



## In Cameroon, the other face of development aid

Proparco, subsidiary of the French Development Agency devoted to the private sector, is celebrating its 40th anniversary. In Yaoundé and Douala, it supports initiatives in various sectors, sometimes unexpected.



The private school Enko-La Gaieté, in Yaoundé, on Friday 8 September. Florence Priolet/Proparco  
On a bend of a traffic-choked highway in Yaoundé, the private school Enko-La Gaieté looks like nothing to write home about. There's no trendy technology here. A corridor equipped with a ping-pong table, at which two pupils in uniform are knocking a few balls about, serves as the recreation hall. Behind the fences, you can see a cluster of shacks with corrugated tin roofs, like the ones that have sprung up almost everywhere in the Cameroonian capital. The establishment can indeed place its bets on sobriety. It offers an invaluable opportunity to its 145 college students with the preparation for the International Baccalaureate, which should afford them a place at one of the major universities of the world.

In less than three years, the results are in: one student was awarded a place at Yale (United States), another at the University of Lancaster (United Kingdom) and a third at Sciences Po... What is its recipe for success? No more than 25 students per class, and teachers available all day. *"The education we offer is based on opening the doors to the world"*, says director Bamidele Akinbo, proudly. It's a striking contrast with the public sector,

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where classes can hold up to 90 pupils each. *“There are enormous numbers of very talented young people in Africa, but we are not giving them the means to realise their ambitions”,* says Mr Akinbo.

It is this observation that drove Cameroonian financier Cyrille Nkontchou and his French partner, Eric Pignot, to establish the Enko Education holding company in 2013. Four years later, eight private schools - including the one in Yaoundé - have been opened in five African countries. The objective is to have thirty-five schools in the next five years. The development is financed thanks to funds raised in 2016 with several investors, among them Proparco (1 million euros).

#### Modest means

Who is Proparco? Little known to the general public, this subsidiary of the French Development Agency (AFD) - the State's development aid division - is dedicated to the private sector. On Tuesday 19 September, it will celebrate its 40th anniversary with a flourish. While the AFD aims to increase its annual funding from 8 to 12 billion euros between now and 2020, Proparco's mission is to expand its own from 1 billion euros a year to 2 billion. These are modest means compared to those of the International Finance Corporation (IFC), its counterpart at the World Bank, which disbursed 9 billion dollars in 2016.

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Be that as it may, *“The effort is proportionally greater than that of our parent company”,* observed Proparco's managing director, Grégory Clemente. *“Our contribution to the realisation of sustainable development objectives is very high.”* Indeed, in keeping to this international route map that aims to conquer poverty between now and 2030 and to protect the environment, the role of financial companies like Proparco or the IFC is growing ever more important.

*“Governments in the northern countries say that they don't have enough funding and call on the private sector to resolve this,”* says Grégoire Niaudet, member of Secours Catholique-Caritas France and lead manager of the development finance commission of the NGO Coordination SUD. *“Why not, if this helps to support local PMEs? But we have to make sure that the funding granted is indeed used to support development. Public interest sectors, such as healthcare, are rarely the preferred targets for private sector companies.”*

In some respects, like at the school in Yaoundé, support from Enko may be surprising. In a country where the average wage is around 80 euros a month, its fees range from 2,000 to 4,000 euros per year. But fees at the rare schools offering the International Baccalaureate in Africa are three to five times higher, responds the management.

At the school, one student in seven is on a scholarship. Such as Frédéric Tchouli, a tall boy with a mild look: *“My father is a teacher, he knows what he's talking about when he is happy to see me seizing my opportunities in a school system other than his own.”* Frédéric wants to study maths, in France or in Canada, before returning to Africa as a teacher or an engineer. *“The idea is not to be in competition with the public sector, but to support an innovative offering to educate the elite students that the country needs,”* says Thomas Husson, Proparco representative in Central Africa. *“The more Cameroonians who do MBAs at Harvard, the better for Cameroon.”*

In Douala, 230 kilometres further west, insurance company Activa is another example of Proparco's undertakings. In 2016, the AFD subsidiary invested 10 million euros in this group, which was set up by Cameroon entrepreneur Richard Lowe and whose investors also include the SFI. Insurance? For development? The core business of Activa, which is present in five African countries, primarily concerns risks



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for large businesses. But the company also operates in microinsurance, aimed at the most underprivileged.

#### “Freeing up energies”

Thus, in the working-class district of Bepanda, between two roadside stalls, the Cecaw, a microfinance co-operative, is never empty. Each new member is required to buy an Aactiva life insurance policy, at 4,000, 6,000 or 11,000 CFA francs per year (6, 9 or 16 euros). *“Some people have managed to avoid getting into debt over their heads, in this way,”* explains François-Xavier Kouakoue, the manager of the co-operative. Because, in Cameroon, a parent's funeral can involve a huge amount of expenditure, *“...sometimes more than 15 times monthly income,”* according to Mr Kouakoue.

In a country where more than 60% of the population depends on agriculture, Aactiva has also developed policies that insure people against the death of their cattle or the loss of a harvest. *“These are products that we wouldn't even look twice at, if we were focusing on short-term profitability,”* explains Thierry Kouandjeu, deputy managing director of Aactiva. *“So this is why, even though we are being approached by funds, we prefer to be supported by development finance companies.”*

In Cameroon, as in all of sub-Saharan Africa, the insurance market is in its infancy. So, *“having access to less expensive cover reduces vulnerability and frees up energies,”* explains Thomas Husson. *“Being poor,”* he says, *“is not only about not having enough income, but also being exposed to major risks.”*