



CAMEROON TECH-STARTUP ECOSYSTEM REPORT

2023

Table of Contents

Introduction.....	3
Factors contributing to the development of the cameroon tech ecosystem	4
The understanding of a tech startup.....	6
A glimpse into the cameroon tech ecosystem: a rise in tech startups and enablers-(innovation hubs, tech communities, angel investors and partners)	7
Cameroon tech ecosystem snapshot	8
Deepdive in fintech	10
Potential impact of fintechs in cameroon.....	10
Current trends driving the adoption of fintech in cameroon.....	10
Fintech regulation in cameroon	11
Challenges of fintech companies in cameroon	11
Fundings for tech startups	13
Investment rounds	15
Ecosystem enablers	16
Techs hubs	17
Tech communities	18
Ecosystem survey	20
Findings	21
Impact of covid-19	24
Inspiring stories	25
Angel network.....	25
Innovation hub	27

Introduction

Welcome to the inaugural report on the Cameroonian tech ecosystem—a comprehensive overview of the sector's growth, challenges, and opportunities. We are thrilled to present this report, which is a culmination of extensive research and collaboration with key stakeholders across the Cameroonian tech landscape.

For the past few years, Cameroon has witnessed a proliferation of tech-enabled companies aiming to address development challenges spanning various industries. From financial tech (fintech), healthtech, cleantech to agritech and e-commerce, these startups are reshaping traditional sectors and propelling the nation towards a digital future.

Thriving tech hubs are scattered across the country, including **The African Fintech Hub** in Yaoundé, **Silicon Mountain** in Buea, and the **44 Innovation Hub** in Bafoussam. These hubs serve as centers for co-working spaces, incubation, and acceleration programs, creating an ideal environment for startups to sprout and flourish. These spaces act as crucibles, where ideas are refined, collaboration is encouraged, and partnerships are forged.

Recognizing the potential of the tech sector, the Cameroonian government and a number of international development institutions have taken strides to create an enabling environment. Supportive initiatives are encouraging innovation, attracting investment, and fostering the growth of startups across the country. Initiatives focused on tech education are equipping young Cameroonian with the skills needed to contribute meaningfully to the startup ecosystem.

The emergence of angel investors who have provided seed money for these start-ups in Cameroon has been a gradual but promising trend, signaling a positive shift in the country's tech landscape. While the concept of angel investing is not as mature as in some other regions, there are notable developments that suggest a growing interest and involvement of angel investors and venture capital firms (VCs) in Cameroon's burgeoning tech ecosystem.

This inaugural report aims to provide insight into the state of Cameroon's tech startup ecosystem and showcase opportunities for existing and aspiring players looking to contribute, in order to further strengthen this captivating tapestry of innovation. As we delve deeper into the report, stories of resilience, innovation, and a collective determination to harness technology for positive change are uncovered.

Methodology: Desk research and survey

The study leverages primary and secondary data sources to highlight the increasingly pivotal role that Cameroon tech ecosystem key stakeholders are playing in driving innovation, economic growth, and social impact within the country and across the continent. The data was collected through a survey of over 100 active startups. Additional data collection was done through desk research on startups, angel investors, policies, venture builders, and information provided by third parties.

Findings from this report are indicative of the Cameroon tech ecosystem landscape, but are not exhaustive.

Factors Contributing to the Development of the Cameroon Tech Ecosystem

The emergence and evolution of tech-enabled companies:

The evolution of tech-enabled companies in Cameroon continues to be dynamic, driven by advancements in technology, changing consumer behavior, and a constant quest for innovation. As we look ahead, the integration of technology into various aspects of life is expected to accelerate, bringing forth new opportunities and challenges. Both internal and external players are contributing to the continued growth of the ecosystem.

As new tools and platforms for market penetration, such as Facebook and Instagram, and collaboration tools for productivity, like Teams and Zoom, are introduced to the market, Cameroonian companies have the opportunity to be more competitive on the global stage. This facilitates their digital transformation, providing local entrepreneurs and innovators with the opportunity to build adapted solutions for local challenges. Some of these solutions have gone on to conquer the world, as seen with examples like Feem and Waspito.

Tech ecosystem development initiatives:

The inaugural tech event, Developer Festival (Devfest), marked one of the early gatherings in Cameroon specifically tailored for developers and young tech enthusiasts. Launched in 2009 in Douala, this event paved the way for a series of subsequent gatherings organized by the community, fueled by Google's support. Since its inception, the community has consistently orchestrated events across the country, with the most recent one unfolding in Douala in November 2023. These events have become instrumental in fostering collaboration, knowledge-sharing, and technological advancements within the local tech community.

In 2014, MTN organized the MTN Innovation Challenge in Cameroon, a pivotal initiative aimed at providing substantial support to young and aspiring entrepreneurs. This challenge served as a catalyst for fostering innovation and empowering the vibrant entrepreneurial spirit in the country. By creating a platform for young minds to showcase their innovative ideas and projects, MTN plays a crucial role in nurturing the talents of the next generation of entrepreneurs. This initiative not only encouraged creativity but also contributed significantly to the growth and development of the startup ecosystem in Cameroon. Since then, MTN has organized hackathons for young students who have then been selected for an acceleration program in-house by MTN Cameroon.

Other private sector actors include Total Energy, with the Total Energy Startups Challenge that selects and supports startups with technical and financial support. Orange Cameroon, on the other hand, has a number of programs, including the Orange Digital Center, created to support students and entrepreneurs in developing skills and ideas.

On the public front, the government has spearheaded two significant initiatives. The first is «Fund Proto,» an endeavor initiated by the office of the presidency and managed by the Agency for the Promotion of Small and Medium-sized Enterprises (APME). This competition is designed to identify early-stage entrepreneurs, providing them with a grant of 10,000,000CFA francs for prototyping. The second government-led initiative is a competition organized by the Ministry of Post and Telecommunications. In this competition, startups and young entrepreneurs are identified and supported financially with grants ranging from 500,000 to 10,000,000 CFA francs to develop their innovative ideas.

Digital Infrastructure:

Cameroon has made notable progress in developing its digital infrastructure, marked by increased mobile and internet penetration. Tech hubs in major cities, particularly Douala and Yaoundé, have become focal points for innovation and entrepreneurship. However, these advancements coexist with challenges that stem from the complex political landscape.

Over the past decade, there has been significant advancement in the digital infrastructure of Cameroon, with mobile technology emerging as the predominant means of connectivity, contrasting with fixed broadband known for its higher bandwidth. Despite these strides, the challenge of securing reliable internet connectivity persists. According to the International Telecommunications Union (ITU) 2017 ICT Development Index (IDI), Cameroon is positioned at a relatively low 149 out of 176 countries, placing it 18th out of 38 African nations. The GSMA's 2019 Mobile Connectivity Index assigns Cameroon a score of 44.1 out of 100. While this surpasses the overall Sub-Saharan Africa score of 37.57, it underscores the substantial room for improvement in Cameroon's digital connectivity landscape.

CAMTEL, the national infrastructure provider has 12,000 Km of fiber optic under management across the country and in November 2023 announced 4000 Km to be added to the network. Other telcos present and investing in infrastructures include Orange, MTN, Yoomee and ST digital.

The impact of government policy on the growth of tech ecosystem:

The Ministry of Post and Telecommunication in Cameroon is currently in the process of drafting the Startup Act, a pivotal piece of legislation aimed at fostering and regulating the startup ecosystem. However, the progress of this significant initiative has encountered delays. Despite the slowdown, the ministry remains committed to formulating a comprehensive framework that will provide essential support, incentives, and guidelines for startups in the country. The deliberate approach taken in the drafting process reflects a thorough consideration of various factors to ensure the effectiveness and long-term impact of the Startup Act on the burgeoning entrepreneurial landscape in Cameroon. This initiative follows the trend of other countries such as Tunisia, Senegal, the DRC, and most recently Nigeria.

While these efforts have been instrumental in promoting tech innovation, there is still much work to be done and collaboration between government, academia, and industry players will be crucial for the sustained growth of the tech ecosystem. There is also a need for increased investment in technological infrastructure and research and development. Improving internet connectivity, electricity supply, and funding for research and development will help accelerate tech innovation and attract more investors (angel investors and VCs) to the ecosystem.

Furthermore, support should extend beyond the major cities and focus on fostering tech ecosystems in rural areas. This will help bridge the digital divide and create opportunities for entrepreneurs and startups in underserved regions.

The understanding of a Tech Startup

In Cameroon, as in other countries of the world, the definition of a startup can vary; and there may not be a single, universally accepted definition. However, there are some common characteristics and considerations that are often associated with tech startups in the Cameroonian context:

Innovation and Problem Solving: Like startups elsewhere, Cameroonian startups are often associated with innovation and a focus on solving specific problems. Many startups in Cameroon aim to address local challenges using creative and novel solutions.

Technology and Tech-Enabled: While not exclusive to all Cameroonian startups, many of them leverage technology, particularly mobile technology, to create solutions and reach a wider audience. Tech-enabled solutions are prevalent, especially in sectors like financial services, agriculture and health care.

According to Tomi Davies, there are three critical areas that differentiate tech startups from traditional small and medium sized enterprises (SMEs).

Startup growth and scalability: The ability to grow is key, what differentiates startups from SMEs is the use of technology and the potential to scale fast regardless of geography. Mr Davies notes that African startups are expected to grow rapidly, at a rate of between 10% - 20% monthly when in their growth - to - scale stages.

Startup Funding: "Unlike SMEs, whose risk profile is known and, therefore, can obtain funding from commercial banks, startups have innovative solutions and untried business models associated with high risks. Consequently, raising funding from family, friends, fans, business angels, venture capital and private equity is the norm"

Startup Exist: "Startup founders consider the exit path for their investors as a critical part of their financial strategy. Startups founders need to demonstrate to investors how and when these investors will get their money back. SMEs have less constraint on exit planning".

A glimpse into the Cameroon Tech Ecosystem:

A rise in tech startups and enablers—(innovation hubs, tech communities, angel investors and partners)

For the purpose of this report, we examined startups with 100% of their operations in Cameroon, founded by Cameroonian entrepreneurs, headquartered in Cameroon. We also explored startups led by non-Cameroonian entrepreneurs, headquartered outside Cameroon, with 100% operations in Cameroon.

The Cameroonian tech ecosystem has witnessed remarkable expansion in just two years. Since the 2021 GSMA report, which indicated over 100 active tech startups, the number of active startups has more than doubled to at least 230, with investments surpassing \$60M. Additionally, the network of tech hubs continues to grow across the country, reaching 78 nationwide, alongside about 29+ thriving developer communities.



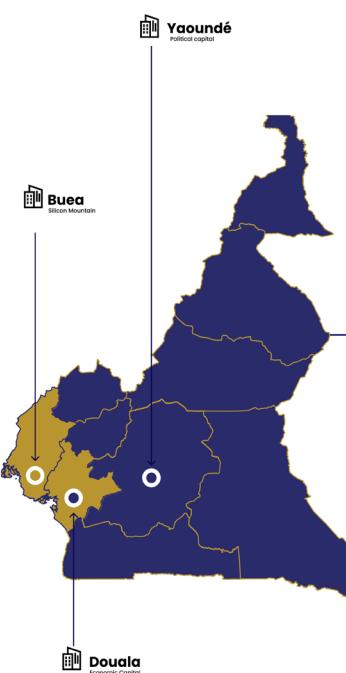
The tech ecosystem in Cameroon has attracted key international partners, playing a pivotal role in its development. Notable contributors include the European Commission, GIZ, and the French Embassy in Cameroon. These entities have actively supported initiatives such as Kmertech, an organization dedicated to promoting technology in Cameroon. One such initiative funded with a 60,000 Euro grant is the Project T.I.E Champions, which focuses on supporting six startups in Edtech, Fintech, and E-health.

GIZ has significantly contributed to the growth of the ecosystem through various programs. Noteworthy efforts include WIDU, a matching fund in collaboration with the Cameroon Diaspora, and «Our Village,» a digital platform designed to facilitate technological advancements in rural communities. Additionally, GIZ has initiated programs like «Business Scout» to foster skills development for women in tech and other tools aimed at cultivating and enhancing tech communities across the country. These international partnerships underscore a collective commitment to nurturing innovation and driving the evolution of the tech landscape in Cameroon.

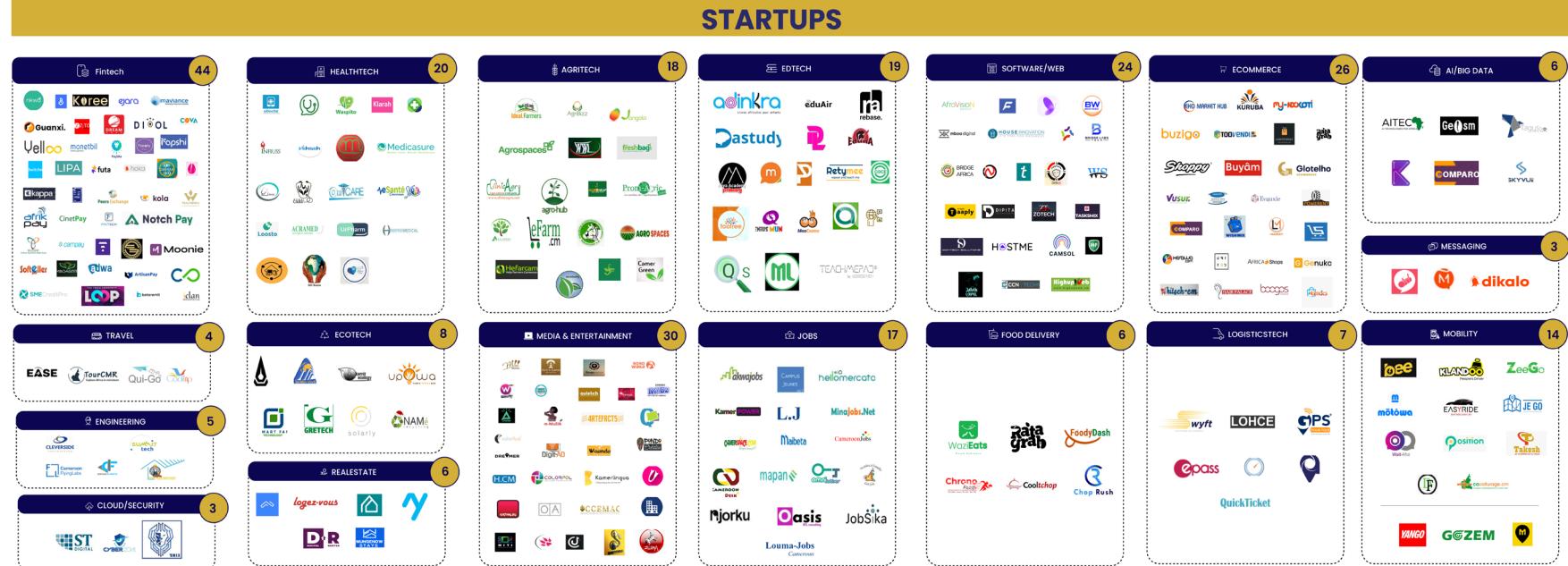


CAMEROON TECH ECOSYSTEM

CAMEROON'S TECH ECOSYSTEM 2023



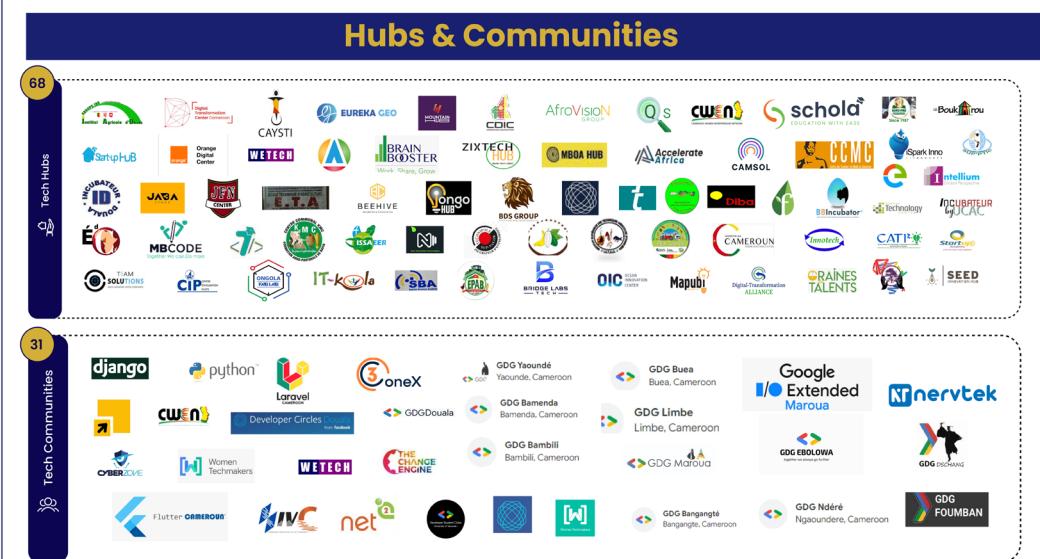
STARTUPS



PARTNERS



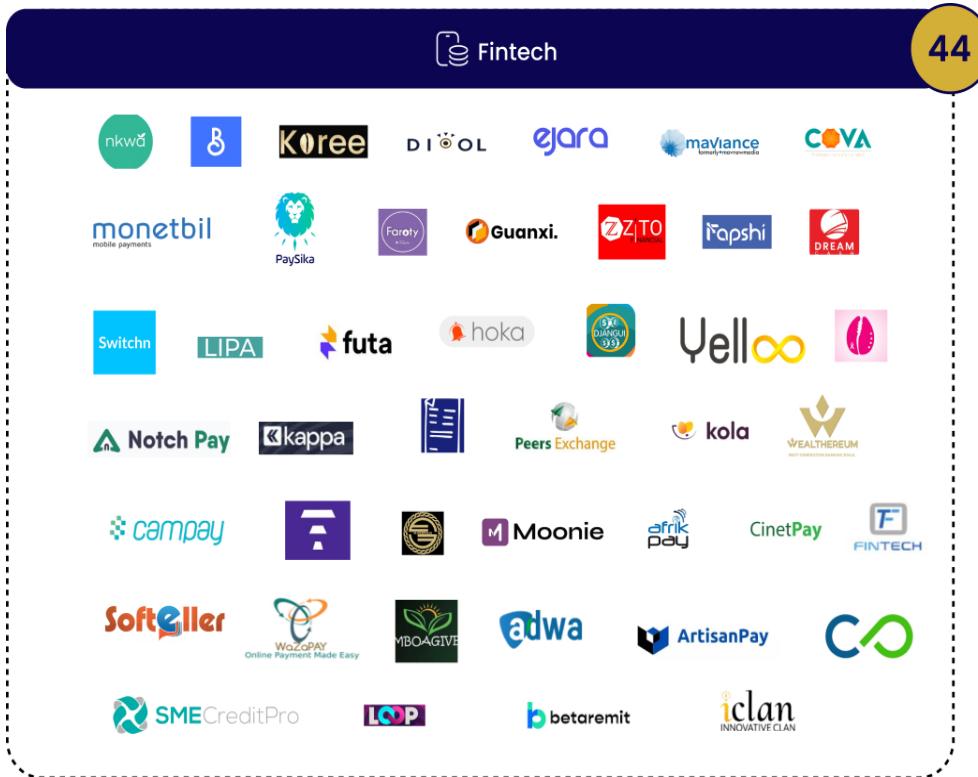
Hubs & Communities



Deepdive in Fintech

The fintech ecosystem in Cameroon is at its early stage but growing, with over 44 active startups and a growing number of established players engaged in a broad range of product offerings spanning from payment solutions, investment and saving. Fintech investments in Cameroon over the past 5 years (2019-2023) stood at US\$21 million. This represents a substantial amount of the total startup funding in the same period.

Some key players operating in various segments of the Cameroonian fintech ecosystem are:



Potential impact of fintechs in Cameroon

The financial landscape of Cameroon has evolved considerably with the entrance of efficient financial technology firms. The Fintech sector promises great opportunities for Cameroon tech ecosystem and economic growth, especially in ensuring inclusivity in financial product and service offerings. Mobile Money Operators (MMOs) are key to driving the actualization of a financially inclusive society. MoMo, Orange Money, Ejara, Mariance, SikaPay, ArtisanPay, NotchPay, and Koree are some of the MMO companies in Cameroon that are creating value.

Current trends driving the adoption of fintech in Cameroon

Access to mobile handsets have played a great role in providing the Cameroon population access to a number of services including connectivity and internet. To date, Mobile Money penetration spearheaded by telcos such as MTN and Orange have been key drivers to the growth of fintech in Cameroon. It is important to note that Mobile Money has become an important means of payment in the country.

Landscape for the evolution of fintech

Bolstered by a burgeoning population, Cameroon boasts approximately 25 million people, with over half of its citizens below the age of 35. The trajectory of fintech in Cameroon hinges on the robust demographic dividend, which not only contributes to a pool of talent but also serves as a vast market for a myriad of service and product offerings.

Other elements contributing to the growth of the sector are the inclusion of mobile payment by the government in collecting payment and taxes. SMEs can now pay taxes and other services via the Directorate Of Taxation using mobile payments. Also, other government agencies such as the National Social Insurance Fund (CNPS) have started the integration mobile payments for a number of their services. Even parastatal's such as ENEO have also made the shift to mobile payment for electricity bills thus facilitating payment collection from consumers. As we see more of these government initiatives to use mobile payment for access to services we can only be hopeful for the future of fintech in Cameroon.

Fintech Regulation in Cameroon

Fintech regulations in Cameroon is still in its nascent stage, and does not have a unique regulator, which is statutorily empowered to coordinate stakeholders in their sphere of influence.

ASPECT OF FINTECH REGULATED	REGULATORY AUTHORITIES
General oversight on fintech services and products	The Central African Monetary Union (UMAC)
Payment services: “the issuing, provision or management of payment instruments or means of payment or the execution of payment orders”	The Bank Of Central African States (BEAC) Banking Commission of Central Africa (COBAC)
Fintech in asset management	The Bank Of Central African States (BEAC) Banking Commission of Central Africa (COBAC) Commission de Surveillance du Marché Financier de l'Afrique Centrale (COSUMAF)
Cryptocurrency	No dedicated regulation yet

Challenges of Fintech companies in Cameroon

- Absence of a platform for fintech to raise capital for expansion has stalled many fintech companies from truly taking off from MVP stage. The majority of the funds raised come from foreign investors with a considerably small participation from local investors.
- Cameroon's limited infrastructure such as broadband, power supplier, cloud computing, and data center etc, has an impact on the availability and uptime of internet connectivity.
- Absence of a statutory body that oversees fintech activities in Cameroon.
- Low level of financial literacy – unbanked and underserved population is disconnected from fintech offerings, particularly lending and saving services. Although we have seen players introducing digital savings tools to bridge the gap between formal and informal savings such as Ejara, there is still the need to increase the level of financial literacy to access a larger pool of consumers.
- Lack of consumer trust - this is a prevailing sentiment among the unbanked and underserved population. This is a population that has for various reasons operated outside the banking sector so despite the fact that fintech actually overcomes many of the issues of traditional retail banking (accessibility primarily amongst them), skepticism remains that fintech can provide a reliable and sustainable alternative.

As technology continues to advance and regulatory frameworks develop, the fintech sector in Cameroon is poised for significant growth.

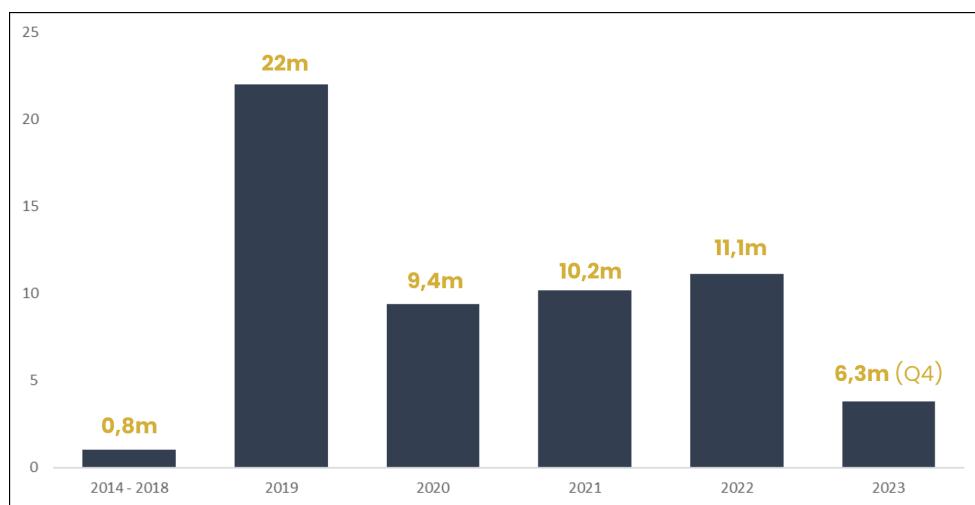
FUNDING

Fundings for Tech Startups

Despite a steep drop in 2020 due to Covid-19, the Cameroonian tech sector is picking up steam to set itself as a leader in Central Africa and in the Francophone region in general. Yet, there is a need for a large and active pool of local angel investors.

Angel investing has emerged as a vital catalyst for the growth and success of startups. These early-stage investments empower entrepreneurs, stimulate innovation, and pave the way for follow up rounds of funding. Cameroon angel network, a network of angel investors invested in 4 tech companies this year. Their investments were matched by Catalytic Africa (a co-matching solution for African startups). Empowering local angel investors could potentially lead to a larger number of startup supported local capital that will allow startups build traction and attract additional funders

Figure 1: Funding raised in Cameroon from 2014-2023



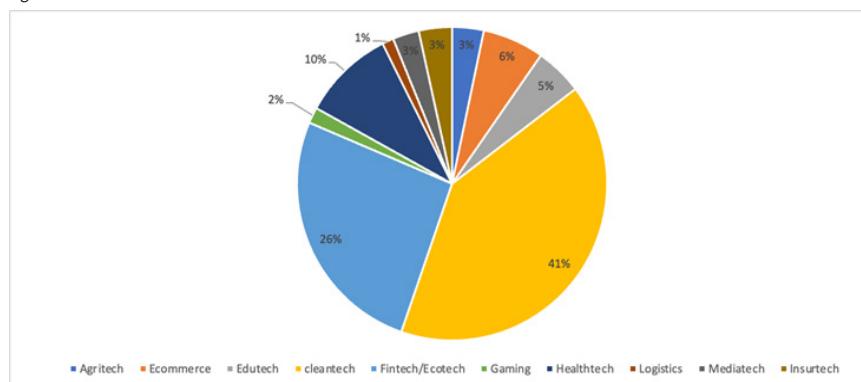
Source : Cameroon tech database

The top ten most funded sectors

Energy is the most funded sector in the tech ecosystem. Cameroon has insufficient energy coverage. Only about 35% of the population is covered by the national energy grid. There are policies favorable for independent energy providers. (ARSEL 2022).

Since 2014, Cameroon has attracted significant funding from various sources, especially in the sectors of energy and fin-tech. These two sectors combined have absorbed 80% of all funding, reflecting the high demand and potential for innovation in these sectors. Clean tech startups have focused on providing clean, affordable and reliable electricity to rural and urban communities, while fintech startups have leveraged mobile technology to offer financial inclusion and digital services to millions of Cameroonians.

Figure 2: 10 most funded sectors



Source : Cameroon tech database

Women are leading

Women in Cameroon have embraced entrepreneurship with resilience and determination. Their efforts have not gone unnoticed, as they have garnered recognition and support from investors and funding organizations. By leading the way in fundraising, women entrepreneurs are not only securing resources for their own ventures but are also inspiring and empowering other aspiring female entrepreneurs.

Their success stories serve as motivation and encouragement for future generations, opening up doors of opportunities and challenging gender barriers in the Cameroonian startup space..

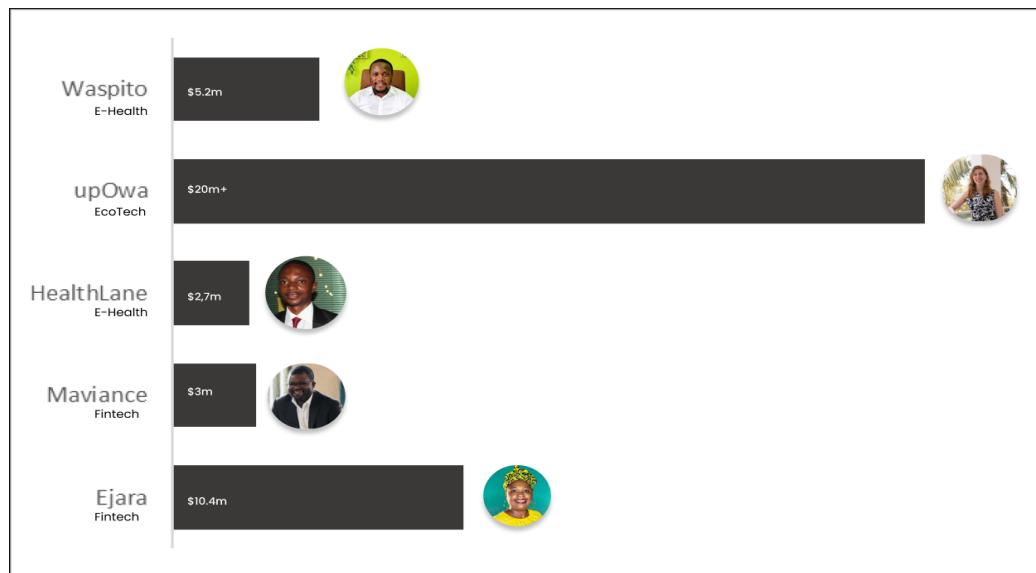
Top 5 most funded startups (Founder/Sector)

The greentech sector in Cameroon has witnessed a remarkable growth in funding, thanks to upOwa, a company that provides solar energy solutions to rural and peri-urban areas. According to Crunchbase, upOwa has raised \$12.5 million since 2014, making it the most funded company in the country.

Following upOwa, is Ejara, a Crypto Fintech startup that offers a mobile app for investing in cryptocurrencies and other digital assets. Ejara has secured \$10 million in funding since its launch in 2020. The third most funded startup is Maviance, a fintech company that operates the digital payment platform Smobilpay. Maviance has raised \$3 million in 2021, expanding its services to other African countries.

The healthtech sector is also gaining momentum, with two companies competing for the last two spots in the top five. Waspito is a telemedicine platform that connects patients with doctors and pharmacies online. Waspito has raised \$5.2 million since 2020. HealthLane is another telemedicine platform that offers online consultations, appointments, prescriptions and health records. HealthLane has raised \$3 million since 2019, despite a recent pivot in their activity. These five companies represent the most funded startups in Cameroon since 2014, showing the potential and innovation of the Cameroonian tech ecosystem.

Figure 3: Top 5 most funded startups (Founder/Sector)



Source : Cameroon tech database

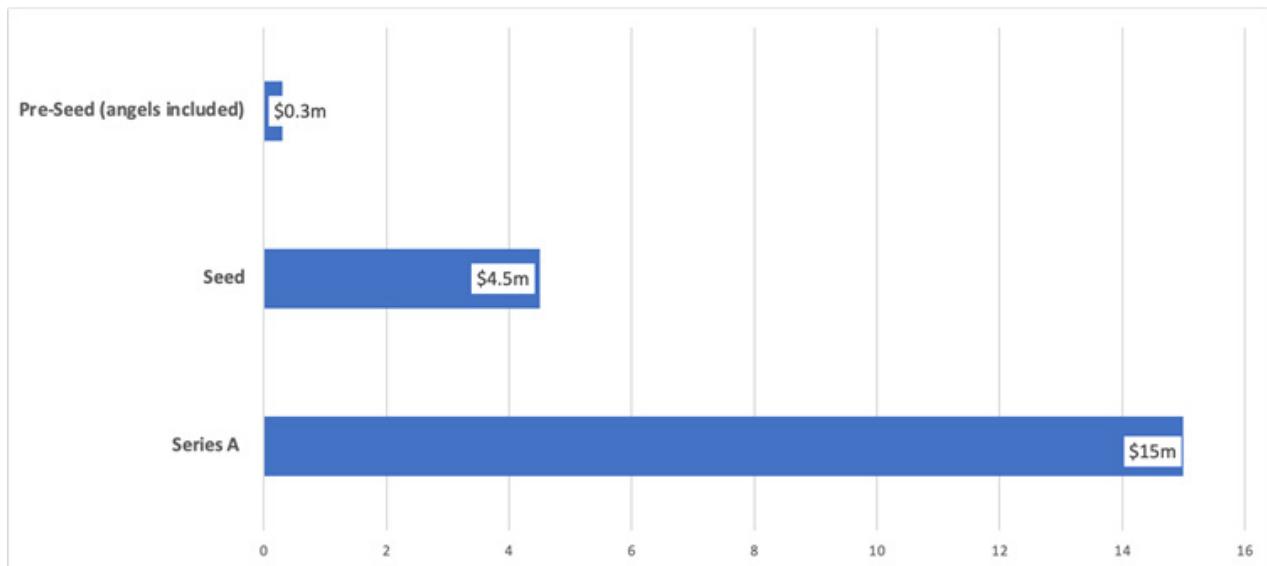
Investment rounds

A buzzing startup scene has been steadily growing in Cameroon over the past decade. From 2014 to 2023, startups in this Central African region have been grabbing attention and funding, propelling them towards success.

In the early years, starting in 2014, the startup funding landscape in Cameroon was relatively modest, with a few angel investors and grants available to promising entrepreneurs. However, as the potential of the country's innovative minds became increasingly apparent, the funding tide began to turn.

By 2019, we saw a significant leap in startup funding as venture capital firms started to take notice of Cameroon's untapped potential. This injection of capital allowed startups to scale their operations and spread their wings even further. As 2023 unfolds, the startup funding landscape in Cameroon keeps attracting new types of funds from a variety of private and public investors.

Figure 4: Investment Stages (2023 figures)



Source : Cameroon tech database

From humble beginnings, the landscape has blossomed, attracting both local angel investors and international investors, and propelling the country's entrepreneurial spirit to new heights. The future looks bright for Cameroon's startup ecosystem, with innovation and funding set to thrive in the years ahead.

Cameroon tech database curated by Seleu Reginald

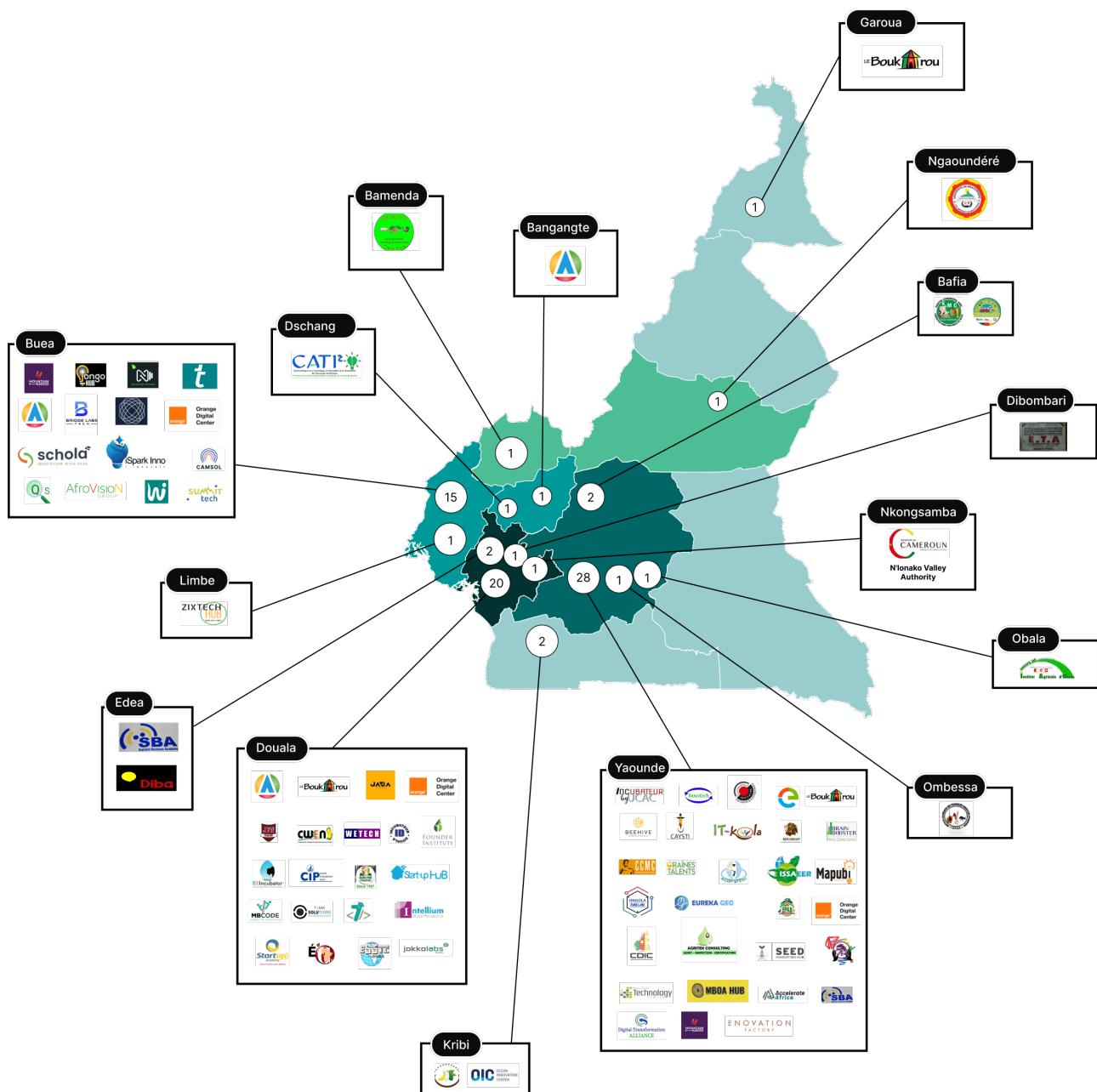
ECOSYSTEM ENABLERS

Ecosystem Enablers

Our research has shown that there are at least 73 Tech Hubs in Cameroon fostering innovation, collaboration, and entrepreneurship in the technology sector. These tech hubs are mostly located at the foot of Mount Fako (Buea, Cameroon) called the Silicon Mountain, with one of the oldest startups opening its doors in early 2010.

Some prominent Tech Hubs in Cameroon include ActivSpaces, Le Boukarou, Jabaspace, Obotama and Mountain Hub. Joining them in the ever expanding field are iSpark Innovations which opened in July 2023 as well as Innovation Factory in Yaounde which opened recently in Yaounde.

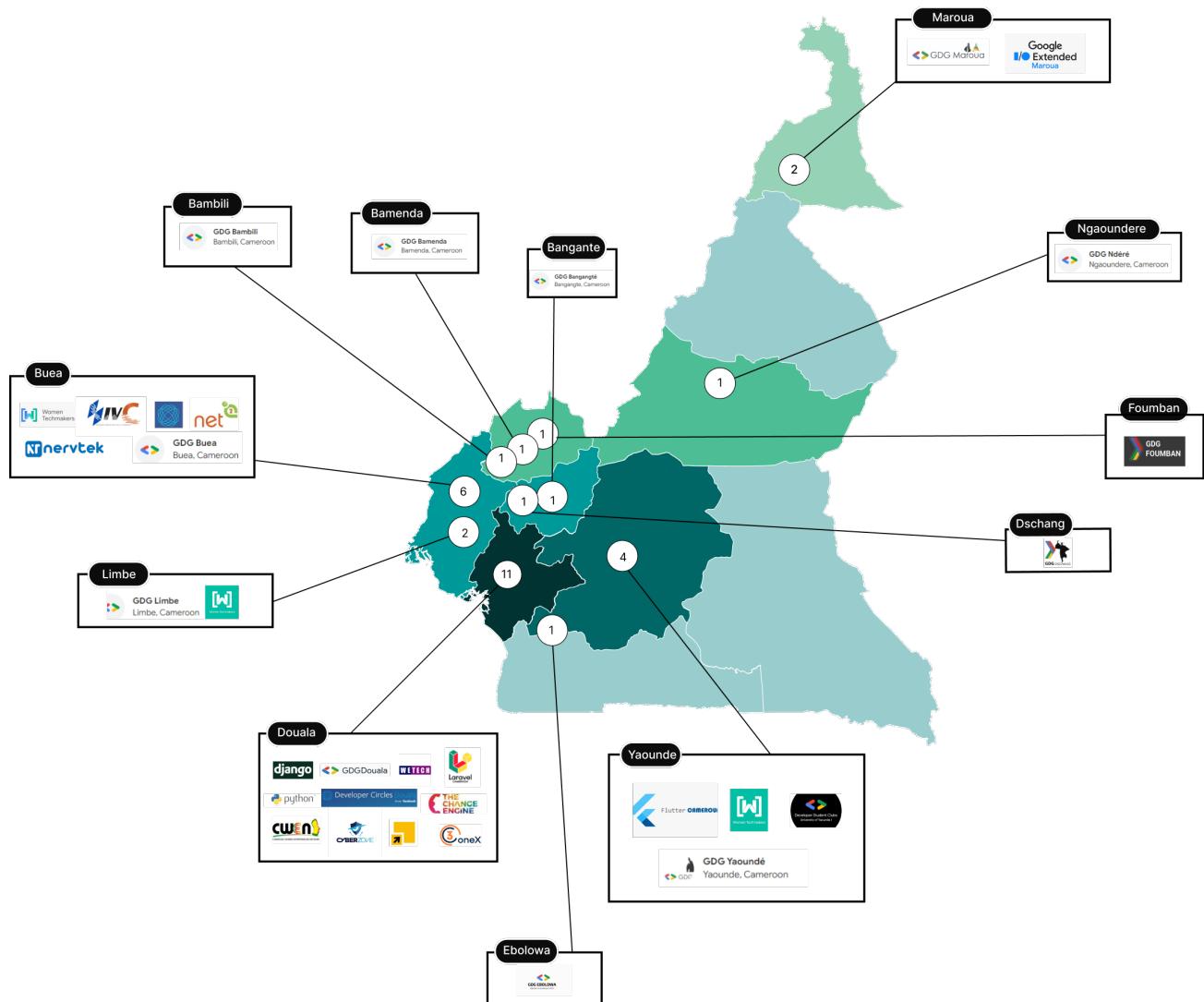
Techs HUBs



Tech communities in Cameroon have been thriving and playing a significant role in shaping the country's technological landscape. These communities serve as vibrant platforms where passionate individuals, entrepreneurs, and professionals come together to collaborate, innovate, and drive the growth of the technology sector.

One notable tech community in Cameroon is CDC (Cameroon Developers' Community). This community brings together software developers, programmers, and tech enthusiasts from across the country. It organizes meetups, workshops, and coding competitions, fostering a culture of continuous learning and skill development. Other communities include WTM, Nervtek, GDG, and WETECH.

Tech communities





Silicon Mountian – Cameroon's futuristic city

The Silicon Mountain is often described as Cameroon's futuristic city due to its emergence as a center for technology and innovation in the country.

Located on the slopes of Mount Cameroon, Silicon Mountain has experienced a rise in the number of tech startups, entrepreneurs, and skilled professionals working in the various areas of tech. The South West region, Cameroon and Africa as a whole have attracted attention for its vibrant tech ecosystem through the Silicon Mountain.

The growth of Silicon Mountain is attributed to factors such as the availability of skilled human resources, supportive government initiatives, investment in infrastructure, and the presence of educational institutions, like the University of Buea and Catholic University Institute of Buea play a crucial role in nurturing talent and fostering an entrepreneurial spirit by offering technology-related programs.

Silicon Mountain's growth and reputation, both domestically and internationally, have positioned Cameroon as a country with immense potential in the technology industry. This futuristic city's emergence has generated a sense of hope and enthusiasm, paving the way for a promising future in technology and entrepreneurship in Cameroon. As a result, the country is experiencing a digital transformation and an expansion of its economy through increased diversification.

Silicon Mountain boasts a diverse range of tech startups working in various sectors, including fintech, education, agriculture, healthcare, and entertainment alongside international events such as the Silicon Mountain Conference (SMCON) which brings together the community to share ideas, collaborate, and learn from industry experts.

ECOSYSTEM SURVEY

Findings

This section of the Cameroonian Startup Tech Ecosystem Report presents findings from an online survey where over 100 Cameroonian startups responded. This sample provides valuable insights into the current state of the tech ecosystem, focusing on their activities, growth, structure, and challenges faced by these companies. Through their responses, we gain a firsthand understanding of the needs and experiences of Cameroonian tech startups.

Figure 5: Startups location (respondents)

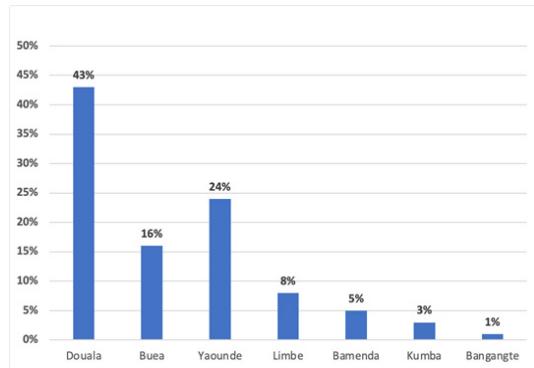


Figure 6: Launch year for the startup (respondents)

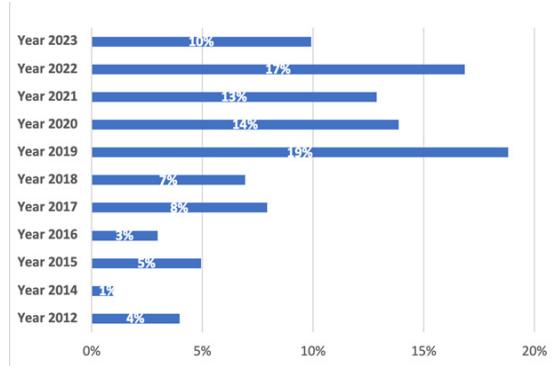
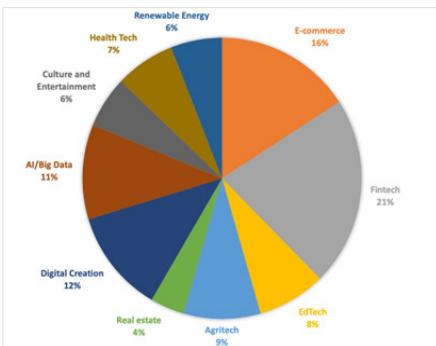


Figure 7: Startup sectors (respondents)



Only 9.9% of Cameroonian tech startups have a female CEO or founder, this puts Cameroon behind other African tech startup ecosystems like Egypt (12.5%), South Africa (14.3%) and Nigeria which stands as the most diverse African tech startup ecosystem, with 15.6% of Nigerian startups having at least one woman within their founding team. There is still much work to be done to ensure more women participate as their male peers within Cameroon's tech startup landscape.

Startup Location

Douala is the hub of Cameroon's tech startup ecosystem with no less than 43% of the 101 Cameroonian tech startups tracked by this report based in the city. A not so surprising finding as Douala also doubles as the Economic Capital of the country. The political capital Yaounde comes second with about 24% of tech ventures. A surprising finding however is Buea, the home of Cameroon's Silicone Mountain which only holds 16% of tech startups in the country, while Limbe, a neighboring city to Buea is 8%.

Launch year for startups

The startups surveyed for this report have launch dates ranging from 2012 to 2023, with 25.6% of the startups launched between February 2012 and November 2018, while the peak launch period is from January 2019 to June 2023, with 74.4% of startups created.

Cameroon's tech ecosystem despite its relative slow pace of advancement compared to other African tech hubs like Nigeria (Lagos), South Africa (Cape town) and Kenya (Nairobi), has startups created as far back as the early 2000s.

Startup sectors

Fintech is the leading sub-sector of operation of the Cameroonian startup ecosystem. In a total of 101 startups surveyed, 22% are fintech ventures, followed by e-commerce accounting for 16% of Cameroonian tech startups. Digital creation and AI/big data ventures come third and fourth respectively with 12% and 11%. Agri-tech and Ed-tech come next representing 9% and 8% respectively. We observe a diverse range of activities within the ecosystem, which indicates the unique challenges and opportunities that Cameroon presents

Funding sources for startup

The leading deal type was funding obtained by winning a tech competition. Next in line was equity funding in exchange for a percentage of the company, which represented 18.8% of funding deals. Funds from family, friends and well-wishers accounted for 15.8% of funding deals, while debt financing and hybrid financing (debt and equity) stood at 5% each. The least but growing are deals by angel investors.

The funding trends of tech startups in the Cameroonian ecosystem are all the more diversified, but dominated by personal savings and funds from family, friends and well-wishers. 63.6% of tech startup owners in Cameroon affirm funding their businesses with their personal savings, while another 14.1% point to funds obtained from family and friends. Other funding sources like Angel investors represent 11.1%, while venture capital funding represents 2%. Equity crowdfunding, incubation and joint venture funds each represent 1% of tech startup funding sources in the Cameroonian ecosystem.

This reflects the limited access of Cameroonian startups to ecosystem support, with barely 5% of the more than 100 companies tracked by this report having undergone acceleration or incubation since they were launched. Compared to similar ecosystems on the African continent, Cameroon is lagging behind countries like South Africa that has 25.7% of accelerated startups; Egypt stands at 38.6% of accelerated startups; and Nigeria whose 45.1% of accelerated startups far outstrip the other countries.

From the total number of tech startups in Cameroon that actually benefited from funding rounds, 23.1% were in the form of grants, while 9.6% were pre-seed investments and 1.9% were seed investments. 61.5% of the respondents could not attribute their funds raised to any of the funding rounds mentioned in the survey (grant, pre-seed, seed, series A or series B). In addition to the categories of funding rounds, our survey also sought to distinguish the deal types of the funds received.

Figure 8: Funding sources for startups (respondents)

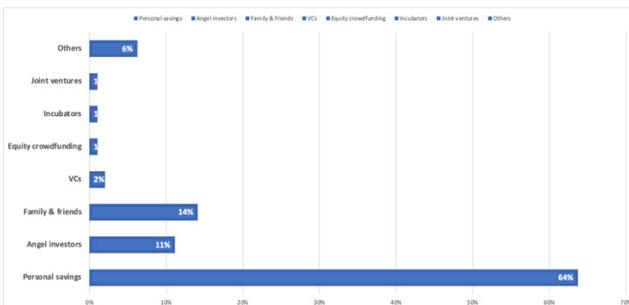


Figure 9: Are most of these startups profitable?

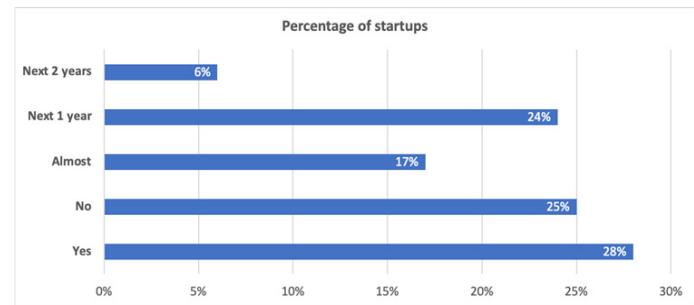


Figure 10: Range of monthly revenue

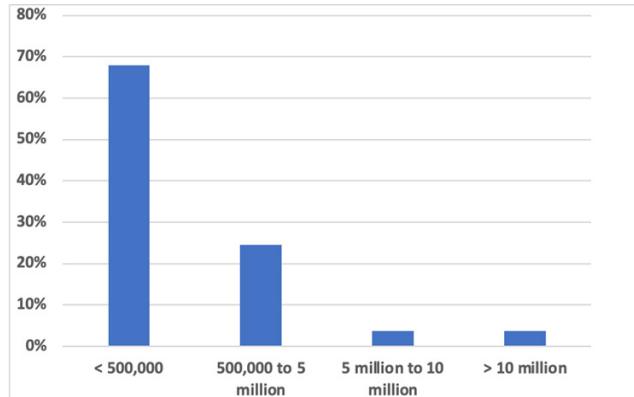


Figure 11: How many startups desire to raise funds

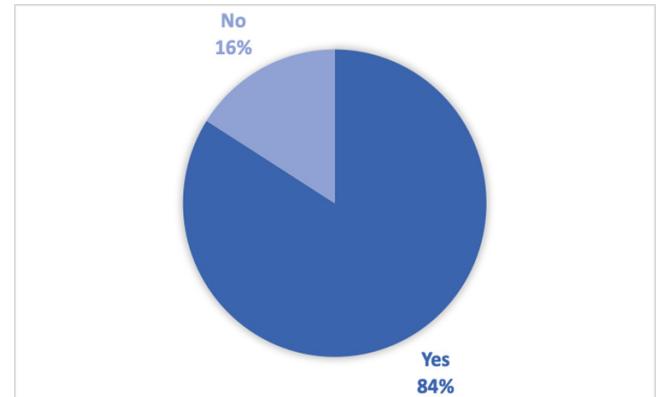


Figure 12: Level of education of startup founders (respondents)

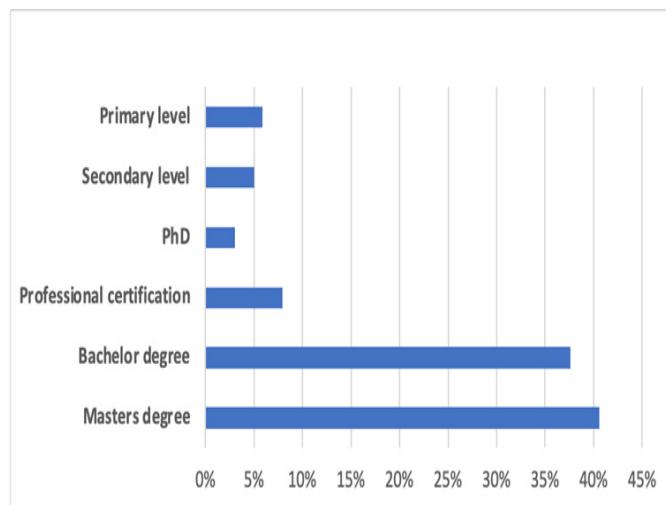
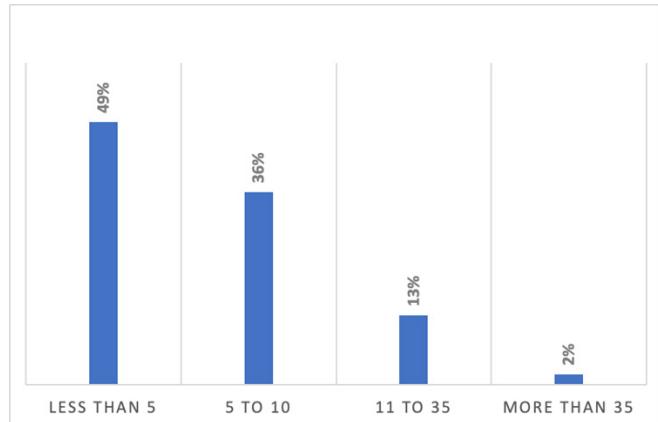


Figure 13: Staff Number of startup (respondents)



Founder's Level of Education

Looking at the educational level of the startup founders, we observe that the vast majority of respondents 81.2% hold at least one university degree. 37.6% hold a Bachelor degree, 40.6% hold Master's degrees and 3% hold PhDs. Another 7.9% of them hold a professional certification, while 5% have secondary school certificates and 5.9% have primary school certificates. Educated founders dominate Cameroon's startup scene, highlighting the emphasis on academic qualification in the ecosystem.

Staff headcount

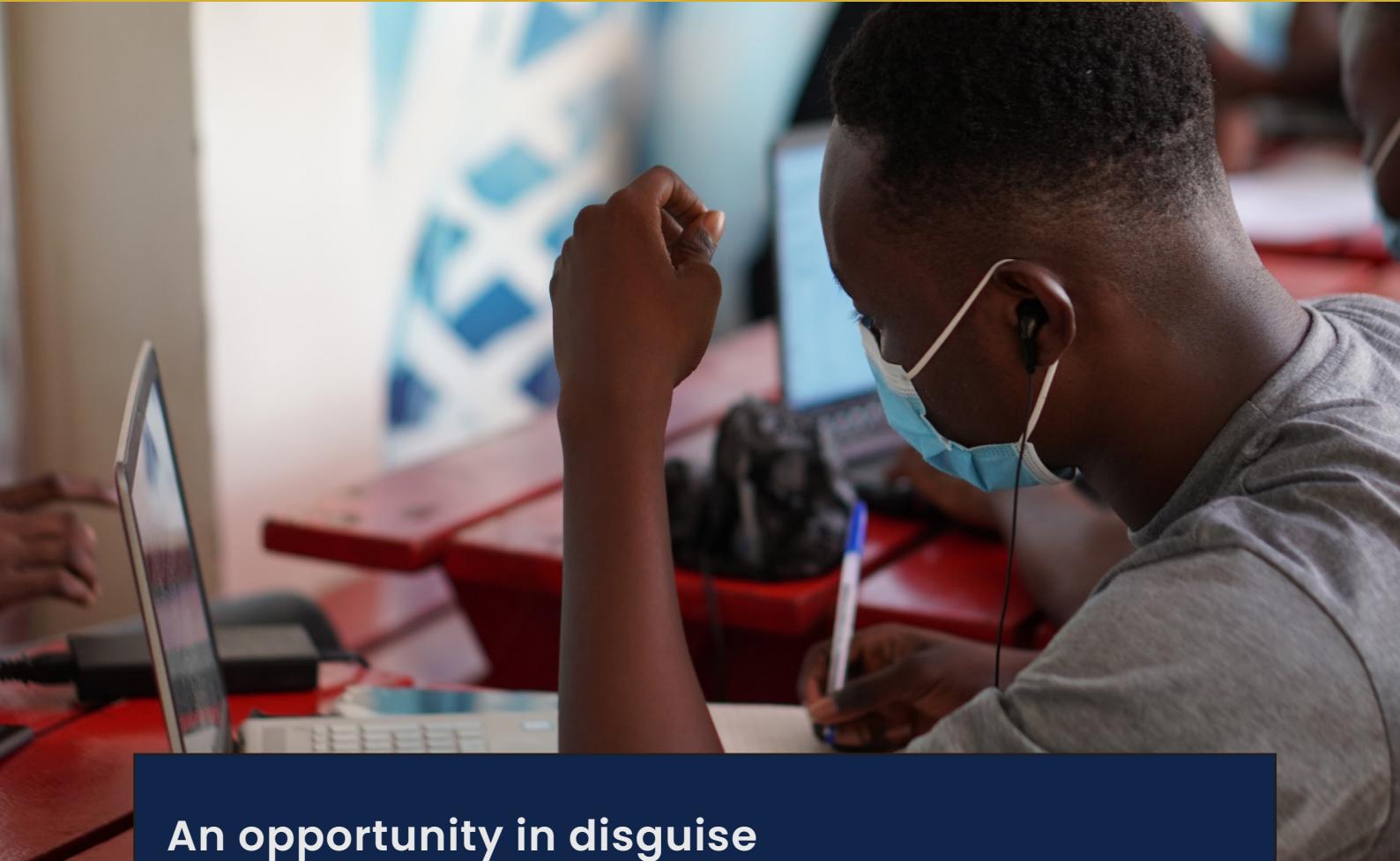
The survey found that most startup teams in Cameroon have less than 5 staff members. This accounts for 49% of all respondents. The remaining 51% of respondents are divided among startups with 5-10 staff members (36%), 11-20 staff members (13%), and more than 20 staff members (2%).

While small teams dominate now, growth prospects indicates imminent need for qualified personnel, promising exciting job opportunities in the growing tech ecosystem.

This finding suggests that the Cameroonian startup ecosystem is still in its early stages of development, with a majority of startups being small and lean. This is not uncommon for young startup ecosystems, as many startups begin with a small team of founders or core developers and progressively expand.

As the Cameroonian startup ecosystem matures, it is expected to see a shift towards larger startups with more than 20 staff members. This will be driven by several factors, including an increase in funding, expanding market opportunities, and the need for specialized expertise.

Impact of Covid-19



An opportunity in disguise

Businesses are yet to fully recover from the disruptive effects of the Covid-19 pandemic that rocked the global economy between 2020 and 2021, and even up to 2022 in certain parts of the world.

This report investigates the impact of the crisis that came with the Covid-19 pandemic on the Cameroonian startup ecosystem. The large majority of tech startups tracked by this report declared that the Covid-19 crisis had an impact on their business which was revealing two main issues;

1. Tho exposed, their tech enables solutions were proved to find product market fit as they were able to test their market and asses the importance of their solutions with regards to local adoption.
2. Despite the fit, they realised their systems were still very fragile and needed more support in other to get the right structure for sustainability.

This reveals the resilience of the startup ecosystem of Cameroon, and the ability of these ventures to turn the downsides of a crisis into new sources of comparative advantage despite the numerous challenges they faced, the most constraining of which is limited access to financial resources.

84% of the startups surveyed declared a strong desire to raise funds for their businesses, 84% declared needing assistance in raising the funds to improve the profitability of their businesses.

Inspiring Stories

Angel network

Year founded	2014
Management team	President: Carole Tenkeu, VP: Joel Nana Kontchou
Investment geography	Tech-enable ventures (sector agnostic)
Investment focus	Cameroon
No. Of active members	50+
No. Of startups funded	Undisclosed
Example of startups funded	Bee, Koree, Nkwa, Jangolo
Total amount invested	Undisclosed

Network Model and ecosystem engagement

CAN is a foundation committed to nurturing and supporting the growth of startups and entrepreneurs in Cameroon. The network harnesses the expertise and experience of its members to impart knowledge to new and aspiring angels within Cameroon and the diaspora. Collaborating with esteemed partners like ABAN, CAN facilitates the exchange of insights and the acquisition of additional expertise in local investing. The network actively shares learnings through monthly updates, reinforcing the network and its impactful activities. Quarterly meetings are convened to deliberate on investment opportunities and make informed decisions. CAN sources new deals from its members and engages with enterprise support organizations in Cameroon, with all members actively participating in the evaluation of potential deals. Over the course of its operations, the network has connected with more than 150 startups and invested in 5 startups in 2023, which subsequently attracted follow-on funding from VCs. To ensure CAN's sustainability, The network is committed to investing in high-potential companies and cultivating partnerships with key stakeholders.



Key Learnings

1. Diversification is Key: Angel networks benefit from diversifying their investment portfolios across various sectors and industries. A diverse portfolio helps mitigate risks and enhances the potential for overall returns.
2. Active Member Engagement: Encouraging active participation and engagement from angel network members is crucial. Successful networks foster an environment where members contribute not only financially but also through knowledge-sharing, mentorship, and networking.
3. Thorough Due Diligence: Conducting thorough due diligence on potential investment opportunities is a fundamental lesson. Ensuring that the network evaluates the viability and potential risks of each deal contributes to making informed investment decisions.
4. Continuous Education and Upskilling: The investment landscape is dynamic, and staying informed about new trends, regulations, and emerging technologies is essential. Providing continuous education and upskilling opportunities for angel network members ensures they are well-equipped to navigate the evolving landscape.
5. Commitment to Diversity and Inclusion: Recognizing and promoting diversity within the network, both in terms of investors and startup founders, fosters innovation and widens the scope of investment opportunities. Embracing a commitment to diversity and inclusion contributes to a more vibrant and successful angel network.

Outlook

Collaborate with other institutions that are supporting the tech ecosystem in Cameroon and increase the number of investments.



Innovation hub

Year founded	2022
Management Team	Simon Effansa, Ayuk Etta and Mirabel Nditapah
No. of startups training members	More than 150 ventures incubated
Investment focus	Cameroon

Activities

Mountain Hub serves as both a collaborative workspace and a venture-building platform, uniting entrepreneurs to foster the realization of groundbreaking ideas and transform them into high-impact companies with the potential for substantial financial success. Positioned as a key player within the global tech ecosystem, Mountain Hub operates as an enterprise support organization with a primary focus on fintech startups. The hub is dedicated to the development of innovative financial solutions and the enhancement of entrepreneurial growth.

Mountain Hub's comprehensive approach encompasses supporting, mentoring, nurturing, incubating, accelerating, and scaling tech startups, small businesses, and social enterprises. Aligned with its mission, the hub actively contributes to the advancement of Sustainable Development Goals 1, 4, 8, and 9. These objectives include initiatives aimed at poverty reduction, the promotion of inclusive and equitable education, the creation of quality job opportunities, and the support of economic growth and industrialization. Mountain Hub is committed to driving positive change and catalyzing impactful outcomes within the global entrepreneurial landscape.



Key Learnings

1. Community-Centric Approach: Success lies in building a community-centric environment. Prioritize the needs of the local community and engage stakeholders actively to ensure the hub's programs and initiatives align with their aspirations.
2. Collaboration and Partnerships: Foster collaboration with diverse stakeholders, including government bodies, corporate partners, educational institutions, and international organizations. Partnerships can bring in resources, expertise, and a broader network.
3. Entrepreneurial Education: Provide targeted and practical entrepreneurial education. Offer programs that equip individuals with the skills needed to navigate the business landscape, fostering a culture of innovation and resilience.
4. Access to Funding: Facilitate access to funding by connecting startups with potential investors, venture capitalists, and angel investors. Additionally, explore alternative funding models, such as crowdfunding and grants, to support a variety of ventures.

Outlook

The future is marked by growth, collaboration, inclusivity, and a strong commitment to leveraging technology for positive societal impact. The focus will include

1. Inclusive Innovation: Efforts to include marginalized groups, women, and individuals from diverse backgrounds in the tech ecosystem will be central to fostering a more inclusive and diverse industry.
2. Venture Building and Acceleration Programs: increasing the number of venture building and acceleration programs and continuing to offer comprehensive support, including mentorship, funding access, and market connections, to help startups scale rapidly.





Disclaimer

While the data used in this report is comprehensive and reliable, it should be used with caution and primarily for contextualization. The data may not be representative of the entire Cameroonian tech ecosystem and may not capture all nuances and complexities of the sector.

This report was supported by GIZ.

Contributors

Fadilah Tchoumba, Senior Analyst, Amzill
Steve Tchoumba, MD ActivSpaces
Seleu Reginald, Investment Professional

