

## **Kiva Fellowship- ACEP Cameroun**

Mid-term report

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### Introduction

After eight weeks working and living in Cameroon's capital of Yaoundé as a Kiva Fellow, I have already gained invaluable insights into the complexities of international development work, particularly within this urban Francophone African context. My role as the inaugural Fellow for one of Kiva's newest microfinance (MFI) partners, ACEP Cameroun, has allowed me to learn much about what is required for an MFI to properly understand and serve its customers as well as the unique relationship between Kiva's model and how it integrates with field partner operations.

### Getting to know ACEP

The Agence de Crédit pour l'Entreprise Privée au Cameroun (ACEP Cameroun) works to «contribute in an efficient way towards the fight against poverty through microcredit loans to micro-enterprises». In 2005, ACEP began operating independently of its co-founding organizations, the Cameroon Ministry of Industry & Economics and the French Agency for Development (AFD), and has since grown to serve over 8,500 entrepreneurs in some of Cameroon's most bustling urban areas.

ACEP is determined, now more than ever, to reach a particularly marginalized group of Cameroonians. Thanks to its partnership with Kiva, ACEP is offering a new loan product with a smaller balance and free of up-front service charges and reduced penalties for late repayment like its traditional "Très Petits Entreprises" loan requires.

As a Kiva Fellow working directly with ACEP Cameroun's staff in Yaoundé, I've had the great honor of seeing in person all that is necessary to make such an extensive microfinance operation succeed. Walking into the headquarters office, one gets the impression that ACEP functions very much like a traditional bank, but after a short while, formality fades away and ACEP's underlying social objectives become all the more clear. From Loan Officer to Receptionist to Executive Director to Accountant, ACEP's staff is a hardworking bunch, all of whom have openly welcomed the Kiva partnership and new practices that it brings. The Executive Director's enthusiasm and sense of humor are quite contagious, and his stern leadership combined with this approachability contribute to an overall office atmosphere of collaboration and openness.

Meeting clients especially reinforces the way in which ACEP works towards its mission, and during my first borrower visits I began to understand just what it means to be a micro entrepreneur in Cameroon. Laure, for instance, rents a tiny concrete stall, making beignets in bulk to sell to pastry shops and other vendors (who in turn sell the beignets at school cafeterias, etc). She's

requesting a small loan to purchase a new machine that will increase her production significantly. Ultimately once she's made enough profit she hopes to open her own store and sell beignets and other pastries directly to consumers. She is 38 years old and single with 3 children who all attend school. Her brother has previously been a customer of ACEP, and she's especially grateful that with the bank's new Kiva partnership she too can take out a loan. Since there are no other local institutions providing loans of the size that Laure requires- small enough as to not be a financial burden but large enough to actually help grow her business- access to ACEP's new Kiva loan provides her a new and promising opportunity.

Hearing Laure's hopes for the future, along with her plans of how to achieve them, is nothing short of inspiring. The fact that Kiva lenders from across the world can help to make this future possible puts an extra spring in my step and makes me all the more grateful to welcome ACEP Cameroun to the Kiva Partner family.

#### Past, Present and Future

It was not until my arrival that ACEP Cameroun began to implement the Kiva model. Previously, ACEP offered only one loan product ("TPE- Très Petits Entreprises) to small business owners. Whether a tailor, a beignet vendor or a hardware store owner, men and women can apply for an ACEP TPE loan to help with planning, to purchase equipment or for working capital for their businesses. These loans, however, average to be about \$4,000 per client- a figure that quickly demonstrates the fact that the product isn't aimed to reach the working poor.

My primary responsibility has been to onboard the ACEP team so that the institution can seamlessly and meaningfully implement the Kiva model and new Kiva loan product into its pre-existing work. After my training of ACEP staff both in the office and out in the field, the MFI has now disbursed multiple Kiva loans (like Laure's), some of which were fully funded on the Kiva site within mere hours. Celebrating these milestones has been wonderful.

There is still much work to be done and progress to be made, both with ACEP but also more broadly with microfinance services in Cameroon. I'm looking forward to the second half of my fellowship to see how everything unveils!