

Islamic Financing and the Establishment of Solidarity Enterprises in Cameroon: The Case of SCAN in Noun (1988-2006)

Fouapon Alassa

Lecturer, Historian of Civilizations and Religions, Department of History, University of Yaoundé 1, Cameroon.

*Corresponding Author: FOUAPON Alassan, Lecturer, Historian of Civilizations and Religions, Department of History, University of Yaoundé 1, Cameroon.

ABSTRACT

Following its accession to the Organization of Islamic Cooperation (OIC) in 1974, Cameroon became one of the first countries to receive funding from Islamic organizations, including the Islamic Development Bank (IDB). However, the projects financed by these Islamic entities often failed to significantly enhance the living conditions of the local populations and frequently went unnoticed by them. In this context, the *Société des Conserveries Alimentaires du Noun* (SCAN) was established with the aim of providing stable incomes for farmers in Noun and its surrounding areas. Its mission was to reduce the importation of concentrated tomato products in Cameroon and Central Africa, which at that time exceeded 6,000 tons annually. Despite enabling local communities to participate through the cooperative COOPROVINOUN, SCAN faced substantial operational challenges. This presentation aims to illustrate how various local partners, despite receiving Islamic funding, were unable to sustain such a vital enterprise beyond two decades. To address this issue, we will employ methods from economic and social history research, including the collection of qualitative and quantitative data, documentary analysis, historical critique, and both diachronic and synchronic analysis.

Keywords: NI – Islamic Partnership – SCAN – COOPROVINOUN –NOUN

ARTICLE INFORMATION

Received: 06 March 2025

Accepted: 24 March 2025

Published: 28 March 2025

Cite this article as:

FOUAPON Alassan. Islamic Financing and the Establishment of Solidarity Enterprises in Cameroon: The Case of SCAN in Noun (1988-2006). *International Journal of Innovative Studies in Humanities and Social Studies*, 2025;1(2): 18-28.

<https://doi.org/10.71123/ijishs.v1.i2.25003>

Copyright: © 2025. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.



INTRODUCTION

In a global context marked by rising public deficits, a series of economic and financial crises, the emergence of a knowledge-based economy, market liberalization, and the effects of globalization, the state appears increasingly unable to tackle the interconnected challenges of persistent unemployment, characterized by high rates of joblessness and informal employment, new forms of poverty, and socio-economic vulnerability affecting various demographic groups, particularly youth and women, as well as environmental degradation. This critical situation has led to the emergence of an alternative sector worldwide, distinct

from both the state and the private sector, which effectively addresses human issues and fosters equitable economic and social development while prioritizing human well-being. This sector is known as the social and solidarity economy, which is committed to meeting social and environmental needs while promoting human values and principles such as equity, solidarity, democracy, and cooperation. Since 1975, Islamic financial institutions have advocated for this economic vision in their development cooperation with African nations. The topic of Islamic cooperation for development in Africa has been examined by Z. Charbel¹ and D. B. Abdou-Karimou² through the lens of South-South cooperation. These authors focused on development

¹Z., Charbel, (1989), *La coopération arabo-sénégalaise*, Paris, L'Harmattan.

²D. B., Abdou Karimou, (1990), "Le Niger et le monde arabe (1960-1987) ; contribution à l'étude d'un État sahélien dans le cadre de la coopération Sud-Sud", thèse pour le 3^e cycle en relation internationale, IRIC, Yaoundé.

aid directed towards specific African countries, particularly Senegal and Niger, across various promising sectors. A. Gresh³, on the other hand, emphasized the pivotal role of Saudi Arabia in the increasingly robust cooperation between Sub-Saharan Africa and the Arab world. He highlighted the limitations associated with this form of assistance, which Oumarou Moussa⁴ has characterized as scholarships that are insufficiently diverse and tailored. In a geostrategic analysis, A. Gresh⁵ and Ousman Pepouna⁶ investigated the impact of the Israeli-Palestinian crisis on the cooperation between Sub-Saharan Africa and Arab-Muslim countries. This cooperation has gained new dimensions following the events of September 11, 2001. From an economic perspective, Islamic cooperative investment organizations are viewed as a solution to the deficiencies present in both the public sector (government) and the private sector (businesses). Richard Filakota⁷ emphasizes that collaboration among Muslim countries and various socioeconomic sectors is increasingly revitalizing in Africa, filling the void left by governmental authorities. According to J. L. Fernando and Alain W. Heston⁸, this phenomenon can be seen as a consequence of a dual failure: the inability of the state apparatus to ensure the well-being of all citizens and to meet the demands and needs of the population, alongside the commercial private sector's failure to achieve integrated and equitable development solely through market mechanisms. In this context, there are indeed efforts to invest in grassroots solidarity enterprises that engage local communities. This article highlights, on one hand, the types of Islamic financing received by Cameroon to support the establishment of businesses, and on the other hand, it focuses on the reasons behind the failure of a solidarity enterprise in the Noun region. The discussion is structured around three main sections. First, it revisits the theoretical understanding of Islamic finance and economics; second, it outlines the Islamic financing that has benefited Cameroonian projects; and finally, it examines the establishment of the Scan along with the underlying reasons for its failure.

UNDERSTANDING ISLAMIC FINANCE AND ECONOMICS IN THE CAMEROONIAN CONTEXT

Definitions of Islamic Finance

Islamic finance encompasses a range of funding techniques that align with Islamic law. It represents a contemporary financial model grounded in Sharia, exhibiting an annual growth rate between 10% and 30%, and serves as a significant competitor to conventional finance⁹. In this context, it offers a viable alternative to traditional financial systems that have faced various challenges. The ethical dimension of Islamic finance facilitates the sharing of profits and losses (PPL) associated with investments. Additionally, it directs investments towards socially significant sectors while adhering to Sharia-compliant financing methods.

Islamic finance is an inclusive financial system that aligns with Sharia principles, aiming to establish a financial offering linked to the real economy. It adopts an ethical approach that is economically sustainable, environmentally respectful, and socially responsible. By prohibiting interest-based lending and discouraging excessive debt, Islamic finance promotes participation and risk-sharing among economic agents who possess capital and those in need of it.

Definitions of Islamic Economics

Understanding the mechanisms and conditions of Islamic financing is rooted in the economic values derived from Islamic teachings. In the prevailing economic systems of many societies, full ownership of an asset allows an individual to use, enjoy, and dispose of it freely. However, this concept is relative in Islamic law, which incorporates a spiritual dimension of ownership, recognizing God as the ultimate owner. Consequently, humans possess only a relative right to ownership. This ownership is viewed as a trust and a gift from God, the true proprietor, who entrusts it to individuals to act as stewards.

³A., Gresh, (2001), "L'Arabie Saoudite en Afrique non arabe : puissance islamique ou relais de l'occident ?", *Politique africaine*, n° 030050, pp.55-74.

⁴O. Moussa., (1987), "La culture arabo-islamique, les Haoussas du Sud-Cameroun (le cas de Yaoundé) et l'intégration nationale", Thèse de Doctorat 3ème cycle en relation internationale, Université de la Sorbonne Nouvelle, Paris III.

⁵Gresh, (2001), "L'Arabie Saoudite en Afrique non arabe, p.59.

⁶O. Pepouna, (1984), "La politique moyen-orientale du Cameroun : problématique de ses rapports avec Israël et de ses liens avec l'Organisation de la Conférence Islamique, 1959-1981", Thèse de Doctorat 3è cycle en Relations Internationales, Paris Sorbonne.

⁷R., Filakota (2009), *Le renouveau islamique en Afrique noire l'exemple de la Centrafrique*, Paris, L'Harmattan.

⁸J. L., Fernando et Alain W. Heston, (1997).

⁹S. Bouhadi, (2014), *la Banque Participative au Maroc et les financements des PME*, Editions universitaires Européennes p.19.

For the Director of the Islamic Institute for Research and Training at the Islamic Development Bank, the primary role of Islamic economics is to achieve human well-being through the realization of Maqassid (objectives). He states the following:

Le bien-être humain ne dépend pas uniquement de la maximisation de la richesse et de la consommation. Il exige une satisfaction équilibrée des besoins tant matériels que spirituels de la personnalité humaine. L'économie islamique est fondée sur un objectif de justice socio-économique. Cet idéal prendra racine dans la croyance que les êtres humains sont les lieutenants du Dieu Unique. Ils sont frères entre eux et toutes les ressources à leur disposition leur ont été confiées par Lui en vue de leur utilisation de façon juste pour le bien-être de tous, sans exception. L'individu est considéré comme responsable et œuvrant pour le bien-être social. L'économie islamique peut donc être définie comme étant cette branche de connaissances qui contribue à la réalisation du bien-être humain à travers l'allocation et la distribution équitable des ressources rares sans restreindre la liberté individuelle et sans toucher à l'équilibre écologique et macroéconomique, conformément aux enseignements islamiques¹⁰.

Islamic Principles of Business Financing

Cameroon is among the leading countries that have secured funding from these organizations. Such financial assistance, whether multilateral or bilateral, is channelled through development agencies¹¹. These agencies are thus regarded as the financial arms of the African policies of Arab-Muslim nations. To better understand how Scan was financed by the Islamic Development Bank, it is essential to explore some principles that govern Islamic financing for businesses and economies. Islam teaches that God created humanity to serve Him. In this framework, individual ownership is permissible as long as it is viewed as a form of usufruct. Muslims are required to adhere to the regulations concerning property and wealth as outlined in the Qur'an¹² and the Sunnah. Every Muslim with financial means is obligated to pay a tax known as zakat. The Qur'an also encourages followers to be charitable towards the less

fortunate. This charity is a voluntary contribution and is proportional to the wealth of the donor. Five fundamental principles underpin Islamic finance.

First, the practice of interest is entirely prohibited (haram) in Islam, as stated in the Quran: "God has permitted trade and forbidden riba" (Surah Al-Baqara, verse 275). Consequently, many Muslim investors and clients are unable to engage with conventional financial systems that operate on interest. The Sharia law forbids the accumulation of wealth through the mere passage of time, viewing interest as a compensation for time elapsed that does not involve risk or labour. Additionally, the Quran discourages hoarding money. Thus, wealth creation is fundamentally rooted in the buying and selling of goods (i.e., trade and exchange) and investing funds in tangible, productive projects that contribute to the real economy. Islamic economics regards the combination of capital and labour as the ideal production factor and places a high value on risk-taking; hence, merchants and entrepreneurs are afforded a particularly esteemed status.

Secondly, profits and losses must be equitably shared between creditors and debtors, reflecting the principles of justice and fairness that underpin participation contracts. Thirdly, Islam denounces speculation, zero-sum betting on future outcomes, transactions with excessive uncertainty, and gambling. This is why many derivatives though not all are prohibited in Islamic finance. Fourthly, Sharia law permits only financial transactions that are backed by tangible and identifiable assets, such as real estate or commodities. In this way, Islamic finance supports the real economy and condemns nominal inflation (i.e., excessive money creation) and unsustainable debt. Islamic finance inherently excludes companies with high levels of debt and those whose revenues are significantly derived from interest. As a member of the Organization of Islamic Cooperation (OIC), Cameroon had the opportunity to present funding requests for projects and enterprises aligned with this alternative financing model to the Islamic Development Bank (IDB).

¹⁰M. Umer Chapra, (1996), Qu'est-ce que l'économie islamique ? conférence donnée à Djedda en Arabie Saoudite.

¹¹The entities in question include: the Islamic Development Bank (IDB), the Arab Bank for Economic Development in Africa (BADEA), the Kuwaiti Fund for Arab Economic Development (KFAED), the Saudi Fund for Development (SFD), and the OPEC Fund for International Development (OFID). Although they share similarities with the institutions of Bretton Woods, Islamic financial organizations derive their legal and institutional foundations from Shari'a (Islamic law). Islamic development aid aligns with the broader global framework of development assistance that emerged following World War II. Contrary to popular belief, Islamic development aid at this stage extends far beyond charitable activities such as mosque construction and other philanthropic efforts. These organizations serve as genuine financial backers for developing countries, akin to the institutions of Bretton Woods. They engage in impoverished nations through project financing and technical assistance initiatives. The holy book of Muslims, commonly referred to as the Qur'an in English, is pronounced as Qur'an in its original Arabic language. Therefore, in this text, we will use the precise transcription Qur'an instead of the French term Coran.

¹²The holy book of Muslims, commonly referred to as Koran in French, is actually pronounced Qur'an in its original language, Arabic. In this article, we will use this exact transcription.

FUNDING OF CAMEROON’S PROJECTS THROUGH ISLAMIC FUNDS

Cameroon has consistently received financial support from organizations funded by the OIC. Ahmadou Hassana provides the following figures for the period from 1970 to 1985:

De son côté, le Cameroun à travers des décennies de coopération financière avec les pays du Golfe, a bénéficié des financements islamiques estimés à plus de 119,757 milliards de FCFA en provenance des institutions financières internationales telles que : la Banque Islamique de Développement (BID) soit 49 milliards de FCFA, la Banque Arabe pour le Développement Economique en Afrique (BADEA) pour 23,667 milliards de FCFA, le Fonds Koweïtien pour le Développement Economique Arabe (FKDEA) pour 14,040 milliards de FCFA, le Fonds Saoudien pour le Développement (FSD) plus de 5 milliards de FCFA, et le Fonds de l’OPEP pour le Développement International (OFID) pour 28,05 milliards de FCFA¹³.

Initial Support from the Saudi Fund for Development (FSD) and the Arab Bank for Economic Development in Africa (BADEA)

Established by a royal decree on September 1, 1974, the FSD is chaired by the Saudi Minister of Finance and Economy, alongside five other members appointed by

Table 1. Sectoral Breakdown of Cumulative FSD Loan Commitments to Non-Arab African Countries as of December 31, 1984 (in millions of U.S. dollars)

Sectors	Amount	Percentage of Total
Transport and Télécommunications	465,03	50,8
Energy	135,85	14,8
Water Supply and Hydraulics	55,19	6,2
Agriculture and Livestock	202,90	22,2
Industry and Mining	4,68	0,5
Other Social Infrastructures	51,88	5,7
Total	915,53	100,0

Source : Zarour, (1989), Coopération arabo-africaine, p. 140.

University of Ngaoundéré and road paving projects such as Ayos-Bonis and Tchontchi-Guider. This cooperation primarily targeted investment areas prioritized by the Cameroonian government. It is important to note the lack of local projects in Yaoundé and Foumban, attributed to the strategic planning of the state’s development agenda, as highlighted by Robert Nnang. He argues that Foumban did not capture the government’s attention in development planning, while Yaoundé was not deemed a priority for

the Council of Ministers. Consequently, analysts widely regard the FSD as a key instrument of Saudi Arabia’s foreign policy, particularly since it is responsible for providing and managing the kingdom’s bilateral financial assistance. Notably, its initial operations commenced in February 1975¹⁴.

Through this fund, the Saudi government extends bilateral loans to low-income countries aimed at budget support operations and tangible projects. Beginning its activities in March 1975, the FSD finances development initiatives in low-income nations through concessional loans. By December 31, 1984, the cumulative loan commitments from the FSD to African countries reached \$915.53 million, funding 73 projects across 26 nations. Cameroon received 6.7% of the total loans disbursed by the fund, amounting to \$61 million in 1984. While the documents do not specify the projects funded by this amount, they indicate a focus on two priority sectors: transportation and communication, as well as agriculture and livestock, as illustrated in the table below.

The Saudi Fund for Development (FSD) has consistently supported socio-economic and cultural development projects in Cameroon. This includes financial assistance from Riyadh for the construction of the Song-Loulou hydroelectric dam and the Eséka-Maloume railway segment, as well as funding for the expansion of the

industrialization. This indicates that high-level Islamic financing was directed by the government towards projects aligned with its strategic planning, rather than being a response to preliminary studies conducted by partners to address the needs of local populations or Muslim communities. These funds, provided as loans, were allocated from the top down and managed by the central government according to its established priorities.

¹³A. Hassana, (2012), “Analyse des enjeux de la finance islamique pour les PME camerounaises», Mémoire de DEA en sciences de gestion, Université de Yaoundé II, p.14.

¹⁴The Saoudi Funds for Development, Annual Report, 2009, p. 6.

Table 2. *Commitments of the Saudi Fund for Development in Non-Arab Africa (from March 1975 to July 1982)*

Country	Number of Financial Loans	Loan Amounts (millions of dollars)
Botswana	2	20
Burundi	3	19
Cameroon	4	62
Cape Verde	2	10
Comoros	5	28
Congo	2	58
Gabon	3	51
Gambia	3	15
Ghana	2	29
Guinea	7	90
Guinea-Bissau	5	10
Upper Volta	2	32
Kenya	6	123
Lesotho	1	4
Liberia	2	21
Madagascar	1	12
Mali	12	140
Mauritius	1	5
Niger	6	49
Uganda	4	31
Rwanda	3	38
Senegal	12	204
Sierra Leone	1	15
Chad	2	31
Togo	2	10
Zaire	2	67
Zambia	7	73
Zimbabwe	6	49
28 countries	108 loans out of a global total of 260	1,306 million dollars, which is 25% of a worldwide total of 5,200 million dollars.

Source: The Saudi Funds for Development, The first seven years 1971-1982

Initial Investments of the Islamic Development Bank in Cameroon

Since 1975, the FSD has granted 395 loans to 71 countries. Of this total, 47.27% was allocated to 41 African nations, 50.84% to 25 Asian countries, and 1.9% to other low-income nations. Notably, there are no restrictions on the sectors eligible for FSD assistance. The FSD demonstrates considerable flexibility in financing projects that may be deemed lower priority by OECD donors, (such as infrastructure, water supply, and housing)¹⁵. However, the process for obtaining these loans is not straightforward. The FSD does not cover more than 50% of the total cost of

any given project, leading to a clear policy of co-financing with other bilateral and multilateral donors¹⁶. Additionally, the FSD and the Saudi government are highly proactive in mobilizing funds from other member countries of the Organization of Islamic Cooperation (OIC) and various Arab financing institutions, which frequently serve as their co-financing partners.

In addition to FSD funding, other OIC institutions, such as BADEA, have also financed projects in Cameroon. Established following the resolutions adopted at the sixth Arab summit in Algiers on November 28, 1973, BADEA commenced its operations in March 1975. Saudi Arabia,

¹⁵Fouapon, (2012), "Islam et coopération arabo-africaine, p.55.

¹⁶The initial phase involves a loan request made by the borrowing government, which includes a project proposal. For the loan to become effective, the FSD requires a legal opinion from the borrowing country. If the loan is intended for another public entity, the legal advisor of that entity must also be consulted. Upon receiving and approving these documents, the FSD communicates the effective date of the loan. Additionally, the FSD typically mandates a local contribution to the counterpart fund for the project. In the case of new export financing operations, the local beneficiary must contribute at least 15% of the contract value in advance. Heavily Indebted Poor Countries (HIPC)s report that, in many nations, requests for counterpart funds pose significant challenges. The borrower is also required to obtain an insurance policy to cover the project. While the FSD does not directly implement the projects it finances, it necessitates the appointment of a public or private executing agency, which must be explicitly stated in the financing agreement. This may sometimes require the establishment of a project implementation unit.

contributing 19% of BADEA's resources, already wielded significant influence over this institution. From 1975 to 1984, Cameroon was among the first African countries to receive loans from BADEA. Between 1975 and 1979, Cameroon secured a total of \$20 million, followed by an additional loan of \$9 million from 1980 to 1984, culminating in a total development aid of \$29 million from 1975 to 1984¹⁷. This assistance enabled Cameroon to establish one of the few industrial plants in Africa funded by BADEA, specifically the CELLUCAM project for paper production in Édéa. However, upon completion, the project did not meet the bank's expectations due to technical challenges and the limited market available for the enterprise. Despite these setbacks, BADEA continued its collaboration with the Cameroonian government regarding project support, as will be discussed further.

As for the Islamic Development Bank (IDB), it was established following a decision made in 1973 by the Islamic Conference of Foreign Ministers, initiated by Saudi Arabia, and started operations in 1977. Following a visit by a Cameroonian delegation led by Finance Minister Marcel Yondo to Saudi Arabia¹⁸, the IDB financed its first project: the construction of the Song Lou-Lou dam in Cameroon with a loan of \$7 million¹⁹. Additionally, the IDB contributed to the establishment of CELLUCAM by providing a total of \$101.63 million in 1980. During this period, the SCAN project in Foubot, located in the Noun region, received funding of 700 million FCFA. Consequently, Cameroon received a total of \$24.73 million in aid from the IDB between 1976 and 1992, according to data referenced by O. Pepouna²⁰.

It remains evident that the projects funded thus far by Islamic organizations have not significantly contributed to improving the living conditions of the population. In fact, these initiatives often go unnoticed by the residents of Cameroon's political capital and the Noun region, primarily due to the nature of the investments, which are largely macro-projects managed and controlled by the state. Olivier De Solages evaluates this Islamic cooperation by

stating, "The areas impacted by financial aid have gradually expanded. In 1978, the Islamic Conference, convened in Dakar for its ninth session, asserted that 'People do not live by verses alone; they need bread, schools, factories, and hospitals.'"²¹

However, as S. Mewada points out in the context of Cameroon, the government's decision to monopolize cooperation with the Islamic world while excluding civil society has relegated Arab-Islamic development institutions to mere financial backers for state needs. This ultimately results in excessive indebtedness without a direct allocation of funds to local projects, such as the construction of hospitals, vocational schools, and the development of the agropastoral sector²². According to the table below, projects financed by various Islamic organizations between 1978 and 1988 did encompass these sectors; nevertheless, the CELLUCAM paper factory alone consumed a larger budget than both the health and agricultural sectors combined.

The Bamoum kingdom, with a predominantly Muslim population of approximately 90%, presents a unique and distinctive profile of socioeconomic activities. Fouban, the historical capital that serves as a hub for all incoming and outgoing flows, is also a center for artistic development²³. Furthermore, the city of Foubot, which serves as a market of national significance, constitutes the backbone of the entire regional economy. Approximately 90% of all food, horticultural products, cash crops, fish, and livestock from the Noun region pass through this city. Secondary collection centers, such as Bangourain and Bankouop, operate on a weekly basis. With a population density of 37 inhabitants per square kilometer and an active population of 151,888 in 1987, women comprised a significant portion, accounting for 51% of the total population in 1987 and rising to 52% in 2005²⁴. This demographic also represents the least educated segment of the population. While girls are numerous in primary education, their numbers decline significantly in secondary and higher education²⁵.

¹⁷BADEA Report on loan allocation by region and country (1975-1984), p. 193.

¹⁸Cameroon Minister of finance between 1975- 1978.

¹⁹O. Pepouna, (1984), "La politique moyen-orientale du Cameroun : problématique de ses rapports avec Israël et de ses liens avec l'Organisation de la Conférence Islamique, 1959-1981", Thèse de doctorat de 3^{ème} cycle en Relations Internationales, Paris Sorbonne, p. 242.

²⁰ *Ibidem*, p. 243.

²¹O. De Solages, (1993), *Réussites et déconvenues du développement dans le tiers monde : esquisse d'un mal développement*, Paris, L'harmattan, p.383.

²²S., Mewada, (2010), *Les institutions arabo-islamiques de développement*, p. 73.

²³M.Nchourupouo Mfouapon, (2017), "L'art et les systèmes techniques dans l'univers culturel bamoum, contribution à une approche anthropologique et esthétique du patrimoine matériel en Afrique", Thèse présentée et soutenue en vue de l'obtention du Doctorat / P.h.D en Anthropologie, Université de Yaoundé 1, p.43.

²⁴General Population Census data, BUCREP, 2005.

²⁵M. Nchourupouo MFouapon, (2017), "L'art et les systèmes techniques dans l'univers culturel, p.47.

Table 3. Major projects funded by Islamic organizations between 1978-1988.

No	Projects	Amount (millions of US dollars)	Signature Dates	Start of Execution
1	CELLUCAM	10,630	24/07/1977	03/03/1978
2	Equipment for Kousséri Hospital	1,2	16/06/1980	18/06/1980
3	Douala-Yaoundé Road	6	01/12/81	29/01/84
4	Forest Resource Inventory	1,1	25/07/1984	25/10/1984
5	Village Hydraulics (400 boreholes)	5	27/08/84	23/04/1985
6	Integrated Rural Development (Menchum and Far- North)	3,930	27/06/1986	29/08/1987
7	SCAN (Foumbot Tomatoes)	2,34	23/04/1985	21/11/1988

Source: MINEPA Archives.

The relationship between the SCAN (Société des Conserveries Alimentaires) in Foumbot and the local communities illustrates the extent to which these populations felt they did not sufficiently benefit directly from projects funded by Islamic organizations.

FINANCING OF SCAN IN FOUMBOT: A SOCIO-ECONOMIC INVESTMENT MODEL WITH DIRECT SOCIAL IMPACT BETWEEN SUCCESS AND FAILURE

Following field studies, it has become evident that one project stands out as a model for local investment within a framework of participatory development. This makes it particularly worthwhile to present the extensive initiative aimed at transforming tomato production in the Noun region, which, due to its design and objectives, could serve as a benchmark for projects that engage local

communities. The Société des Conserveries Alimentaires du Noun²⁶ (SCAN), established in 1988, aims to provide stable incomes for farmers in Noun and its surrounding areas, ultimately seeking to reduce the importation of concentrated tomato products in Cameroon and Central Africa, which at that time exceeded 6,000 tons annually.

Economic Landscape of Foumbot and the Establishment of the Société des Conserveries Alimentaires du Noun (SCAN)

The economy of the Noun region has historically been dominated by agriculture, which employs 60 to 70% of the active population and contributes over 60% to its wealth, earning it the designation of the granary of Cameroon and Central Africa. To this day, the Foumbot market remains a crucial supply hub for the country and the sub-region in terms of agricultural products.



Photo 1. Market for food crops in Foumbot. **Source:** Cliché created on April 13, 2015, by A. Fouapon

In response to a surplus of tomatoes in Foumbot during the years 1985-1987, the concept of establishing a processing plant in the area emerged. Each day, approximately 30 trucks loaded with tomatoes departed from Foumbot, heading to cities such as Douala, Yaoundé, Ngaoundéré, Libreville, and

Malabo. In this context, during a visit by the then Minister of Agriculture, Mr. Jean Baptiste Yonké, to the Noun region in May 1987, the COOPROVINOUN²⁷ organization proposed the establishment of a tomato processing facility in Foumbot²⁸. In reply, Minister Yonké facilitated

²⁶The launch of SCAN was greeted with widespread enthusiasm, as it was seen as a way to bring the local community together. Sultan El Hadj Seidou Njimoluh Njoya, of blessed memory, was one of the first to invest in the company, contributing one million of FCF to its capital. This move had a significant impact on the local population, with hundreds of people becoming SCAN shareholders.

²⁷Coopérative des Producteurs Vivriers du Noun.

²⁸La Nouvelle Presse, n°251, 20/07/2006, p. 3.

a connection between COOPROVINOUN and the Société Nationale d'Investissement (SNI), a state-owned enterprise responsible for industrialization and financing public enterprises in Cameroon. To advance this initiative, a tripartite meeting involving MINAGRI, SNI, and COOPROVINOUN was convened at the end of May 1987. The former director of COOPROVINOUN emphasizes this point :

C'est un Directeur de la SNI, M. Simon NgannYonn épris par ce projet de société qui envoie des cadres à Foubot pour faire l'étude de faisabilité. L'étude conduite par Camille Moute à Bidias, directeur des études et projets à l'époque à la SNI a évalué à 900 millions de francs le capital social de la société à mettre en place. L'usine à monter devait transformer 350 tonnes de tomate par jour²⁹.

By mutual agreement, the producers, cooperatives, and other individuals from the Noun region were to contribute 51% of the capital, while the state, through the SNI, would provide the remaining 49%. This arrangement was realized, as reported by COOPROVINOUN during the first general assembly of SCAN held on January 17, 1988. The private sector, which included numerous producer organizations and over 300 individuals, had already subscribed to shares amounting to 459 million FCFA, representing 51% of SCAN's capital, while the SNI contributed 449 million FCFA, accounting for 49% of the capital financed by the BID³⁰.

As outlined in the project agreement table signed between Cameroon and the BID, the construction phase of the SCAN factory commenced in 1988-1989. The appointment of a new Director General at the SNI reportedly shifted the project's management from a participatory and endogenous approach to a more centralized decision-making process dominated by the state, represented by the SNI. Chinmoun Issoufa, president of the Cooperative of Food Producers of Noun, expressed that Ms. Esther Dang, newly appointed to lead the SNI, seemingly did not grasp the participatory nature of this investment and perceived SCAN as a purely state-owned enterprise. Upon the completion of construction in late 1992, she engaged the Loma company from the French group Lompech, which specializes in tomato processing. Two experts from the Lompech group, Messrs. Lafaye and Van Asten, arrived to negotiate with

²⁹*Ibidem*.

³⁰Archives MINEPAT, projet SCAN-Foubot.

³¹Interviewés par le journal *La nouvelle Presse*, n°251, 20/07/2006.

³²Interview with NjayaInoussa, 60 ans environ, agriculteur et ancien Maire de la commune rurale Foubot, Foubot, le 15 mai 2018.

³³*Ibidem*.

³⁴Interview with Youssah Alima, 65 ans environ, membre du GIC femmes BayamSellam de Foubot, le 15 mai 2018.

³⁵Interview with Adja Riroutou, 65 ans environ, agricultrice et ancienne députée, Foubot, le 15 mai 2018.

³⁶Interview with a group of women âgées entre 45-65 ans qui faisait dans la culture et la commercialisation des tomates et qui se contentent aujourd'hui du BayamSellam des produits maraichères et vivrières au marché de Foubot, Foubot, le 14 mai 2018.

the SNI, not only to provide technical assistance but also to take on the general management of the company³¹.

Despite these challenges, SCAN initiated its operations in the Noun region, revitalizing the tomato cultivation and processing chain. Following this, management structures were established, the factory was promptly set up, and the agricultural campaign commenced. Although there was a slight increase in project costs, it remained unaffected by the devaluation of the FCFA. The Société des Conserveries Alimentaires du Noun produced an average of 25 million cans of concentrated tomato annually, supplying local markets and the CEMAC sub-region. According to Njaya Inoussa, this initiative has significantly improved the living conditions of local communities. Individuals involved in the SCAN production network including administrative staff, workers, farmers, tomato fruit vendors, and both national and international buyers transformed Foubot into an economic hub, providing employment opportunities for a segment of the local population³². During open house events, cooperatives allowed farmers to break their silence and showcase their skills and creativity to the public³³. Consequently, rural cooperatives demonstrated their leadership in rural entrepreneurship. Youssah Alima remarked, "Rural women often struggle to access credit or funding, but with SCAN, we are confident in our ability to compete and sell our products effectively. It is the women who drive the economy here and support their families, and the government should not overlook this by providing us with support as well."³⁴

In this economic sector, both youth and women demonstrated remarkable dynamism, playing a crucial role in transforming the socioeconomic landscape of the region³⁵. During focus group discussions, women revealed that family incomes primarily stemmed from their labor, alongside that of the youth, who frequently found employment opportunities due to the economic prospects created by the establishment of SCAN³⁶. Through skill acquisition, women in this environment have significantly contributed to the development of individuals, families, and communities. Their informal activities, commonly referred to as *BayamSellam*, have provided essential financial support for their households. The active participation of women has led some men to neglect or even abandon their

familial responsibilities, a situation that has been criticized by certain imams in the Noun region as an injustice towards women³⁷.

The SCAN project represented a substantial socioeconomic investment. One source indicates that the construction of the factory required over three billion FCFA funded by the SNI. This facility was equipped with boreholes and a generator capable of supplying water and electricity to a locality such as Foubot. The social capital of 900 million FCFA would thus constitute only about a quarter of the total investments. For the government, the SCAN project was imperative to succeed, as it was intended to serve as a model that could be replicated in various other significant agricultural regions in Cameroon, such as Lékié, the North-West, the Lagdo area, and the Far North³⁸.

Bankruptcy of SCAN: Mismanagement and Disagreements Among Partners

Following a series of financial and technical crises, SCAN declared bankruptcy in 2000. Various stakeholders have cited multiple reasons for this failure. On one hand, local communities blame the corrupt management system established by the state through SNI, holding the company's leaders primarily accountable for its downfall. Conversely, SNI attributes the collapse to technical and financial challenges. Investigators who spoke with various officials and local residents associated with the industry suggest that the decision to replace locally grown fresh tomatoes from farmers in Foubot with imported triple-concentrated tomato paste from France, facilitated by the Loma Group, significantly contributed to the decline of this industrial unit. Additionally, two expatriate agents have been accused of sabotaging tomato cultivation in the Noun region by destroying crops with agricultural inputs mixed with herbicides and incinerating fields using fertilizers combined with toxic substances. According to investigative journalist Charles Nwé, "this economic crime, with damages estimated in the billions of FCFA, was acknowledged at the time by Mr. Lompech, president of the Loma Group, and Ambroise Ondo Onana, deputy general manager of the SNI and managing director of SCAN."³⁹ Additionally, Madame Leduff, also associated with the Loma Group and holding a certification in capping,

is accused of having contributed to the downfall of SCAN through various fraudulent activities, including fictitious contracts, theft of spare parts, overbilling, false invoicing, fabricated studies, and the unauthorized distribution of SCAN's funds and products⁴⁰.

At SNI, another explanation has been put forward. Information gathered from Mr. Simon Pierre Essomba Abanda indicates that the primary reason for the decline of the organization is the difficulty in sourcing fresh tomatoes⁴¹. The company was originally designed to process 136,000 tons of fresh tomatoes annually, with an expected output of 7,000 tons of concentrated tomatoes, translating to a daily production of 360 tons. However, over six years, the factory managed to purchase only 10,000 tons of fresh tomatoes and operated normally for just 100 days. Prior to the establishment of the firm, a field study conducted by the Ministry of Agriculture indicated that farmers in the Western region produced approximately 38,000 tons of tomatoes per year, which would have met the demand. Mr. Simon Pierre Essomba Abanda elaborates on the situation as follows:

Il s'est avéré que cette variété de fruit contenant beaucoup d'eau n'était pas adéquate pour la production industrielle. Nous avons alors fourni des semences industrielles aux agriculteurs pour pallier ce besoin. Mais une fois qu'on faisait les récoltes, ils préféraient vendre aux Gabonais qui achetaient le kilogramme sur le marché à plus de 50 FCFA, contre 26 FCFA à la SCAN. Il n'était pas possible de revendiquer quoi que soit, car il n'y avait pas de contrat formel les liants à la société. Nous avons alors créé une plantation pour compléter la production paysanne, mais les experts chargés de la culture des tomates, ont vite montré leur limite, provoquant ainsi leur renvoi et la fin des activités de la plantation⁴².

Another obstacle encountered was the availability of cans. During the peak production period of 1996-1997, when the organization produced 9,200 tons of tomatoes, there was a shortage of canned goods. These cans, imported from France, were priced at 35 FCFA upon arrival at the port of Douala. To ensure the preservation of tomatoes that could not be canned, SCAN resorted to importing processed tomatoes, which were then blended with local varieties for

³⁷Interview with C. Aroun, 60 ans environ, imam-prédicateur et membre du CSIND, Foubot, le 13 avril 2015.

³⁸*Ibidem*.

³⁹*La Nouvelle Presse*, n°251, 20/07/2006.

⁴⁰*Ibidem*.

⁴¹Interview with M. Simon Pierre Essomba Abanda, 60 ans environ, ingénieur agro-économiste et responsable du dossier SCAN à la SNI, Yaoundé, le 10 mai 2015.

⁴²*La Nouvelle Presse*, n°251, 20/07/2006, p.3.

extended storage. Unfortunately, this strategy was short-lived, as it came to an end just as the organization began to investigate local can manufacturing alternatives. Mr. Simon Pierre Essomba Abanda provides an account of these events:

Comme la SNI finançait le projet pilote, les autres actionnaires ayant donné à peine 10% de leur contribution, elle a décidé après avoir investi plus de 7 milliards de FCFA d'arrêter les activités, d'autant qu'il est difficile de fonctionner à perte et de supporter toutes les charges, le salaire du personnel notamment. Nous avons donc vendu les fûts pour désintéresser certaines personnes et les âmes mal intentionnées nous ont accusés d'avoir bradé le matériel de la SCAN. Pourtant aucun matériel n'a jamais été bradé. La SNI a continué de payer l'assurance de cette société qui s'élève à plus de 50 millions de FCFA par an, ainsi que le salaire des gardiens qui travaillaient sur le site. Notre but est de remettre cette entreprise sur pied au grand bonheur des populations. Il fallait juste une mobilisation des élites autour de cette ambition⁴³.

In February 2006, at the SCAN premises in Foubot, judicial officers and four executives from SNI were engaged in the sale of scrap metal, empty barrels, and even rolling stock belonging to SCAN. The entire department was on high alert. The situation escalated to the point where law enforcement had to intervene to quell the anger of the local population, who viewed this clandestine liquidation as unjust. SCAN, a mixed-economy company, was established as part of an initiative to enhance the industrial value of fresh tomatoes. SNI held a 49% stake in the company, while the remaining shares were owned by cooperatives and over 300 private shareholders, most of whom hailed from the Noun department. Today, the site of the company in the urban center of Foubot, near the former CAPLANOUN (Agricultural Cooperative of Noun Planters), is enveloped in a profound silence; the administrative buildings and the technical installation of the production plant lie abandoned amidst the underbrush.

CONCLUSION

Cameroon is exploring alternative development models through a policy focused on diversifying its partnerships. Key strategic areas for the Cameroonian economy include structural transformation, human capital development, and the promotion of employment and economic integration. Islamic finance aligns with this policy, offering practical solutions to the economic challenges faced by Cameroon. However, the growth of Islamic finance, supported by investment funds from the Islamic Development Bank, has been modest, primarily due to its confinement within institutional frameworks. Investments in major state projects have often lacked visibility among the populace,

who typically demand direct social and economic impacts. The SCAN initiative emerged as a viable financing model for grassroots enterprises, engaging local communities and demonstrating significant economic potential with direct social benefits. Unfortunately, various factors, including corruption, inadequate training, and discord among stakeholders, hindered the success of this prominent company. Despite its previous status as a benchmark in the West and throughout Cameroon, SCAN had successfully promoted vegetable farming and reduced unemployment and poverty rates in the city of Foubot. The absence of a similar structure has led to increased unemployment, juvenile delinquency, and significant rural exodus, raising further concerns for authorities who are striving, albeit unsuccessfully, to revitalize agro-pastoral entrepreneurship in the Noun region. The community, driven by nostalgia, holds hope for the eventual revival of this enterprise. This failure highlights the issue of effective project monitoring by Islamic organizations aimed at supporting communities. This situation has led many individuals to question the top-down approach to cooperation and investment, which lacks a foundational training system for communities on the principles of Islamic economics and entrepreneurship.

SOURCES AND BIBLIOGRAPHIC REFERENCES

1. Mewada Djibo, S., (2010) "Problématique de la coopération entre les institutions arabo-islamiques de développement et les pays africains : cas du Cameroun", Mémoire d'Etudes Supérieures spécialisées (DESS) en planification programmation et gestion du développement, Institut Panafricain pour le Développement en Afrique Centrale (Douala).
2. Fonda Haga, H., (2000) "Le Cameroun et l'OCI", Mémoire de Maîtrise en Droit, Université de Ngaoundéré.
3. Fouapon, A., (2011) "Islam et coopération arabo-africaine : cas du Cameroun et le royaume d'Arabie saoudite 1960-2010", Mémoire de Master en Histoire, Université de Yaoundé 1.
4. Abdourhaman, I., (2003) "L'aide étrangère dans le Nord-Cameroun : 1920-2000", Mémoire de DEA en Histoire, Université de Ngaoundéré.
5. Abena Etoundi, M. J., (2003-2004), "La planification économique au Cameroun (1960-2000)", Mémoire de DEA en Histoire, université de Yaoundé 1.
6. Gresh, A., (2001), "L'Arabie Saoudite en Afrique non arabe : puissance islamique ou relais de l'occident ?", Politique africaine, n° 030050, pp. 55-74.
7. FallOuld Bah, M., et WedoudOuld Cheikh, A., (2009), "Entrepreneurs moraux et réseaux financiers

- islamiques en Mauritanie”, *Afrique contemporaine*, vol 3, N° 231, pp.99-117.
8. Fassin, D., (2009) “Les économies morales revisitées”, *Annales, Histoire, Sciences Sociales*, vol.6, (64e année), pp.1237-1266.
 9. Carbonnier, G., (2013) “Religion et développement”, *Revue internationale de politique de développement*, n°4, p.268.
 10. UmerChapra, M., (1996), *La vision islamique du développement à la lumière de maqassid al-charia*, traduit de l’anglais par le Professeur M. Boudjellal, Institut Islamique de la Recherche et de la Formation, Djeddah, Banque Islamique de Développement.
 11. Haenni, P., (2005), *L’Islam de marché. L’autre révolution conservatrice*, Paris, Seuil.
 12. Holder, G., (2009), *L’islam, nouvel espace public en Afrique*, Paris, Karthala.
 13. Lavoie, J.I., (1986), *La gestion étrangère du développement de l’Afrique*, Presses de l’Université du Québec.
 14. De Solages, O., (1993), *Réussites et déconvenues du développement dans le tiers monde : esquisse d’un mal développement*, Paris, L’Harmattan.
 15. Donsimoni, M., (1995), *Du don à l’aide. Le marché de l’altruisme*, Paris, L’Harmattan.
 16. Eboua, S., (1995), *Ahidjo et la logique du pouvoir*, Paris, L’Harmattan, (Coll. Mémoires africaines).
 17. Charbel, Z., (1989), *La coopération arabo-sénégalaise*, Paris, L’Harmattan.
 7. Rapport BADEA sur la répartition des prêts par région et par pays (1975-1984).
 8. Rapport de la descente des membres de la commission de redistribution du collectif “Unis pour servir” à Kenzou et Garoua-boulai. avril 2014.
 9. Rapports d’audits de la dette de l’enseignement privé au Cameroun réalisés par le cabinet CAEAC.
 10. Akoa, S. (09 février 2014), “La crise centrafricaine-quels risques pour la région”, conférence donnée le 09 février 2014, UPMF, Grenoble.
 11. Saudi Development Funds, Annual Report, 2009.
 12. Widagri Consultants Ltd, Helsinki (Finlande) Gregory Booth (rédacteur principal) M. José Protas (rédacteur adjoint et traducteur), (2000) “ Le rôle économique des femmes dans le développement agricole et rural : promotion des activités génératrices de revenus”, rapport de synthèse d’un séminaire Athènes (Grèce) 18 au 22 octobre 1999.
 13. Youenyouene, A., (2006) *Paix et développement: quel système de participation pour les communautés musulmanes?*, Niamey, inédit.
 14. Youenyouene, A., (2010) *Genèse, stratégies et perspectives constat, motivation et bilan du baitoul – mahl islamique*, inédit.
 15. Youenyouene, A., (2010) *La médiation socio-économique dans le Noun : un gage pour la paix et le développement*, inédit.

Reports and Free Writings

1. Bodjongo, M., et Abba, I., (2014) *Analyse économique du marché de la religion au Cameroun : L’émergence du pentecôtisme américain*, work in Progress (WIP) study presented to the AERC biannual research workshop-Lusaka, Zambia.
 2. Boubakar, H., note de lecture sur le système de la MICPAD, Niamey, 2006.
 3. *Cameroon Vision 2035*, Working paper, february 2009.
 4. Doubla Avaly, (2002) *Proposition de l’Islam pour le développement du Cameroun*, document inédit.
 5. Doubla Avaly., (2002) *Proposition de l’Islam pour le développement du Cameroun*, document inédit
 6. Fouapon, A., (2016) “ Finance islamique et construction de l’industrie Halal camerounaise : exigence d’une reconstruction conceptuelle de l’islam et du monde musulman.”, conférence BID-LICAM, Yaoundé.
- VI- Online Sources**
1. <http://www.lefigaro.fr/flash-actu/2015/01/07/97001-20150107FILWWW00191-boko-haram-menace-le-cameroun.php>, consulté le 19 juillet 2016.
 2. «Les plans quinquennaux au Cameroun», (online), www.camerlex.com.lesplansquinquennaux, consulté le....
 3. Loubet del Bayle, J.L., (1991) *Questions sur le monde actuel*, document produit en version numérique par Jean-Marie Tremblay, «Les classiques des sciences sociales»
 4. RFI: *Le Cameroun déploie des renforts à sa frontière avec le Nigeria*, publié le 27-05-2014, consulté le 22-07-2016.
 5. Robyns, A., et De Geoffroy, V., (2009) «Les bailleurs émergents de l’aide humanitaire. Le cas des pays du Golfe», (online), <http://www.urd.org>, consulté le 22 mai 2014.
 6. WAMY, «La WAMY après le 11 septembre 2001», (online), http://fr.wikipedia.org/wiki/Assembl%C3%A9e_mondiale_de_la_jeunesse_musulmane, consulté le 21 mai 2015.