions of FCFA)
Axis 1: Strengthening the wood supply system	Action 1: Facilitate access to legal timber	-Improving the supply of legal wood -Development of forest plantations	-Communal forests -Community forests	-MINFOF -MINDDEVEL -MINDCAF -MINFOF	50.000

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122

			Other titles in the non-permanent forest estate -PMEESA	-MINEPDED -MNEPIA -MINADER -CTD -CVUC -SMEESA umbrella organisations	
	Action 2: Review the regulations for the recovery of abandoned wood	-Review of forestry taxation -Implementing a tax incentive to recover abandoned wood -Recovery of abandoned stems, spurs, crowns, large branches and road lighting wood for recycling	-Communal forests -Community forests Other titles in the non-permanent forest estate -PMEESA	-MINPMEESA -MINJUSTICE -MINFI	500

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123

	Action 3: Improving the competitiveness of procurement	-Reviewing forest taxation to improve competitiveness of supplies -Setting up a mechanism to monitor the cost of wood delivered to the factory -Adoption of a tax system to encourage the recovery of abandoned stems, spurs, large branches, crowns, road lighting wood, etc.	-Communal forests -Community forests Other titles in the non-permanent forest estate -PMEESA	-MINFOF -MINDDEVEL -MINDCAF -MINFOF -MINEPDED -MNEPIA -MINADER -CTD -CVUC -SMEESA umbrella organisations -MINPMEESA -MINJUSTICE	300

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

124

				-MINFI	
	Action 4: Optimisation of wood yard operations	-Carry out the inventory and classification of woodlots -Awareness raising Capacity building on timber standards	-FMU -PMEESA -CTD	-MINPMEESA -MINMIDT -ANOR -MINCOMMERCE -MINFOF	20.000
Subtotal 1	**4**	**10**	**//**	**//**	**70.800**
Axis 2: Strengthening the wood processing system	**Action 1:** Support for primary processing units	-Updating the register of primary processing units -Capacity building of primary processing units -Promotion of artisanal sawmill projects in the CTDs	-FMU -PMEESA -CTD	-MINPMEESA -MINFOF -FEICOM -MINDDEVEL	100.000

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

125

		-Accompaniment and setting up of incubators			
	Action 2: Improving the competitiveness of SMEs in primary and secondary processing	-Adaptation of the taxation of 1st and 2nd transformation -Development of a mechanism for monitoring the costs of wood processing -Development of an operational plan for the recovery of by-products (bark, sawdust, shavings, slabs, trimmings, etc.) -Development of an operational plan for the valorisation of small plantation wood	-FMU -PMEESA -CTD	-MINPMEESA -MINFOF -FEICOM -MINDDEVEL -MINJUSTICE -MINFI -MINCOMMERCE -MINMIDT	20.000

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126

		-Accompaniment and setting up of incubators			
	Action 3: Improving the competitiveness of 3rd generation SMEs	-Adaptation of the taxation of 3rd transformation -Accompaniment and setting up of incubators -Capacity building of installed units	-FMU -PMEESA -CTD	-MINPMEESA -MINFOF -FEICOM -MINDDEVEL -MINJUSTICE -MINFI -MINCOMMERCE -MINMIDT	20.000
	Action 4: Technical support for the forestry and wood industry	-Support for public and private laboratories on standards and quality in the forestry and wood industry	-PMEESA -FMU	-MINPMEESA -MINMIDT -MINCOMMERCE	15.000

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127

		-Capacity building for SMEsESA		-MINRESI	
Subtotal 2	**4**	**14**	**//**	**//**	**155.000**
Axis 3: Development of local and international markets	**Action 1:** Promotion of new species in the forestry and wood sector	-Develop a promotion plan for Cameroon's wood products and by-products -Installation of physical and virtual showcases of wood processing products	-CTD -Supermarkets -Craft villages -Fairs	-MINPMEESA -MINMIDT -MINCOMMERCE -MINFOF -MINPOSTEL -ANOR	280
	Action 2: Establishment of a tropical timber market monitoring system	-Establishment of a virtual and physical wood information and documentation centre -Development of a market adjustment mechanism	-CTD -PMEESA	-MINPMEESA -MINMIDT -MINCOMMERCE -MINFOF	500

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128

			-MINEPAT	
Action 3: Increasing demand in the local market	-Facilitate the use of Cameroonian legal timber in public procurement -Wooden house/frame promotion camps	-Public Administration -Private sector	-MINPMEESA -MINMAP -MINFI -MINCOMMERCE -MINMIDT -MINTP -MINDCAF -ANOR -Consular chambers	300
Subtotal 3	**3**	**6**	**//**	**//**	**1080**

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129

| Axis 4: Strengthening the management system of the timber and timber products industry | Action 1: Development of skills in the forestry and wood industry | -Evaluation and implementation of training programmes in the value chain of the forestry and wood industry

-Establishment of a national training centre in the value chain of the forestry and wood sector | -CTD

-PMEESA | -MINPMEESA

-MINEFOP

-MINEDUB

-MINSEC

-MINESUP

-MINTSS | 500 |
| | Action 2: Establish a fiscal and customs incentive system for SMEs | -Carry out a benchmarking study in other wood-producing/exporting countries on fiscal and customs incentives

Establishment of an investment fund for wood-processing SMEs | -PMEESA

-FMU

-CTD | -MINPMEESA | 500 |

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130

	Action 3: Improving governance in the forest-based sector	-Raising awareness of compliance with standards and quality -Establishment of a national timber tracking system -Simplification of the procedures for allocating securities	PMEESA	-MINPMEESA -MINFOF -MINDCAF -MINADER -MINEPDED -MINFI	800
Subtotal 4	**3**	**7**	//	//	**1800**
TOTAL	**14**	**37**	//	//	**228.680**

Source: Author

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131

Section 3- PROMOTION OF SUBCONTRACTING AT ALL STAGES OF THE FORESTRY-WOOD VALUE CHAIN

The promotion and development of subcontracting are at the heart of the public development policies implemented by the Cameroonian government, whose operational instrument is the Subcontracting and Partnership Exchange. Subcontracting is a practice of implementing industrial and commercial policies that is widespread throughout the world, particularly in the development of the **"forest-wood"** sector. Cameroon can benefit from this experience and thus enable local SMEs to benefit from the transfer of skills and technologies. It is a channel for strengthening the participation of local SMEs in the **forestry and wood** sector in the subcontracting sector and thus better position themselves in the various links of the value chain of the **forestry and wood** sector and thus capture opportunities in strategic sectors and major projects structuring the economic fabric. In the long term, it should be possible to develop and set up a dynamic subcontracting network for the benefit of SMEs in the **"forestry-wood"** sector.

3.1. STRATEGIC POSITIONING OF SUBCONTRACTING

With the adoption of the NDS-30, Cameroon has new reference frameworks for its development action. In order to maintain the course of emergence by 2035, the NDS-30 aims to proceed with the structural transformation of the economy by making fundamental changes to economic and social structures in order to promote endogenous and inclusive development, while preserving the opportunities of future generations. To achieve this objective, the Government intends to rely on four main pillars: **(a)** the structural transformation of the national economy; **(b)** the development of human capital and well-being; **(c)** the promotion of employment and economic integration; and **(d)** governance, decentralisation and strategic management of the State. In this context, the development of SMEs is a strategic axis for the promotion of employment and economic integration. In this area, the government intends to carry out several actions, including: **(i)** specific support for SMEs in terms of taxation and access to micro-credit, in order to strengthen the attractiveness of this status; **(ii)** consolidation of the provisions for reserved access of SMEs/SMIs to certain public contracts; and **(iii) reform of the subcontracting system.**

The SMEESA development strategy recommends basing the development of SMEs on the subcontracting potential and purchasing needs of large companies. Indeed, in the framework of public procurement, the State and its branches should ensure that a share of these contracts is subject to competition between SMEs, according to conditions and modalities to be defined by regulation. Each

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132

Ministerial Department, Decentralised Territorial Collectivity (DTC), Administration or Public Enterprise shall establish annually, by regulation, the modalities of compulsory subcontracting to SMEs. Within this framework, all public contracts and contracts must be regularly brought to the attention of the PMEESA.

Figure 11 Subcontracting flowchart

Source: Author

3.2. LOGICAL FRAMEWORK OF INTERVENTION FOR THE ACCESS OF SMEAS IN THE FORESTRY-WOOD SECTOR TO PUBLIC ORDERS

The aim of this intervention is to contribute to the achievement of the objectives of the NDS-30 for the structuring of the local **forestry and wood** industry.

The overall objective is to increase the degree of wood processing in the different links of the local value chains by increasing the level of participation of SMEESA in subcontracting activity to 10% by 2030.

From the point of view of **the Strategic Objective (SO), it** is about :

- ❖ **(SO1)**: **Strengthen the capacities (technical and financial) of the SMEESA in order to make them capable of meeting the requirements of the timber market**
- ❖ **(OS2)**: **Improve the business environment around the subcontracting activity in the forestry-wood sector.**

Each strategic **objective** has **specific objectives** which are translated into activities or actions to achieve the expected results.

- ❖ **SO1: Strengthen the capacity (technical and financial) of SMEs in order to enable them to meet the requirements of the timber market**

-OS11: By 2025, increase by 5% the volume of credit granted to SMEs by financial and credit institutions for wood processing;

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

133

OS12: By 2030, bring 50% of the CTDs to create equipment parks for 1ère , 2nd or even 3ème wood processing as income generating projects;

-OS13: By 2030, increase by 10% the capacity of quality control laboratories and standards for wood products and by-products.

❖ **OS2: Improve the business environment around subcontracting activities in the forestry and wood sector**

-SO21: Balance the relationship between SMEs and contractors;

-OS22: Improve governance in the subcontracting activity oriented towards the **forestry-wood sector;**

-OS23: Strengthen the legal framework for subcontracting activity in the **forestry and wood sector**.

The achievement of these **Specific Objectives** is conditioned by the realisation of the following **actions**:

❖ **Strategic Objective 1 (SO1):** Strengthen the capacities (technical and financial) of the SMEESA in order to make them capable of meeting the requirements of the market

-Specific Objective 1 (SO11): by 2025 increase by 5% the volume of credit granted to SMEs by financial and credit institutions

In 2019, 13.7% (i.e. 635.73 billion) of the credit supply was captured by SMEs (BEAC, 2019). This amount is down by 32.5% compared to 2018, when credit granted to SMEs was around CFAF 944 billion. In 2022, the difficulties of access to credit are rather persistent.

✓ **Specific objective 1 Action 1 (OS11A1):** Create a fund dedicated to SMEESA of the **forestry and wood sector** with a private law subcontracting contract;

✓ **Specific objective 1 Action 2 (SO11A2):** Disseminate information on alternative sources of financing (TFP windows/financing lines, crowdfunding, credit leasing, etc.)

-Specific Objective 2 (SO12): By 2030, 50% of the CTDs should create equipment parks for the 1st, 2nd or 3rd transformation of wood as income generating projects

The limited financial capacities of SMEsESA do not allow for the acquisition of new equipment or the maintenance of existing equipment.

✓ **Specific objective 2 Action 1 (OS12A1) :** Produce a mapping of SMEESAs in the **forestry and wood sector** by type of subcontracting;

✓ **Specific objective 2 Action 2 (OS12A2):** Advocate with the CTDs in order to bring them to create equipment parks for the 1st , 2nd or even 3rd transformation of wood as income generating projects or to invest advantageously in this field.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

134

-Specific Objective 3 (SO13): By 2030, increase by 10% the capacity of quality control laboratories and standards for wood products and by-products.

- ✓ **Specific objective 3 Action 1 (OS13A1):** Provide ANOR with a quality control laboratory for wood products and by-products;
- ✓ **Specific objective 3 Action 2 (SO13A2) :** Create/increase operational capacity of other laboratories in wood products and by-products.

- ❖ **Strategic Objective 2 (SO2) : Improve the business environment around the subcontracting activity in the forestry and wood sector**

-Specific Objective 1 (SO21): Balancing the relationship between SMEsESA and contractors ;

Less than half (39.9%) of the managers of SMEs that have benefited from a subcontracting agreement consider the partnership relationship beneficial.

- ✓ **Specific Objective 1 Action 1 (OS21A1):** create a platform for exchanges between the different actors (SMEESA, BSTP, principals) to facilitate the circulation of information relating to the timber market;
- ✓ **Specific Objective 1 Action 2 (OS21A2): to** set up a mutual insurance company to strengthen collaboration between SMEs benefiting from subcontracting activities in the forestry and wood sector;
- ✓ **Specific Objective 1 Action 3 (SO21A3)**: Strengthen and sustain the resources of the BSTP.

-Specific Objective 2 (SO22): to improve governance in the subcontracting activity directed towards the **forestry and wood sector;**

- ✓ **Specific Objective 2 Action 1 (OS22A1): To** popularise the procedures, processes and laws governing subcontracting activities in the **forestry and wood** sector;
- ✓ **Specific Objective 2 Action 2 (SO22A2)**: To set up a framework for the regulation of disputes (late payment, non-compliance with clauses, etc.) for SMEs in the **forestry and wood** sector;
- ✓ **Specific Objective 2 Action 3 (OS22A3): to set up** a national policy for the promotion of local content for the forest-based sector
- ✓ **Specific Objective 2 Action 4 (OS22A4)** : organise regular subcontracting fairs dedicated to the **forestry and wood industry**

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

135

- Specific Objective 3 (SO23): to strengthen the legal framework for subcontracting activities in the **forestry and wood sector**.

The literature has shown that many countries operate without a specific normative framework for subcontracting. The solution is to strengthen the existing legal and regulatory frameworks to adapt them to the problems of subcontracting, particularly in the **forestry and wood** sector.

- ✓ **Specific Objective 3 Action 1 (OS23A1): Set up** exchange and information platforms between the Government and different key actors (BSTP, APME, API, CTA, BMN, ANOR, and BC-PME)
- ✓ **Specific Objective 3 Action 2 (SO23A2)**: to set up a monitoring and evaluation system for subcontracting activities in the framework of public contracts oriented towards the **forestry and wood sector**;
- ✓ **Specific Objective 3 Action 3 (OS23A3):** Strengthen the capacities of the National Competition Commission with regard to the potential of the forestry and wood products sector in terms of subcontracting;
- ✓ **Specific Objective 3 Action 4 (SO23A4):** establish annually, by regulation, for each ministerial department, local authority, administration or public enterprise, the modalities of compulsory subcontracting to SMEs;
- ✓ **Specific Objective 3 Action 4 (OS23A5) :** Adopt a framework law for the development of subcontracting in Cameroon, with emphasis on the forestry and wood sector as a high-potential sector within the meaning of the NDS-30

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

136

Table 19 Logical framework of intervention for access to subcontracting by SMEESA in the forestry and wood sector

Overall objective	Increase the level of SME participation in subcontracting activity to 10%.			
Strategic objective	**O1: Build the capacity of SMEs to meet market requirements**			
Specific objectives	**Activities**	**Objectively verifiable indicator (OVI)**	**MOV: Objectively Verifiable Medium MOV**	**Risks/Hypotheses**
SO11: By 2025, increase by 5% the volume of credit granted to SMEs by financial institutions	**OS11A1**: Create a fund dedicated to SMEs with a private law subcontract	Volume of credit granted to SMEsESA by the RUs.	Monitoring report	Implementation of the Project to support the integration of SMEESA in local wood processing value chains
	OS11A2: Disseminate information on alternative sources of finance (TFP windows, crowdfunding, credit leasing, etc.)	Rate of access to/use of alternative financing	Monitoring reports	Implementation of the Project to support the integration of SMEESA in local wood processing value chains
SO12: By 2030, 50% of the TDCs to create equipment	**OS12A1:** Produce a mapping of SMEs by type of subcontracting	Number of maps available	Mapping documents of SMEESA by type of subcontracting	SND30

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

137

parks as income-generating projects	**OS12A2**: Advocate with the CTDs to create equipment parks as income-generating projects or to invest advantageously in this area.	Number of equipment parks created by CTDs	BTC activity report or BTC performance report	Acceleration of decentralisation
SO13: By 2030, increase the capacity of quality control laboratories by 10%.	**OS13A1**: Strengthen ANOR's quality control laboratory capacities	Capacity rates of quality control laboratories	ANOR activity report/laboratory performance report	Budgetary constraints
	OS13A2: Strengthen the hosting capacity of other laboratories	Number of services offered	Activity report of other laboratories	Budgetary constraints
Strategic objective	**O2: Improve the business environment around the subcontracting activity in the forestry and wood sector**			
SO22: Balancing the relationship between SMEs and contractors	**OS22A1**: Create a platform for exchanges between the different actors (SMEESA, BSTP, principals) to facilitate the circulation of information	Level of functionality of the exchange platform between the different actors	Website	Existence of employers' organisations and other groups
	OS22A2: Establish a mutual insurance company to strengthen collaboration between SMEs	Level of functionality of the mutual	Deed of establishment of the mutual society	Existence of employers' organisations and other groups

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

138

	benefiting from subcontracting activity			
	SO22A3: Strengthen and sustain BSTP resources	Rate of increase of the BSTP budget	PTA ministerial departments (MINPMEESA, MINMIDT, MINEPAT, MINCOMMERCE...)	Budgetary constraints
SO23: Improve governance in subcontracting activity	**OS23A1:** Publicise the processes, procedures and laws governing subcontracting activity	Number of awareness/extension sessions	Activity reports (BSTP, MINMIDT...)	SND30, the 2nde generation projects
	OS23A2: Implement a national policy to promote local content	Policy document available	Policy document (MINPMEESA)	Economic policy focus on economic patriotism
	OS23A3: Organise regular subcontracting fairs for the forestry and wood industry	Report	Report	Economic policy focus on economic patriotism
	OS23A4: Establish a framework for the regulation of disputes (late payment, non-compliance with clauses, etc.)	Regulatory text	Regulatory text	Budgetary constraints

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

139

SO24: Strengthen the legal framework for subcontracting activity	OS24A1: **Set up** exchange and information platforms between the Government and various key actors (BSTP, APME, API, BMN, ANOR, and BC-PME)	Regulatory text	Regulatory text	Economic policy focus on economic patriotism
	SO24A2: Set up a monitoring and evaluation system for subcontracting activity in public procurement	Level of functionality of the device	Signed regulatory text Monitoring and evaluation report	Economic policy focus on economic patriotism
	SO24A3: Strengthen the capacity of the National Competition Commission	Rate of increase of the budget of the National Competition Commission	PTA of the supervisory body	Economic policy focus on economic patriotism
	SO24A4: Establish annually, by regulation, for each ministerial department, local authority, administration or public enterprise, the modalities of compulsory subcontracting to SMEs	Level of consideration of subcontracting arrangements by the structures and administrations investigated	Monitoring and evaluation report	Economic policy focus on economic patriotism

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

140

	SO24A5: Adopt a framework law for the development of subcontracting in Cameroon	Framework law available	Framework law	Economic policy focus on economic patriotism

Source: Author

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

141

CONCLUSION

In conclusion, it should be noted that SMESAs are constantly confronted with a changing, open and intense environment. Apart from the fact that globalisation has opened up unprecedented opportunities for SMESAs, the fierceness and harshness of the competition means that SMESAs in developing countries such as Cameroon are less well prepared. The latter have a rather limited capital of skills (human, financial and technological, etc.). To compensate for these multiple deficiencies, the public authorities have put in place support and promotion mechanisms for SMEs, given the contribution of SMEs as one of the engines of innovation and growth or as a pillar of the economy. Thus, Cameroon in its industrial policy has instituted the BSTP as a platform for the promotion of subcontracting, with the mission of contributing through its programmes to making SMEs in the industrial sector more competitive.

However, the absence of a national monitoring and evaluation system for subcontracting activities and of exchange and information platforms between the Government and the various key players (BSTP, APME, API, BMN, ANOR, and BC-PME) is still evident.

Indeed, the poor coordination between these different structures for the promotion and development of the subcontracting sector leads to a dispersion of the interventions of each of these structures.

In addition, many companies report a number of obstacles during subcontracting operations, particularly due to the lack of a legal framework that clearly defines the relationship between the principal and the subcontractor.

With regard to the actions to be undertaken to revive subcontracting, the Government should increase to 10% the level of participation of the SMEESA in subcontracting activities. Strategically, the aim will be to strengthen the capacities of SMEs in the **forestry and wood sector to** enable them to meet market requirements, by (i) increasing by 5% by 2025, the volume of credit to be granted to these SMEs by financial institutions; (ii) increasing to 50% by 2030 the number of CTDs to create equipment parks for 1ère , 2ème or even 3ème wood processing as income-generating projects; (iii) increasing by 10% the capacities of quality control laboratories and standards for wood products and by-products. Secondly, to improve the business environment around subcontracting activities in the **forestry and wood sector** by carrying out actions that will make it possible to (i) balance the relationship between SMEs and contractors; (ii) improve governance in the subcontracting activity and (iii) strengthen the legal framework for subcontracting activities.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

142

In addition, the BSTP would benefit more from working in concert with other organisations that support and sustain the SMEESA. In this respect, the SME Bank (BC-PME) and the Bureau de Mise à Niveau des Entreprises (BMN) should be called upon to contribute. Indeed, once the diagnosis of the enterprise has been established, the BSTP on the one hand should direct it towards these structures, if the SMEESA has financial or structural deficiencies. On the other hand, the BSTP could lobby the public authorities so that the 30% clause of the public order for the benefit of the SMEESA is respected. But also, to ensure that subcontracts are only awarded to member companies. This would have the effect of encouraging other SMEs to join in order to improve their performance and competitiveness levels.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

143

CHAPTER 7 : MONITORING AND EVALUATION OF THE SUPPORT PROJECT TO SUPPORT THE INTEGRATION OF SMESEH IN WOOD PROCESSING LOCAL VALUE CHAINS

INTRODUCTION

This seventh chapter of our study presents the institutional set-up of the project to support the integration of SMESEH into wood processing local value chains. We then describe the approach chosen to monitor and evaluate its implementation. This is done at the strategic level on the one hand and at the operational level on the other hand.

Section 1- INSTITUTIONAL SETTING OF THE PROJECT TO SUPPORT THE INTEGRATION OF SMESEH IN WOOD PROCESSING LOCAL VALUE CHAINS

The implementation of the project is ensured by the Government of Cameroon which is the main project owner. The administrations of the institutional perimeter of the "industries and services" sector, which includes the Ministry of Small and Medium Enterprises, Social Economy and Handicrafts (MINPMEESA), the Ministry of Mines, Industry and Technological Development (MINMIDT), the Ministry of Trade (MINCOMMERCE), the Ministry of Tourism and Leisure (MINTOUL) and the Ministry of Scientific Research and Innovation (MINRESI), constitute the institutional actors of the implementation of this project; under the leadership of MINPMEESA.

The SMESHE and the civil society, as partners of the Government State, are also solicited for their contribution in the realization of certain components of the project. The Technical and Financial Partners (TFPs) as well as the Development Agencies are also called upon to provide the State and the other national development actors mentioned above with appropriate technical and financial assistance according to the needs expressed.

We propose that the institutional framework for the implementation of the project for the integration of SMESEH into wood processing local value chains be placed under the direct authority of the Minister of Small and Medium Enterprises, Social Economy and Handicrafts.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

144

The implementation of the project favours the sectoral approach because the aim is to building real integrated poles of competitiveness around the value chain of wood processing, by an upgrading and a public support likely to make emerge in each of the level of the "**forest-wood**" sector of the "SMESEH national champions". In this perspective, the Government of the State, in its role as a "strategic State" in the sense of the NDS-30 and in accordance with the operational action plan, is organising itself to stimulate investment, productivity and competitiveness of the SMESEH of the "**forest-wood**" sector.

Progress in terms of competitiveness will be measured and evaluated by synthetic indicators of competitiveness at the quantitative level (GDP growth, Foreign Direct Investment (FDI), industrial and commercial performance, Global Competitiveness Index (GCI), etc. .... and also from a qualitative perspective (business climate, proportion of SMESEH transformed and/or modernised, public-private dialogue, evolution/migration of the informal sector, progress of the knowledge economy), as well as synthetic indicators of living standards, social cohesion and sustainable development [Human Development Index (HDI)]

At the operational level, these indicators could then be analysed as follows: Cameroon's position on the wood products market is first of all analysed in relation to the average level of African countries (based on sub-Saharan African countries for which data are available) which serves as a benchmark. If Cameroon's value is then 20% higher (or equal) to the African average, then the indicator would be classified as "green" (favourable position). If Cameroon's value is 20% below (or equal to) the African average, then the indicator would be classified as "red" (unfavourable position). If Cameroon's value is between +20% and -20% of this average, then the indicator would be classified as "orange" (neutral position).

The implementation of the project to support the integration of SMESEH of wood processing in local value chains must be a national challenge and a priority for all actors in the economic circuit. Since the success of the reforms that the project implies is only possible if all the actors of the economic (Administration, private sector, civil society, etc.) participate in it by being aware that the operational action plan of the project does not correspond to a partisan choices or electoral concerns, but to necessities that serve the whole country by giving it all the chances to reach its development objectives.

The monitoring and evaluation mechanism of this project is based on the principles of Results-Based Management (RBM) and is based on binding action matrices in terms of results, responsibilities and deadlines. This mechanism is articulated at two levels, including the **strategic level** and **the operational level**.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

145

Section 2- MONITORING AND EVALUATION OF THE PROJECT FOR THE INTEGRATION OF SMESEH IN WOOD PROCESSING LOCAL VALUE CHAINS AT THE STRATEGIC LEVEL

At the strategic level, the monitoring and evaluation of the **project to support the integration of SMESEH into wood processing local value chains** is carried out by the **Chairman of the Committee of internal bodies of the Internal Planning, Programming, Budgeting, Monotoring and Evaluation Committee (IPPBME) chain of MINPMEESA**.This Committee plays a steering role and is a framework for information, orientation and exchanges allowing the various stakeholders to express their expectations and analyses and to formulate orientations on the implementation of the project.

The Committee is also responsible for ensuring the coordination of sectoral and cross-cutting policies in the implementation of the project, for monitoring its implementation and for drawing up a periodic report on its progress. To do so, it relies on the MINPMEESA Management Control Coordinator who must develop steering tools and collect information on the implementation of the project in order to allow MINMPMMEESA to have a permanent tool to observing and analysing the evolution of SMESEH of the "**forest-wood**" sector in Cameroon, as well as a battery of indicators to measure and evaluate the progress made in the various level of the value chain of this sector.

The various bodies of this committee are the **Internal Commission for the Maturation of Public Investment Projects (ICMPIP)**, the **Internal Planning, Programming, Budgeting, Monotoring and Evaluation Committee (IPPBME)** and the **Working Group in charge of the Monitoring of the Public Investment Budget (WG/MPIB)** at MINPMEESA. Each of these bodies has a technical secretariat in charge of ensuring performance, coherence and relevance at various levels with regard to the major axes of the NDS-30, the SPF/MINPMEESA and the project's operational action plan.

Section 3- MONITORING-EVALUATION OF THE PROJECT FOR THE INTEGRATION OF SMESEH IN WOOD PROCESSING LOCAL VALUE CHAINS AT THE OPERATIONAL LEVEL

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

146

At the operational level, the monitoring and evaluation of the project to support the integration of SMESEH in wood processing local value chains is carried out by the MINPMEESA Strategic Performance Framework Programme Managers.

The **Programme Managers** are the keys elements the project's monitoring and evaluation system. Their main role is to supervise the overall implementation of the project in accordance with the operational action plan. The logical framework of each programme is structured around **Action Managers**, **Administrative Unit Head** and **Activity Managers**.

For the good execution of the Project at the level of MINPMEESA Programmes, each **Programme Manager** relies on the Programme Management Controller. It is its role to develop steering tools and collect information on the implementation of the project through the different Actions and Activities of the Programme in order to allow the **Programme Manager** to have a permanent tool for observing and analysing the evolution of the SMESEH of the "**forestry-wood**" sector located in his Programme, as well as a set of indicators to measure and evaluate the performance of public policies and sectoral strategies in the "**forestry-wood**" sector.

CONCLUSION

At the end of this chapter 7, we notice that the implementation of the **project to support the integration of SMESEH in wood processing local value chains** is ensured by the State Government of Cameroon, which is the main project owner. **The Administrations of the institutional perimeter of the "industries and services" sector**, namely MINPMEESA, MINMIDT, MINCOMMERCE, MINTOUL and MINRESI are the institutional actors of the implementation of this project; under the leadership of MINPMEESA. The **monitoring and evaluation mechanism** of this project is based on the **Strategic Performance Framework of MINPMEESA**. This mechanism is based on the principles of Results-Based Management (RBM) and is based on binding action matrices in terms of results, responsibilities and deadlines. The mechanism is articulated at two levels, the **strategic level** and the **operational level**. The **strategic level** of the **monitoring-evaluation mechanism** is placed under the authority of the **Chairman of the Committee of internal bodies of the Internal Planning, Programming, Budgeting, Monotoring and Evaluation Committee (IPPBME) chain of MINPMEESA**. Concerning the operational level, it is ensured by the **Heads of Programmes** of the **Strategic Performance Framework** of **MINPMEESA.**

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

147

CHAPTER 8 : RISKS ASSOCIATED WITH THE IMPLEMENTATION OF THE PROJECT TO INTEGRATE SMESEHS INTO WOOD PROCESSING LOCAL VALUE CHAINS

INTRODUCTION

This chapter essentially aims to highlight the potential risks to the implementation of the **project to support the integration of SMESEHs in wood processing local value chains** in Cameroon. These risks are of two kinds.

Section 1- ENDOGENOUS RISKS TO THE IMPLEMENTATION OF THE PROJECT TO INSERT SMESEHS INTO WOOD PROCESSING LOCAL VALUE CHAINS

The endogenous risks are of several types, namely

- The persistence of social and security tensions in certain local production areas
- The persistence of the current deficit of the Payments Balance [Trade Balance (TB) and Current Transactions Balance of Current (CTB)]
- The occurrence of a monetary shock leading to the devaluation of the African Financial Community (AFC) franc CFA Francs)
- The persistence of obstacles to the completion of the decentralization and territorial governance process

Section 2- EXOGENOUS RISKS TO THE IMPLEMENTATION OF THE PROJECT FOR THE INSERTION OF SMESEHS INTO WOOD PROCESSING LOCAL VALUE CHAINS

Among the exogenous risks, the following can be listed:

- The prolongation of military and diplomatic tensions in Eastern Europe
- The occurence of an energy crisis

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

148

> ➤ The strenghtening of economic conditions throughout the world, which is already experiencing inflationary pressures on basic needs goods, the increase in the cost of industrial inputs and the fragility of the financial infrastructure with regard to technological evolution and the emergence of new modes of financing economic activity with changes occurring in the meantime within the monetary and financial system.

CONCLUSION

The project to support the integration of SMESEHs into local wood processing value chains is taking place in a national context where the growth rate of the Gross Domestic Product (GDP) is 3.5% in 2021, compared to 0.5% in 2020, with a forecast of 4.1% in 2022. These signs of recovery in economic activity are encouraging and are likely to channel or even contain the risks mentioned above, with a good execution of the project. In this regard, it is important to mention that the objective of the NDS-30, which is the strategic anchor of the project, is to **(a)** increase the share of the secondary sector in GDP to 36.8% by 2030, **(b)** increase the Manufacturing Added-Value (MAV) from 14.5% in 2017 to 25% in 2030; and **(c)** increase the share of manufacturing exports to 54.5%. In addition, the NDS-30 scenario sets the average annual GDP growth rate at 5.6% over the period 2021-2030; and the non-oil GDP is projected to grow at an annual average of 5.9% over the period 2021-2030.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

149

GENERAL CONCLUSION

At the end of this study on the implementation of the project to support the insertion of Small and Medium Enterprises, Social Economy Units/Organisations and Artisans (SMEESA) in the wood processing sector into local value chains,

Let us first note that the actions envisaged in the "forest-wood" sector by the second phase of the Vision 2035; Cameroon's Strategic Development Vision, which is declined in the National Development Strategy for Structural Transformation and Inclusive Development (SND-30) are in particular: **(a)** development of forest plantations; and (b) strengthening of the wood processing industry up to the third stage of processing, with a view to the manufacture of furniture, the construction of housing and buildings, and industrial uses. The SMEESA therefore have a major role to play in the SDS-30, in this case in the "Industries and Services" Sector. And in view of the organic missions of the Ministry of Small and Medium Enterprises, Social Economy and Handicrafts (MINPMEESA), it has proved necessary to facilitate the installation of some of our targets that are the PMEESA in various local segments of the wood processing value chain.

The overall objective of this study is therefore to promote the insertion of SMESAs in various wood processing segments of local value chains. Specifically, it aims to: **(i)** Carry out an inventory of the existing situation in terms of installation and structuring of SMESAs in the forestry-wood sector; **(ii)** Carry out a diagnosis of the existing situation in terms of installation and re-structuring of the SMEESA in the forestry-wood sector as well as on the environment in which they evolve, and **(iii)** Propose strategic choices and new axes of intervention and a re-structuring of the actors of the forestry-wood sector by taking into account the institutional architecture (administrative, legal and judicial framework), **(iv)** their profiling as well as on the environment in which they evolve, and **(v)** Elaborate a plan of priority actions. This study is structured around the central hypothesis that the insertion of SMEs in various segments of wood processing in local value chains generates additional gains for the economy in terms of competitiveness in the Global Wood Value Chain (GWVC) and an increase in turnover at the level of local value chains as well as job creation.

We proceeded with an inventory of the forestry-wood sector in Cameroon based on a literature search that reviewed existing works on this sector. The diagnosis is then made on the basis of a Strength-Weakness-Opportunities-Threats (SWOT) approach combined with a benchmarking of the sector. An econometric modelling in time series and a multivariate statistical analysis allowed to highlight on the one hand the potential gains of the implementation of the project of insertion of the SMEESA in various segments of the

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

150

wood transformation in the local value chains and on the other hand the profiling of the products, trades and SMEESA with strong potential in each segment of the Wood Value Chain (WVC).

Our analysis reveals that from the point of view of the WVC, the component in the industry and services of the "forest-wood" chain is "wood and its derivatives" where we distinguish between the wood industry except for furniture manufacturing, paper and paper products manufacturing, printing and publishing, furniture manufacturing and NCA manufacturing and recovery activities. However, the "wood value chain" also includes the "forestry and logging" link. The inventory of activities in the "forestry-wood" sector shows, among other things, supply difficulties (logs for primary processing companies that do not have FMUs and primary processing products such as dried sawn timber for secondary processing companies), the acquisition of processing equipment in the units installed, the inadequacy of economic infrastructure (transport, energy, communication, telecommunications), the lack of a reliable supply of raw materials, the lack of a reliable supply of raw materials and the lack of a reliable supply of products, communication, telecommunication), the absence of a concerted and coherent national strategy for the development of the forestry industry, including the promotion of subcontracting, the inadequacy of the administrative apparatus, the financial system and the legal infrastructure, and the lack of available skills in planning, management and marketing of products resulting from further processing of wood.

The diagnosis shows that in order to guarantee access to legal wood for SMEs, the creation of forest plantations at the level of the CTDs (Communes and Regions) should be considered. This would also allow them to be involved in the sustainable management of natural resources and to structure the local economic fabric with the installation of SMEs in the links of the local wood processing value chain; links for which each CTD has a comparative advantage. The combination of actions at the level of each CTD, particularly those located in the major basins of the "forest-wood" sector, will eventually contribute at the national level to increasing the number of forest plantations and strengthening the structure of the wood processing industry up to the third stage of processing, particularly with a view to furniture manufacture, housing and building construction and industrial uses.

Furthermore, SMESAs are constantly faced with a changing, open and intense environment. Apart from the fact that globalisation has opened up unprecedented opportunities for SMESAs, the fierceness and harshness of the competition means that SMESAs in developing countries like Cameroon are less well prepared. The latter have a rather limited capital of skills (human, financial and technological, etc.). To compensate for these multiple deficiencies, the public authorities have put in place support and promotion mechanisms for SMEs, given the contribution of SMEs as one of the engines of innovation and growth or as a pillar of the economy. Thus, in its industrial policy, Cameroon has instituted the BSTP as a platform for the

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

151

promotion of subcontracting, with the mission of contributing through its programmes to making SMEs in the industrial sector more competitive.

However, there is a lack of a national monitoring and evaluation system for subcontracting activities and of exchange and information platforms between the Government and the various key players (BSTP, APME, API, BMN, ANOR, and BC-PME). Indeed, the weak coordination between these different structures for the promotion and development of the subcontracting sector leads to a dispersion of the interventions of each of these structures. In addition, many companies report a number of obstacles during subcontracting operations, particularly due to the absence of a legal framework that clearly defines the relationship between the principal and the subcontractor.

The implementation of the project to support the insertion of SMEs in local wood processing value chains is carried out by the State of Cameroon, which is the main project owner. The Administrations of the institutional perimeter of the "industries and services" sector, namely MINPMEESA, MINMIDT, MINCOMMERCE), MINTOUL and MINRESI constitute the institutional actors of the implementation of this project; under the leadership of MINPMEESA. The monitoring and evaluation mechanism of this project is based on the Strategic Performance Framework of MINPMEESA. This mechanism is based on the principles of Results-Based Management (RBM) and is based on binding action matrices in terms of results, responsibilities and deadlines. At the strategic level, the mechanism is articulated at two levels, including the strategic level and the operational level. The strategic level of the monitoring-evaluation mechanism is placed under the authority of the President of the Committee of Internal Bodies of the Planning-Programming-Budgeting-Monitoring-Evaluation (PPBS) chain of MINPMEESA. As for the operational level, it is ensured by the Heads of Programmes of the Strategic Performance Framework of MINPMEESA.

This project comes in a national context where the growth rate of the Gross Domestic Product (GDP) is 3.5% in 2021 against 0.5% in 2020, with a forecast of 4.1% in 2022. These signs of recovery in economic activity are encouraging and are likely to channel or even contain the risks mentioned in Chapter 8, with the proper implementation of the project. In this regard, it is important to mention that the objective of the NDS-30, which is the strategic anchor of the project, is to (a) increase the share of the secondary sector in GDP to 36.8% by 2030, (b) increase the Manufacturing Value Added (MVA) from 14.5% in 2017 to 25% in 2030; and (c) increase the share of exports of manufacturing products to 54.5%. In addition, the NDS-30 scenario sets the average annual GDP growth rate at 5.6% over the period 2021-2030; and the non-oil GDP is projected to grow at an annual average of 5.9% over the period 2021-2030.

The major results of the simulations suggest the implementation of an operational action plan structured around the provision of a revolving financing mechanism dedicated exclusively to SMEs in the forestry-wood

sector, measures to support the industrialisation of this sector, starting with the development of forestry plantations to increase access to legal wood, and the development of standard skills for the 2nd, 3rd and even 4th processing of wood with a view to dominating the internal wood market and capturing shares of the international market. The development of subcontracting in this sector also allows our targets to easily take advantage of the opportunities offered by public orders and the transfer of skills and technologies. Our forecasts show that despite the ban on the export of timber in the form of logs planned by COMIFAC for 2023, a certain proportion of timber production in the form of logs is nevertheless retained and exported over the first five years of the implementation of our project; from 500,000 to 124,000 cubic metres. This share can be explained by the inclusion of illegal activities in the forestry-wood sector. On the other hand, there was an increase in exports of primary processing products such as sawn timber; respectively 1,875,324 cubic metres in the first year, 2,101,678 in the second, 2,201,328 in the third and 2,267,149 in the fourth year of project implementation. This increase in the degree of wood processing leads to a potential increase in the average contribution of the "forestry and logging" branch of activity in the Gross Domestic Product (GDP) of the primary sector from 10.048% to 16% and an increase of 3.6% in the contribution of this branch of activity in the GDP of the secondary sector.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

153

ANNEX

I. BACKGROUND AND JUSTIFICATION

The Government of the Republic of Cameroon in 2009 adopted a long term development vision which defines the general planning framework having as goal Cameroon's emergence as a democratic country, united in its diversity by 2035. The 2035 Vision earmarks that by this period in time, Cameroon shall have attained the higher level of a middle income country with the following intermediate targets: (A) achieving a double-digit economic growth rate (b) attaining the 25% threshold of manufacturing production within the Gross domestic Product(GDP),(c) significantly reducing poverty by bringing down its impact to less than 10% by 2035,(d) consolidating the democratic process and reinforcing national unity taking into consideration our diversity. **The Growth and Employment Strategy Paper(GESP) which had enshrined the first phase of Vision 35 between 2010-2020 period had as objectives the following:** (I) acceleration of economic growth(ii) formal job creation,(iii),poverty reduction and(iv) improvement of governance. **From the implementation of the GESP, the following major conclusions stood out:** (1) Economic growth rate remained largely below expectation,(2) the GDP sectoral structure did not undergo any changes and the promotion of branches and industrial sectors remained a challenge,(3) the Balance of Trade structural deficit (BT) and Current Trade Balances(CTB) slumped,(4) informal nature of economic activity further increased and the business climate has to be improved upon,(5) the situation of the state of law and confidence in the justice system deteriorated,(6) the definition of needs and job profiles in agencies and public enterprises are still a course for concern. **The major lessons to be learnt from the GESP are the following: the low integration of economic activity sectors, the high dependence on technologies, goods and imported services, the globally unsatisfactory results of small and medium-sized promotion programmes, the poor business climate notably the legal framework in doing business.**

Since 2020, Cameroon has embarked on the New National Development Strategy for Structural Transformation and Inclusive Development (NDS-30). The NDS-30 is built on three(03) main orientations which include: (A) a mix between import/substitution and the promotion of export by taking advantage of the comparative advantages of the national economy;(b) a strategic and pragmatic State that makes available facilities for the emergence of the private sector as the main engine of economic growth and achieves

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

154

targeted interventions in very highly strategic sectors;(c) an articulation between indicative and imperative planning combining the rather difficult five-year development plan and that of the indicative strategic planning. The major global objectives of the NDS-30 are: ((I)putting in place favourable conditions for economic growth and the accumulation of national wealth by ensuring that indispensable structural modifications are obtained for the country's industrialization:(ii) improving the living conditions of the population and their access to basic social services by ensuring significant poverty reduction and halving under employment;(iii) reinforcing adaptation measures to alleviate the negative impacts of climate change and environmental management in order to guarantee economic growth and a more inclusive and sustainable development; and (iv) improving governance in order consolidate the performance of public action with the view to attaining sustainable and inclusive development.

For these objectives to be attained, Government's priority actions ought to be centred around energy production, food industries, digital economy, forest-wood sector, textile and leather works, mining-metallurgy-iron ore, hydrocarbons-petroleum-refining, chemical, pharmaceutical and construction services, professional, scientific, technical and non-financial services.

The NDS-30 is coming at a time when the above-mentioned constraints constitute a serious handicap in the attainment of the objectives of the GESP.

The Cameroonian economy continues to be confronted with the negative effects of Covid-19,

-The country is in a debt crisis and has been placed again on a new Structural Adjustment Programme with the IMF within the framework of the Extended Credit Facility (ECF) and the Extended Credit Mechanism(ECM). This new economic and financial programme(EFP) which notably offers budgetary assistance to restore equilibrium of public finances centres around major pillars that include: (1) alleviating the health, economic and social consequences of Covid-19 while also ensuring internal and external viability;(2) reinforcing good governance, transparency and the fight against corruption(3) accelerating structural budgetary reforms in order to modernise the tax and customs administrations, mobilising revenue, improving on the management of public finances, stepping up efficiency in public investments and reducing budgetary risks linked to public enterprises;(4) consolidating debt management as well as reducing vulnerability factors linked to the debt and (5)implementing structural reforms to accelerate economic diversification, reinforcing resilience, financial inclusion, promoting gender equality and a green economy.

-MINPMEESA has just adopted its new Strategic Performance Framework(SPF) structured around three programmes namely Programme 043(promotion of entrepreneurship) which seeks to resolve the problem of low socio-economic insertion of the active population, programme 044(transformation and modernization of production units) whose objective is to dynamize SMEs, Social Economy Organisations/Units and

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

155

craftsmen(SMESEHs)and stepping up their contributions to the Gross Domestic Product(GDP) and programme 167(governance and institutional support of the SMESEH sub-sector) which is the support programme. This mutation falls in line with the coherence vis-à-vis the programme framework of the NDS-30 which assigns a major role to MINPMEESA in the transformation of the structures of the economy.

Very recently, there was a visible inflationary spiral for some basic items such as wheat flour, vegetable oils, building materials) as well as military and diplomatic tensions in Eastern Europe which is one of the main suppliers of wheat to Cameroon. Equally worthy of note is the fact that these tensions have the potential of reinforcing uncertainty in the revival of economic activity in Cameroon. The said economic revival is doubtful owing to the risks of the new wave of Covid-19 infections with the eruption of local uncontrollable variants, a slow rate of vaccination, increase in global risk premiums due to the toughening of monetary policies in advanced economies, new increase of imported inflation and the intensification of tensions and local and global socio-economic tensions.

Let us also note that during the meeting of sector ministers of the Economic and Monetary Community of Central African States (CEMAC) held on 18 September 2020 in view of validating the institutional and regulatory framework of the Sustainable Industrialisation Strategy of the wood sector in the Congo Basin, it was decided that the export of unprocessed wood shall henceforth be prohibited as from January 1 2022. This measure is justified by the need to harmonise the different sectoral policies in wood management of the Congo Basin and in particular of the CEMAC zone which seeks to make the forestry sector one of the levers of socio-economic development. Such a measure has as objective to promote and step up added value in manufacturing and creating stable jobs in this sector through the local transformation of forestry products and the development of intra-regional trade. As a matter of fact, within the 1993-2018 period, the growth rate of the real average gross domestic product of Cameroon was around 4,196% for respective contributions of 3,936% from the primary sector,3,384% from the secondary sector and 4,856% from the tertiary sector. Nonetheless, from 2014, the secondary sector tended to have more vigour by becoming the major engine of economic growth. Also within the same period, from the same high trends of the primary sector (agriculture, livestock and hunting, **tree farming and forest exploitation, fishing and fish farming)** where the majority of production/transformation units of very small units are essentially of very small sizes forming part of the informal economy also known as underground economy still ply their trade as individual entrepreneurs. In the primary sector, agriculture which makes up 70% of all the work force of the national economy rather had a dull performance with an average contribution around 3.36% between the 1993-2018 period; largely lower than the average contribution of 10.04% of the tree farming and forestry

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

156

exploitation branch of activities where one witnessed essentially foreign direct investments and whose added value therefore was repatriated to the country of origin of the investors. In 2019, the national economy lost 0.4 points in its growth index and stayed at 3.7% down from 4.15% in 2018. This reduction was due to the drop in the rhythm of activities observed in the tertiary sector (3.0% down from 4.4%) and of the primary sector (2.8% down from 5.1%) in 2019. On the other hand, the secondary sector registered a growth revival: 4,9 % up from 3,1% in 2018. This slight improvement in the secondary sector is mainly attributed to the proper management of the hydrocarbons extractive industries which registered an increase of 8.5% in 2019 after three consecutive years of sharp falls especially the 2.7% of 2018. Apart from oil, the slowdown in activity was more pronounced by the 3.5% in 2019 after the 4.4% in 2018. The growth rate in the primary sector was 2.8% in 2019 down from 5.1% in 2018. This evolution mainly stems from the slowdown of activity in the food crop agricultural sector(3.3% in 2019 down from 5.1 in 2018) and the drop in tree farming and logging activities(-2.7% in 2019 as against 7.3% in 2018).

It is important for us to specify that the actions envisaged in the forest-wood sector by the NDS-30 notably involve the following aspects: (A) development of forestry plantations; and (b) consolidation of the wood transformation industry right up to the third transformational phase involving furniture manufacture, building of houses and other industrial uses.

Conscious of the foregoing and with regard to the major role assigned to SMEs within the NDS-30, especially in the service industries and mindful of the missions of MINPMEESA, it becomes necessary to facilitate the installation of some of our targets which are Small and Medium-sized Enterprises, Social Economy Organisations/Units and craftsmen(SMESEHs) in various wood transformational segments with the local value chains.

II.   OBJECTIVE

The global objective of this study is to proceed to **the elaboration of the insertion programme of the Small and Medium-sized Enterprises, Social Economy Organisations/Units and craftsmen (SMESEHs) in the various wood transformation segments of the local value chains**.

Specifically speaking, it involves:

(I) Making an assessment of the existing situation in relation to the installation and structuring of SMESEHs in the forest-wood sector, their profiling as well as on the environment in which SMESEHs operate;

(I)Carrying out a diagnosis of the existing situation in relation to the installation and structuring of SMESEHs in the forest-wood sector, their profiling as well as on the environment in which SMESEHs operate;

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

157

(Iii) Proposing strategic choices, new intervention axis and a re-structuring of actors of the forest-wood sector by taking into consideration the institutional architecture (administrative, legal and judicial framework) of Cameroon, socio-economic structures and diverse constraints that countries are bound to be confronted with as well as the monitoring and evaluation mechanism related thereto.

(iv)Proposing aspects of the revision of support and insertion policies of SMESEHs within the forest-wood sector, considering the Strategic Performance Framework (SPF) and the new Programme Outline of MINPMEESA.

III. RESULT

The intended results of this study on the elaboration of the insertion **programme of Small and Medium-sized Enterprises, Social Economy Organisations/Units and craftsmen(SMESEHs) in the various wood transformation segments of the local value chains** are the following:

(1) Making an assessment of the existing situation in relation to the installation and structuring of SMESEHs in the forest-wood sector, their profiling as well as on the environment in which SMESEHs operate;

(2) Carrying out a diagnosis of the existing situation in relation to the installation and structuring of SMESEHs in the wood sector, their profiling as well as on the environment in which SMESEHs operate;

(Iii) Proposing strategic choices, new intervention axis and a re-structuring of actors of the forest-wood sector by taking into consideration the institutional architecture (administrative, legal and judicial framework) of Cameroon, socio-economic structures and diverse constraints that countries are bound to be confronted with as well as the monitoring and evaluation mechanism related thereto.

(4 aspects of the revision of support and insertion policies of SMESEHs within the forest-wood sector, considering the Strategic Performance Framework(SPF) and the new MINPMEESA Programme Outline.

IV. EXPECTED OUTCOMES

At the end of this reflection, the following documents are expected to be produced:

(α) Report of the existing situation in relation to the installation and structuring of SMESEHs in the forest-wood sector, their profiling as well as on the environment in which SMESEHs operate;

(β)Diagnostic Report on the existing situation in relation to the installation and structuring of SMESEHs in the wood sector, their profiling as well as on the environment in which SMESEHs operate;

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

158

(γ)Report on the strategic choices, new intervention axis and a re-structuring of actors of the forest-wood sector by taking into consideration the institutional architecture (administrative, legal and judicial framework) of Cameroon, socio-economic structures and diverse constraints that countries are bound to be confronted with as well as the monitoring and evaluation mechanism related thereto.

(λ)Proposing aspects of the revision of support and insertion policies of SMESEHs within the forest-wood sector, considering the Strategic Performance Framework (SPF) and the new MINPMEESA Programme Outline.

V.   METHODOLOGIE

The methodology is made up with :

-Documentary review

-Collection of data relating to profiling and a mapping of actors of the forest-wood sector, as well as information relating to the environment

-Analysis of Strengths, Weakness and Opportunities (SWOT) of the forest-wood sector

-Benchmarking in countries with similar architecture to that of Cameroon in the forest-wood sector

-Each expected result will culminate in a restitution workshop followed by a validation workshop

VI.   PROGRAMME OF ACTIVITIES

The mission of the working group coordinated by the Head of the Projects UNIT in MINPMEESA shall run for six (06) months with effect from January 2022..

VII.   BUDGET

The budget of this activity is estimated at xxxx million and shall be derived from that of the Ministry of Small and Medium-Sized Enterprises, Social Economy and Handicrafts

HEADINGS	BUDGET ESTIMATE
Conception and validation of data collection and analysis instruments(special work allowance)	000,000
Data collection	000,000
Benchmarking works	000,000
Workshop for the finalisation and validation of expected results:	000,000

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

159

- ✓ Report on the existing situation in relation to the installation and structuring of SMESEHs in the forest-wood sector, their profiling as well as on the environment in which SMESEHs operate;
- ✓ Diagnostic Report on the existing situation in relation to the installation and structuring of SMESEHs in the wood sector, their profiling as well as on the environment in which SMESEHs operate;
- ✓ Report on the strategic choices, new intervention axis and a re-structuring of actors of the forest-wood sector by taking into consideration the institutional architecture (administrative, legal and judicial framework) of Cameroon, socio-economic structures and diverse constraints that countries are bound to be confronted with, as well as the monitoring and evaluation mechanisms related thereto.
- ✓ Report on the proposals for the revision of support and insertion policies of SMESEHs within the forest-wood sector, considering the Strategic Performance Framework (SPF) and the new Programme Outline of MINPMEESA.
- ✓ General work Report

Per diem for members of the working group	000,000
Provision of light office stationery	00,000
Meeting perquisites	00,000
Translation, printing and photocopying	00,000
Total	**000**

VIII.   PROFIL DU CHEF DE MISSION DE L'ETUDE

This **mission shall be conducted under the supervision of the Unit Head for Projects in MINPMEESA**

As a matter of fact, the reading of Decree No.2013/169 of 27 May 2013 to lay down the organisation of the

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

160

Ministry of Small and Medium-Sized Enterprises, Social Economy and Handicrafts reveals that the Projects Unit shall in addition be responsible for the planning and programming in the SMESEH sector.

With regard to this study, apart from his close collaborators, **the Unit Head for Projects in MINPMEESA** shall benefit from the support of some personnel of the Studies, Projects and Forecasts Department (DEPP) of MINPMEESA and resource persons to be identified by him.

IX. WORK ROLL OUT AND DURATION OF MISSION

The mission is meant to commence in January 2022 and to end after four (04) months with effect from the date of signature of the mission letter. An extension of one (01) month could be done upon request by hierarchy.

X. REMUNERATION

The working group shall be remunerated in accordance with the budgetary allocation above-mentioned. Official trips and per diem shall be covered in conformity with the regulations applicable in MINPMEESA. Members of the working group shall receive an advanced payment at the commencement of work and shall be paid the rest of their money upon submission of the final report.

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

161

ACTIVITIES	FIRST QUARTER		SECOND QUARTER	
	Month 1 to 2	Month 2 to 3	Month 4 to 5	Month 5 to 6
Conception and validation of data collection and analysis instruments(special work allowance				
Conception and validation of data collection instruments				
Conception and validation of data collection analysis				
Exchanges and discussions with various target groups and data collection				
Documentary review, benchmarking activities and situation assessment				
-Documentary review				
Benchmarking activities				
Report of the existing situation in relation to the installation and structuring of SMESEHs in the forest-wood sector, their profiling as well as on the environment in which SMESEHs operate*				
Diagnosis and discussion on the new intervention axis of MINPMEESA				
Diagnostic Report on the existing situation in relation to the installation and structuring of SMESEHs in the wood sector, their profiling as well as on the environment in which SMESEHs operate; *				
Report on the strategic choices, new intervention axis and a re-structuring of actors of the forest-wood sector by taking into consideration the institutional architecture(administrative, legal and judicial framework) of Cameroon, socio-economic structures and diverse constraints that countries are bound to be confronted with as well as the monitoring and evaluation mechanism related thereto*				
Proposal for a concertation framework relating to the revision of the support and insertion policy of SMESEHs in the forest-wood sector.				

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

162

Report on Proposals for the revision of support and insertion policies of SMESEHs within the forest-wood sector, considering the Strategic Performance Framework (SPF) and the new Programme Outline of MINPMEESA are formulated. *				
Drafting of the general work report.*				

Expectations

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

163

Annexe 2: Affectation des terres dans le domaine forestier national

Domaine forestier permanent		
Type d'affectation	**Superficie (ha)**	**Part sur le territoire national**
Unités Forestières d'Aménagement	7 030 484	14,8%
Réserves forestières	503 104	1,1%
Aires Protégées	4 761 683	10,0%
Zone de chasse	5 340 858	11,2%
Forêts Communales	1 812 150	3,8%
Domaine forestier non permanent		
Forêts communautaires	2 143 702	4,5%
Ventes de coupe	210 111	0,4%
Parcelles agro-industrielles	459 241	1,0%
Total	22 261 333	46,8%

Source : Auteur à partir des statistiques du MINFOF (2020)

Les paramètres sont calculés directement dans la MCS

Annexe 3: Calcul des paramètres du Modelèle d'Equilibre Général Calculable Dynamique

Table A31: Input output coefficient (parameter)

Input output coefficient(parameter)

dim1	dim2	Value			
agr	agr	0.31770528			
agr	ind	0.279680			
agr	ser	0.045743028			
ser	agr				0.26860775
ser	ind				0.142401143
ser	ser				0.603916146
othind	agr				0.41368699
othind	ind				0.57791266
othind	ser				0.350340825

Source : Calculs de l'Auteur avec le logiciel GAMS

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

Table A32: Share parameter (CES – Composite capital)

Shareparameter (CES - composite capital)		
dim1	dim2	Value
cap	agr	
cap	ind	
cap	ser	

Table A33: Share parameter (CES - composite labor)

Shareparameter (CES - composite labor)		
dim1	dim2	Value
usk	agr	
usk	ind	
usk	ser	

Table A34: Share parameter (CES – composite commodity)

Shareparameter (CES - composite commodity)	
dim1	Value
agr	0.173415949
ser	0.226937788
othind	0.325943114

Table A35: Share parameter (CES – value added)

Share parameter (CES - value added)	
dim1	Value
agr	0.158040256
ind	0.308686726
ser	0.345282486

Table A36: Share parameter (CET – exports and local sales)

Share parameter (CET - exports and local sales)		
1		
dim1	dim2	Value
agr	Agr	0.9694500
1		
agr	Ser	
agr	Othind	
ind	Agr	
ind	Ser	
ind	Othind	
ser	Agr	
1		
ser	Ser	
ser	Othind	

Table A37: Share parameter (CET – total output)

Share parameter (CET - total output)		
dim1	dim2	Value
agr	Agr	0.0193436
agr	Ser	0.8685296
agr	Othind	0.1121266
ind	Agr	0.4752822
ind	Ser	0.4925708
ind	Othind	0.032146
ser	Agr	0.8172488
ser	Ser	0.0123429
ser	Othind	0.1704081

Table A38: Scale parameter (CES – composite capital)

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

165

Scaleparameter (CES - composite capital)

dim1	Value
agr	1
ind	1
ser	1

Table A39: Scale parameter (CES – composite labor)

Scaleparameter (CES - composite labor)

dim1	Value
agr	1
ind	1
ser	1

Table A310: Scale parameter (CES- composite commodity)

Scaleparameter (CES - composite commodity)

dim1	Value
agr	1.401913748
ser	1.540533293
othind	1.783829921

Table A311: Scale parameter (CES – value added)

Scaleparameter (CES - value added)

dim1	Value
agr	1.43289694
ind	1.795452963
ser	1.862960603

Table A312: Scale parameter (CES – total output)

Scaleparameter (CET - total output)

dim1	Value
agr	14.01594584
ind	9.92003366
ser	18.75761598

Table A313: Share of commodity i in total current public expenditures on goods and services

Share of commodity i in total current public expenditures on goods and services

dim1	Value
agr	0.119902121
ser	0.510603589
othind	0.36949429

Table A314: Share ofcommodity I in total investment expenditure

Share of commodity i in total investment expenditures

dim1	Value
agr	0.119846596
ser	0.510067114
othind	0.37008629

Table A315: Marginal share of commodity i in households consumption budget

Marginal share of commodity i in household h consumption budget

dim1	dim2	Value
agr	hur	0.0818660

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

166

ser	hur	0.891647264
othind	hur	0.306486722

Source : Calculs de l'auteur avec le logiciel GAMS

Table A316: Coefficient (Leontief – intermediate consumption)

Coefficient (Leontief – intermediateconsumption)

dim1	Value
agr	0.411319674
ind	0.409615134
ser	0.412117926

Source : Calculs de l'auteur avec le logiciel GAMS

Table A317: Share parameter (transfer functions)

Shareparameter (transferfunctions)

dim1	dim2	Value
hur	Hur	
hur	Firm	
firm	Hur	
firm	Firm	
gvt	Firm	
row	Hur	
row	Firm	

Source : Calculs de l'auteur avec le logiciel GAMS

Table A318: Elasticity parameter (CES – composite capital)

Elasticityparameter (CES - composite capital)

dim1	Value
agr	0.25
ind	0.25

Table A319: Elasticity parameter (CES – composite labor)

Elasticity parameter (CES - composite labor)

dim1	Value
agr	0.25
ind	0.25
ser	0.25

Source : Calculs de l'auteur avec le logiciel GAMS

Table A320: Elasticity parameter (CET – exports and local sales)

Elasticity parameter (CET - exports and local sales)

dim1	dim2	Value
agr	Agr	0.127145323
agr	Ser	
agr	Othind	0.030567686
ind	Agr	
ind	Ser	0.131629393
ind	Othind	
ser	Agr	0.091373802
ser	Ser	
ser	Othind	

Source : Calculs de l'auteur avec le logociel GAMS

Table A321: Elasticity parameter (CET – total output)

Elasticity parameter (CET - total output)

dim1	Value
agr	1.5

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

167

dim1	Value
ind	1.5
ser	1.5

Table A322: Elasticity (CES – composite capital)

Elasticity (CES - composite capital)

dim1	Value
agr	0.8
ind	0.8
ser	0.8

Table A323: Elasticity (CES – composite labour)

Elasticity (CES - composite labor)

dim1	Value
agr	0.8
ind	0.8
ser	0.8

Table A324: Elasticity (CES – composite commodity)

Elasticity (CES - composite commodity)

dim1	Value
agr	2
ser	2
othind	2

Table A325: Elasticity (CES – value added)

Elasticity (CES - value added)

dim1	Value

dim1	Value
agr	1.5
ind	1.5
ser	1.5

Table A326: Elasticity (CET- exports and local sales)

Elasticity (CET - exports and local sales)

dim1	dim2	Value
agr	Agr	
agr	Ser	
agr	Othind	
ind	Agr	
ind	Ser	
ind	Othind	
ser	Agr	
ser	Ser	
ser	Othind	

Table A327: Elasticity (CET – exports and local sales)

Elasticity (CET - exports and local sales)

dim1	dim2	Value
agr	agr	
agr	ser	
agr	othind	
ind	agr	
ind	ser	
ind	othind	
ser	agr	
ser	ser	

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

168

ser	othind

Table A328: Price of elasticity of the world demand for exports of wood product

Price elasticity of the world demand for exports of product i

dim1	Value
agr	2
ser	2
othind	2

Table A329: Elasticity (CET- total output)

Elasticity (CET - total output)

dim1	Value
Agr	2
Ind	2
Ser	2

Table A330: Income elasticity of consumption of wood product

Income elasticity of consumption

dim1	dim2	Value
Agr	hur	0.68276
Ser	hur	1.02415
Othind	hur	1.07292

Table A331: Coefficient (Leontief – Value added)

Coefficient (Leontief - value added)

dim1	Value
Agr	0.755416466
Ind	0.462705238
Ser	0.606624319

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

169

Annex 4: Editorial team

FIRST AND LAST NAME	INSTITUTIONNAL AFFILIATION
Alain Bertin TOIDE	Senior Staff at the Division of the studies, Projects and Forecasts - MINPMEESA
Boris Landry DJAMEN TCHETGNA	The University of Ngaoundere
Christophe Raoul BESSO	The National Economic and Financial Committee
Daniel AKONO SISON	Assistant Research Officer N2 at the Studies and Forecasts Unit - MINPMEESA
Damase NOUSSI METSAKEU	The Ministry of the Economy, Planning and Regional Development
Eric Patrick FEUBI PAMEN	Head of the Projects Unit - MINPMEESA
LORNA TCHINKO SOBGUI	The University of Yaounde 2-Soa
Marcel ZOMBOU NGOUNE	Assistant Research Officer N1 at the Projects Unit- MINPMEESA
Marie-Rose MBARGA ESSOA	Senior Staff at the Projects Unit - MINPMEESA
Maximilien ZE	*Head of Competitiveness and Subcontracting Unit /MINPMEESA*
NUMFOR LAWSON NGWA	Assistant Research Officer N1 at the Translation Unit - MINPMEESA
Steve Duval KAMDEM NGANKONG	Senior Staff at the Projects Unit - MINPMEESA
Teddy Lionel NGAMENI NJIWOUA	Senior Staff at the Statistic Unit - MINPMEESA
Théophile FOPA DIESSE	The Ministry of the Economy, Planning and Regional Development
Quentin NZOUESSAH FEUNKEU	The University of Yaounde 2-Soa

Source : Author

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170

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171

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172

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173

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The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

174

TABLE OF CONTENTS

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

175

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

176

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

177

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

178

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

179

The Ministry of Small and Medium Size Enterprises ; Social Economy and Handicraft   Ministère des Petites et Moyennes Entreprises, de l'Economie Sociale et de l'Artisanat

180

MINPMEESA

✉ B.P. : 6096 Yaoundé

☎ Téléphone : (+237) 222 23 23 88

🖨 Fax : (+237) 222 22 41 58

📧 Email: contact@minpmeesa.cm

🌐 Site web: www.minpmeesa.cm