



**THE PRODUCERS' DESK  
PRESS PACK  
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1. WORD OF THE ADMINISTRATOR
2. EXECUTIVE SUMMARY
3. UNDERSTANDING THE PRODUCERS' DESK
4. DISCOVERING CCODEF
5. CONTACTS

# 1. WORD OF THE ADMINISTRATOR

**Ladies and Gentlemen, actors of the press,**

By decision of the Presidency of the Republic, made public on 25<sup>th</sup> February 2021, the Cocoa and Coffee Sub-Sectors Development Fund (CCODEF) is pleased to present to you, our privileged partners, the **Producers' Desk**. It is the result of several months of hard-work between a range of actors and strategic partners, concerned about the well-being of the little producer. Since 2019, the technical authorising officers, CCODEF and its partners have organised and coordinated a series of consultative meetings with all the actors of the sectors in order to formulate the intervention logic of the Producers' Desk.

These meetings allowed a good level of understanding, adhesion and appropriation of all the stakeholders, both at the level of the different supervisory bodies of CCODEF (MINCOMMERCE, MINADER, MINRESI, MINFI, MINMIDT) and some of the institutions attached to them (FODECC, SODECAO, ONCC,...) and at the level of the different sections of the DUE (Rural Development and Environment, Governance and Public Finance and Infrastructure and Opening-up). Non-state actors, notably the main organisations representing the agricultural profession (CAPEF, PLANOPAC, CNOP-CAM, CNPCC, OICC) also took part in these consultation meetings.

This inclusive and participatory formulation process led to the signing of the SRC Rider in November 2019 and the agreements on the tasks of each actor of the subsidy process related to the second financing desk. At the same time, the efforts of all stakeholders have made it possible to meet the general conditions and all the 2019 targets of the variable tranche indicators, linked to the specific reforms.

**Ladies and Gentlemen,**

Coherence, cohesion, consultation, proximity, technology, reactivity, speed, the Producers' Desk meets the criteria of an intelligent financing vehicle for the benefit of the actors of the cocoa and coffee world.

"The Producers' Desk"! We have been waiting for it impatiently. The second cocoa and coffee producers' financing desk to which you have all contributed so as to facilitate its implementation through the announcements on both sides of your different communication media. We were able to bring together the skills needed to launch the work and we can gradually see the walls of this wonderful innovation rise up to meet the various needs of the main beneficiary: the producer. Not only he will be able to contribute to the economic development, but he will also have a more pleasant life.

In the following pages, you will discover the innovative instrument in a synthetic and detailed way before rediscovering CCODEF in its organisation and functioning.

we remain at your entire disposal for any requests you may have with a view to achieving the real benefits expected from the implementation of this system. You can also obtain further information from the Technical Department whose details are given in the contact session of this document.

I am counting on your dexterity to promote this new financing mechanism to the producer in particular and the general public in general.

I hope to see you at this event.

Yours sincerely,

**Samuel Donatien NENGUE**

*Administrator of CCODEF*

## 2. EXECUTIVE SUMMARY

Result of the decision of the **Head of State, His Excellency Paul BIYA**, the **Producers' Desk** is the new mechanism that will enable cocoa and/or coffee producers within the country's various agricultural basins to directly receive government subsidies on a mass or à la carte basis. It is a mechanism that will revolutionize the cocoa and coffee sub-sectors by repositioning local farmers at the heart of the sector's competitiveness thanks to the provision of quality information, targeted assistance, and the integration of intelligent mobile phones in exchanges between the Fund it manages and local farmers. The aim of this innovation is to promote the quantitative and qualitative increase of production in the cocoa and coffee sub-sectors. The government's objective is to increase national cocoa production to 640,000 tonnes by 2030, compared to the 257,151 tonnes during the 2019-2020 season. For coffee, the targeted production is 160,000 tonnes compared to the 22,000 tonnes currently. For the 2021 fiscal year, the budget envelopes amount to 6.2 billion CFA francs. However, they are expected to grow exponentially to reach CFAF 50 billion within five years, after the running-in period.

The **Producers' Desk** provides three types of subsidies. **The subsidy for agricultural inputs**, i.e. fertilisers, seeds/plants and plant protection products (category 1). Then, **the subsidy for agricultural equipment and machinery** (category 2). Finally, **the subsidy for production support infrastructure** (category 3). The Producers' Desk is open to all producers and the granting of the subsidy is based on the ability to co-finance the agricultural investment and to link up with digital technology. Here, it is the producer who sets off the acquisition process by mobilising his majority share of 60 to 70%. CCODEF then pays 30-40% of the subsidy to each producer or producer organisation. There is no call for tenders, no contract to be awarded and no stock to be built up.

The **Producers' Desk** is managed by CCODEF and will be officially launched on 08<sup>th</sup> July 2021 at Mont FEBE Hotel.

## ITS GENESIS

Authorised on 25<sup>th</sup> February 2021 by the Presidency of the Republic, the Producers' Desk is the result of a clear observation. In 14 years, the State of Cameroon has spent billions to revive the cocoa and coffee sub-sectors without the expected results. As an illustration:

- Lack of knowledge of orchards (cocoa and coffee), surface area and number of producers;
- The quantity and quality of these inputs;
- Out-of-season deliveries of inputs to producers;
- Insufficient basic plant material to fertilise the nurseries;
- Cumbersome procurement procedures;
- The prohibitive cost of intermediaries (projects).

Other critical factors are to be found in the cocoa value chain, especially in the impotence of cocoa farmers in the price setting mechanism. Farmers have no bargaining power and prices are set without direct relation to the cost structure of cacao farmers. In addition to prices, other factors such as weather patterns, pests and diseases, land rights costs, transport and inputs affect the income of cocoa and coffee farmers. These sectors needed a new comprehensive approach to improve the sustainability of the sector.

## ITS SUBSIDIES

Three types of subsidies classified into two main categories are concerned by the **Producers' Desk**:

- ❑ **Category 1** concerns **mass subsidies consisting of agricultural inputs**, i.e. fertilizers, seeds/plants and plant protection products. This category is open to all cocoa and coffee producers without any discrimination, and includes about 600,000 producers, according to official figures. This refers to those who farm an area ranging from 200 square metres to 10 hectares.
- ❑ **Categories 2 & 3** cover **agricultural equipment and machinery**, as well as **production support infrastructure**. These types of subsidies are à la carte and require a different form of organisation and somewhat more substantial conditions, including the submission of a **business plan**.

## ITS RESOURCES

According to Article 22 of the CCODEF Organic Decree, the Fund's resources come from the cocoa and coffee export levy, products from fines resulting from the export of poor quality products, various contributions, donations and legacies of all kinds. These resources are collected by the Fund or intermediaries and paid directly and in full into the CCODEF's account at BEAC. Payments by the Fund are made from accounts opened by the Administrator to approved banks. The institution is subject to technical, accounting and financial audits. The Fund cannot contract loans, Article 31 of the Organic Decree of CCODEF.



## PUBLIC ADMINISTRATIVE ESTABLISHMENT WITH SPECIAL STATUS

Decree No. 2006/085 of 09<sup>th</sup> March 2006, on the organisation and functioning of the Cocoa and Coffee Sub-Sectors Development Fund, in its Chapter 1, Article 2, states that: “CCODEF is a Public Administrative Establishment with special status. It has legal personality and enjoys management autonomy. It is placed under the technical supervision of the Minister in charge of cocoa and coffee marketing and the Minister in charge of agriculture respectively. Financial supervision is provided by the Minister of Finance. The administration of the Fund is carried out by the Management Committee and the Administrator.

## ITS CREATION

CCODEF was created by Law No. 2004/025 of 30/12/2004 on the cocoa and coffee trade. The “Office National de Commercialisation des Produits de Base” (ONCPB) administered the cocoa and coffee Sub-sectors until 1991. This body acted as a stabilisation fund and managed producer prices for each season. However, with the drop in international prices from 1986 onwards, ONCPB was faced with numerous difficulties, which led to its closure and the creation of two bodies: the National Cocoa and Coffee Board (ONCC) and the Cocoa and Coffee interprofessional Council (CICC). CCODEF will follow later on.

## ITS MISSIONS

According to the general provisions of the organic decree of CCODEF, specifically in its Article 3, CCODEF ensures the financing and the payment of the services related to the:

- Support and revival of the cocoa and coffee sub-sectors;
- Support for applied research on these products and improvement of their quality;
- Support for training and information programmes for the operators of the cocoa and coffee sub-sectors;
- Promotion of local processing and consumption of cocoa and coffee.

## EXPENDITURE AUTHORISING OFFICERS & TECHNICAL SUPERVISORS

Law N° 2017/010 of 12<sup>th</sup> July 2017 on the general status of public establishments stipulates in its Article 7 (1) that: "public establishments are placed under technical and financial supervision". The same Article in its paragraphs (2) and (3) sets out the role of each of the supervisory bodies. Thus, the purpose of technical supervision is to ensure that the activities carried out by the public establishment are in line with the Government's policy guidelines in the sector of activity concerned, subject to the powers granted to the Board of Directors (2). This technical supervision is carried out respectively by the Ministry of Trade and the Ministry of Agriculture and Rural Development.

At the same time, Article 4 of Decree No. 2006/085 of 09<sup>th</sup> March 2006 recognises the status of expenditure authorising officer to four officials, each according to his or her area of competence:

- The Minister in charge of cocoa and coffee marketing;
- The Minister in charge of Agriculture;
- The Minister of Scientific Research;
- The Administrator of CCODEF.

Depending on the case, those in charge at ministerial level study and draw up annual or multiannual work programmes in the form of projects to be financed by the Fund. They monitor the execution of the projects, the official acceptance of work and services, and ensure the authorisation of the related expenditure.



## FINANCIAL SUPERVISION

La tutelle financière du FODECC est assurée par le Ministre chargé des finances. La loi N° 2017/010 du 12 juillet 2017 portant statut général des établissements publics, en son Article7(3) précise : « la tutelle financière a pour objet d'une part, de s'assurer que les opérations de gestion à incidence financière des établissements sont conformes à la législation et à la réglementation sur les finances publiques et, d'autre part, d'examiner à posteriori leurs comptes ».

The financial supervision of CCODEF is ensured by the Minister of Finance. Law No. 2017/010 of 12<sup>th</sup> July 2017 on the general status of public establishments, in its Article7(3) specifies: "the purpose of financial supervision is, on the one hand, to ensure that management operations with a financial impact on establishments comply with the legislation and regulations on public finance and, on the other hand, to examine their accounts".

## FINANCING AXES OF CCODEF BY AUTHORISING OFFICER

1- **Ministry of Scientific Research and Innovation (MINRESI)**, with regard to support to applied research on cocoa and coffee, as well as the improvement of their quality.

2- **Ministry of Agriculture and Rural Development (MINADER)**, for the supervision of producers, the extension of technical itineraries and the development of cocoa and coffee tracks.

3- **Ministry of Trade (MINCOMMERCE)**, for support to training and information programmes for the operators in the cocoa and coffee sub-sectors, promotion of local processing and consumption of cocoa and coffee, promotion and defence of quality label for cocoa and coffee, as well as the search for niche markets for these products.

4- **The Administrator of CCODEF**, with regard to the operating and equipment budget of the Fund on the one hand, and technical, accounting and financial auditing services upon the approval of the Management Committee, on the other hand.

## VALUES (PPIT)

- PROFESSIONALISM
- PERFORMANCE
- INTEGRITY
- TRANSPARENCY

# 5. JOIN US

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