

# LAWYERS AS BUSINESS LEADERS IN CAMEROON AND CEMAC

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The opportunities in the region, coupled with increased efforts on integration and diversification has occasioned the birth of “non-resource” based partnerships, for investment in infrastructure, electricity, water, and agriculture.

Some nations in SSA, have engaged on 5-25 years development programs, to diversify their economies for socio-economic stability. Due to economic hardships and a poor savings culture they have been unable to finance these projects. Cameroon has ‘Vision 2035’ a loaded and diverse program.

The options for project finance are varied. The World Bank, AfDB, EU, China and the governments are financing many projects under PPP, BOT’s and joint ventures. The IMF has provided loans in phases, accompanied by conditions that might be considered overwhelming. “They created a monitoring committee to supervise the implementation of the 21 point agenda. Based on Article 4 stipulations, the Fund meets with member countries for review and recommendations on fiscal policy, revenue, management of foreign debt and economic discipline. They cautioned on monetary policy easing, statutory advances to national government and indirect financing” *An Integrated and Inclusive Economic Paradigm for the CEMAC region, and Cameroon, Innocent M. Anchang, Attorney, CEO, TIAC Yaounde, Cameroon.*

With the economies of member countries growing, given diversification and regional integration, there is need for better debt management, increased loans for economic acceleration and not less debt. The region needs more investment in infrastructure, electricity and capacity building given the current dynamics

The IMF and the US are warning on loans from China, claiming lack of transparency in terms of the loans and repayment options. *There is need for expertise in transactional advisory to include refinancing and restructuring, especially in Central Africa.*

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A country like Cameroon with able lawyers, accountants and tax experts, should not be worried about debt to China, the US or the IMF, on issues of transparency.

Advisory and expertise should focus on the requirements, obligations and duties of the parties. Current defaults in loans, and the need for restructuring in Turkey, and Mozambique, highlights the fact that this issue might not be unique to Central Africa.

There is increasing growth in capital assets for African owned DFI's (Afreximbank and AfDB). Interests on loans are being paid by Africans to African majority owned banks. A 100 million Euros revolving credit to Mota-Engil Africa from Afrximbank, to improve on regional trade and integration is encouraging. Debt is not a bad thing, especially given the potential in the region.

The AfCFTA, after ratification from Gambia in April 2019 is set to kick off. It will enable goods and services to move in a market of 1.2 billion by 2030. Lawyers as business leaders will inform on the exigencies of regulatory bodies and the government to investors and businesses. Information from government or regulatory bodies meets the most basic inquiry, and insufficient to guide on legal regimes in some sectors.

TIAC has talked of the "the constructive engagement" module and how that directly impacts loans for infrastructure development, to enable SME's and the agro-sector to grow. We have observed, instances where companies with huge investment portfolios, were forced to leave because of issues as basic as improper licensing and permits. This within a legal platform, is a non-starter.

As Cameroon innovates and diversifies, there are some sectors that will leapfrog, due to change in government policies and technological advancement. MinPostel, is working on faster and affordable broadband. (Brazil and CEMAC). The internet has facilitated the ease of communication, and is improving on services. Businesses are adding value and scale. Government is providing regulations and assistance from Ministry of Trade on price stabilization; SME's are receiving support from government to grow a local economy, improve on regional exports and expand to global markets.

ICT has disrupted the banking sector, through mobile money and bill payment systems. Mobile phone companies in response to friction, are providing financial services which are affordable and time saving. Prior modules, through banks and other financial institutions were tedious and burdensome. Some banks are providing innovative and competitive online services, through third parties. SGBC bank, in Cameroon with YUP is providing financial services, money transfers on mobile phone networks. WEMA bank in Nigeria through a digital mobile solution ALAT, is advertising bank products through a third party to avoid regulatory hubris. Innovation in banking through ICT, will provide solutions, where friction has been identified.

Cameroon shares a long border with Nigeria, and trade relationships amongst both countries is excellent, and as an economic hub, *(read the piece: An Integrated and Inclusive Economic Paradigm for the CEMAC region, and Cameroon, Innocent M. Anchang, Attorney, CEO TIAC Yaounde, Cameroon)* will provide CEMAC member countries, access to a 400

million market in the ECOWAS region. The Abidjan – Lagos corridor is a six lane highway transiting through at least 5 countries with three different currencies (Lagos-Benin-Lome- Accra and Abidjan).

Trends will be identified, and opportunities will be analyzed with Counsel, for successful and profitable outcomes, in different sectors. There will be mergers and acquisitions within, OHADA and non OHADA countries. Given the size of the new market, Cameroon as an entry point should attract venture capital, private equity, sovereign wealth funds and pension funds.

Business lawyers in the region will identify and provide solutions where there is friction. Most times foreign lawyers and GC's, draft agreements insisting on specific language to address share holder concerns, due diligence and compliance. That is not enough because in each sector; energy, telecommunications and infrastructure, the role of government is significant, especially in Central Africa.

Most times regulatory bodies and the government, will not follow guidelines based on US or EU regimes, and will permit modifications, that may not affect the interpretation or application of some requirements in the Agreement .MoU's should actually test this, rather than insist on specific language only.

China and countries that have understood this, work within the context of soft law and a broader context, to satisfy local legal regimes, and sign agreements with governments which are legal and enforceable. Some government officials, have mentioned a preference for Chinese companies, based on this.

US and UK companies especially, need to open branded or local corporate secretariats to run and administer their businesses in Cameroon and the region. It is cheaper, and provides personal and trusted relationships with less overhead. The US and the UK, are seen by some local actors as being too sophisticated and over exigent. Not the case with China.

CSR, has to be seen as inclusive to neutralize the notion of exploitation. This will maintain brands, protect corporate image in times of transition. Some have labeled France and China, despite their investments in the country as imperialist or colonialists. Resource rich African countries have opted for local content provisions in their mining and petroleum codes as an alternative. CSR or Local Content provisions, have to serve the bigger purpose of making business look fair and participatory.

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Litigation and the increased need for courts in dispute resolution, exposes the lack of well drafted contracts. Big corporate names have fallen victim.

Overreliance on the same construct, with mundane practices have led to unintended and harmful business negotiations This could be improved or avoided through local consultants, working together with government agencies and entrepreneurs, within a legal framework .

Cross border transactions need sophisticated lawyering and expertise in trade law, project finance etc. *The concept of being risk adverse in Cameroon and the region is being catalogued and replaced by risk awareness and mitigation.*

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Thus defined, lawyers in the region, have an important role to play as business leaders in the context of diversification, innovation and economic transformation.

***Disclaimer, any wrong spellings or misinterpretations are not intentional and TIAC, is prepared to correct and adjust to speak to the original intent.***

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TIAC is legal platform for business, that advises government and the private sector based on policy and informed by data for the economic transformation of Cameroon and the CEMAC region. It is legal advisory suited and adapted for successful businesses.