**AFRICAN DEVELOPMENT BANK GROUP**

# CAMEROON

## BUILDING CAPACITIES AND SKILLS FOR EMPLOYABILITY AND ENTREPRENEURSHIP IN THE FAR NORTH REGION OF CAMEROON (CAP2E)

**AHHD/RDGC**
**May 2025**

**APPRAISAL REPORT**
**May 2025**

| | |
|---|---|
| Appraisal Team | Team Leaders:<br>Anne PERROT BIHINA, Principal Education Economist, Skills Development AHHD.3/COCM<br>Oussama BEN ABDELKARIM, Chief Development Economist, AHHD.3/RDGN<br><br>Team Members:<br>Bechir ALLOUCH, Human Development Economist, AHHD.3<br>Ameth Saloum NDIAYE, Principal Country Economist, ECCE1<br>Mohamed Coulibaly, Senior Country Programme Manager, RDGC<br>Eugène Akadje LOBOUE, Country Programme Manager, RDGC<br>Modeste TIEMGNI, Procurement Officer, SNFI.1/COCM<br>Diop AMATH, Senior Procurement Officer, SNFI.1/COGN<br>Mohamed Aliou DIALLO, Principal Financial Management Operations Officer, SNFI.2<br>Sidick Ousman MAOULOUD, Senior Financial Management Operations Officer, SNFI.2/RDGC<br>Bandekni Pakidame KOLANI, Principal Environmental Safeguards and Compliance Officer, SNSC/RDGC<br>Jean de Dieu Hermann ZONGO, Environmental and Social Safeguards Consultant, SNSC/RDGC<br>Eric KERE, Senior Quality, Results and Evaluation Officer, SNDR3/COCM<br>Thierno DIENG, Legal Consultant, PGCL1<br>Godwill KAN TANGE, Senior Country Economist, COCM<br>Karine M'BENGUE, Regional Fragility and Resilience Coordinator, RDTS/ RDGC<br>Narcisse KAZE, Fragility and Resilience Consultant, RDTS/ RDGC<br>Youssouf TRAORE, Financial Inclusion Consultant, AHHD.3<br>André KAMGA, Disbursement Officer, FIFC3/COCM<br>Thaddée YOSSA, Gender Consultant, AHGC1/RDGC<br>Ronny Kevin Djatsa FOMETE, Gender Consultant, AHGC1/RDGC<br>Ako Charlotte EYONG, Regional Officer for Climate Change and Green Growth, PECG.2<br>Papa NDOUR, Chief Regional Security and Safety Officer, RDGC<br>Inès COUNOT, AHHD.3 intern<br><br>Sector Division Manager: Mouhamed GUEYE, AHHD.3<br>Sector Manager: Martha PHIRI, AHHD<br>Acting Director General: Solomane KONE, RDGC |

| | |
|---|---|
| Peer Reviewers | Mohamadou HAYATOU, Private Sector Operations Lead, PISD/RDGC<br>Raymond E. BESONG, Chief Development Economist, AHHD.3/RDGC<br>Malek BOUZGARROU, Principal Governance Officer, ECGF.1<br>Géhane EL-SOKKARY, Principal Socio-Economist, EGFO<br>Alfred Regis OUEDRAOGO, Senior Social Development Officer, AHHD.3/RDGC |

# TABLE OF CONTENTS

## CURRENCY EQUIVALENTS
(April 2025)

| | | |
|---|---|---|
| UA 1 | = | CFA.F 805.889 |
| UA 1 | = | EUR 1.22857 |
| UA 1 | = | USD 1.3287 |

## FISCAL YEAR
1st January – 31st December

## WEIGHTS AND MEASURES

| | | |
|---|---|---|
| 1 tonne | = | 2204 pounds (lbs) |
| 1 kilogramme (kg) | = | 2.200 pounds |
| 1 metre (m) | = | 3.28 feet |
| 1 millimetre (mm) | = | 0.03937 inch (“) |
| 1 kilometre (km) | = | 0.62 mile |
| 1 hectare (ha) | = | 2.471 acres |

## ACRONYMS AND ABBREVIATIONS

| | |
|---|---|
| ADF | African Development Fund |
| AFD | French Development Agency |
| AfDB | African Development Bank Group |
| AMU | Administrative Management Unit (of the Special Programme). |
| APME | Small and Medium-sized Enterprises Promotion Agency |
| ATC | apprenticeship training centre |
| BMN | National Business Upgrading Office |
| BPS | borrower's procurement system |
| CAP2E | “Building Capacities and Skills for Employability and Entrepreneurship in the Far North Region of Cameroon” Programme |
| CB | Competitive bidding |
| CCBAP | Consolidated Capacity Building Action Plan |
| CCCS | Audit Bench of the Supreme Court of Cameroon |
| CEMAC | Central African Economic and Monetary Community |
| CETIC | Industrial, Industrial and Commercial College |
| CFRA | Country Resilience and Fragility Assessment |
| CMPJ | Multipurpose Youth Promotion Centre |
| CNCQ | National Certification and Qualification Framework |
| CNFZV | National Zootechnical and Veterinary Training Centre |
| CPFF | Centre for the Promotion of Women and the Family |
| CPIA | Country Policy and Institutional Assessment |
| CPTPAM | Maroua Private Agricultural Technical and Professional College |
| CRA | Regional Centre of Agriculture |
| CSP | country strategy paper |
| CTM | Maroua Technical Centre |
| DH | district hospital |
| DHC | district health centre |
| DHIS2 | District Health Information Software |

| | |
|---|---|
| DLI | disbursement-linked indicator |
| E&S | environmental and Social |
| ENIEG | General Education Teachers' Training College |
| ENIET | Technical Education Teachers' Training College |
| ENSPM | National Higher Polytechnic Institute of Maroua |
| EPAG | Guinlaye Practical School of Agriculture |
| ESAP | Environmental and Social Assessment Procedures |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| ESSA | Environmental and Social System Assessment |
| GBV | gender-based violence |
| GESP | Growth and Employment Strategy Paper |
| GFAC | Cameroonian Businesswomen's Group |
| GHG | Greenhouse gases |
| GICAM | Cameroon Employers' Association |
| GPEC-T | Contingency Planning of Local Jobs and Skills |
| GTHS | government technical high school |
| HRA | regional hospital annex |
| HTT | higher technological training |
| ICT | information and communication technologies |
| IHC | integrated health centre |
| ILO | International Labour Office |
| INS | National Institute of Statistics |
| ISS | Integrated Safeguards System |
| MINEFOP | Ministry of Employment and Vocational training |
| MINEPAT | Ministry of the Economy, Planning and Regional Development |
| MINPMEESA | Ministry of SMEs, Social Economy and Handicrafts |
| NDC | Nationally Determined Contribution |
| NDS30 | National Development Strategy 2020-2030 |
| ONEFOP | National Observatory for Employment and Vocational Training |
| OTU | Operational Technical Unit (of the Special Programme). |
| PAP | Programme Action Plan |
| PCN | project concept note |
| PCR | project completion report. |
| PEFA | Public Expenditure and Financial Accountability |
| PGRGFP | Global Public Finance Management Reform Plan |
| PMU | PSRDREN Management Unit |
| PO | producers' organization |
| PSRDREN | Special Reconstruction and Development Programme for the Far North Region |
| RBF | results-based financing |
| RDP | Regional Development Plan |
| REG | General Business Census |
| RLAs | regional and local authorities |
| SDGs | sustainable development goals |
| SISQA | Strategy for Quality Health Infrastructuré in Africa 2022-2030 |
| SNDCTP | National Strategy for the Development of Technical and Professional Skills |
| SRADDT | Regional Land-use and Sustainable Development Plan |

| | |
|---|---|
| TFP | technical and financial partners |
| TTVT | technical, technological and vocational training |
| UA | Unit of Account |
| UA million | million units of account |
| UNFPA | United Nations Population Fund |
| VTC | vocational training centre |
| WB | World Bank |
| We-Fi | Women Entrepreneurs Finance Initiative |

## PROGRAMME INFORMATION

**SECTOR(S)** Social

**THEME(S)** Health - Vocational training - Education - Employment - Youth

## LOAN/GRANT INFORMATION

Client Information

**BORROWER/BENEFICIARY:** **Republic of Cameroon**

**EXECUTING AGENCY :** **Ministry of the Economy, Planning and Regional Development - Republic of Cameroon**
(Special Reconstruction and Development Programme for the Far North Region (PSRDREN))

| | |
|---|---|
| Contact | Ms Dorothy BEKOLO TATAW, Director of Regional Integration (DIR), Ministry of the Economy, Planning and Regional Development (MINEPAT)<br>Tel 00 237 696 17 47 46<br>Mailbekolo_dorothy@yahoo.fr |
| Other entity | Mr Alhadji MAGRA MASSAOU<br>Coordinator of the Special Reconstruction and Development Programme for the Far North Region (PSRDREN)<br>Tel 00 237 677 95 202 7<br>Mail alhadjimagra@yahoo.fr |

Financing Plan for the Government Programme (PSRDREN)

| Source | Amount (in EUR million) | Instrument |
|---|---|---|
| Borrower / beneficiary | 1525.8 | National budget |
| African Development Bank - CAP2E - AfDB window (UA 106 million) | 130.2 | Loan |
| African Development Bank - CAP2E - ADF Window (UA 4.69 million) | 5.8 | Loan |
| African Development Bank (203 billion CFA.F): 2 projects apart from CAP2E | 309.5 | Loans |
| French Development Agency (26 billion CFA.F): 1 project | 39.6 | Loan |
| World Bank (386 billion CFA.F): 2 projects | 588.5 | Loans |
| Islamic Development Bank (117 billion CFA francs): 2 projects apart from the additional financing of the CAP2E | 178.4 | Loans |
| **TOTAL COST** | **2 778** | |

Key AfDB Financing Information

| | |
|---|---|
| Loan currency | Euro |
| Loan Type | Fully flexible loan |
| Tenor | Up to 25 years including grace period |
| Grace period | Up to 8 years |
| Weighted average maturity** | 16.25 years |
| Repayments | Equal consecutive half-yearly payments at the end of the grace period |
| Interest rate | Base rate + Funding margin + Lending spread + Maturity premium (This interest rate must be greater than or equal to zero) |
| Base rate | Floating (EURIBOR 6 months revised every 1st February and 1st August) A free option to exchange the floating base rate (EURIBOR) against a fixed base rate is available. |
| Funding margin | The Bank's funding margin revised every 1st January and 1st July and applied every 1st February and 1st August with the base rate |
| Lending Margin | 80 base points (8.8%) |
| Maturity Premium | To be determined as follows: (i) 0% if the average maturity of the loan is less than or equal to 12.75 years; (ii) 0.10% if the average maturity of the loan is more than 12.75 years, but less than or equal to 15 years; and (iii) 0.20% if the average maturity of the loan is more than 15 years |
| Front-end fees | 0.25% of the loan amount, payable at most 60 days after the effective date and prior to any disbursement<br>The borrower can opt to pay the front-end fees from the loan resources.<br>Once the loan comes into effect, the front-end fee is due and payable even if the loan is cancelled. |
| Commitment fee | 0.25% per annum of the undisbursed amount Starts to accrue 60 days after the date of signature of the loan agreement and is payable on the set payment dates. |
| Base rate conversion option* | Besides the free base rate fixing option, there is the possibility for the borrower to revert to the floating rate or reset on all or part of the disbursed loan amount. Transaction fees are payable |
| Rate cap or collar option* | The borrower has the possibility to cap or collar the base rate for all or part of the disbursed loan amount.<br>Transaction fees are payable |
| Loan currency conversion option* | The borrower has the possibility to change the currency of all or part of its disbursed or undisbursed loan to another Bank loan currency. Transaction fees are payable |

* For information on conversion options and related transaction fees, refer to the Bank's Conversion Guidelines available on its website https://www.afdb.org/fr/documents/document/guidelines-for-conversion-of-loan-terms-july-2014-87643/

** A weighted average maturity calculator is available on the website https://www.afdb.org/en/projects-and-operations/financial-products/african-development-bank/loans/

## Key ADF Financing Information

| | |
|---|---|
| Loan currency | UA |
| Tenor | Up to 30 years including grace period |
| Grace period | 7 years |
| Repayments | Half-yearly |
| Service charge | 1% per annum of the undisbursed amount. The Fund will inform the Borrower of the equivalent rate applicable in the currency of disbursement. The Service charge is payable on a payment date in the currency of disbursement. |
| Commitment fee | 0.75% per annum of the undisbursed amount. Starts to accrue 120 days after the date of signature of the loan agreement and is payable on the set payment dates. |

**ADB Loan Disbursements Schedule** (in EUR million)

| **Amount (in EUR million)** | 2025 | **Disbursement based on DLIs (in EUR million)** | | | | |
|---|---|---|---|---|---|---|
| | | 2026* | 2027* | 2028* | 2029* | 2030* |
| Advance:<br>(25% of the loan, minus the front-end fees**) | 33.66 | | | | | |
| Disbursement forecasts | | 9.50 | 37.00 | 37.50 | 30.50 | 21.16 |
| Cumulative amount disbursed*** | | 9.50 | 46.50 | 84.00 | 114.50 | 135.66 |
| Total DLIs disbursements (cumulative) excluding the front-end fees of EUR 0.34 million | | **9.50** | **46.50** | **84.00** | **114.50** | **135.66** |

* Disbursement refers to DLIs realized in year N-1
** The front-end fees amount to EUR 0.34 million, or 0.25% of the loan amount.
*** The advance is not included in the accrual as it is deductible from DLIs' disbursements. The calculation of 24.75% of the DLI disbursed, adjusted according to the amount actually disbursed, will be applied to determine the amount of deduction of the initial advance.

**Timeframe - Main Milestones** (expected)

| | |
|---|---|
| Approval of the concept note | July 2024 |
| Programme approval | May 2025 |
| Effectiveness | December 2025 |
| Closing date | June 2030 |
| Date of final disbursement | December 2030 |

## KEY PROGRAMME INFORMATION

| | | |
|---|---|---|
| **CAP2E Programme Development Objective(s)** | Contribute to the socio-economic and climatic transformation and resilience of the Far North Region by developing infrastructure, youth skills, entrepreneurship and private sector employment, particularly in industry and other growth areas. | |
| **Compliance** | | |
| **Policy**<br>Does the programme contradict the CSP in terms of content or other aspects? | Y [ ] | N [X] |
| Does the programme comply with the eligibility criteria? | Y [ X] | N [ ] |
| Is the Board requested to approve any policy waivers? | Y [ ] | N [X] |
| **Overall risk assessment:** Moderate | | |
| **Legal status** | See the section of this report on Legal Instruments and Compliance. | |

| EXECUTIVE SUMMARY | |
|---|---|
| Programme Title | Building Capacities and Skills for Employability and Entrepreneurship in the Far North Region of Cameroon |
| Programme duration | Five years, spanning the 2025, 2026, 2027, 2028, 2029 and 2030 fiscal years<br>Date of final disbursement: December 2030 |
| Programme cost | EUR 136 million, equivalent to UA 110.69 million (comprising UA 106 million from the ADB window and UA 4.69 million from the ADF window) |
| Borrower | Republic of Cameroon |
| Programme Implementation Agency | Ministry of the Economy, Planning and Regional Development through the Special Reconstruction and Development Programme for the Far North Region (PSRDREN) |
| Financing data | ADB loan of EUR 136 million, equivalent to UA 110.69 million (comprising UA 106 million from the ADB window and UA 4.69 million from the ADF window) |
| **Programme Description** | |
| Programme Development Objective | Contribute to the socio-economic and climatic transformation and resilience of the Far North Region by developing infrastructure, youth skills, entrepreneurship and private sector employment, particularly in industry and other growth niches. |
| Results Areas (components) | **The CAP2E programme comprises the following three main results areas:** (i) Strengthening establishments providing technical and vocational qualifications that enhance the employability of young people in response to private sector needs with an indicative allocation of EUR 79.505 million (58.46%); (ii) supporting the development of the economic fabric, job creation and entrepreneurship, focusing on women and young people with an allocation of EUR 27.4 million (20.15%); and (iii) upgrading basic gender-sensitive and climate-resilient social infrastructure in support of human capital with an allocation of EUR 28.755 million (21.14%). |
| Disbursement-linked Indicators (DLIs) | **The disbursement of loan resources is conditional on the achievement of outcomes measured by the following indicators over 5 years:** DLI 1: Number of new students enrolled in technical, technological and vocational training courses in the Far-North region; DLI 2: 22 Technological, technical and vocational training (TTVT) centres and higher technological training (HTT) institutions are built/rehabilitated and equipped; DLI 3: 500 Small and medium-sized enterprises benefit from credit mechanisms with adapted and gender-sensitive guarantees; DLI 4: 900 Project leaders, producer organizations and very small and small enterprises/entrepreneurs benefit from grant and/or loan mechanisms to support investments in buildings and equipment, business plans and working capital; DLI 5: Professional organizations and the private sector benefit from sustainable construction/rehabilitation and equipment of 10 collective and market infrastructure; DLI 6: Proportion of 70% of infrastructure equipped with renewable energy systems; DLI 7: Sustainable construction/rehabilitation/extension and equipping of 29 basic education and health service buildings and hospitals; LDI 8: Implementation of the Consolidated Capacity Building Action Plan (CCBAP). |

| | |
|---|---|
| Alignment with Bank Priorities | The CAP2E programme operationalizes the Bank's Ten-Year Strategy (2024-2033), which aims to maximize the benefits for the continent of having one of the youngest and most dynamic workforces. The cross-cutting priority of the 10-year strategy is that that the Bank will support governments to improve the quality of life of young people by focusing on developing the skills they need to succeed in today's labour market. CAP2E also constitutes a materialisation of the Bank's 5th High-5 on *improving the quality of life for the people of Africa*. It is aligned with both the Skills for Employability and Productivity in Africa (SEPA) action plan for 2022-2025 and the Bank's Jobs for Youth in Africa Strategy (2016-2025) through Pillar I aimed at strengthening the job creation capacity of regional member countries. It is also aligned with the Bank's Strategy For Addressing Fragility and Building Resilience in Africa (2022-2026), through its: (i) Priority I, which focuses on strengthening institutional capacities by improving governance, increasing the volume and quality of human resources, and increasing financial resources; and (ii) Priority II, which focuses on building resilient societies through investment in social and rural infrastructure and access to public services. CAP2E is aligned with the Bank's Private Sector Development Strategy 2021-2025 through its component pillars: (i) improving the business environment; (ii) facilitating access to economic infrastructure; and (iii) promoting private enterprise. It is also consistent with the 16th replenishment of the African Development Fund (ADF-16), which aims to promote the private sector in fragile countries and zones. CAP2E programme is also aligned with the SQHIA strategy of enhancing the technical capability of hospitals. Furthermore, it supports the Gender Strategy for 2021-2025, "Investing in Africa's Women to Accelerate Inclusive Growth", through its Pillar 3: "Increasing women's access to social services through infrastructure" and Pillar 1: "Empowering women through access to finance and markets" and the Bank's 2025-2030 Strategic Framework for Climate Change and Green Growth. Lastly, the programme is consistent with the Bank's 2023-2028 Country Strategy Paper; in particular Pillar II " strengthen skills development and governance " and Pillar I " develop infrastructure for the promotion of the agro-industrial sector ". Accordingly, CAP2E will contribute to the expected overall impact of the Bank's support on the structural transformation of Cameroon's economy, private sector development, inclusive and green growth, the reduction of fragility, and regional integration, with a particular focus on the Far North Region. |
| Needs Assessment and Rationale | Cameroon enjoyed a long period of economic growth between 2000 and 2021. Its medium-term economic outlook is positive. The country seeks to become an emerging economy by 2035. The NDS30, adopted in 2020 by the Government to implement the second phase of this Vision 2035, includes employment and youth integration among its priority pillars and seeks to, inter alia, structurally transform the economy and develop human capital and well-being. In the Far North region, the national guidelines defined in NDS 30 are set out in the PRD-EN for the 2022-2026 period, piloted by the Far North Regional Council as part of the decentralization process. The PSRDREN, the umbrella programme of CAP2E, is also being implemented in the region to ensure socio-economic recovery that yields lasting peace. It has four components covering reconstruction, infrastructure development, support for socio-economic activities and adaptation to climate change, and governance. CAP2E will help accelerate and support the implementation of all these medium-term plans and programmes in the Far North region, and maximize the investments made. Although Cameroon has made major gains in vocational training, education and health, capacity-building and targeted interventions in these sectors are needed because of the many challenges facing the country. On the socio-economic front, a number of major development challenges require special attention in Cameroon, such as: (i) poor structural transformation of the economy; (ii) insufficient consolidation of the macroeconomic framework and the economic and social fragility of certain regions, including the Far North; (iii) a productive sector that remains predominantly informal, with an unbalanced distribution of the economic fabric; and (iv) high levels of poverty and inequality. In terms of human capital, the underlying challenges are manifold and include: (i) the mismatch between human capital skills development and economic needs, and the weakness of the private sector; (ii) high unemployment, particularly among young people; and (iii) high underemployment among young people (84.8% for the 15-34 age group), who represent 78% of the population under 35. In the Far North region, more than in the country as a whole, there are issues of particular concern pertaining to slow private sector development, education and vocational training (for example, the limited number of schools and teachers relative to the size of the population), and health and social protection infrastructures and services. The choice of the RBF instrument meets the needs of the Government of Cameroon. The RBF is a flexible instrument that can be managed according to the systems specific to the country's special programmes. The instrument will strengthen national multi-sectoral programme management mechanisms and, through this pilot RBF, pave the way for other special integrated programmes for other regions of the country. |

| | |
|---|---|
| Harmonization | The PSRDREN Management Unit articulates the complementary nature of investments by the State and TFPs working in the Far North region (African Development Bank, World Bank, European Union, AFD, Islamic Development Bank, JICA, UNDP, etc.). The Bank's intervention through CAP2E will contribute to the enhancement of sector governance through effective coordination of technical and financial partners (TFPs). The Bank pays particular attention to improving aid coordination mechanisms, in particular through alignment with national priorities, which remains a recognized constant in its operations in Cameroon. This ongoing dialogue with the government and the donor community has helped to advance the reform agenda. The Bank is also active within sectoral groups involving TFPs (transport, governance). In the technical and vocational training sector, the Bank will work with TFPs, including the World Bank and *Agence Française de Développement*, to finance training programme reforms, training for trainers and institutional support for the skills certification mechanism. To continue the collaboration already underway, a sectoral working group is being set up to help the technical and vocational skills development sector mobilize resources and expertise and improve the governance of the training system in Cameroon. Further coordination meetings with the TFPs will be held to continue developing synergies and discuss complementary actions to be introduced into the CAP2E programme to consolidate the general action of TFPs, particularly in sectors targeted by the programme. |
| Bank's Value-added | The Bank is one of the country's top two partners in terms of commitment to programmatic support operations. CAP2E will supplement the Bank's existing operations in Cameroon but will be distinguished from them by its design as an integrated programme (as recommended by the CSP) and by its focus on the country's Far North region. The Bank has accumulated experience in designing and monitoring the implementation of similar operations in the country and in similar contexts on the Continent. It financed the Vocational Training Reform Support Project (PAREFOP) implemented between 2006 and 2012, which, among other things, laid the foundation for the competency-based approach that Cameroon officially adopted in 2018. The Bank has also financed a skills development strategy for the oil sector as part of the Project on the Construction of Oil Rig Repair Facilities in Limbe (2003-2020). The Bank maintains regular dialogue with the authorities and private sector players in this area. This tripartite partnership enables it to support the most effective solutions tailoring skills supply to labour market demand. Finally, the presence of the Bank's Regional Office in Cameroon, which has sufficient local expertise in most of the targeted economic sectors (in particular agriculture, energy, water, etc.), is also an advantage in the design and implementation of this multi-sector operation. CAP2E will be implemented in synergy with other concurrent operations financed by the Bank in Cameroon, including: the Livestock and Fish Farming Value Chains Development Project (PDCVEP); the Agricultural Value Chains Development Project (PDCVA); the Project to Promote Entrepreneurship and Develop Skills for Industrialization (PEAC) and the recently approved Territorial Development and Private Sector Promotion Project (PAT); road projects already underway (Logon Bridge, Bogo-Pouss Road), the Risk Prevention through Lake Chad Stabilization Project (PROSTABLT), the Agro-industry Development Project in North Cameroon (2024) which is being prepared and the Ngaoundéré-Garoua road reconstruction project under the Transport Sector Support Programme (Phase IV). CAP2E is also aligned with the integrated, climate-resilient agricultural development project to be financed by the Green Climate Fund to the tune of USD 85 million. The programme thus consolidates the Bank's commitment to Cameroon and positions it as a trusted strategic partner in the field of human development as a whole and in the social sector. |
| Overall Risk Assessment | Moderate. |
| Contribution to gender equality and women's empowerment | The CAP2E programme is classified under Category II according to the Bank's Gender Marker System (GMS) as its impact addresses the practical needs and strategic interests of women and girls. In the project area, where a strongly patriarchal context prevails, with marked inequalities between women and men, women face a number of challenges, particularly, low incomes and the arduous nature of their activities. The low incomes stem from: poor structuring/organization of the agro-pastoral sectors in which they operate; inadequate access to social infrastructure, land and quality inputs; poor transport, storage and processing facilities; and limited access to finance, markets, information, technical and vocational training and advisory support. The area also has a high prevalence of: early marriage; intimate partner violence and other gender-based violence; and female illiteracy coupled with a low propensity to speak up and participate in decision-making and community governance. CAP2E aims to address these challenges and accelerate women's empowerment through: (i) gender mainstreaming in all activities, so that all construction/rehabilitation, equipment, curricula and training programmes, studies and reforms are gender-sensitive, with systematically gender-specific outcomes and outputs in |

| | |
|---|---|
| | monitoring/evaluation; (ii) support for the development of their technical, negotiation, leadership, communication and transactional skills to boost their employability; (iii) support for the sustainable development of entrepreneurship among women/young people organized into cooperatives and associations in the targeted agro-pastoral sectors; and (iv) upgrade and facilitation of their access to basic social infrastructures. |
| Contributions to green growth and climate change | The CAP2E programme is classified under category 2 according to the Bank's climate safeguards system, meaning that it is moderately vulnerable to climate change. The actions envisaged by the programme are designed to boost the resilience of communities and ecosystems to climate change. The programme is not expected to contribute to an increase in greenhouse gas (GHG) emissions. Its major components provide an opportunity to improve resilience to climate change and disasters, and increase the adaptive capacity and preparedness of beneficiaries. Actions that contribute to climate resilience, climate change adaptation and the reduction of emissions are included in section 4. The programme was appraised using the joint MDB methodologies for direct financing; it is aligned with the Paris Agreement on the basis of this appraisal, and no non-alignment factor was identified. It is also aligned with the NDC and the Bank's Climate Change and Green Growth Action Plan (2021-2025). |
| Borrower's Environmental and Social Implementation Capacity | The CAP2E programme has been classified under Category 2, indicating that its environmental and social impacts are moderate and require appropriate management and monitoring to ensure that they are kept under control. The main concerns identified are pollution and hygiene risks as well as occupational health and safety. The CAP2E programme will be coordinated by an Objective-Based Project Management Unit (UGPO), within PSRDREN under the supervision of MINEPAT. It will include an environmental and social (E&S) expert from CAP2E. The E&S focal point at UGPO central level will coordinate with the E&S focal points in the structures concerned by the programme. The focal points will benefit from a training and capacity-building plan on E&S aspects, which is already underway, as well as support on the Bank's E&S requirements. An environmental and social system assessment (ESSA) was carried out on the national framework (institutional, political) and it proposed measures to strengthen the country's capacity to manage the risks that will be incurred during programme implementation. The Environmental and Social Action Plan (ESAP) includes the recruitment of a Technical Assistance (TA) team of E&S specialists to support UGPO in implementing the CAP2E programme. |
| Contributions to resilience-building | The CAP2E programme is perfectly in line with Cameroon's national priorities. Cameroon faces a number of security, economic and social challenges that limit and undermine on its macroeconomic performance. Its Country Resilience and Fragility Assessment (CRFA) for 2019 - 2022 showed strong pressures linked to limited access to justice, the presence of armed conflict, social cohesion and socio-economic inclusion. Economic management capacity has improved since 2021 thanks to the authorities' ongoing efforts to create a favourable environment for foreign direct investment. In line with Priority I (Strengthening national capacity) of the Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa (2022-2026), CAP2E will help the authorities to build the economic, social and environmental resilience of the Far North region. Focusing on the six (06) Divisions of the Far North Region for the first two result areas, and on three (03) Divisions most affected by the security crisis (Mayo-Sava, Mayo-Tsanaga and Logone-et-Chari) for the third area targeting basic social infrastructure damaged during the conflicts, the activities planned under the CAP2E programme will specifically help to mitigate various pockets of fragility identified in the Far North region, by, inter alia, guiding young people, including the most vulnerable (displaced persons, refugees), towards an educational pathway or training and, ultimately, salaried employment, or by coaching them to become future entrepreneurs. By improving access to local, high-quality health services, and consequently ensuring empowerment for women and household heads, CAP2E will curb the hereditary nature of poverty, and provide children and young people with better education and vocational training, thereby preparing them for the labour market, social integration or even upward mobility, and better quality of life. |

## RESULTS FRAMEWORK OF THE CAP2E PROGRAMME

| RESULTS FRAMEWORK | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| A | | PROJECT INFORMATION | | | | | | | | |
| ▌PROJECT NAME AND SAP CODE: BUILDING CAPACITIES AND SKILLS FOR EMPLOYABILITY AND ENTREPRENEURSHIP IN THE FAR NORTH REGION OF CAMEROON (CAP2E) - Project SAP Code: P-CM-IZ0-003 | | | | | ▌COUNTRY/REGION: REPUBLIC OF CAMEROON / CENTRAL AFRICA REGION | | | | | |
| IMPACT: Improving living conditions for Cameroonians and accelerating private-sector-led socio-economic development in the Far North Region.<br>DEVELOPMENT OBJECTIVE: Contribute to the socio-economic and climatic transformation and resilience of the Far North Region by developing infrastructure, youth skills, entrepreneurship and private sector employment, particularly in industry and other growth niches.<br>RESULT AREAS: (i) Strengthening institutions providing technical and vocational training that enhances the employability of young people in response to private sector needs; (ii) supporting the development of the economic fabric, job creation and entrepreneurship, focusing on women and young people; and (iii) upgrading basic gender-sensitive and climate-resilient social infrastructure in support of human capital.<br>ALIGNMENT INDICATORS: (i) Jobs relative to population (%) (women/youth); (ii) Percentage of population living below poverty line (%). | | | | | | | | | | |
| | RESULTS MATRIX | | | | | | | | | |
| **RESULTS CHAIN AND DESCRIPTION OF INDICATORS** | **DLI (Y/N)** | **UNIT** | **REF** | **2025** | **2026** | **2027** | **2028** | **2029** | **MEANS OF VERIFICATION.** | |
| ▌**OUTCOME STATEMENT 1: Improved employability of young people and women in synergy with the private sector** | | | | | | | | | | |
| **OUTCOME INDICATOR 1.1:** Attractiveness of technical, technological and vocational education in the Far North region: Number of *new students* enrolled in technical, technological and vocational training courses in the region (100% young people[1] and 40% girls). | Y | Number *Cumulative* | 0 | 300 (300, 120) | 1500 (1500, 600) | 3000 (3000, 1200) | 4500 (4500, 1800) | 6000 (6000, 2400) | Registers of training establishments and PSRDREN progress report submitted via MINEPAT | |
| **OUTCOME INDICATOR 1.2:** Recruitment rate of young graduates of technical, technological and vocational training establishments in the Far North region.[2] | N | Employment rate after six months (%) | 41.7 | 45 | 50 | 60 | 70 | 80 | Employment survey and PSRDREN progress report submitted via MINEPAT | |

[1] Bank's definition of the "Youth" indicator: young people aged 15 to 35.

[2] To achieve this objective, CAP2E needs to encourage trainees to register with intermediation structures such as MINEFOP's Information and Vocational Guidance Counselling Centres (CIOP) and the National Employment Fund (NEF), which can easily monitor them.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **OUTCOME STATEMENT 2: Development of employment (including green jobs[3]) and entrepreneurship, and densification of the economic fabric of the Far North region.** | | | | | | | | | |
| **OUTCOME INDICATOR 2.1:** Decent jobs created in companies[4] (including 40% for women, 60% for young people [including 40% for girls]) | N | Number<br>*Cumulative* | 0 | 0 | 500<br>(200, 300 [120]) | 2,000<br>(800, 1200 [480]) | 4,000<br>(1600, 2400 [960]) | 5,000<br>(2000, 3000 [1200]) | Employment monitoring report and project progress reports |
| **OUTCOME INDICATOR 2.2:** Green jobs among jobs created (40% for women) | N | Number<br>*Cumulative* | 0 | 0 | 200<br>(80) | 400<br>(160) | 500<br>(200) | 600<br>(240) | Employment monitoring report and project progress reports |
| **OUTCOME STATEMENT 3: Improvement of access to basic social infrastructure and of climate change resilience to boost human capital** | | | | | | | | | |
| **OUTCOME INDICATOR 3.1:** Pupil/seat ratio in government primary schools of the Far North region | N | Ratio | 2.6 | 2.6 | 2.5 | 2.5 | 2.4 | 2.4 | Report from the Statistics Department of the Ministry of Education and other reports |
| OUTCOME INDICATOR 3.2.: Proportion of infrastructure equipped with renewable energy systems[5] | Y | Percentage | 50% | 50% | 55% | 60% | 65% | 70% | Project activity reports and PSRDREN progress report |
| **RESULT AREA 1: Strengthening institutions providing technical and vocational training to enhance the employability of young people in response to private sector needs.** | | | | | | | | | |
| **OUTPUT STATEMENT 1: Development of technical and vocational training to better meet needs** | | | | | | | | | |
| OUTPUT INDICATOR 1.1: Technological, technical and vocational training (TTVT) centres and higher technological training (HTT) institutions built/rehabilitated and equipped. | Y | Progress rate[6] (%) | 0 | 100% of architectural and technical studies are carried out for 22 centres<br><br>100% of the invitations to tender for construction | 100% of service orders for works commencement are issued for 11 centres<br><br>Average progress rate of 25% at year-end for for 11 centres | 100% of service orders for works commencement issued for 22 centres<br><br>Average progress rate of 40% by | Average progress rate of 75% by year-end for 22 centres, including 12 centres 100% completed | Average progress rate of 100% by year-end for 22 centres<br><br>100% of the equipment supplied | Quarterly works progress reports<br><br>Registers of training institutions, project activity reports and PSRDREN progress report submitted via MINEPAT |

3 Green jobs are defined as decent jobs in agriculture, industry or services that help reduce the negative impact of human activities on the environment or restore its quality. These jobs support the creation of businesses and economies that are economically, environmentally and socially sustainable.

6 These created jobs include those generated by business start-ups and government investment contracts.

5 This impact indicator, which measures the proportion of infrastructure equipped with renewable energy systems among the infrastructure built or rehabilitated in the Far North region under the PSRDREN, reflects the impact of the project infrastructure on climate resilience, not just the number of infrastructure items developed.

6 Average physical progress rate of beneficiary sites. Cumulative indicator.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | /rehabilitation works are launched for 11 centres | | year-end for 22 centres including 6 centres 100% completed | 75% of the equipment supplied | 100% final acceptance for 11 centres | |
| OUTPUT INDICATOR 1.2: Initial and further training courses[7] developed. | N | Number | 0 | 1 Study conducted[8] | 3 new initial certificate training courses and 3 new short certificate training courses developed | 3 new initial certificate training courses and 3 new short certificate training courses developed | 3 new initial certificate training courses and 3 new short certificate training courses developed | | Registers of training institutions, project activity reports and PSRDREN progress report submitted via MINEPAT |
| **RESULT AREA 2: Support for economic development, job creation and entrepreneurship, with a focus on women and young people.** | | | | | | | | | |
| **❚ OUTPUT INDICATOR 2: Support for professional integration, productive self-employment and business creation & development** | | | | | | | | | |
| OUTPUT INDICATOR 2.1: Small and medium-sized businesses benefit from credit mechanisms with adapted, gender-sensitive guarantees (with 30% being young entrepreneurs and 40% being female entrepreneurs); | Y | Number Total from 2026 | 0 | *1 Booster programme procedures manual approved by the Bank[9]* | 200 (60, 80) | 300 (90, 120) | 400 (120, 160) | 500 (150, 200) | Official reports and documents relating to the Booster programme and the PSRDREN progress report submitted via MINEPAT. |
| OUTPUT INDICATOR 2.2: Project leaders, producer organizations and very small and small enterprises/entrepreneurs benefit from grant and/or loan mechanisms to support investments in | Y | Number Total from 2026 | 0 | *2 START Youth and START Women procedures* | 300 (167, 133 [53]) | 500 (278, 222 [89]) | 700 (389, 311 [125]) | 900 (500, 400 [160]) | Reports and official documents relating to the |

[7] Short gender-sensitive certificate courses developed in TTVP centres and HTT institutions in response to local needs (to satisfy the demand of businesses and the specific needs of entrepreneurs within and around the region): 6-9 month courses, 3-month courses, customized further training for corporate clients, validation and reinforcement of skills acquired in the workplace.

[8] Study (Need for consultancy services: consultancy firm): needs and opportunities, trade and skills repositories, identification and engagement of partners (private sector, training organizations, ECAM employers' organization, other training and education organizations...), development/validation of trade repositories, skills repositories, training repositories, new programmes, ...

[9] Designed based on the studies carried out during the 1st year of CAP2E, the Booster programme procedures manual must cover all programme procedures by including the terms of reference for any calls for applications and the partnership agreements established for the Booster programme (APME, selected financial institution, etc.).

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| buildings and equipment, business plans and working capital (comprising: 55.55% women entrepreneurs, 44.5% young entrepreneurs [with 40% being girls]) | | | | *manuals approved by the Bank.*[10] | | | | | START Youth and START Women programmes as well as PSRDREN progress report submitted via MINEPAT. |
| OUTPUT INDICATOR 2.3: Construction/rehabilitation and equipping of collective and commercial infrastructure for the benefit of professional organizations and the private sector.[11] | Y | Progress rate[12] (%) | 0 | 100% of architectural and technical studies are carried out for 10 infrastructures<br><br>100% of the invitations to tender for construction/rehabilitation works are launched for 5 infrastructures | 100% of service orders for works commencement are issued for 5 infrastructures<br><br>Average progress rate of 25% at year-end for 5 infrastructures | 100% of service orders for works commencement issued for 10 infrastructures<br><br>Average progress rate of 40% by year-end for 10 infrastructures, 2 of which have been completed | Average progress rate of 75% by year-end for 10 infrastructures, 5 of which have been completed<br><br>75% of the equipment is supplied | Average progress rate of 100% by year-end for 10 infrastructures<br><br>100% of the equipment is supplied<br><br>100% final acceptance for 5 infrastructures | Project activity reports and PSRDREN progress report submitted via MINEPAT |
| **RESULT AREA 3: Upgrading basic social infrastructure to improve climate resilience and support human capital.** | | | | | | | | | |
| **▌OUTPUT INDICATOR 3: Upgrading basic social infrastructure resilient to climate change in support of human capital** | | | | | | | | | |
| OUTPUT INDICATOR 3.1: Sustainable construction/rehabilitation/extension and | Y | Progress rate (%) | 0 | 100% of architectural and technical studies are | 100% of service orders for works commencement are issued for 15 service buildings | 100% of service orders for works commencement issued for | Average progress rate of 75% by year-end | Average progress rate of 100% by year-end for | Registers of institutions, reports of supervisory ministries, project activity reports |

[10] Designed based on the studies carried out during the 1st year of CAP2E, the Start Youth and Start Women programme procedures manual must each cover all procedures of their respective programmes by including the terms of reference for calls for applications and the partnership agreements established for the programme concerned (Ministries, APME, selected financial institution as appropriate, etc.).

[11] Markets, career information and guidance centre, SME support centre and business centres or common business services.

[12] Average physical progress rate of all beneficiary sites. Cumulative indocator.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| equipping of basic education and health service buildings[13] and hospitals.[14] | | | | carried out for 29 service buildings<br><br>100% of the invitations to tender for construction /rehabilitation works are launched for 15 service buildings | Average progress rate of 25% at year-end for 15 service buildings | for 29 service buildings<br><br>Average progress rate of 40% by year-end for 29 service buildings, 8 of which have been completed | for 29 service buildings, 16 of which have been completed<br><br>75% of the equipment is supplied | 29 service buildings<br><br>100% of the equipment is supplied<br><br>100% final acceptance for 15 service buildings | and PSRDREN progress report submitted via MINEPAT |
| OUTPUT INDICATOR 3.2: Training centre for healthcare personnel in the Far North region created at the Maroua Regional Hospital Centre (CHR) | N | Progress rate (%) | 0 | 100% completion of the architectural and technical study<br><br>100% completion of feasibility study | 100% of invitations to tender for rehabilitation works are launched<br><br>100% of service orders for works commencement are issued<br><br>50% of works completed by year-end | 100% of works completed by year-end | 100% of the equipment is supplied | 100% final acceptance | Ministry of Health report, project activity reports and PSRDREN progress report submitted via MINEPAT |
| OUTPUT INDICATOR 3.3: Implementation of the Consolidated Capacity Building Action Plan (CCBAP) | Y | Yes / No | No | Annual implementation report of the CCBAP validated by the Bank | Annual implementation report of the CCBAP validated by the Bank | Annual implementation report of the CCBAP validated by the Bank | Annual implementation report of the CCBAP validated by the Bank | Annual implementation report of the CCBAP validated by the Bank | Annual implementation reports of the CCBAP validated by the Bank |

[13] Primary and nursery schools in the French-speaking (GS) and English-speaking (GBPS) systems, integrated health centres/IHC, district health centres/DHC).

[14] Rehabilitation/extensions of district hospitals (DH) and regional hospitals (RH); with upgrading of technical platforms.

## PROPOSAL

1. **Management hereby submits these proposals and recommendations for the award of an AfDB loan of EUR 136 million (UA 110.69 million, comprising UA 106 million from the ADB window and UA 4.69 million from the ADF window) to Cameroon to finance the "Building Capacities and Skills for Employability and Entrepreneurship in the Far North Region of Cameroon" (CAP2E) programme.** This programme is the Bank's first results-based financing (RBF) operation in Cameroon.

2. **Cameroon has achieved a great deal in the fields of socio-economic development, human capital training and utilization, and promotion of self-employment, entrepreneurship and professional integration. However, major constraints persist,** namely: weak structural transformation of the economy; high unemployment particularly among young people under 35 years of age[15] who constitute 78% of the population; high youth underemployment at 84.8%; a predominantly informal productive sector, and an uneven distribution of the economic fabric, among others. The poverty rate in the Far North region, which is targeted by the CAP2E programme and home to 18% of the total population, stands at 74%.

3. **Under NDS30 (2020-2030), the government has made youth employment and integration a priority, focusing on the structural transformation of the economy and human capital development.** This includes the National Strategy for the Development of Technical and Vocational Skills (2024-2030) to strengthen technical education and meet market needs. In the Far North region, the PSRDREN seeks to achieve reconstruction and socio-economic development, while the Regional Development Plan (2022-2026) supports efforts to decentralise and promote the private sector.

4. **CAP2E will contribute to the socio-economic and climatic transformation and resilience of the Far North Region through focused concomitant interventions within the region.** CAP2E will cover all the six (06) administrative divisions of the Region.

# I. STRATEGIC CONTEXT

## 1.1. Country Context

**1.1.1. Regarding the political situation, presidential and regional elections are scheduled for 2025, and legislative and municipal elections (originally scheduled for 2025) will be held in 2026.** The bill to extend the term of office of members of the National Assembly (i.e. parliament) until 30 March 2026 was passed on 9 July 2024.

**1.1.2. The security situation in Cameroon is relatively stable, but there are pockets of fragility in certain regions, exacerbated by the effects of climate change.** Attempts at reintegration as well as reconstruction programmes in conflict zones are being implemented.[16]

**1.1.3. Recent Economic Trends: Economic growth is estimated at 3.6% in 2024, compared with 3.2% in 2023.** This recovery is mainly driven by manufacturing (4.3%), construction (5.0%), household consumption (4.6%) and exports (2.5%). Inflation is expected to fall from 7.4% in 2023 to 4.5% in 2024. Fiscal consolidation efforts should reduce the budget deficit from 0.6% in 2023 to 0.0% in 2024. Public debt should fall from 43.2% of GDP in 2023 to 40.3% in 2024; however, there are still difficulties in accessing capital markets due to the accumulation of arrears, as well as a high debt distress risk. The current account deficit should improve from 4.1% of GDP in 2023 to 3.2% in 2024, thanks to renewed export growth (2.5% in 2024 compared to -0.1% in 2023). Cameroon's score under the Country Policy and Institutional Assessment (CPIA), which also covers economic management, was 4.0 in 2023.

**1.1.4. The economic outlook is bright, on the whole.** It shows: (i) a growth rate from 4.1% in 2025 to 4.3% in 2026, driven by public investment spending (+16.1% in 2025) and the positive effects of implementing the integrated import-substitution plan; (ii) a fall in the inflation rate to 4.0% in 2025 and 3.4%

[15] National Institute of Statistics (INS) in 2019 and the Analysis Report of the 2022 Statistical Yearbook of the Education and Training Sector in Cameroon.

[16] In the Far-North Region, Order No. 044/CAB/PM of 24 May 2022 to lay down the Establishment, Organization and Functioning of the Special Programme for the Reconstruction and Development of the Far-North Region (PSRDREN).

in 2026; (iii) a deterioration in the budget deficit to 0.3% of GDP in 2025 but an improvement to 0.1% in 2026; and (iv) a fall in the current account deficit to 2.7% of GDP in 2025 but an increase to 2.8% in 2026.

**1.1.5. Cameroon's major development challenge remains the poor structural transformation of its economy**. Underlying challenges exist, such as the mismatch between human capital skills development and economic needs, and the weakness of the private sector. Another underlying challenge is the insufficient consolidation of the macroeconomic framework and the economic and social fragility of certain regions, including the Far North region. Several reforms are being implemented to preserve the stability of its macroeconomic framework. These reforms aim to strengthen public finance management, promote structural transformation, reinforce measures to adapt to climate change and improve the resilience and sustainability of the economy. To attract more foreign direct investment, Cameroon has undertaken reforms to improve the business climate (reducing administrative procedures for starting a business, obtaining building permits, connecting to electricity, etc.).

**1.1.6. Regarding human capital, Cameroon is experiencing high unemployment.** The national unemployment rate is 6.1%. Unemployment levels are higher for women (7.5%) and for young graduates (17.6%).[17] Youth unemployment increases in tandem with the level of education.

**1.1.7. The high youth underemployment rate (84.8% for those aged 15-34) is a major risk for Cameroon since the youth account for 78% of the population**.[18] Most young people end up in precarious, low-productivity jobs, a situation which could trigger a major social risk on account of the resulting poverty.

**1.1.8. The country is not benefiting from the demographic dividend generated by the high proportion of people of working and productive age.** Job creation within the labour market is not keeping pace with population growth. Meanwhile, the workforce is not skilled enough to meet market needs and address the challenges of structural economic transformation. At the national level, the International Labour Organization projects that the annual skilled worker needs of the secondary sector will be 156,000 to 209,000 new trainees in industrial and related trades, while the total number of young people who can be trained annually is around 160,000, who mainly choose tertiary sector trades. Less than 10% of graduates from vocational training centres enter the secondary sector, which accounts for 24% of GDP.

**1.1.9. The productive sector remains predominantly informal with an unbalanced distribution of the economic fabric**. Some 92% of young people turn to the informal economy. Another 43.4% of young people are self-employed (not because they have any entrepreneurial spirit, but mainly because there are no other options). They predominantly engaged in low-productivity, low-remuneration service activities.

**1.1.10. Cameroon has high levels of poverty and inequality.** According to the National Institute of Statistics, the poverty rate will be 37.7% in 2022. Poverty is disproportionately concentrated in rural areas (57%) and in the northern regions of the country (68 to 74%). Close to 43.6% of the population lives in multidimensional poverty. In 2018, 26% of the population lived in extreme poverty (less than 1.90 USD per day).[19] Between 2015 and 2021, the proportion of Cameroonians living in moderate or high poverty rose by 16 points to 77%.[20] The poorest 40% of the population share only 13% of the national income, while the richest 10% of the population have 35% of the national income.[21] The vulnerable account for over 2/3 of the population.

**1.1.11. The Far North Region, which is the target of the CAP2E program, is the second most populous region in Cameroon, and one of the poorest.** The region has a population of around 4 million, representing 18% of Cameroon's total population. It covers 7% of the national territory and has a predominantly youthful population (50% aged under-15 and the average age is 20.2 years which is below the national average) and a relatively high poverty rate (74%). Young people and women are among the most socially and economically marginalized groups. The region is predominantly rural, with an urbanization rate of 24.1%, the lowest in the country.[22] A historic lack of development in the region, combined with the significant increase in internal

---

17 Report of the Third Survey on Employment and the Informal Sector in Cameroon (EESI3) - August 2022.
18 National Institute of Statistics (INS) in 2019 and the Analysis Report of the 2022 Statistical Yearbook of the Education and Training Sector in Cameroon.
19 UNDP Multidimensional Poverty Index Report 2022.
20 Afrobarometer Survey 2021.
21 Human Development Report, United Nations Development Programme (UNDP), 2022.
22 Land-Use Management and Sustainable Development Plan for the Far-North Region (SRADDT- EN).

displacement and the continuing influx of refugees, has exacerbated poverty levels and increased pressure on existing public services and infrastructure.

**1.1.12. According to the latest 2024 Ibrahim Index of African Governance (IIAG) report, Cameroon ranks 38th out of 54 African countries in the area of governance. The country continues to face major challenges in combatting corruption.** Under Transparency International's 2024 Corruption Perception Index (CPI), Cameroon ranks 140th out of 180 countries assessed, with a score of 26/100 (i.e. one point lower than the previous year).

**1.1.13. Cameroon's public finance management system has undergone extensive modernization over the past decade.** Several plans to improve public finance management have been drawn up. The Public Finance Management Reform Strategic Plan (PSRGFP) for 2024-2027 seeks to modernize the country's public finance management system in order to support economic transformation and achieve the development objectives set by the government. It also seeks to improve PEFA (Public Expenditure and Financial Accountability) performance indicators and ensure implementation of the provisions of laws and regulations transposing the directives of the harmonized framework of the Economic and Monetary Community of Central Africa (CEMAC).

**1.1.14. The Bank's intervention through this results-based financing operation will address skills development priorities based on government guidance within an integrated and inclusive approach to social policy development, private sector development and economic transformation.**

## 1.2. Sectoral and Institutional Context

**1.2.1. Technical & vocational training (TVT) and the development of human capital in general are two areas in which Cameroon has not invested sufficiently.**[23] Accordingly, there has been limited improvement in youth employability and access to healthcare for the general population.

**1.2.2. Educational and vocational training issues are more acute in the Far North Region than in the rest of the country**. The Far North region, home to 18% of the population, suffers from the unequal distribution of resources: it has only 6% of schools and 4% of teachers in the technical secondary education sub-sector; and 5.5% of schools and 6% of teachers in the vocational training sub-sector.[24] The region's post-primary school enrolment ratio is one of the lowest in Cameroon, at 30% compared to a national average of over 50%. In certain administrative divisions of the region, this ratio is as low as 13%. The barriers are much higher for girls, who account for 8% to 28% of secondary school enrolments, depending on the division. The employment ratio for children aged 5 to 14 is 34.7% in the region (ECAM 2016). Since2016, the security crisis has caused the region to lose some of its already limited education capacity (destruction of buildings, no construction or rehabilitation, etc.).

**1.2.3. Recently, private sector investment has increased in the secondary education sector of the Far North region (local processing, construction); as opposed to the primary (agricultural production) and tertiary (traders, merchants, transporters) sectors which had been dominant in the past.** The economic fabric as a whole has suffered from difficulties specific to the region which has been plagued by a security crisis since 2016. The region's historical isolation makes it unattractive to operators on account of high transport costs and hazards.

**1.2.4. Meanwhile, much progress has been made in health and social protection, although the national situation remains unsatisfactory.** The overall diagnosis of the health sector in 2020, under the 2020-2030 National Development Strategy (NDS30) revealed that the major problem was limited capacity to meet the social and health needs of the population and to contribute to the development of healthy and productive human capital. Cameroon has adopted a 2016-202 Health Sector Strategy in line with NDS30 and the Sustainable Development Goals. Among other things, this sector strategy aims to accelerate the introduction of universal health coverage (UHC) and invest in healthcare infrastructure. Only 3% of women

[23] Technical and vocational training accounts for only around 3% of the public resources allocated to education and training, which themselves accounted for 13.5% of the state budget in 2022, down from 15.1% in 2020. By 2022, health will account for around 4% of the national budget and has never exceeded 7% over the last 20 years, far from the 15% recommended by the Abuja Declaration of 2001.

[24] 2020-2021 Statistical Yearbook of the Education and Training Sector in Cameroon.

and 5% of men aged 15-49 indicated that they had formal health insurance.[25] The vast majority of healthcare costs are borne by households themselves (70%). Low incomes limit people's use of healthcare.

**1.2.5. The health-infrastructure-to-population ratio in the Far North region is very low.** The public health establishments in the region account for barely 12% of all public health entities in the country. Private health establishments account for less than 3% of all private health establishments in Cameroon. Health services and healthcare are not accessible to many citizens in the region.

**1.2.6. These major challenges in the education, vocational training and health sectors, risk jeopardizing the development and transformation of the economy and could hamper the industrialization process in the Far North region.**

## 1.3. Linkages with the CSP

**1.3.1. CAP2E aligns in particular with the second pillar of Cameroon's 2023-2028 Country Strategy Paper (CSP)** which seeks to strengthen human capital, and governance for the improvement of the institutional and business framework. **It is also aligned with the selectivity sectors specified by the CSP**, namely: skills development for industrialization, agro-industry and increased processing of agricultural products. **The integrative nature of the programme is finally consistent with the general recommendation of Cameroon's CSP**.

**1.3.2. CAP2E operationalizes the Bank's Ten-Year Strategy (2024-2033), which aims to maximize the benefits for the continent of having one of the youngest and most dynamic workforces.**

## 1.4. Rationale for the Bank's Involvement and Choice of Instrument

**1.4.1. As of 10 March 2025, the Bank Group's active portfolio in Cameroon comprised 28 projects for 40 instruments totalling UA 2,035.74 million (USD 2,646.5 million).** National public operations account for 75.1% of the portfolio, compared with 17.5% for regional operations. The portfolio includes a single private sector operation, accounting for 8.4%. Projects are financed by loan instruments (96.23%), a guarantee (2.83%) and grants (0.94%). The portfolio is dominated by transport (63.34%), energy (19.12%) and agriculture (9.31%). The ADB window finances 88.1% of projects. The previous four ADF cycles helped finance projects, some of which are still active. The ADF's share of the active portfolio is 6.1%. Direct co-financing (ACFA-JICA, EU-AIP, AGTF, SRF) amounts to 5.84%.

**1.4.2. The CAP2E programme will complement the Bank's existing operations in Cameroon.** However, it differs in its design as an integrated programme (in line with the recommendation of the CSP) and in its focus on the Far North region of the country. The Bank has accumulated experience in designing and monitoring the implementation of similar operations in the country and in similar contexts on the Continent. It financed the Vocational Training Reform Support Project (PAREFOP) implemented between 2006 and 2012, which, among other things, laid the foundation for the competency-based approach that Cameroon officially adopted in 2018. The Bank maintains regular dialogue with the authorities and private sector players in this area.

**1.4.3. The CAP2E programme will be implemented in synergy with other concurrent operations financed by the Bank in Cameroon**. These are the PDCVEP, PDCVA, PEAC, PAT, PROSTBALT, PAST IV, Yagoua-Bongor integration project, Bogo-Pouss road project, which support the region in ways that complement CAP2E. These projects will contribute to each other's success and leave an impact on the region's development.

**1.4.4. Results-based financing (RBF) complements existing instruments to address development challenges and improve public programmes.** This flexible mechanism adapts to the country's needs, and requires results-based public management, better governance and a change in incentives. RBF is particularly suitable to: (i) improve the efficiency of public spending with verifiable performance indicators; (ii) consolidate the reforms supported by the Government and the Bank, strengthening their impact on human capital development; (iii) support a regional development plan aligned with national guidelines with a strong

[25] Demographic and Health Survey V - 2018.

political commitment; (iv) federate the Bank's sector operations to maximize impact; (v) enable broad consultations to set Disbursement Linked Indicators (DLIs) and federate other donors; (vi) have a management team oriented towards the highest standards; (vii) incentivize the country to produce quality results on time; and (viii) strengthen national multi-sectoral management mechanisms and pave the way for other integrated special programmes. The choice of the RBF instrument is also justified by its innovative nature, particularly for the Central African region, where it represents a novel approach. By taking proactive steps to reduce risks and ensure effective implementation, this RBF provides a unique opportunity to learn and draw practical lessons, which are essential for the success of future similar initiatives in other countries of the region.

**1.4.5. The Bank has compiled a large body of work that has informed the CAP2E programme.** The design of the CAP2E programme was informed by the conclusions and recommendations of studies, reports and sectoral strategies prepared by Cameroonian authorities (the most recent being the 2021 Regional Plan for Land-Use Development and Sustainable Development in the Far North Region (SRADDT-2020) and by TFPs. The Government's strategic guidelines defined in the NDS30, prepared in 2020 and discussed in depth with the TFPs, also served as a reference for the design of the project. Analytical studies recommend, among other things, pursuing a proactive policy of structural transformation to diversify the productive base of the economy and generate decent jobs in the secondary sector. CAP2E programme is finally using the lessons learned from the Bank's previous RBF programmes[26].

**1.4.6. The Bank pays particular attention to improving aid coordination mechanisms, thus aligning itself with national priorities; this is a recognized constant in its interventions in Cameroon.** This ongoing dialogue with the government and the donor community has helped to advance the reform agenda. The Bank is one of the country's top two partners in terms of commitment to programmatic support operations. The Bank is also active within sectoral groups involving TFPs (transport, governance). Regular meetings are held with the Islamic Development Bank (IsDB), which is engaged in discussions with PSRDREN for additional funding to CAP2E that could amount to UA 43 million. Coordination meetings have also been held with the French Development Agency (AFD), to discuss complementarity with an operation currently in preparation. This operation will include the Far North and will focus on capacity building and the supply of production equipment in promising sectors, for an estimated amount of EUR 5 million. Lastly, discussions with the World Bank team enabled us to benefit from its experience acquired under the Programme for Results (PforR) in Cameroon initiative.

# II. CAP2E PROGRAMME DESCRIPTION

## 2.1. Programme Scope

**2.1.1. The government has made youth employment and integration one of the priority pillars of the National Development Strategy 2020-2030 (NDS30).** NDS30 seeks, inter alia, to achieve the structural transformation of the economy and the development of human capital and well-being. In this context, the government has also drawn up a programme for territorial development and promotion of the private sector in the Far North region, which since September 2019 has had the special status of a disaster-stricken economic zone.[27] The government is also committed to the strategy developed at regional level for the stabilization, recovery and resilience of areas affected by Boko Haram in Lake Chad (SR-SRR).

**2.1.2. The Special Programme for the Reconstruction and Development of the Far North Region (PSRDREN) aims to ensure socio-economic recovery that guarantees lasting peace in the region.** It was set up on the initiative of the President of the Republic with the following four components: (i) the

[26] The program capitalizes on lessons learned from other RBF programmes approved at the Bank and lessons learned from previous social interventions. The main lessons learned to date have included the need to: (i) Support the operation with a capacity building plan to fill the gaps identified in the short to medium term to ensure the achievement of expected results; (ii) Ensure an upgrade through a capacity building plan; (iii) Adjust the amount of the advance to the process of setting up the supported investments in order to ensure a duly justified advance; and (iv) Reduce the number of disbursement-related indicators and limit them to the most relevant and achievable in relation to the expected results. This was reflected in the PAP and Reinforcement Plan and the limited number of 8 relevant DLIs.

[27] Decree No. 2019/3179/PM of 2 September 2019 to grant the status of economic disaster zone to the Far North, North-West and South-West Regions.

reconstruction component; (ii) the infrastructure development component; (iii) the support for socio-economic activities and adaptation to climate change component; and (iv) the governance component. Furthermore, as part of the decentralization process, a Regional Development Plan (PRD-EN) for 2022-2026 is being piloted by the Far North Regional Council, in line with the national guidelines defined in NDS30.

**2.1.3. The financing of these plans and programmes, particularly in the Far North region, will be supported by the CAP2E program, which is both significant and geographically focused, such that their relevant impacts become perceptible.** The integrated nature of CAP2E and its management by PSRDREN, which coordinates all the region's initiatives, is a major advantage in reducing the risk of redundancy and inefficiency, and maximizing the investments made.

## 2.2. CAP2E Programme Financed by the Bank

### *2.2.1. CAP2E Programme Description*

**2.2.1.1. The objective of the programme is to contribute to the socio-economic and climatic transformation and resilience of the Far North Region by developing infrastructure, youth skills, entrepreneurship and private sector employment, particularly in industry and other growth niches.** Accordingly, the programme targets three (3) major results areas based on concomitant interventions concentrated on the Far North Region: (i) Strengthening institutions providing technical and vocational training to enhance the employability of young people in response to private sector needs; (ii) supporting the development of the economic fabric, job creation and entrepreneurship, focusing on women and young people; and (iii) upgrading basic gender-sensitive and climate-resilient social infrastructure in support of human capital. The CAP2E programme will support the 6 divisions of the Far North Region for the first two result areas. It will focus on the three administrative divisions most affected by the security crisis (Mayo-Sava, Mayo-Tsanaga and Logone-et-Chari) for area 3.

**2.2.1.2. Programme duration and cost: The CAP2E programme is spread over six fiscal years (2025-2030)**. The amount of Bank financing requested by Cameroon is EUR 136 million; i.e. a contribution of 4. 9% from the CAP2E programme to the financing of the PSRDREN Government's program, which amounts to an indicative total of EUR 2778 million.

**2.2.1.3. The Government has requested the Bank's support to finance part of its PSRDREN programme as presented in paragraph 2.1.2.** The priorities selected were the subject of technical discussions with MINEPAT and the various partners supporting the government program.

### *2.2.2. CAP2E programme Activities*

**2.2.2.1. Result Area 1: Strengthening institutions providing technical and vocational training to enhance the employability of young people in response to the needs of the private sector.**

It targets the following results: (i) build/upgrade the infrastructure and equipment of 21 technical education and vocational training (TEVT) institutions and the Higher Technical Teachers Training College of Maroua, including making them gender- and climate-sensitive; (ii) support the digital transformation of the TEVT sector ; (iii) deploy 9 initial diploma training courses and 9 short skills training courses that meet the specific needs of the region's entrepreneurs and the regional development outlook,[28] taking care to ensure that they are gender-sensitive and resilient to climate change; (iv) develop 40 partnership agreements between TEVT establishments and businesses;[29] and (v) set up a vocational training subsidy mechanism (3100 subsidies) for

[28] The courses selected benefit from new curricula developed using the skills-based approach and in conjunction with the private sector, over the past 3 years, by other partners also involved in technical and vocational training in Cameroon (mainly the World Bank and AFD). Teachers and trainers have also been retrained to teach the new curricula. The challenge remains for the country to have schools endowed with classroom buildings, workshops and equipment that meet the technical specifications of these training specialties, so as to be able to offer modernized and ambitious vocational and technical training in terms of the skills to be acquired and employability upon completion of the training courses.

[29] In addition to the 22 agreements for facilities that will be built/rehabilitated and equipped under CAP2E funding, a further 18 agreements will be drawn up for facilities that will be built/rehabilitated and equipped using complementary funding sources. The agreements will also cover aspects such as the offer of internships, sandwich courses, the provision of premises and machinery for the training of teachers, the provision of work material, meetings between young people and employers, etc.

the benefit of girls and vulnerable groups (specific context of internally displaced persons and refugees in the region). The technical resources of vocational training will thus be aligned with the needs of the region's priority sectors, such as agro-industry, renewable energy, logistics and industrial maintenance. Each establishment will establish an agreement with the surrounding private sector. This co-development with private companies ensures that training programmes are relevant and demand-driven, that internships are integrated into them, and that they serve the employability of young people. The modernized curricula promote entrepreneurial skills and meet the needs of the industrial sector. Training graduates will be directed to CAP2E's START instruments offering non-financial services and subsidies for business creation and to the APME's shared technical services centers to access certain equipment more easily.

#### 2.2.2.2. Result Area 2: Support for the development of the economic fabric, job creation and sustainable entrepreneurship, focusing on women and young people.

It covers the following activities: (i) design and deploy the BOOSTER Programme to support 500 entrepreneurs who are already established and interested in accelerating the development of their activities through access to financing mechanisms (line of credit,[30] access to non-financial services); (ii) design and roll out the START Jeunes[31] and START Femmes[32] programmes for financial and non-financial support to entrepreneurs in the start-up phase or in the formalisation phase following an informal start-up, selected on the basis of calls for applications,[33] for the benefit of 500 women entrepreneurs and 400 youth entrepreneurs; and (iii) build/rehabilitate and equip 6 markets, 1 regional vocational information and guidance centre (CIOP), 1 SME support centre (CAPME) and 2 Common Business Services - CBC).

This results area will be supported by various studies carried out by the SME Promotion Agency (APME) and the Programme Management Unit during the first year of the CAP2E programme, pertaining to: update of the reference situation for Youth, Women, VSEs, SEs and SMEs in the Far North region; mapping of VSE/SEs needs for technical, material and financial support; analysis of the technical specificities of entrepreneurs' equipment needs; sourcing of relevant supply channels, suitable suppliers (for the sectors: plant processing, animal processing, renewable energy production, industrial and agricultural mechanics, metal fabrication, textiles and leather industry, packaging-glass-plastics-recycling industry, transport, new technologies); creation of a longitudinal database to monitor the young people, women and VSEs/SEs supported. The CAP2E programme will establish a Selection Mechanism integrating the private and banking sectors to evaluate projects aimed at creating, strengthening and formalizing or accelerating businesses. During Year 1, the CAP2E programme will also develop a mechanism and measures to encourage (i) the competitive recruitment of local small and medium-sized enterprises, particularly those created by young people and women supported by CAP2E, for public contracts generated by the project; and (ii) the offer of internships on CAP2E operations for young trainees in the relevant sectors. The partner financial institution for the START and BOOSTER programmes will be selected by the CAP2E program, during the first year, through a competitive process requires Bank approval in all its key stages. Additional details are provided in Technical Annex 21.

#### 2.2.2.3. Result Area 3: Upgrading basic social infrastructure resilient to climate change in support of human capital

The activities under this result area are: (i) construct/rehabilitate and equip service buildings for 4 district medical centres (DMCs)[34], in areas where they have been damaged by the security crisis, in order to restore

[30] The line of credit will make it possible to grant, through a microfinance institution, financing of CFAF 5,000,000 and CFAF 35,000,000 per project for 500 small and very small businesses selected according to standard management criteria.

[31] In partnership with the Ministry of Youth and Civic Education.

[32] In partnership with the SME Promotion Agency (APME) as part of the *Septentrionest* programme pproach.

[33] For these two programmes (START Jeunes and START Femmes), support will consist of medium-term non-financial services (support in maturing project ideas and preparing business plans, support in the stages of the business creation process, formalization, financial education, managerial and technical training, etc.) and endowments of equipment, inputs and payment of operating expenses (rent, etc.). Non-financial services will be delivered by approved service providers who have been selected and supported by the program, which aims to strengthen and harmonize the missions of Business Services providers.

[34] The state and TFPs, through additional funding to the PSRDREN, will also ensure the reconstruction of 18 integrated health centres (IHC)/district medical centres (DHC) and one anglophone primary school.

minimum access to healthcare for the population; (ii) build/rehabilitate and equip 10 primary and kindergarten school service buildings, in areas where they are absent or have been damaged by the security crisis, to support parents in their schooling efforts, by establishing schools operating under the French and English school systems (3 schools in the English system, 6 in the French system and 1 bilingual school); (iii) upgrade the infrastructure and technical facilities of 4 regional hospitals and 11 district hospitals[35]; and (iv) set up a training centre within the new Maroua/Sekande regional hospital centre to enhance the skills of health personnel in the Far North region.

All infrastructure built or rehabilitated under the CAP2E programme will be equipped with a solar power supply system to supplement the grid connection or ensure self-sufficiency. The appraisal mission enabled us to verify the technical feasibility of this type of facility at the National Higher Polytechnic Institute of Maroua and at a company that has one, the existence of young engineers trained in these facilities, and maintenance of these facilities. Furthermore, trees adapted to each part of the region will also be systematically planted, an activity that will require the mobilization of organizations and small enterprises operated by young people and women from the surrounding communities. This activity will have a major impact on climate change (in addition to the protection of exterior walls, shaded patios, anti-flooding measures, etc.) and will enable local communities to share in the benefits of the program's infrastructure contracts, in addition to providing them with sustainable income for their upkeep. Over 3,000 trees will be planted under CAP2E's 60 infrastructure projects.

A geolocalized database of CAP2E programme operations and all those coordinated by PSRDREN will be set up to enable real-time, visually-documented monitoring of the progress of CAP2E and other TFP initiatives in the region. This database will also support the coordination and regional programming of future initiatives, taking into account existing or planned interventions.

**Table 1: Scope of Result Areas**

| Expected Outcomes | Geographical scope |
|---|---|
| **Results Area 1: Strengthening institutions providing technical and vocational training to enhance the employability of young people in response to private sector needs.** | |
| 21 technical and vocational training (TVT) schools/centres and 1 Higher National Polytechnic School of Maroua (ENSPM) are built/rehabilitated/extended and equipped | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga |
| 22 digital services are installed and equipped in training centres (support for digital transformation). | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga |
| 9 initial training diploma courses and 9 short certificate courses that meet the specific needs of the region's entrepreneurs and are aligned with the regional development outlook are deployed in training establishments, with a focus on gender sensitivity and climate change resilience. | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga |
| 40 Partnership agreements between training establishments and companies in the proposed training specialties | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga |
| 3100 vocational training grants for girls and specifically vulnerable people (internally displaced persons in the region, etc.). | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga |
| **Results Area 2: Support for economic development, job creation and entrepreneurship, with a focus on women and young people.** | |
| 500 small businesses are supported by lines of credit at preferential rates and non-financial services to accelerate their development. | Diamaré, Logone-et-Chari, Mayo-Danay, |

[35] The state and TFPs, through additional funding to the PSRDREN, will also ensure the upgrading of 3 district hospitals and the provision of a mobile hospital.

| | |
|---|---|
| | Mayo-Kani, Mayo-Sava and Mayo-Tsanaga |
| 400 young entrepreneurs setting up or formalizing a business after an informal start-up are supported by subsidies and non-financial services to help them create their VSEs/SEs. | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga |
| 500 women entrepreneurs setting up or formalizing their businesses after an informal start-up are supported by subsidies and non-financial services to help them create their VSE/SEs. | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga |
| 6 sustainable markets are built/rehabilitated and equipped | Logone-et-Chari, Mayo-Danay, Mayo-Sava and Mayo-Tsanaga |
| 1 SME support centre (CAPME) is built/rehabilitated and equipped | Logone-et-Chari |
| 2 common business centres (CBC) are built/rehabilitated and equipped | Mayo-Sava and Mayo-Tsanaga |
| 1 vocational information and guidance centre (CIOP) is refurbished and equipped. | Diamaré |
| 6 studies/maps/databases are produced to support young, female and other innovative entrepreneurs in the region with productive investment needs. | Region |
| **Results Area 3: Upgrading basic social infrastructure resilient to climate change in support of human capital** | |
| The service buildings of 4 district health centres (DHCs) are rebuilt/rehabilitated in areas where they are absent or have been damaged by the security crisis. | Mayo-Sava, Mayo-Tsanaga, Mayo-Danay |
| Service buildings at 10 primary and nursery schools (3 anglophone, 6 francophone, 1 bilingual) are rebuilt/rehabilitated in areas where they do not exist or have been damaged by the security crisis, with a focus on infrastructure resilience to climate change. | Mayo-Sava, Mayo-Tsanaga, Mayo-Danay |
| Buildings and technical facilities at 4 regional hospitals and 11 district hospitals are upgraded | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga |
| 1 training centre is established at the new regional hospital in Maroua to build the capacity of the region's nursing staff. | Maroua |

**Sustainability:** CAP2E programme has a strong focus on the sustainability of its results to ensure long-term impact beyond its lifetime. It incorporates capacity-building activities for local institutions and stakeholders, enabling them to continue to deliver services independently. The use of a geolocalized database will centralize data and improve monitoring, which will be a valuable tool for decision-making and ongoing program adjustments beyond CAP2E. In addition, partnerships with local businesses, community organizations, and government entities are designed to integrate program results into existing systems, promoting ownership and continuity. Finally, the alignment of the program's objectives with national priorities ensures that results will be supported by future government initiatives.

Right from the design stage, CAP2E incorporates requirements for adaptation to climatic hazards to ensure the physical sustainability of project infrastructure. The sustainability of investments is also ensured by the fact that the infrastructure built or rehabilitated (training or health centres) stems from the sectoral action plans of the relevant competent ministries. These structures are therefore created by the government and, as such, benefit from the allocation of government staff and annual operating budgets. PSRDREN will also lead an operational study unit, in liaison with the Public Contracts Regulatory Agency, to ensure that, from 2025, the competitive bidding procedures for government contracts under the CAP2E programme are adapted, with a view to boosting the development of a regional technical private sector. It is this local private sector that will then be able to maintain the upgraded facilities via contractual agreements with the relevant government services, and to recruit the young technicians and engineers duly trained in the facilities built by the programme. In essence, CAP2E aims to reduce the recurring difficulty of finding the human resources needed to provide high-quality maintenance services.

Although the rehabilitation and equipping of social infrastructure will take up a large share of the funding, the CAP2E program, in complementarity with other ongoing or completed projects, will help to provide the region with competent staff on a sustainable basis, while enhancing the attractiveness of the region by proposing improved professional and residential environments. Box 1 in Annex VIII below illustrates how effective human resources will be mobilised and sustained in synergy with other initiatives.

The operations planned under CAP2E will also help to develop the potential of the private sector in the Far North region, as illustrated in Box 2 of Annex VIII below.

**Originality of the programme in terms of climate change and employment:** The CAP2E programme takes an innovative approach to integrating the employment and climate change aspects through a cross-functional and systemic approach that is detailed in Technical Annexes 15 and 18. With regard to employment, CAP2E combines the creation of professional opportunities with sustainability by supporting entrepreneurs in growth sectors such as renewable energy and reforestation, while mobilising young people and women for their economic inclusion. In addition, the integration of climate change stands out through concrete actions such as the installation of solar systems guaranteeing the energy autonomy of infrastructures, as well as the deployment of climate-responsible activities such as reforestation and water management. This unique combination of the social and environmental dimensions, geared towards sustainable results, reflects the originality and impact of the CAP2E programme and illustrates its added value in the context of integrated development.

### *2.2.3. Government Programme Financing*

**The total cost of the government programme is estimated at EUR 2,778 million.** The Bank is providing financing worth EUR 136 million, the equivalent of UA 110.69 million in the form of loans (comprising UA 106 million from the ADB window and UA 4.69 million from the ADF window), in parallel with government financing (EUR 1 525.8 million) and other donor financing (EUR 1 116 million, including other AfDB programmes). The table below summarizes the total funding projected for the programme.

**Table 2: Total Funding Projected for the Government Programme**

| Source | Amount in EUR million | Percentage of total |
|---|---|---|
| **Government** | 1,525.8 | 54.93% |
| Bank (loan, comprising UA 106 million from the ADB window and UA 4.69 million from the ADF window) | 136 | 4.9% |
| Donor funding (including other AfDB programmes, WB, AFD, IDB,…) | 1,116 | 40.17% |
| **Total programme funding** | **2,778** | **100%** |

### *2.2.4. Development Objective(s) of CAP2E Programme*

**The objective of CAP2E programme is to contribute to the socio-economic and climatic transformation and resilience of the Far North Region by developing infrastructure, youth skills, entrepreneurship and private sector employment, particularly in industry and other growth niches.** The key expected outcomes of CAP2E programme are set out in Table 3.

### *2.2.5. Key Results and Disbursement Indicators of CAP2E Programme*

**2.2.5.1. The disbursement of loan resources will be conditional on the achievement of agreed results through disbursement-linked indicators (DLIs) derived from the results framework.** The DLIs were selected based on their weight and the main deadlines of CAP2E programme. Given the progress status of the Government's ongoing programme, the DLIs selected do indeed related to outcome indicators, but are more focused on outputs and processes, thus providing information on the overall performance of the programme at any given time. Three main criteria guided the selection of the DLIs: (i) relevance and direct contribution to the programme's development objective; (ii) measurability and achievability; and (iii) coherence with the results chain.

**2.2.5.2. Result Chain and DLIs**: Table 3 summarizes the results chain, which, starting from the sectoral challenges, specifies the outcomes, outcome indicators, intermediate indicators and relevant activities to be undertaken to achieve the development objective of the CAP2E programme. A total of eight (8) DLIs was selected, and loan resources were allocated according to the nature of the DLIs (priority given to output DLIs) and the amounts needed to achieve targets. The funds allocated to each DLI are then divided into sub-allocations, corresponding to fiscal years and the various DLI components. Disbursements will be adjustable and prorated based on performance (if the target reached is greater than or equal to the baseline).

**Table 3: Results Chain**

| RESULTS AREA | ACTIVITIES[36] | INTERMEDIATE OUTCOME INDICATORS / OUTPUTS | OUTCOME |
|---|---|---|---|
| **RESULT AREA 1: STRENGTHENING INSTITUTIONS PROVIDING TECHNICAL AND VOCATIONAL TRAINING TO ENHANCE THE EMPLOYABILITY OF YOUNG PEOPLE IN RESPONSE TO PRIVATE SECTOR NEEDS** | | | |
| Improve the supply and conditions of technical and vocational training and collaboration with the private sector | • Construction/expansion and equipping of 21 technical and vocational training (TVT) schools and 1 Higher National Polytechnic School of Maroua (ENSPM).<br>• Installation and equipment of 22 digital services in training centres.<br>• Deployment of 9 initial certificate training courses and 9 short training courses<br>• Development of 40 partnership agreements between the schools concerned and companies.<br>• Setting-up of a vocational training subsidy mechanism. | • Number of technological, technical and vocational training (TTVT) centres and higher technological training (HTT) establishments built/rehabilitated and equipped.<br>• Number of digital services in TTVT centres and HTT establishments.<br>• Number of restructured or new training programmes and courses co-developed with the private sector.<br>• | • Increase in the number of new students enrolled in technical, technological and vocational training.<br>• Professional integration rate of young vocational training graduates. |
| **RESULT AREA 2: SUPPORT FOR ECONOMIC DEVELOPMENT, JOB CREATION AND ENTREPRENEURSHIP WITH A FOCUS ON WOMEN AND YOUNG PEOPLE.** | | | |
| Energizing and transforming the region's economy | • Support for 500 small businesses<br>• Support for 400 young entrepreneurs.<br>• Support for 500 women entrepreneurs setting up or formalising their businesses.<br>• Sustainable construction/renovation and equipping of 6 markets<br>• Construction/renovation and equipping of 1 SME support centre (CAPME)<br>• Construction/renovation and equipping of 2 common business centres (CBC)<br>• Renovation/equipment of 1 CIOP<br>• Production of 6 studies/maps/databases. | • Number of small businesses supported.<br>• Number of young entrepreneurs supported in setting up their businesses.<br>• Number of women entrepreneurs supported in setting up their own businesses.<br>•<br>• Number of entrepreneurial support structures supported.<br>• Number of markets built/renovated and equipped | • Decent jobs created in companies supported or financed by the CAP2E programme<br>• VSE/SMEs created or revitalized in the Far North region<br>• Number of green jobs among the jobs created through CAP2E programme support or funding. |
| **RESULT AREA 3: Upgrading basic gender-sensitive and climate-resilient social infrastructure in support of human capital.** | | | |
| Basic social infrastructure upgraded to provide quality services to users | • Construction/rehabilitation of service buildings for 4 district health centres (DHCs)<br>• Reconstruction/renovation of service buildings in 10 primary and nursery schools.<br>• Upgrading of buildings and technical facilities at 4 regional hospitals and 11 district hospitals<br>• Setting up of a training centre at the new Maroua Regional Hospital.<br>• Consolidated Capacity Building Action Plan (CCBAP) put in place | • Number of buildings constructed/renovated/expanded and equipped<br>• Number of facilities constructed/renovated/expanded by the programme<br>• Number of CCBAP training courses<br>• Geolocalized database<br>• Number of communication activities | • Proportion of infrastructure equipped with renewable energy systems<br>• Pupil/seat ratio in government primary schools |

**The CAP2E programme will contribute to the consolidation of social cohesion, the strengthening of trust in institutions and the prevention of conflicts by acting on the structural factors of vulnerability.** By strengthening the professional skills of young people, supporting inclusive entrepreneurship and rehabilitating resilient and gender-sensitive social infrastructure, the program promotes economic inclusion, reduces inequalities in the access to opportunities, and supports community resilience in a context of multidimensional fragility. By targeting the areas most affected by the security crisis, it contributes to restoring the legitimacy of the state, promoting local accountability and defusing the dynamics of marginalization and radicalization, thus consolidating the foundations for a lasting stability.

[36] An exhaustive, detailed list of activities is given in paragraph 2.2.2 of Page 7: Programme Activities.

**2.2.5.3. The allocation of loan resources to DLIs in Annex 1, was done based on the extent to which each DLI contributed to achievement of the development objective**. Details are provided in Technical Annexes 2C and 3.

### *2.2.6. Main Capacity-Building and Systems Development Activities*

**2.2.6.1.** In addition to the financial assistance provided by the Bank, UGPO will benefit from the Bank's support to CAP2E programme, from the technical standpoint (strengthening UGPO's capacity to implement the human resources training and staff skills development plan), a fiduciary and organisational standpoint (development of internal procedures through a manual[37]) and the climatic, environmental and social standpoint (introduction of an environmental screening mechanism, development of specific assessments for each sub-project, integration of cross-cutting themes into E&S[38] assessments and capacity building for regional and local stakeholders to develop and monitor "E&S" action plans).

## III. PROGRAMME IMPLEMENTATION

### 3.1. Institutional and Implementation Arrangements

**3.1.1.** CAP2E programme will be coordinated by an Objective-Based Project Management Unit (UGPO), within PSRDREN under the supervision of MINEPAT. The UGPO manager is the CAP2E programme coordinator. The UGPO team will include, at least: a CAP2E procurement manager; the PSRDREN administrative and financial manager; an assistant to the head of planning, monitoring and evaluation of CAP2E activities; a gender and women's empowerment specialist; a private sector relations specialist; additional infrastructure and civil engineering experts; a CAP2E39 Environmental and Social (E&S) expert; an assistant to the coordinator and an assistant documentalist-archivist. The financial institution that will partner with the programme to provide financial support to potential investors and entrepreneurs in component 2 will be selected through competitive bidding in the first year of CAP2E programme. Communication will be handled by the PSRDREN communications manager, assisted by a CAP2E communications assistant. To better respond to the need for CAP2E programme management expertise, consultants may be hired by UGPO on an as-needed basis. A technical monitoring committee will be set up at PSRDREN level to provide guidance, monitor the implementation of the CAP2E programme and ensure that objectives are met. UGPO will provide secretarial services to the technical monitoring committee of CAP2E programme. In addition, the PSRDREN Steering Committee will act as the CAP2E Steering Committee. The steering committee will meet twice a year and provide strategic guidance to the entities responsible for implementing CAP2E.

**3.1.2.** The PSRDREN will be responsible for implementing and monitoring the agreed investment programme with a view to achieving the results set for CAP2E. Under the direction of the PSRDREN coordinator and the programme's technical monitoring committee, the UGPO will coordinate the implementation of CAP2E, as well as capacity-building initiatives at the national and regional levels. The UGPO will forward the documents to the AfDB via the PSRDREN and then to MINEPAT. To ensure optimum coordination between the PSRDREN and MINEPAT, two focal points for CAP2E will be designated at the Regional Integration Directorate (DIR) and the General Inspectorate respectively. An independent audit firm[40] will be recruited, six (6) months after the programme comes into force, on a competitive basis and in accordance with the Bank's rules and procedures to certify disbursement-linked Indicators (DLIs). The independent audit firm will be responsible for verifying DLIs. The UGPO coordinator is required to provide the independent audit firm will all the documents it needs to verify the DLIs for the achievement of results. Moreover, the Special Procurement Commission (CSPM) set up for the CAP2E programme will be based in Maroua for the sake of efficiency.

---

[37] It will serve as the programme's operational manual.
[38] See Technical Annex 8C.
[39] The E&S focal point at UGPO central level will coordinate with the E&S focal points in the structures concerned by the programme.
[40] This will be an international consultancy/audit firm.

**3.1.3.** An external audit firm will be recruited for a period not exceeding three (3) years, through competitive bidding and in accordance with the Bank's rules and procedures, to carry out an annual audit of the accounts of both the programme and the Special Treasurer. The report must be sent to the Bank no later than six months from the end of the year under review. In addition, the Audit Bench of the Supreme Court (CCCS), as part of its mandate under the legislation in force will audit the budget and draft the Settlement Law. The CCCS could replace the private auditor gradually as soon as it has the capacity to produce the reports within the timeframes agreed with the Bank.

**3.1.4.** The Bank's office in Cameroon will play a major role in close monitoring of CAP2E programme and will maintain high-level dialogue with the authorities on ongoing sectoral reforms and programme performance. It will provide technical support according to the needs expressed by the country.

## 3.2. Monitoring and Evaluation of Results

**3.2.1. UGPO will be responsible for collecting and consolidating all the data and documentation needed to monitor and evaluate CAP2E programme.** It will be responsible for monitoring progress on CAP2E programme activities. To this end, it will regularly consolidate CAP2E programme performance reports and provide all documents and data required for verification to the Bank and MINEPAT. The Government and the Bank will thus be fully informed of progress status through the regular submission of half-yearly progress reports by UGPO.[41] Furthermore, annual audit reports on the programme will be submitted by an independent audit firm recruited through competitive bidding in accordance with the Bank's rules and procedures. The Audit Bench of the Supreme Court of Cameroon (CCCS) will audit the budget and draft the settlement law, including the programme.

**3.2.2.** A supervision mission will be carried out at least twice a year by the Bank. These regular field monitoring missions will, through meetings, technical visits and data analysis, offer an opportunity to dialogue with the various stakeholders on the progress of CAP2E Programme, the challenges and the solutions to be provided in real time. Supervision missions will be intensified during 2026, which is the first year of implementation of infrastructure acquisitions. The consolidated expenditure framework for the programme (Annex III) will be updated each year[42] as part of the regular monitoring missions. A mid-term review will be carried out at the end of the third year of programme implementation, and a programme completion report will be drawn up jointly at the end of the operation. Recommendations from these different reports should be addressed in a timely manner, and any lessons learned as well as best practices should be shared.

**3.2.3.** Monitoring and evaluation capabilities at UGPO are being strengthened under ongoing projects. UGPO will carry out the monitoring and evaluation plan for the implementation of CAP2E programme. A monitoring-evaluation manual will be drafted by UGPO. The manual will specify the surveys to be carried out in order to produce the data required for monitoring and evaluation of CAP2E programme. An assistant for the planning, monitoring and evaluation of CAP2E activities will ensure the monitoring-evaluation of CAP2E. The respective roles and relationships between the staff in charge of monitoring-evaluation will be specified in the monitoring-evaluation manual. As part of the coordination initiated between UGPO and the National Institute of Statistics, a specific agreement for CAP2E monitoring-evaluation will be drawn up to provide a framework for carrying out the surveys required for effective CAP2E monitoring-evaluation, as defined in the monitoring-evaluation manual. UGPO will operationalize the integrated geolocalized digital platform for project management, monitoring and evaluation, which will serve as the central digital tool for PSRDREN.

**3.2.4.** The programme's monitoring and evaluation system is consistent with the budgetary reform, which has introduced a system for monitoring the performance of public operations. The monitoring system is closely linked to the PSRDREN results framework, enabling the CAP2E programme's activities, outputs and results to be tracked.

[41] Environmental and social monitoring reports will be quarterly.
[42] Replacement of the year' projected budgets with actual budgets.

## 3.3. Disbursement Arrangements and Verification Protocols

### *3.3.1. Disbursement Arrangements*

**3.3.1.1. Disbursements will be made in accordance with the national legislation in force, into a Special Account (CAS), and all expenditure will be subject to a commitment by the authorizing officer and approval by the financial controller both working for the programme, all within the streamlined arrangement established at the Ministry of Finance.**

**3.3.1.2. Disbursements will be made in accordance with results-based financing (RBF) procedures.** Thus, on the basis of the programme's investment programme agreed with the Government, the CAP2E programme is eligible for a cash advance not exceeding 25% of the loan to enable the Government to launch the first activities requiring start-up investments (construction work, equipment to be procured, capacity-building, etc.). The disbursement of this advance is subject to a request from the Government to the Bank. Thereafter, disbursement requests will be sent to the Bank as and when the agreed results are achieved, based on the recommendations of the verification report attesting to the achievement of disbursement indicators. The verification of results will be entrusted to an independent audit firm[43] to be recruited, six (6) months after the programme comes into force, on a competitive basis and in accordance with the Bank's rules and procedures for certifying disbursement-linked indicators. For each DLI, the reference levels, annual targets, conditions and deadlines are defined in the verification protocol presented in Technical Annexes 2B and 2C. The funds allocated to each DLI are divided into sub-allocations corresponding to the years 2025, 2026, 2027, 2028 and 2029. Prior to transmission to the Bank, the verification report will be reviewed by each of the entities targeted by the verified DLIs, in the event that the conclusions of said report do not confirm the results presented by these entities. The final verification report, which will take into account any responses from the above-mentioned entities, will be forwarded to the Bank by MINEPAT. The Bank will make the final decision as to whether the objectives have been achieved, based on its compliance analysis of the results presented.

**3.3.1.3. Flow of Funds: The Bank's resources will be wired to the programme's Special Account opened at the Bank of Central African States (BEAC) in the name of the Central Accounting Agency of the Treasury of Cameroon**. Loan and grant resources will be disbursed in proportion to the results achieved. Unpaid amounts for unattained DLIs will be subject to a specific disbursement request once realized or combined with the next payment tranche. Expenditure will be fully accounted for in the country's public finance management system and reflected in the budget of the entity concerned by the CAP2E programme, namely MINEPAT.

**3.3.1.4. Reimbursement of the balance**: At the end of the loan closure audit, any excess of disbursed funds relative to actual expenditure recorded by the DLI must be returned to the Bank within six months of the last disbursement.

### *3.3.2. Programme Verification Protocols*

**3.3.2.1.** An independent audit firm will be responsible for verifying the DLIs of the programme. Based on lessons learned from similar projects, an international consultancy/audit firm will be recruited for this purpose, six (6) months after the programme comes into effect, on a competitive basis and in accordance with the Bank's rules and procedures. This international audit firm will be independent of the programme implementation units, and will have easy access to sources of information and various databases. This independent audit firm will act as technical verifier of the programme's DLIs, based on analysis of the documentation provided by implementing entities in accordance with the verification protocol. It will be able to make field visits to the regions/provinces targeted by the CAP2E programme. In particular, the independent audit firm will check the accuracy of the data submitted, the reliability of the databases, the quality of the execution reports submitted, the accuracy of the results, the evidence of construction and renovation, the evidence of layout and installation of equipment, the evidence of allocation of human resources, the evidence

[43] An international consultancy/audit firm will be recruited for this purpose.

of completion of training plans, and all DLIs using the verification protocol. The audit will culminate in the preparation of the DLI achievement audit report.

## 3.4. Programme Funding and Expenditure Framework

**3.4.1. The fiduciary risk for the programme's fund flows is deemed substantial according to the Country Fiduciary Risk Assessment (CFRA) carried out during preparation of Cameroon's CSP for 2023 - 2027.** MINEPAT's existing budget management system will be used, as will the existing control and verification system.

**3.4.2. The government programme supported by this operation is a special programme (PSRDREN) that falls under Cameroon's 2020-2030 national development strategy**. It is estimated to cost over CFAF 1822 billion, of which 42% is financed by the Cameroon government. The financing needs met by the Bank's resources amount to some EUR 136.0 million, or around 4.9% of the total cost of PSRDREN. The PSRDREN special programme is reflected in the Finance Law and multi-year budget programming documents. The programme budget has been confirmed by MINEPAT, and the Government has committed to providing the resources needed to achieve the agreed CAP2E results on schedule.

# IV. EVALUATION SUMMARY

## 4.1. Technical

### 4.1.1. Strategic Relevance

**4.1.1.1. Cameroon has made significant progress in the development of vocational training, education and health. Nevertheless, capacity-building and the implementation of targeted interventions in these sectors is required in view of the many challenges that persist, particularly in the Far North region.** CAP2E will accelerate and support the execution of plans and programmes currently being implemented in the country (SNDP30 as part of vision 2035) and particularly in the country's North-East region (PSRDREN, PRD-EN, etc.), and maximize the investments made while reducing the number of barriers between them. The programme will provide concrete answers to the challenges described in sections 1.1.5 to 1.2.5.

**4.1.1.2. CAP2E is fully aligned with the Government's context and strategic guidelines, and builds on the foundations established through previous Government programmes**.

### 4.1.2. Technical Reliability

**4.1.2.1. The ongoing implementation of the PSRDREN in the Far North region with multi-year budget programming of expenditure, accompanied by a results measurement framework, constitutes an important institutional arrangement for the implementation of the CAP2E programme**. MINEPAT is continuing to implement the PSRDREN (governed by Prime Ministerial Order No. 044/CAB/PM of 24 May 2022) and has built up a wealth of experience in its implementation. However, additional measures will have to be taken to ensure proper implementation and monitoring of the programme. Implementation of the programme's capacity-building plan will enable key players to be brought up to speed in line with the requirements of the financing tool used. Based on identified needs, the Bank will organize training sessions on financial management, disbursements and DLI monitoring. It will also be important to adopt a continuous capacity-building approach for those involved in programme implementation.

The Consolidated Capacity Building Action Plan (CCBAP), as described in the DLIs Verification Protocol (Technical Annex 2B), includes actions defined in the Programme Action Plan (Technical Annex 8B) and actions defined in the Capacity Building Plan (Technical Annex 8C).

### 4.1.3. Results Matrix

**4.1.3.1.** The presented results framework details the main expected outputs and outcomes of the CAP2E programme. This framework presents the key expected outcomes, the investment programme and incentives for the government to accelerate the implementation of agreed activities.

## 4.2. Economic Evaluation of CAP2E Programme

**4.2.1. Economic analysis of the CAP2E programme shows that this operation is socially justified and economically profitable given its impact on the socio-economic development of Cameroon as well as its added value, both for the country and for the Bank.** The updated total NPV is approximately over **CFAF 54,16 billion over 15 years** and the **IRR** is approximately **16%** to **18%**, which confirms the viability and profitability of the CAP2E programme (Technical Appendix 12).

**4.2.2. The programme offers at least several benefits for the targeted intervention sectors in terms of both expenditure and revenue.**

**4.2.3. The added value for the Bank is multi-faceted.** CAP2E complements the Bank's past and current operations in Cameroon, building on the achievements of previous projects. CAP2E programme positions the Bank as a strategic partner for the country. CAP2E will contribute to the development of skills targeted by the second pillar of the CSP, in line with the defined areas of selectivity. Its integrative nature makes it consistent with the general recommendation of Cameroon's CSP.

## 4.3. Fiduciary Systems

### 4.3.1. Financial Management

**4.3.1.1.** In line with the Bank Group's results-based financing policy and operational guidelines on policy implementation, the CAP2E programme will use existing national systems for financial management aspects. **Assessment of the programme's financial management system** led to the identification of certain weaknesses such as the absence of up-to-date accounting, reliable interim reports and an effective internal audit system. The **fiduciary risk is deemed to be substantial**. However, arrangements are in place for the implementation of special programmes such as the reconstruction of economically devastated areas in the Far-North, North-West and South-West Regions. Responsibility for administrative, financial and accounting management will thus fall to the management of the Special programme for the Reconstruction of Economically Disadvantaged Areas in the Far North Region (PSRDREN), which will set up an Objective-Based Project Management Unit (UGPO) for this purpose. All transactions will go through the national system for the implementation of this programme. The Special Paymaster of the "Fund" is responsible for financial and accounting operations. At the same time, the programme will be equipped with integrated accounting and financial management software tailored to development projects. The accountant will be responsible for entering all transactions into the software, in accordance with the standards of the accounting system for not-for-profit entities (SYCEBNL), using duplicate originals or copies of supporting documents duly kept by the national accountants. Annual financial statements will be produced at the end of the year and submitted for external audit. Disbursements will be made in accordance with the national legislation in force, into a Special Account (CAS), and all expenditure will be subject to a commitment by the authorizing officer and approval by the financial controller both working for the programme, all within the streamlined arrangement established at the Ministry of Finance. On the basis of the programme's investment programme agreed with the Government, the CAP2E programme is eligible for a cash advance not exceeding 25% of the loan to enable the Government to launch the first activities requiring start-up investments (construction work, equipment, capacity-building, etc.).

**4.3.1.2.** The verification of results will be entrusted to an independent audit firm[44] to be recruited on a competitive basis and in accordance with the Bank's rules and procedures for certifying disbursement-linked indicators.

**4.3.1.3.** In accordance with article 27 of decree No. 044/CAB/PM of 24 May 2022, on the creation, organization and operation of the Special Programme for Reconstruction and Development of the Far North Region, as well as recent lessons from the late transmission by the Audit Bench of the Supreme Court of Cameroon, of the audit reports of projects financed by the Bank in Cameroon, the accounts of CAP2E, including those of the Special Treasurer, relating to CAP2E will be audited by an independent auditing firm, recruited for a period not exceeding three (3) years and on a competitive basis, in accordance with the Bank's rules and procedures and the terms of reference approved by it. The report must be sent to the Bank no later than six months after the end of the year under review. In addition, the Audit Bench of the Supreme Court Accounts Chamber (CCCS), within the framework of its mandate, under the legislation in force, will audit the budget and draft the Settlement Law. The CCCS could replace the private auditor gradually as soon as it has the capacity to produce the reports within the timeframes agreed with the Bank.

### 4.3.2. Procurement

**4.3.2.1. Applicable Procurement Framework**: In accordance with the Bank's Results-Based Financing (RBF) policy, all contracts for the implementation of programme activities will be awarded in accordance with Cameroon's national procurement system embodied in Decree No. 2018/366 of 20 June 2018 on the Public Procurement Code (CMP) and all its attendant implementing instruments and documents. The Bank will not exercise any ex-ante or ex-post control over procurement plans and procurement processes. An annual procurement audit of the contracts awarded under the programme will be conducted to report on its implementation and enable the Bank to continue exercising its fiduciary mandate.

**4.3.2.2.** The CAP2E programme's procurement assessment was carried out at country level, then at programme level, in accordance with the requirements and methodological approach of the Bank's procurement framework.

<u>At the national level:</u> The evaluation at country level revealed a number of discrepancies for which corrective actions were proposed in the programme's PAP (see Annex 8.B: TA Fiduciary Measures).

<u>At executing agency level:</u> Appraisal of the Far North Territorial Development Project (PAT), a project being implemented by the EA, concluded that the PSRDREN lacked the experience and capacity to carry out procurements. To strengthen the procurement implementation capacity of the PSRDREN, it is recommended that an administrative manager with expertise in the national procurement system be assigned to the project and that a new Procurement Specialist and an assistant be recruited.

Based on the discrepancies identified (see TA Fiduciary Measures table) in Cameroon's procurement system, the overall risk for its use in Bank-financed operations is as rated as **"substantial".**

UGPO will be fully responsible for procurements pertaining to programme activities under its responsibility, and its competent procurement bodies will carry out procurements for such activities in accordance with national procurement procedures.

**4.3.2.3.** <u>Programme Action Plan (PAP):</u> Based on assessment of the fiduciary risks for procurements under the programme, key priority actions for strengthening the capacity and performance of the executing agency, as well as measures to mitigate discrepancies observed in the National System, have been included in the Programme Action Plan, in a bid to increase the potential of the CAP2E programme to achieve its results and address fiduciary concerns.

**4.3.2.4** Should residual risks and major weaknesses be observed in the implementation of this RBF operation, the Bank will consider using other financing instruments such as investment loans.

[44] An international consultancy/audit firm will be recruited for this purpose.

### 4.3.3. Governance

**4.3.3.1. According to the latest 2024 Ibrahim Index of African Governance (IIAG) report, Cameroon ranks 38th out of 54 African countries in the area of governance**. The country continues to face major challenges in combatting corruption. Under Transparency International's 2024 Corruption Perception Index (CPI), Cameroon ranks 140th out of 180 countries assessed.

**4.3.3.2. The CAP2E programme, using results-based financing, strengthens sector governance by institutionalizing accountability and linking disbursement to results.** This approach reinforces the implementation of budget reform and budgeting by objective. The Strategic Steering Committee will monitor the overall governance of the programme. The capacity-building plan has identified actions that will strengthen fiduciary systems and, in turn, sector governance and spending optimization.

## 4.4. Environmental and Social Effects

**4.4.1.** The various environmental and social risks of the CAP2E programme justify its classification as a Category 2 project under the national regulatory framework for environmental and social risk management as governed by Law No. 96/12 of 5 August 1996 on the Framework Law for Environmental Management, Decree No. 2013/0171/PM of 14 February 2013 setting out the procedures for carrying out environmental and social impact assessments (ESIAs) and Order No. 00001/MINEPDED of 8 February 2016 setting out the various categories of operations subject to an environmental and social impact assessment (ESIA), and in accordance with the Bank's ISS requirements. The E&S category was validated in ISTS and confirmed in SAP on 22 June 2024.

**4.4.2.** In line with ISS E&S requirements applicable to results-based financing, an Environmental and Social Systems Assessment (ESES), including an Environmental and Social Action Plan (ESAP), was prepared by the Bank in consultation with PSRDREN and validated on 26 February 2025. The validated document was published on the MINEPAT, PSRDREN and ADB websites on 26 February 2025 and 6 March 2025, respectively. Environmental and Social Action Plan (ESAP) measures include: (i) the preparation of Environmental and Social Impact Statements (NIES) for each CAP2E sub-project eligible under national regulations; (ii) the inclusion of environmental and social clauses in the BDs of works sub-projects; (iii) strict application of the Labor Code and national regulations to ensure fair employment conditions and worker protection; (iv) the adoption of protocols for the prevention of sexual abuse and the protection of vulnerable groups; (v) the acceleration of procedures for obtaining land titles to legally secure infrastructure sites; (vi) the strengthening of local community participation through relevant consultations and the dissemination of environmental and social reports in accessible locations, thus guaranteeing transparency and stakeholder inclusion. The ESAP matrix is presented in Technical Annex 7 of the PAR.

**4.4.3.** The CAP2E programme will be managed by UGPO. The UGPO team will include an E&S focal point at the central level. The latter will coordinate with the E&S focal points in the beneficiary institutions of CAP2E programme. Focal points will benefit from a training and capacity-building plan on E&S aspects during programme implementation, and support from the project's E&S team on the Bank's E&S requirements. The ESAP includes the recruitment of TA consisting of an E&S specialist to support the UGPO in implementing and monitoring the CAP2E programme.

**4.4.4.** E&S compliance: In addition to the full and proper implementation of all published E&S plans, including measures to address unanticipated risks and impacts arising during project implementation, the Borrower will prepare monthly reports on the implementation of E&S measures. In addition, an annual E&S performance audit conducted by an independent E&S safeguards expert will be submitted each year, no later than the end of the first quarter of the following year. All these reports will be shared with the Bank and made available to stakeholders. Furthermore, the borrower undertakes to establish a project-level complaint management mechanism (CMM) as soon as implementation begins, to make it known to all stakeholders and to keep it operational throughout the project life cycle. Moreover, in the event of an occupational health and safety (OHS) incident on a project site, the borrower undertakes to inform the Bank immediately, no later than 48 hours after the event, to share the investigation report of the competent national authority and, where deemed necessary by the Bank, to have a root cause analysis (RCA) prepared by an independent OHS expert. The RCA report must be approved by the Bank for implementation of the corrective action plan (CAP) by the borrower. These obligations will be reflected in the E&S conditions of the financing agreement and its annexed ESMP. The CAP2E programme is compliant and ready for the Board's consideration, as evidenced by the attached ESCON in Annex 5.

## 4.5. Climate Change and Green Growth

**4.5.1. According to its NDC, Cameroon should expect an increase in climatic variations, associated extreme events and an increase in the population exposed to hazards (estimated at 3,000,000 in 2021) continuously in the trend scenario.** Cameroon is ranked 155th out of 185 in an analysis of countries vulnerable to climate change, according to the ND-GAIN 2023 Index, with a score of 38.7. The country's high vulnerability score (0.489) and low preparedness score (0.263) show that it has both a great need for investment and innovation to improve its preparedness, and a great urgency to act. Cameroon's Far North region is highly vulnerable to climate change, with an increase in the frequency and intensity of risks such as floods, storms and droughts. These risks have a growing impact on the population, production systems, infrastructure and ecosystems.

**4.5.2. CAP2E is classified under category 2** according to the Bank's climate safeguards system, meaning that it is moderately vulnerable to climate change. The actions envisaged in the programme are designed to improve the resilience of communities and ecosystems to climate change, and should not increase greenhouse gas (GHG) emissions. Actions that contribute to climate resilience and the reduction of emissions are detailed in Annex 15.[45] The programme is aligned with the Paris Agreement, following the joint methodology of the Multilateral Development Banks for direct financing. It is also aligned with the NDC and the Bank's Climate Change and Green Growth Strategic Framework (2021-2030) and contributes to the financing of climate change adaptation and mitigation.

## 4.6. Resilience-building Opportunities

**4.6.1. For over ten years, the Far North region of Cameroon, and particularly the Mayo Sava, Mayo Tsanaga and Logone-et-Chari Divisions, has been suffering the consequences of multiple crises.** These include security threats posed by recurrent attacks of the Boko Haram group, conflicts over the management of natural resources and land, environmental pressures such as drought and land degradation, as well as major socio-economic challenges such as poverty, social inequality, unemployment and instability caused by refugee and IDP flows.

**4.6.2 The CAP2E programme aims to strengthen socio-economic and climate resilience by developing human capital, entrepreneurship and employment, particularly for young people and women.** It includes the rehabilitation of infrastructures, appropriate training and the creation of income-generating activities for the displaced, thus promoting social inclusion, environmental preservation and the economic autonomy of vulnerable communities. In the face of security risks and challenges, mitigation measures, such as those cited in Box 4 of Annexes VIII and 16, are defined to ensure that CAP2E programme is implemented within a secure environment.

[45] These actions include: (i) the development of sustainable infrastructure (reforestation kit, portable water supply system, use of renewable energy - photovoltaic system, waste management) to be specifically incorporated into service provider contracts; (ii) the incorporation of measures to combat flooding and associated risks (erosion, sedimentation of watercourses, etc.) through support for the development of a flood early-warning system and civil and rural engineering works adapted to the flooded and flood-prone areas of the programme; (iii) support for climate-sensitive training through the integration of sustainable development sectors (creation of improved ovens to reduce the carbon footprint, creation of solar cooking pots, sustainable masonry through the use of earth briquettes adapted to high temperatures, etc.); and (iv) mainstreaming of the "employability" component, support/subsidies for small businesses and institutions specialising in sustainable development (development of renewable energy, reforestation, etc.).

## 4.7. Promoting Gender Equality and Empowering Women and Young People

**4.7.1. The CAP2E programme is classified in category II of the Bank's GMS.** It aims to empower women in a patriarchal context plagued by severe gender inequalities. It addresses challenges such as women's low incomes, limited access to social infrastructure, land resources, financing and markets. The programme includes cross-cutting actions to integrate the gender dimension and strengthen women's technical, entrepreneurial and leadership skills.

## 4.8. Improving the situation for Young People

**4.8.1.** Cameroon's Far North region, home to 18% of the country's population, is prone to extremely high youth unemployment and underemployment, which stand at 78% and 84.8% respectively. The CAP2E programme aims to improve this situation by expanding access to technical and vocational training in a more suitable environment, supporting entrepreneurship and offering financing and guidance to potential and current youth entrepreneurs, creating opportunities for absorption into the private sector; and upgrading basic social infrastructure that guarantees better living conditions for young people.

## 4.9. Integrated Risk Assessment Summary

**The technical, fiduciary, environmental and social assessments concluded that the overall risk rating of the CAP2E programme was moderate.** The differentiated risk ratings are shown in Table 4 opposite. The main risks and related mitigation measures are presented in Technical Annex 8A. Box 3 of Annex VIII below illustrates the state of preparedness and the main risk mitigation measures.

**Table 4: Integrated Risk Assessment Summary**

| **Risk** (low, moderate, high, very high) | Score |
|---|---|
| Technical | Moderate |
| Fiduciary (financial management and contracting) | Substantial |
| Climatic, environmental and social | Moderate |
| Disbursement-linked indicator | Moderate |
| Other risk: Institutional change | Moderate |
| **General risk** | **Moderate** |

## 4.10. Programme Action Plan

**The technical, fiduciary, environmental and social assessments led to recommendations and safeguard and/or capacity-building measures designed to make the CAP2E programme implementation framework operational and to facilitation of the achievement of the program's expected outcomes.** These measures, aimed at strengthening the capacities and performance of the structures in charge of the programme and mitigating the risks identified at the technical, fiduciary, environmental and social levels, are consolidated in the programme action plan presented in Technical Annex 8B. This action plan for the CAP2E programme is also appended to the loan agreement.

## 4.11. LEGAL INSTRUMENTS AND COMPLIANCE

### 4.11.1. Legal instruments

**4.11.1.1.** The legal documents envisaged for this transaction include an AfDB Loan Agreement between the Bank and the Republic of Cameroon, amounting to one hundred and thirty million two hundred and thirty thousand euros (EUR 130,230,000), as well as an ADF loan agreement amounting to four million six hundred and ninety thousand Units of Account (UA 4,690,000).

**4.11.1.2. Conditions precedent to loan effectiveness**: The loan agreement shall become effective subject to the Borrower’s fulfilment, to the satisfaction of the Bank and the Fund, of the conditions provided for in Section 12.01 of the General Conditions for Loan Agreements and Guarantee Agreements (sovereign entities).

**4.11.2. Prerequisites precedent to the 1st disbursement**: the first disbursement is subject to the Borrower's fulfilment, to the Bank's satisfaction, of the following condition: evidence of the establishment of the programme's institutional framework through the setting up of the Programme Management Unit (PMU) and the Steering Committee, and submission of satisfactory evidence of the appointment or recruitment of PMU staff whose qualifications and terms of reference will have been deemed acceptable beforehand by the Bank Group.
**4.11.3. Conditions precedent to subsequent loan disbursements:** Disbursement of the loan resources allocated to each disbursement-linked indicator (DLI) is subject to the Borrower achieving, to the Bank's satisfaction, the expected results set out in Annex 1, following submission of an independent verification report satisfactory to the Bank and the Fund and attesting to the achievement of the relevant DLI.
**4.11.4. Conditions precedent to DLI-linked disbursements:** In addition to the entry into force of this Agreement pursuant to Section 4.01 (Entry into Force), the Bank's obligation to disburse a loan amount allocated to a DLI is conditional upon the Borrower achieving, to the Bank's satisfaction, the expected results for the DLI concerned as set out in Annex V (Matrix of Disbursement-Linked Indicators). Proof of satisfaction of the disbursement conditions attached to a DLI will be evidenced by the provision, to the satisfaction of the Bank, of the Independent Verification Report of the DLI(s) for which disbursement is sought, and submission of the Bank's letter attesting to the partial (if applicable) or full completion of the DLI concerned.
**4.11.5. Commitments:** The Borrower undertakes to redeploy the human resources necessary for the operation of the CAP2E Programme within 3 months of the entry into force of the Loan Agreements. The Borrower shall also refrain from using loan resources to finance activities not eligible for RBF.
**4.11.6. Compliance with Bank Group policies:** The CAP2E Program complies with all applicable Bank Group policies.

# V. IMPLEMENTATION

## 5.1. Institutional Framework for Implementation

**5.1.1. CAP2E** programme will be coordinated by an Objective-Based Programme Management Unit (UGPO), within PSRDREN under the supervision of MINEPAT. All institutional and implementation arrangements, as set out in paragraph 3.1. above, are confirmed at appraisal.
**5.1.2.** The Bank's office in Cameroon will play a major role in close monitoring of the programme and will maintain high-level dialogue with the authorities on ongoing sectoral reforms and programme performance. It will provide technical support in accordance with the needs expressed by the country.

## 5.2. Disbursement

**5.2.1 Requests for disbursement of Bank financing are conditional on the achievement of disbursement-related indicators (DLIs), which measure the extent to which the programme's development objectives have been met.** All disbursement arrangements, as outlined in paragraph 3.3.1 above, are confirmed by the appraisal.

# VI. RECOMMENDATION

Management recommends that the Board of Directors should approve the award of an ADB loan to Cameroon amounting to EUR 130.23 million and an ADF loan amounting to UA 4.69 million, equivalent to a total amount of EUR 136 million, to finance the "Building Capacities and Skills for Employability and Entrepreneurship in the Far North Region of Cameroon" (CAP2E) programme, in accordance with the terms and conditions set out in this report.

## ANNEX II: RESULT AREAS AND DETAILED ACTIVITIES

| ACTIVITY | | BUSINESS DESCRIPTION | TYPE | Venue | IMPLEMENTING ENTITY |
|---|---|---|---|---|---|
| **RESULT AREA 1: STRENGTHENING INSTITUTIONS PROVIDING TECHNICAL AND VOCATIONAL TRAINING TO ENHANCE THE EMPLOYABILITY OF YOUNG PEOPLE IN RESPONSE TO THE NEEDS OF THE PRIVATE SECTOR.** | | | | | |
| 1 | Build/upgrade the infrastructure and equipment of 21 technical and vocational training (TTVT) establishments and one Higher National Polytechnic School of Maroua, including ensuring that they are gender- and climate-sensitive. | The infrastructures of 21 technological, technical and vocational training (TTVT) establishments and the National Higher Polytechnic Institute of Maroua are strengthened (with improved gender and climate sensitivity). | Works (construction) | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| | | The equipment of 21 technological, technical and vocational training (TVT) establishments and the National Higher Polytechnic Institute of Maroua are strengthened (with improved gender and climate sensitivity). | Goods (equipment) | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| 2 | Support the digital transformation of the TVT and HTT sector: new digital services | New digital services in the TTVT and HTT sectors | Goods (equipment) | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| 3 | Analyse and restructure 9 initial training certificate courses and programmes in order to satisfy the demand of various businesses, and the specific needs of regional or peripheral entrepreneurs in the region[54] and development of 9 short certificate training courses[55] in TTVT centres and HTT establishments according to local | Development of 9 streams (new or support for the redesign of existing streams) of initial diploma training to meet business demand, and the specific needs of regional or peripheral entrepreneurs in the region and development of 9 short certificate courses in TTVT centres and HTT establishments according to local needs, while ensuring their gender sensitivity and resilience to climate change. | Goods (equipment) | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| | | | Services / consultancy services | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| | | | Training | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, | UGPO / MINEPAT / Beneficiary |

[54] The curricula for the selected sectors will be co-designed with industrialists, craftsmen or farmers, adopting the skills-based approach and ensuring that they are gender-sensitive.

[55] 6-9 month training courses, 3-month training courses, customized continuing education for corporate clients, validation and reinforcement of skills acquired in the workplace.

| ACTIVITY | | BUSINESS DESCRIPTION | TYPE | Venue | IMPLEMENTING ENTITY |
|---|---|---|---|---|---|
| | needs[56], ensuring their gender sensitivity and climate change resilience. | | | Mayo-Sava and Mayo-Tsanaga | establishments and their supervisors |
| | | | Minor works (refurbishments) | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| 4 | Development of 40 partnership agreements between TTVT/HTT establishments and companies. | Support for the development of 40 partnerships between TTVT/HTT establishments and companies | Services / Consultancy services | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| 5 | Set up a mechanism to provide vocational training subsidies (3,100 subsidies) for girls in technical and vocational trades, and for vulnerable people (specifically internally displaced persons in the region). | Payment of 3,100 vocational training grants for girls in technical trades and vocational training, and for specifically vulnerable people (specifically internally displaced persons in the region). | Payment of grants | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| **RESULT AREA 2: SUPPORT FOR ECONOMIC DEVELOPMENT, JOB CREATION AND ENTREPRENEURSHIP WITH A FOCUS ON WOMEN AND YOUNG PEOPLE.** | | | | | |
| 7. | Create and deploy the BOOSTER programme to support 500 established entrepreneurs interested in accelerating their business development through access to financing mechanisms (line of credit, access to non-financial services). | Financing of financial and non-financial services as part of a medium-term support scheme for established entrepreneurs interested in accelerating their business development through access to financing mechanisms. | Line of credit / Financing of financial services for beneficiaries | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Partner structures (APME, etc.) |
| | | | Financing non-financial services for beneficiaries | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Partner structures under agreement |

[56] These could include, in particular: agri-food processing, industrial and mechanical maintenance, machine maintenance and operation, mechanical/mechatronics design, production of industrial, agricultural and agri-food tools, packaging, storage, food transport and preservation techniques, hydraulic systems, solar energy and multi-source electrical production, sustainable agricultural systems, modern sustainable fishing and breeding techniques, geology and soil restoration/enrichment, reforestation, agro-pastoral management, waste treatment and recycling (especially biogas, compost, non-chemical fertilizers), heating systems, land use planning and land law, digitalization of industrial, agricultural and service processes, marketing, etc.

| ACTIVITY | | BUSINESS DESCRIPTION | TYPE | Venue | IMPLEMENTING ENTITY |
|---|---|---|---|---|---|
| 8. | Create and deploy the START Jeunes[57] programme to provide financial and non-financial support to entrepreneurs (in the start-up phase or in the formalization phase following an informal start-up), selected on the basis of calls for applications,[58] for the benefit of 400 young entrepreneurs. | Support for 400 young entrepreneurs through the START Jeunes programme, providing access to financial and non-financial support for entrepreneurs (setting up or formalizing after an informal start-up), selected on the basis of calls for applications.[59] | Subsidies and non-financial services | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Partner structures (MINJEC, etc.) |
| 9. | Create and deploy the *START Femmes*[60] programme to provide financial and non-financial support to women entrepreneurs (in the start-up phase or in the formalization phase following an informal start-up), selected through calls for applications,[61] for the benefit of 500 women entrepreneurs. | Support for 500 women entrepreneurs through the *START Femmes* programme, providing access to financial and non-financial support for women entrepreneurs (setting up a business or formalizing after an informal start-up), selected through calls for applications[62]. | Subsidies and non-financial services | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Partner structures under agreement |
| 10. | Sustainable construction/rehabilitation of 6 markets | Sustainable construction/rehabilitation of 6 markets | Works (Construction/ Rehabilitation) | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |

57 In partnership with the Ministry of Youth and Civic Education.

58 For these two programmes (START Jeunes and START Femmes), support will consist of medium-term non-financial services (support in maturing project ideas and preparing business plans, support in the stages of the business creation process, formalization, financial education, managerial and technical training, etc.) and endowments of equipment, inputs and payment of operating expenses (rent, etc.). Non-financial services will be delivered by approved service providers who have been selected and supported by the program, which aims to strengthen and harmonize the missions of Business Services providers.

59 For these two programmes (START Jeunes and START Femmes), support will consist of medium-term non-financial services (support in maturing project ideas and preparing business plans, support in the stages of the business creation process, formalization, financial education, managerial and technical training, etc.) and endowments of equipment, inputs and payment of operating expenses (rent, etc.). Non-financial services will be delivered by approved service providers who have been selected and supported by the program, which aims to strengthen and harmonize the missions of Business Services providers.

60 In partnership with the SME Promotion Agency (APME) as part of the Septentrionest programme approach.

61 For these two programmes (START Jeunes and START Femmes), support will consist of medium-term non-financial services (support in maturing project ideas and preparing business plans, support in the stages of the business creation process, formalization, financial education, managerial and technical training, etc.) and endowments of equipment, inputs and payment of operating expenses (rent, etc.). Non-financial services will be delivered by approved service providers who have been selected and supported by the program, which aims to strengthen and harmonize the missions of Business Services providers.

62 For these two programmes (START Jeunes and START Femmes), support will consist of medium-term non-financial services (support in maturing project ideas and preparing business plans, support in the stages of the business creation process, formalization, financial education, managerial and technical training, etc.) and endowments of equipment, inputs and payment of operating expenses (rent, etc.). Non-financial services will be delivered by approved service providers who have been selected and supported by the program, which aims to strengthen and harmonize the missions of Business Services providers.

| ACTIVITY | | BUSINESS DESCRIPTION | TYPE | Venue | IMPLEMENTING ENTITY |
|---|---|---|---|---|---|
| 11. | Sustainable construction/rehabilitation and equipping of 1 CIOP in Maroua, 1 SME support centre and 2 business centres (Common Business Services). | Sustainable construction/rehabilitation of 1 CIOP in Maroua, 1 SME support centre and 2 business centres (Common Business Services). | Works (Construction) | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| | | Sustainable equipment of 1 CIOP in Maroua, 1 SME support centre and 2 business centres (Common Business Services). | Goods (Equipment) | Diamaré, Logone-et-Chari, Mayo-Danay, Mayo-Kani, Mayo-Sava and Mayo-Tsanaga | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| 12. | Completion of 6 studies and development of mechanisms specific to CAP2E in the first year | Completion of 6 studies during the first year of the programme by the SME Promotion Agency PME (APME) and UGPO[63], establishment of a selection mechanism integrating the private sector and the banking sector to evaluate business creation, strengthening and formalization or acceleration projects, and development of a mechanism and measures to encourage (i) competitive and subsidized recruitment, for public contracts generated by the project, of local small and medium-sized businesses, particularly those created by young people and women supported by the programme, and (ii) the offer of internships in programme operations for young trainees in the corresponding fields. | Studies | Region | UGPO / MINEPAT / Partner structures under agreement |

[63] Update of the reference situation for Youth, Women, VSEs, SEs and SMEs in the Far North region; mapping of VSE/SEs needs for technical, material and financial support; analysis of the technical specificities of entrepreneurs' equipment needs; sourcing of relevant supply channels, suitable suppliers (for the sectors: plant processing, animal processing, renewable energy production, industrial and agricultural mechanics, metal fabrication, textile and leather industry, packaging-glass-plastics-recycling industry, transport, new technologies); creation of a longitudinal database to monitor the young people, women and VSEs/SEs supported.

<table>
<tr><th colspan="6">RESULT AREA 3:<br>UPGRADING BASIC SOCIAL INFRASTRUCTURE RESILIENT TO CLIMATE CHANGE IN SUPPORT OF HUMAN CAPITAL</th></tr>
<tr><td rowspan="2">13.</td><td rowspan="2">Building/rehabilitation and equipping of (i) the service buildings of 4 district medical centres (DHCs), in areas where they are absent or have been damaged by the security crisis, in order to restore access to minimum services for the population; and (ii) the service buildings of 10 primary and kindergarten schools[64], in areas where they are absent or have been damaged by the security crisis, to support parents in their schooling efforts, by proposing schools in both the anglophone and francophone systems (3 anglophone schools, 6 francophone schools and 1 bilingual school)</td><td>Construction/rehabilitation of service buildings for beneficiary institutions</td><td>Works (Construction/ Rehabilitation)</td><td>Mayo-Sava, Mayo-Tsanaga, and Logone-et-Chari</td><td>UGPO / MINEPAT / Beneficiary establishments and their supervisors</td></tr>
<tr><td>Equipment of service buildings of beneficiary institutions</td><td>Goods (Equipment)</td><td>Mayo-Sava, Mayo-Tsanaga, and Logone-et-Chari</td><td>UGPO / MINEPAT / Beneficiary establishments and their supervisors</td></tr>
<tr><td rowspan="3">14.</td><td rowspan="3">Upgrading the infrastructure and technical platforms of 4 regional hospitals and 11 district hospitals[65]</td><td rowspan="3">Upgrades (facilities, equipment, support, training) for beneficiary hospitals</td><td>Goods (Equipment)</td><td>Mayo-Sava, Mayo-Tsanaga, and Logone-et-Chari</td><td>UGPO / MINEPAT / Beneficiary establishments and their supervisors</td></tr>
<tr><td>Services / Consultancy services</td><td>Mayo-Sava, Mayo-Tsanaga, and Logone-et-Chari</td><td>UGPO / MINEPAT / Beneficiary establishments and their supervisors</td></tr>
<tr><td>Training</td><td>Mayo-Sava, Mayo-Tsanaga, and Logone-et-Chari</td><td>UGPO / MINEPAT / Beneficiary</td></tr>
</table>

64 In addition, the state, through funding from the national budget to the PSRDREN, will also ensure the reconstruction of 18 integrated health centres (IHC)/district health centres (DHC) and one anglophone primary school.
65 The state, through funding from the national budget to the PSRDREN, will also ensure the upgrading of 3 district hospitals and the provision of a regional mobile hospital.

| | | | | | |
|---|---|---|---|---|---|
| | | | | | establishments and their supervisors |
| | | | Minor works (refurbishments) | Mayo-Sava, Mayo-Tsanaga, and Logone-et-Chari | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| 15. | Set up 1 training centre at the new Maroua/Sekande regional hospital to enhance the skills of healthcare staff in the Far North region. | Installation of 1 training centre at the new regional hospital in Maroua to reinforce healthcare personnel in the Far North region | Goods (Equipment) | Maroua | UGPO / MINEPAT / Beneficiary establishment and its supervisory body |
| | | | Services / Consultancy services | Maroua | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| | | | Training | Maroua | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| | | | Minor works (refurbishments) | Maroua | UGPO / MINEPAT / Beneficiary establishments and their supervisors |
| 16. | Implement the Consolidated Capacity Building Action Plan (CCBAP) | Implementation of all the actions of the CCBAP on the technical, environmental and fiduciary aspects. | Services / Consulting Services<br>Equipment<br>Training | Far North Region and Yaoundé | UGPO / MINEPAT |

# ANNEX IV: COUNTRY PORTFOLIO

## NATIONAL PORTFOLIO

| PROJECT NAME | AMOUNT (UA million) | WINDOW | REGIONAL/NATIONAL | APPROVAL DATE | FINANCING WINDOW |
|---|---|---|---|---|---|
| **AGRICULTURE** | | | | | |
| Agricultural Value Chains Development Project (PDCVA) | 73 | NA | National | 20/01/2016 | ADB |
| Livestock and Fisheries Value Chain Development Project (PDCVEP) | 68.6 | NA | National | 12/09/2018 | ADB |
| Support Programme to Strengthen Agricultural Production in Cameroon (PARPAC) | 51.5 | NA | National | 15/07/2022 | ADB |
| **FINANCE** | | | | | |
| DB partial credit guarantee | 19.2 | NA | National | 09/07/2015 | ADB |
| Guarantee Project for Risk Coverage Reforms | 11.5 | NA | National | 09/07/2015 | ADB |
| SG partial credit guarantee | 26.9 | NA | National | 09/07/2015 | ADB |
| **ENERGY** | | | | | |
| Nachtigal Hydropower Project | 106.2 | NSO | National | 28/11/2017 | ADB |
| Nachtigal Hydropower Project | 22.3 | NSO | National | 28/11/2017 | ADB |
| Nachtigal Hydropower Project | 4.8 | NSO | National | | ADB |
| PARSEC - Energy budget support | 60 | NA | National | 14/12/2023 | ADB |
| **TRANSPORT** | | | | | |
| Transport Sector Support Programme Phase 1: | 125.9 | NA | National | 26/11/2014 | ADB |
| Transport Sector Support Programme Phase 1 | 12.5 | NA | National | 26/11/2014 | ADF |
| Transport Sector Support Programme Phase 1 | 34.7 | NA | National | 28/03/2015 | OTHERS (ACFA-Acc Co-Fin for Afric - JICA) |
| Transport Sector Support Programme - Phase 2 / Yaounde | 220.8 | NA | National | 23/11/2016 | ADB |
| Transport Sector Support Programme - Phase 2 / Yaounde | 12.8 | NA | National | 23/11/2016 | ADF |
| Transport Sector Support Programme Phase 3: construction of the Ring Road Tranche 1 | 14.7 | NA | National | 27/11/2018 | ADB |
| Transport Sector Support Programme Phase 3: construction of the Ring Road Tranche 2 | 132.1 | NA | National | 18/12/2019 | ADB |
| Transport Sector Support Programme Phase 3: construction of the Ring Road Tranche 2 | 34.8 | NA | National | 18/12/2019 | Others (AGTF) |
| Project to Develop Access Roads to the Industrial and Port Area of Kribi (PARZIK) - tranche 2 | 32.4 | NA | National | 20/06/2022 | ADB |
| Project to Develop Access Roads to the Industrial and Port Area of Kribi (PARZIK) - tranche 1 | 93.4 | NA | National | 20/10/2021 | ADB |

| | | | | | |
|---|---|---|---|---|---|
| PAT _ Territorial Development and Private Sector Promotion Project in the Far North Region | 162.3 | NA | National | 20/10/2023 | ADB |

| | | | | | |
|---|---|---|---|---|---|
| **WATER & SANITATION** | | | | | |
| Yaounde City Sustainable Enhanced Drainage and Sanitation Project - PICADY | 27 | NA | National | 18/12/2021 | ADF |
| Studies and Preparation Project for a Programme to Supply 350 Simplified Supply Networks | 4.4 | NA | National | 17/07/2018 | ADF |
| **GOVERNANCE** | | | | | |
| Economic Recovery Support Programme in Cameroon - PARECAM | 66.2 | NA | National | 15/07/2022 | ADB |
| Public Finance Governance Support Project (PAGFP) | 11.6 | NA | National | 09/12/2022 | ADF |
| Public Finance Governance Support Project (PAGFP) | 0.8 | NA | National | 09/12/2022 | ADF |
| **SOCIAL** | | | | | |
| Project to Promote Entrepreneurship and Develop Skills for Industrialization - PEACI | 51 | NA | National | 13/07/2023 | ADB |

## REGIONAL PORTFOLIO INCLUDING CAMEROON

| | | | | | |
|---|---|---|---|---|---|
| **ENVIRONMENT** | | | | | |
| Socioeconomic Reintegration Support Project for Vulnerable Groups in the Lake Chad Basin (PARSEBALT) - Cameroon Component | 8 | NA | Regional | 25/09/2018 | ADF |
| Integrated Development and Climate Change Adaptation Programme in the Niger Basin - PIDACC/BN | 6 | NA | Regional | 30/11/2018 | ADF |
| Integrated Development and Climate Change Adaptation Programme in the Niger Basin - PIDACC/BN | 0.7 | NA | Regional | 30/11/2018 | GCF |
| **ENERGY** | | | | | |
| Cameroon-Chad Power Interconnection Project - PIRECT, Cameroon component | 178.1 | NA | Regional | 18/12/2017 | ADB |
| Cameroon-Chad Power Interconnection Project - PIRECT, Cameroon component | 6 | NA | Regional | 18/12/2017 | ADF |
| **TRANSPORT** | | | | | |
| Feasibility Study on the Extension of the Cameroon – Chad Railway Line | 2 | NA | Regional | 18/11/2017 | ADF |
| Construction Ketta-Djoum Road: Phase 2– Cameroon | 50.7 | NA | Regional | 21/10/2015 | ADB |
| Lake Chad Basin Regional Road Network Integration Project - Construction of a Bridge over the Logon between Yagoua (Cameroon) and Bongor (Chad) | 27.2 | NA | Regional | 11/12/2017 | ADB |
| Lake Chad Basin Regional Road Network Integration Project - Construction of a Bridge over the Logon between Yagoua (Cameroon) and Bongor (Chad) | 9.4 | NA | Regional | 11/12/2017 | ADF |
| Addendum to the Lake Chad Basin Regional Road Network Integration Project - Construction of a Bridge over the Logon between Yagoua (Cameroon) and Bongor (Chad) | 17 | NA | Regional | 30/04/2020 | PAGODA/UE |

| | | | | | |
|---|---|---|---|---|---|
| REGIONAL TRANSPORT AND TRADE FACILITATION PROJECT ON THE CAMEROON-EQUATORIAL GUINEA-GABON ECONOMIC CORRIDOR: CONSTRUCTION OF A BRIDGE OVER THE N'TEM RIVER- | 40 | NA | Regional | 29/11/2023 | ADB |
| REGIONAL TRANSPORT AND TRADE FACILITATION PROJECT ON THE CAMEROON-EQUATORIAL GUINEA-GABON ECONOMIC CORRIDOR: CONSTRUCTION OF A BRIDGE OVER THE N'TEM RIVER- | 20 | NA | Regional | 29/11/2023 | ADF |

# ANNEX V: ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

| | | | |
|---|---|---|---|
| **A. Basic Information**[71] | | | |
| **Project Title:** Program "BUILDING CAPACITIES AND SKILLS FOR EMPLOYABILITY AND ENTREPRENEURSHIP IN THE FAR NORTH REGION OF CAMEROON" (CAP2E) | | | **Project SAP : P-CM-IZ0-003** |
| **Country**: Cameroon | **Region:** RDGC | **Lending Instrument**: Result Based Financing | |
| **Project Sector Unit:** Social Development | **Task Team Leaders :** Anne PERROT BIHINA et Oussama BEN ABDELKARIM | | |
| **Appraisal dates**: September 10 to 27, 2024 | **Estimated Approval Date**: **May 21, 2025** | | |
| **Environmental Safeguards Officer**: Jean de Dieu Hermann ZONGO / Bandekni Pakidame KOLANI | | | |
| **Social Safeguards Officer**: **XXXXX** | | | |
| **Environmental and Social Category**: Category 2 | **Operation type**: **Public Sector Operation** | **Financial Intermediary**: **No** | |
| **Categorization date:** *June 22, 2024* | **Categorization in ISTS: June 22, 2024** | **Categorization in SAP: June 22, 2024** | |
| **Is this project processed under rapid responses to crises and emergencies?** | **No** | | |
| **Is this project processed under a waiver to Integrated Safeguards System (ISS) requirement(s)?** | **No** | | |

| | |
|---|---|
| **B. Disclosure and Compliance Monitoring**<br>**B.1 Mandatory disclosure** | |
| **Environmental Assessment/Audit/System/Others: Environmental and Social System Assessment (ESSA) Report** | |
| Was/Were the document (s) disclosed ***prior to appraisal?*** | **No** |
| Date of "in-country" disclosure by the borrower/client | *February 26, 2025* |
| Date of receipt, by the Bank, of the authorization to disclose | ***March 5, 2025*** |
| Date of disclosure by the Bank | ***March 6, 2025*** |
| **Resettlement Action Plan (RAP)**[72]**: [***specify including number***]** | |
| Was/Were the document (s) disclosed ***prior to appraisal?*** | **NA.** |
| Date of "in-country" disclosure by the borrower/client | *Click to Set the date* |
| Date of receipt, by the Bank, of the authorization to disclose | ***Click to Set the date*** |
| Date of disclosure by the Bank | ***Click to Set the date*** |
| **Stakeholder Engagement Plan (SEP): [***specify including number***]** | |
| Was/Were the document (s) disclosed ***prior to appraisal?*** | **NA.** |
| Date of "in-country" disclosure by the borrower/client | *Click to Set the date* |
| Date of receipt, by the Bank, of the authorization to disclose | ***Click to Set the date*** |
| Date of disclosure by the Bank | ***Click to Set the date*** |

[71] **Note**: *This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.*
[72] *Including Livelihood Restoration Plan*

| | |
|---|---|
| **Pest or Vector Management Plan (PMP/VMP): [*specify including number*]** | |
| Was/Were the document (s) disclosed ***prior to appraisal?*** | **NA.** |
| Date of "in-country" disclosure by the borrower/client | *Click to Set the date* |
| Date of receipt, by the Bank, of the authorization to disclose | ***Click to Set the date*** |
| Date of disclosure by the Bank | ***Click to Set the date*** |
| **Vulnerable Peoples Plan (VPP): [*specify including number*]** | |
| Was the document disclosed ***prior to appraisal?*** | **NA.** |
| Date of "in-country" disclosure by the borrower/client | *Click to Set the date* |
| Date of receipt, by the Bank, of the authorization to disclose | ***Click to Set the date*** |
| Date of disclosure by the Bank | ***Click to Set the date*** |
| **Riparian Communities Participation Plan (RCPP): [*specify including number*]** | |
| Was the document disclosed ***prior to appraisal?*** | **NA.** |
| Date of "in-country" disclosure by the borrower/client | *Click to Set the date* |
| Date of receipt, by the Bank, of the authorization to disclose | ***Click to Set the date*** |
| Date of disclosure by the Bank | ***Click to Set the date*** |
| **Emergency Preparedness & Response Plan (EPRP): [*specify including number*]** | |
| Was the document disclosed ***prior to appraisal?*** | **NA.** |
| Date of "in-country" disclosure by the borrower/client | *Click to Set the date* |
| Date of receipt, by the Bank, of the authorization to disclose | ***Click to Set the date*** |
| Date of disclosure by the Bank | ***Click to Set the date*** |
| **Hazardous/Medical Waste Management Plan (HWMP): [*specify including number*]** | |
| Was the document disclosed ***prior to appraisal?*** | **NA.** |
| Date of "in-country" disclosure by the borrower/client | *Click to Set the date* |
| Date of receipt, by the Bank, of the authorization to disclose | ***Click to Set the date*** |
| Date of disclosure by the Bank | ***Click to Set the date*** |
| **Riparian notification:** | |
| Was the document disclosed ***prior to appraisal?*** | **NA.** |
| Date of "in-country" disclosure by the borrower/client | *Click to Set the date* |
| Date of receipt, by the Bank, of the authorization to disclose | ***Click to Set the date*** |
| Date of disclosure by the Bank | ***Click to Set the date*** |
| En**vironmental and Social Management Plan (ESMP) of the financing agreement**[73] | |
| Was the document disclosed ***prior to appraisal?*** | **No** |
| Date of "in-country" disclosure by the borrower/client | *March 7, 2025* |

[73] As referred to in section III.2.3 of the Bank's Environmental and Social Policy (ESP)

| | |
|---|---|
| Date of receipt, by the Bank, of the authorization to disclose | *March 7, 2025* |
| Date of disclosure by the Bank | *March 10, 2025* |
| **If in-country disclosure of any of the above documents is not expected, as per the country's legislation, please explain why:** NA. | |

**B.2. Compliance monitoring indicators**

| | |
|---|---|
| Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? | Yes |
| Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost? | Yes |
| Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized, and secured?[74] | NA. |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? | Yes |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? | Yes |

## C. Clearance

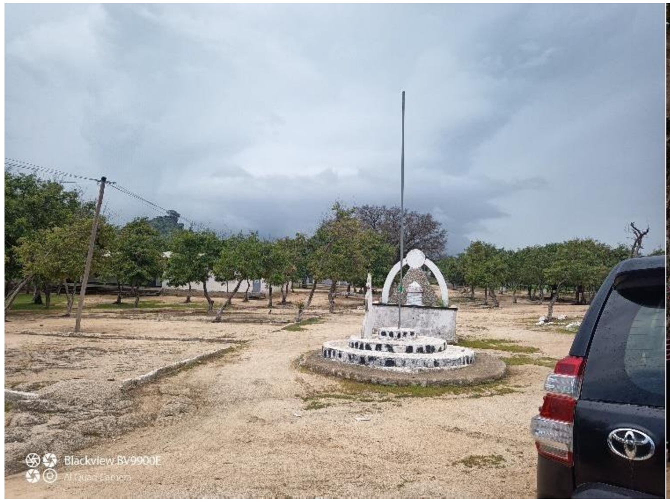
Is the project compliant with the Bank's environmental and social safeguards requirements, and can be submitted to Approval? Yes

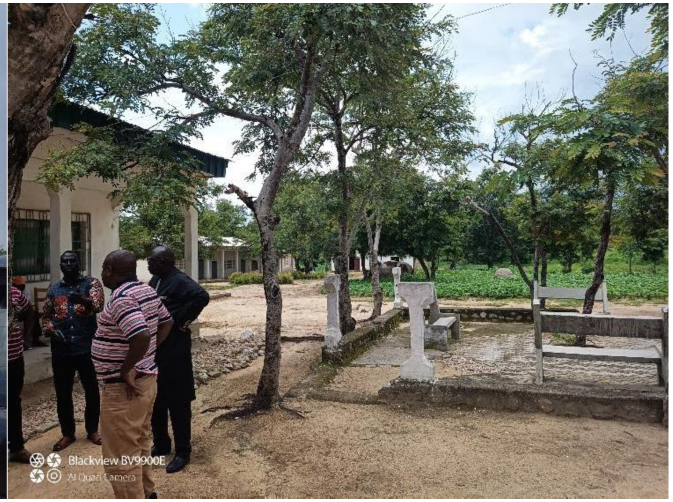
| ***Prepared by*** | ***Name*** | ***Signature*** | ***Date*** |
|---|---|---|---|
| Environmental Safeguards Officer: | Jean de Dieu Hermann ZONGO / Bandekni Pakidame KOLANI | | **March 10, 2025** |
| Social Safeguards Officer: | XXXXX | | Click or tap to enter a date. |
| Task Team Leaders: | Anne PERROT BIHINA et Oussama BEN ABDELKARIM | | **March 10, 2025** |
| ***Submitted by*** | | | |
| Sector Director: | Martha T.M. PHIRI | Martha TMPhiri | *March 14, 2025* |
| ***Cleared by*** | | | |
| Director SNSC: | Maman-Sani ISSA | [signature] | *May 6, 2025* |

[74] *In case a resettlement action plan (RAP) are not required although ESIA is/are disclosed, attached the image/picture/photo of the area/site/landscape to evidence that it is free of any encumbrance (simple statement or letter from the borrower does not suffice), in addition to the statement by the borrower that it is a public-owned land.*

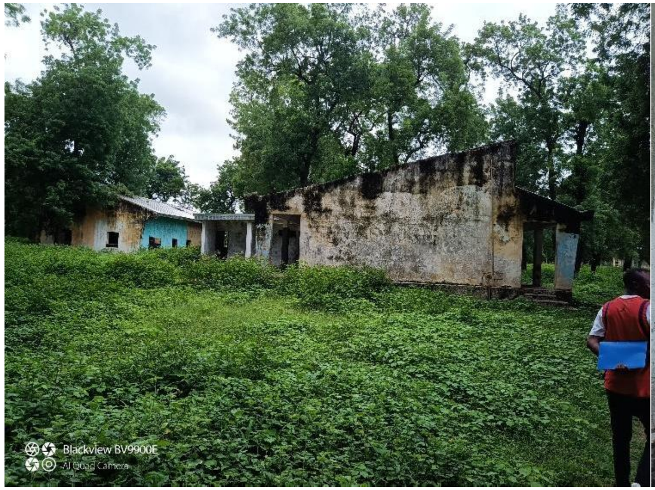
**Land and infrastructure belonging to the State of Cameroon**

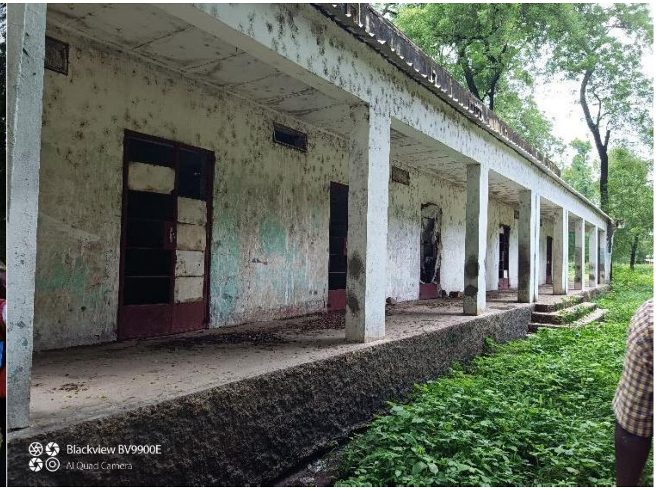
**Site for the reconstruction, extension, equipment and reforestation of the Mokolo Government Technical High School (August 2024)**




**Site for the reconstruction, extension, equipment and reforestation of the old Yagoua Hospital (August 2024)**



**Site for the extension, equipment and reforestation of the Yagoua Agricultural High School (August 2024)**