

CamCCUL: Evolution and Growth Factors

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July 2011

CamCCUL: Evolution and Growth Factors

Goal

- Briefly explore the evolution of the Credit Union Movement in Cameroon and examine the factors responsible for its growth during its over 4 decades of existence

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Scope

- Introduction to Cameroon
- A brief history of the creation of CamCCUL
- The evolution of the Credit Union Movement in Cameroon and growth factors

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A word about Cameroon

- Situated in West & Central Africa
- Covers 475,440 km², slightly larger than California
- Yaoundé is its capital city



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A word about Cameroon

- Cameroon shares borders with:

- Chad in the North,
- the Central African Republic in the East,
- Congo, Gabon, & Equatorial Guinea in the South,
- the Atlantic Ocean in the South West; and
- Nigeria in the West and North West



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A word about Cameroon

- Currency is the XAF
- Agric economy
- Major agric exports coffee, tea, banana, rubber, palm oil, cotton
- Abundance of natural resources
- Oil, timber, hydroelectric power, natural gas, cobalt, nickel, iron ore and uranium
- Economic leader of CEMAC

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A word about Cameroon

- Over 200 ethnic groups
- Official languages: French and English
- Has diverse geographic features: deserts, beaches, lakes...
- Highest point: Mt. Cameroon at 4100m



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History of the Credit Union Movement in Cameroon

- Rev. Father Anthony Jansen was working in a small village called Njinikom in Cameroon in the 1960s
- The people were being exploited by moneylenders
- They had difficulties paying school fees
- They needed somewhere safe to save
- They needed guidance on managing their finances
- Indigenous resources could be pulled together for this purpose
- He knew the Credit Union model would best resolve these issues

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History of the Credit Union Movement in Cameroon

- He started 'the St. Anthony Discussion Group' with 7 members in 1963
- This was registered as the first C.U in Cameroon in Sept. 1964
- The Njinikom C.C.U started with 16 members & a total shares/savings of 2.100 Frs (\$5)

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History of the Credit Union Movement in Cameroon

- In 1965 Rev. Father Barnicle noticed the same problems in another village called Kikaikelaki
- He teamed up with M. T. Banseka, headmaster of the catholic school to start a Credit Union in the village
- Holding weekly education meetings they spread the C.U idea, setting up discussion groups and Credit Unions in neighbouring villages
- They were assisted by other Reverend gentlemen, graduates from the Coady Institute in Canada and officers of the West Cameroon Cooperative Department

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History of the Credit Union Movement in Cameroon

- As the idea spread, Father Barnicle became concerned about the management of these Credit Unions
- He brought together stakeholders to discuss the formation of an umbrella organ for credit unions in January 1967
- In Sept. 1967 M. T. Banseka started training at the Coady Institute with financial support from the Catholic Relief Services
- By 1968 there existed 34 C.Uns with a total:
 - Membership of 4 000;
 - Savings amounting to over 14 million F CFA (\$32 000); and
 - Loans to members of over 11 million F CFA (\$25 000).

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History of the Credit Union Movement in Cameroon

- In January 1968 Father Barnicle convened a meeting of all Credit Unions at which a Coordinating Committee (C.C) of C.Uns was formed
- It was made up of elected C.U representatives
- On Sept. 4th 1968, the League was registered officially as the West Cameroon Cooperative Credit Union League Limited (WCCUL) with the C.C as its BoDs
- Its mission: to ensure the continuous development and sustainability of the Credit Union Movement in Cameroon

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History of the Credit Union Movement in Cameroon

- Mr. A. A. Van Akooy, a Dutch volunteer was appointed first Acting Manager of the League in 1968.
- Michael Tah Banseka became the League Manager in 1969.
- The League was a founding member of the African Cooperative Savings and Credit Association, ACOSCA in 1968.
- In 1971, the first League President, Mr. Benedict Mukong was elected President of ACOSCA.
- In March 1973, the A.G.M resolved to change names from WCCUL to CamCCUL

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Evolution and Growth

- Two distinct periods of evolution and growth:
 - 1963 – 1993, the period of slow growth
 - 1993 – present, the period of rapid growth

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Evolution and Growth: Before 1993

Period of slow growth (only 78 000 members had joined Credit Unions by 1993) due to:

- Government interference
 - Including attempts to move headquarters to Yaoundé
- The Credit Union concept was relatively new
- Many misconceptions existed
 - The Credit Union is a poor man's bank
 - It has to operate only in the rural areas
- Cultural limitations: two Cameroons existed before 1960
 - C.Uns started and gained acceptance in 'West' Cameroon

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Evolution and Growth: Before 1993

- Low levels of literacy of the population
- Unclear regulations
- Human resource challenges
 - Including a staffing crises from 1974 – 1976
 - All League staff were terminated
 - This greatly slowed the transfer of skills from volunteers to Cameroonians
- The economic and banking crises of the late 80s and early 90s resulted in
 - Had both positive and negative impacts on C.Us
 - From general distrust to confidence in the C.Us

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Evolution and Growth: After 1993

Period of rapid growth (an additional 262 000 persons joined Credit Unions between 1993 and 2010) due to:

- A strong Credit Union base
 - 161 Credit Unions in 1993
 - Created on a 'common bond'
 - Democratic structures and transparent operations
 - This solid base served as a springboard for faster growth
- Clearer microfinance regulations
 - Greater clarity about the legal status of Credit Unions
 - The scope of operations now well defined
 - Additional oversight from COBAC (sanctions, controls etc)
 - Have all increased confidence in Credit Unions

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Evolution and Growth: After 1993

- Relationship with government
 - The League resisted government interference in its operations during the 80s and 90s.
 - She now operates independently
 - Relationships with the government has since improved
 - They now work together as partners in development
- Geographical expansion
 - 100% of Credit Unions were found in rural areas until the late 1970s
 - Expansion into Urban areas and French parts of Cameroon
 - Projects with European Union enabled expansion in the Magba area and in the Northern Regions

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Evolution and Growth: After 1993

- Improvements in Information and Communication Technologies
 - ✓ The use of computers
 - ✓ Computer software: accounting, money transfers and
 - ✓ personnel
 - ✓ Interconnectivity through the internet
- The restructuring of CamCCUL and Credit Union operations
 - ✓ New organigram and new services
- Improvement in the quality of human resources
 - ✓ More staff
 - ✓ More skilled staff
 - ✓ Quality in house training
 - ✓ Training abroad
 - ✓ Staff retention strategies

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Evolution and Growth: After 1993

- Marketing and Communication
 - ✓ More aggressive marketing approach
 - ✓ Use of close proximity radio stations/dialects of indigenes
 - ✓ Intercooperation Magazine
 - ✓ CamCCUL website
 - ✓ International Credit Union Day
- Innovation
 - New products/instruments development
 - ✓ Telecash (2005)
 - ✓ Alpha Accounting Software (2009)
 - ✓ Golden Loan (2007)
 - ✓ Microinsurace (Deposit Mutual, July 2007)

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CamCCUL and the Credit Unions Today

- Over 200 Credit Unions
- Found in all 10 regions of Cameroon
- Has over 340 000 members
- Largest network of Credit Unions in the CEMAC Sub region

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Challenges

- Increased Competition
- Adequate staffing
- Taxation
- I.T (security, interconnectivity)