



— Central Africa

Regional Strategy
2020-2024

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Between 2017 and 2019, AFD reorganized its network around seventeen regional offices in a dual objective of deconcentrating decision-making and mutualizing competencies. Established in Douala, the Regional Office of Central Africa covers Cameroon, Gabon, the Republic of Congo, the Democratic Republic of Congo (DRC), the Central African Republic

(CAR), Equatorial Guinea and Sao Tome and Principe. The mission of the regional office is to implement the strategy of the Group in Central Africa with teams from AFD, Proparco, the subsidiary dedicated to the private sector, and Expertise France for technical cooperation.



This regional strategy sets out the priorities of the French development policy defined by the Interministerial Committee for International Cooperation and Development (CICID) and integrated by the Group in its 2018-2022 Strategic Plan to contribute to reaching the Sustainable Development Goals and the goals of the Paris Agreement. The strategy is also based on the foundations of the president's Ouagadougou speech of 2017 calling for official development assistance which is more effective, more partner-oriented, and closer to the field, with a stronger evaluation culture.

It lists the priorities which AFD Group has set out to assist the sub-region's countries in overcoming their vulnerabilities in order to promote green and united development in Central Africa. In this region, AFD Group will focus on supporting political and citizen transitions and to fighting against vulnerabilities, promoting human capital and economic diversification, valorizing the region's ecological patrimony and fostering the emergence of resilient territorial dynamics.

The strategy complements the country strategies of the region which are more precise on specific local issues. It covers the 2020 to 2024 period and may be revised before its end, depending on the evolution of contexts.

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1.

CENTRAL AFRICA

1.1. THE AREA AND THE ISSUES

At the heart of the African continent, Central Africa is a diverse area that is loosely and unevenly integrated regionally and marked by contradictory dynamics and tensions which can weaken cohesion, whereas several countries in the region face common challenges.

The Central African Regional Office (DRAC, from the French "*Direction régionale Afrique Centrale*") covers seven countries in an area which stretches over 5.4 million km² and counts nearly 138 million inhabitants. The area is characterized by abundant natural resources benefiting each country and by a common, shared ecosystem: the Congo Basin forest, the second-largest tropical forest after the Amazon forest. Nonetheless, this sub-region is not a homogeneous entity: it is an area whose differences and diversity are seen in the size of the countries and their populations, the availability of resources, their landlocked location¹, their languages², their cultures³ and influences, etc. Despite the presence of two regional institutions, CEMAC (Economic and Monetary Community of Central Africa) and ECCAS (Economic Community of Central African States), the countries are struggling to form a sufficiently integrated sub-regional bloc, with some of them occasionally torn between the competing dynamics of several internal and external regional frameworks, whereas others face sub-regional rivalries.

Despite their differences, the seven countries of this area, which mix zones of poverty⁴ and conflict, more than ever have a shared destiny. The sub-region faces crucial issues due to recurring exogenous and endogenous shocks: i) significant **security challenges** putting the stability of countries and regional cohesion at risk and deepening vulnerabilities; ii) **economic issues** raised by the structural transformation of their economies; iii) **societal issues**, whose social divisions are intensified by the youthfulness of the population and by territorial imbalances; and iv) **ecological challenges** as much in managing the preservation of their natural heritage as in facing natural disasters and climate change.

A conflictual area, weakened by recurring political, social and health crises

Central Africa is marked by old and new crises of diverse natures which threaten the stability of each country and the region as a whole. Terrorist activities, notably in the Lake Chad region, or separatists in certain countries (Cameroon and Central Africa Republic), have produced a volatile security environment and significant destabilization of the territories. Authorities are confronted with the movement of people fleeing conflict zones. At the regional level, borders, notably in Cameroon, CAR and DRC, are sensitive sites of tension where settlements of displaced people and refugee camps have been set up. These are therefore pockets of weakness which are out of State control and which concentrate vulnerabilities. Closely linked to political instability, food crises have often occurred in recent years to varying degrees. In many regions (e.g. northern Cameroon, the north and east of CAR, the east of DRC), conflicts are often the result of State disengagement within the territory. This movement toward State disengagement threatens already-vulnerable populations even further since it excludes them from any social protection and leaves them at the mercy of armed groups and ethnic divisions in certain cases. Violence between camps has a particularly high impact on women and girls, who are victims of sexual violence and are used as bargaining chips. Lastly, crises can also concern health, with viral epidemics like Ebola, and health systems which are insufficiently developed to respond effectively.

These crises often result from bad governance at the national and regional levels. National political situations are dominated by the near absence of alternative political choices, heightening citizens' feeling of distrust and generating repeated conflicts. Financial governance is marked by insufficiencies in terms of mobilization of domestic resources, redistribution of wealth to the population and the fight against corruption. At the same time, on the regional level, the lack of integration and leadership produces a sub-region characterized by a juxtaposition of regional institutions whose results are mixed. Member States have limited political engagement in regional institutions (CEMAC, ECCAS), effectively reducing their legitimacy and their range of action. With no identified leader, Central Africa stands out for its scattered interests and strong rivalries.

¹ The Central African Republic has no access to the sea and thus depends exclusively on overland trade with its neighbors.

² Central Africa is the most Francophone region of the continent. However, besides French, English, Spanish and Portuguese are also official languages of the area, in addition to numerous local languages.

³ There are no majority ethnic groups in the area. Cameroon alone counts more than 150.

⁴ Despite the presence of some countries whose GDP per capita is the highest in Africa.

Crises and bad governance have only worsened a complex social, food and health situation. The region thus has the highest poverty rate of the continent (60% of the population lives below the poverty line and the Gini Index is over 0.48)⁵. Food security and nutrition are major issues despite the region's high agricultural potential. Indeed, more than one person in two is undernourished in Central Africa, as opposed to one person in five in Africa overall. In spite of notable efforts in all countries, school enrollment stands at 75%, placing Central Africa after Southern Africa and North Africa. Life expectancy in Central Africa is 59 years⁶. Access to basic services (education, health, water, sanitation, electricity, access to a quality internet connection) is very uneven throughout the region, with a particularly deep divide between urban and rural areas and even within urban areas, leading to a rise in exclusion and impoverishment. As an example, only 32% of the population in the sub-region have access to electricity, placing it even after Sahel at the continental level (33%). Some neighborhoods continue to spread into flood, laguna and/or risky zones. These weaknesses have significant ecological and health impacts. They can facilitate the spread of new pandemics (such as Ebola or Covid-19) as well as the transmission of tropical and/or transmissible diseases still afflicting the region (cholera, measles). Despite the concerted mobilization of States and international organizations, national health systems lack the means and the capacity to face such crises. This health and social situation is all the more worrying in conflict zones, which remain numerous in the region, as previously mentioned.

Finally, the region must also tackle natural disasters: flooding, coastal erosion, drought. In urban as well as rural areas, the effects of these phenomena are exacerbated by the lack of infrastructure, territorial planning, alert systems and emergency services capable of handling disasters.

A high-potential area, endowed with human capital to be valorized and with underused economic capacity.

With more than 60% of inhabitants under the age of 25 and a population set to double by 2050, countries in Central Africa have high demographic growth, constituting a positive dynamic to count on to support their development.

However, youth face real difficulties integrating the job market. With an unemployment rate of youth (15-24 years old) that is higher than that of the continent (approximately 9%⁷ versus 5% for the rest of the region) and a job market dominated by the informal economy, **the employability of**

youth available to take quality jobs is a real challenge. The trend toward the marginalization of this significant segment of the population, some of whom are well trained, others of whom have neither training nor job, can be a source of destabilization and social tension (notably the radicalization of idle youth in conflict zones, criminality, uncontrolled migration flows). There is a need to offer Central African youth training and paths toward professional integration adapted to the needs of the economy. **Thus, the capacity of governments to seize the opportunity of the demographic dividend** is no doubt one of their main challenges. It is closely linked to issues of access to basic services – education, health, energy – which today remains largely insufficient.

Moreover, supporting greater and more inclusive economic growth is a crucial issue shared by all countries in the area.

The countries have been facing a difficult economic context with flagging economic growth in recent years (+2.4% GDP growth in 2019). The recent health crisis linked to Covid-19 risks exacerbating the macroeconomic situation and plunging the sub-region into recession. In CEMAC zone countries, the growth rate is expected to be -3.7% with varying effects depending on whether countries are more or less dependent on oil income (Equatorial Guinea and Congo, according to forecasts, are the countries that will be the most affected, with respective growth rates of -8.1 and -8.6%⁸). The region is all the more economically vulnerable due to its being highly exposed to the price of oil, with four out of seven being net oil exporters (Cameroon, Congo, Gabon, Equatorial Guinea). Whereas the countries are barely recovering from the economic slowdown caused by the plunge of oil prices in 2014, plus major security shocks (notably civil war in CAR, terrorism and Anglophone crisis in Cameroon) and the recent health crisis in DRC, they must face the Covid-19 crisis without having benefited from noticeable bright spots in the 2017-2019 period. In this difficult context, the debt situation further weakens several countries in the region. Sao Tomé and Príncipe and Congo have defaulted with a debt-to-GDP ratio of more than 70%. Cameroon, CAR and DRC have been rated as having a "high" risk of excessive debt by the IMF.

Despite their abundant resources and a strategic geographic position, the general context in Central Africa remains challenging for business. All countries are rated at the back of the pack in the "Doing Business" index⁹, and the area remains unattractive to investors, with a nervous banking sector relative to the rest of the continent. The Ibrahim Index of African Governance has just bolstered this rating, notably in its section on sustainable development, which includes the business environment¹⁰. In this domain, all of the countries in the area are listed in the

⁵ Cf. Appendix 4

⁶ Which places Central Africa just after Sahel (60 years) and in second to last position, before the Gulf of Guinea (55 years).

⁷ Source: World Bank/WDI.

⁸ Source: IMF, Regional Economic Outlook for Sub-Saharan Africa, Oct. 2020.

⁹ See Appendix 4. All countries in the zone are ranked between the 167th and 184th place, against a median rank for African countries of 147th.

¹⁰ According to 2018 results of the IIGA. See <https://mo-s3.ibrahim.foundation/u/2018/10/28183512/IIGA-2018-Gouvernance-Globale.pdf>

second half of the 54 African countries included: 24th place for Cameroon and 52nd for Equatorial Guinea. This section focuses particularly on the business environment, on the population's perception of public policies on job creation. This index shows the difficulties countries have in transforming economic growth into sustainable economic development. The prevalence of the informal economy and informal employment in the Central African economy¹¹ also shows the difficulties that countries are encountering in structuring their economy and offering guarantees to workers, enterprises and societies.

The weak diversification of the economy, whether concerning sectors or actors, limits economic development.

The high dependence on the extractive sector makes the region's economies dependent on outside markets and renders them more and more vulnerable. This sectoral concentration curbs investment in other sectors, notably agriculture and food, services, manufacturing, natural resources and new technologies. Moreover, limited access to financing for micro-enterprises and SMEs constrains entrepreneurship possibilities and the rapid development of a local economic fabric, sources of diversification of activities.

The national and regional infrastructure deficit also prevents an economic takeoff and is slowing the process of regional integration.

Transport costs in the area remain very high, limiting the development of an intra-regional market and accentuating territorial fragmentation. With no access to the sea, CAR in particular suffers from this landlocked location. Waterways (about 22 000 km) make up a strategic web in the region's transport system, but until now remain underused. Even within countries, the lack of transport infrastructure widens the divides between urban and rural areas and contributes to the deepening of territorial inequalities. Access to energy is minimal and there are fewer electricity grid interconnections in Central Africa than in other African regions. Communications networks are limited and not – or are badly – integrated in the area, thus limiting interfaces. Furthermore, the lack of technical modernization in certain sectors such as agribusiness hinders the development of production and transformation activities.

Added to this are **tariff and non-tariff barriers**¹² to the free cross-border movement of people, limiting development of an intra-regional market and increasing territorial divides, notably those in the weakest countries. Consequently, rather than depending on trade within the same sub-region, Central African countries are constrained to counting more on international trade to develop their economies.

An area with abundant natural resources lacking sustainable and inclusive operating models

Central Africa has abundant resources (oil, mines, forests) and high agricultural potential which, are respectively exploited badly and too little.

The region's economies are largely dependent on the exploitation of raw materials and extractive industries, principally oil. Thus in addition to exposing the area to exogenous shocks, the exploitation of oil wealth continues to benefit relatively few people, with little gain reaching populations. Moreover, Central Africa is one of the largest agricultural production basins in Africa. It has more than 120 million hectares of land useable for agriculture and agribusiness (cacao, cereals, coffee, tuber crops...). However, despite rare exceptions such as Cameroon, where food production has increased significantly in the last decade thanks to an expansion of cultivated land, agricultural productivity in countries of the sub-region remains very low and is even decreasing. Agricultural areas are not used to their full potential and agriculture is dominated by food and subsistence farming. Agricultural production is consequently insufficient to feed populations and Central Africa is resorting to more imports to satisfy the needs of its growing population.

Food and nutritional security thus remain a significant issue

in some countries in the region. The Covid-19 crisis, and in particular restrictive measures tied to fighting the spread of the virus, is exacerbating this issue and exposing African States to greater vulnerability. Several factors can explain today's agricultural difficulties, including the vulnerability to conflicts and to extreme climate events, but also the weak structuring of value chains, the lack of modernization and occasionally complex land management. The development of agribusiness and family farming, which mix production and transformation and foster the emergence of solid agricultural and food systems that are sustainable and resilient, would allow for capitalization on regional agricultural potential and contribute to a structural transformation of the economy. Self-sufficiency and food and nutritional security, favoring local and regional production, should be at the heart of agricultural and food policies. More than ever it is becoming necessary to link supply chains to places of transformation, distribution and consumption and to develop local and regional chains.

¹¹ In Central Africa, the rate of informal employment is 80%, all sectors combined; it is around 90% when including agriculture.

It particularly affects women and young workers. Source: "ILO, Women and Men in the Informal Economy: a Statistical Picture", 2018.

¹² For example, transit costs account for more than 30% of the value of CAR exports. It is more expensive to ship goods from Douala to Bangui than to ship them from Douala to Paris.

Beyond these abundant mining and agricultural resources, the area is home to one of the most vital ecosystems for the planet: the Congo-Oubangui-Sangha Basin, ranked second in the world for its water and forest resources.

Stretching across all countries in the area, this common good requires collective and sustainable management. The basin offers the region considerable hydroelectric potential (57% of Africa's potential). This is in a sub-region where the supply of energy is unreliable, costly and far from universal (only 30% of the sub-region's population has access to electricity). The priority given to exploiting hydrocarbons has limited investment in other domains as well as the development of sustainable models of exploitation. Thus, raising the area's use of hydroelectricity to its potential is one of the key factors in its economic and social development.

Beyond economic issues, **Central Africa's natural resources, notably from mining and forestry, are a cause of instability and conflict.** Revenue generated by the exploitation and sale of these resources, legal or illegal, can lead to capture strategies by violent armed groups, certain States and certain communities, with the very real risk of producing a rise in militia action and reprisals. The lack of legislation and of control in the management and exploitation of these resources crystalizes issues of strong powers and impacts the security of populations and the peaceful coexistence of societies.

Lastly, the sustainable and equitable management of these resources is a major ecological issue for the region and more largely for the planet.

Although today regional ecosystems remained relatively preserved, this precarious balance is upset on the one hand by the splintering of forest domains linked to agricultural, forest and mining exploitation, and on the other hand by the weakness of the regional regulatory framework related to the protection of ecosystems. These resources are also confronted with natural risks and the effects of global warming. Central Africa must face natural disasters (floods, droughts, coastal erosion, destruction of mangrove ecosystems, insect invasions, etc.) which are intensifying, whereas alert systems and risk management are insufficient, even absent in certain countries.

Thus, the combined effects of climate change and demographic growth, the pressure exerted on the green lung of Africa and the permanent endangering of natural ecosystems are as many factors that weaken the resilience of Central African societies and beyond.

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The Central African Regional Office (DRAC) covers seven countries.

Despite their differences, the seven countries of this area, which mix zones of poverty and conflict, more than ever have a shared destiny.

1.2. THE POSITIONING OF AFD GROUP IN CENTRAL AFRICA

AFD Group has been present in Central Africa since its creation, with the opening of local agencies in Brazzaville, Yaoundé and Libreville in 1947. It benefits from solid relations between France and the countries of the sub-region that draw on the many common socio-cultural, economic and historical interests. Nonetheless, this strong French attachment is increasingly faced with the growing power of new international actors. In this new landscape of actors, **AFD Group is contributing to French influence through its interventions and supporting the renewal of France's commitment in the entire area.**

This French influence is facilitated by the widespread presence of the French language, **Central Africa being the largest Francophone area on the African continent.** Five of the seven countries in the area have French as their official language (Portuguese is the official language in Sao Tome and Spanish is the official language in Equatorial Guinea). The school and university networks are highly developed, with a significant presence of French institutes and of Campus France. Economically, an agreement on monetary cooperation (the CFA franc zone) unites five countries in the region (Cameroon, the Republic of Congo, Gabon, CAR and Equatorial Guinea). The presence of French enterprises in the sub-region is significant, notably in the sectors of infrastructure, hydrocarbons, telecommunications and agricultures. French research institutes (CIRAD, IRD, Pasteur, etc.) are also well integrated in Central Africa, with national and regional programs.

More largely, the AFD intervention in Central Africa gains its legitimacy through the different commitments made by France, internationally and in each country of the area. Indeed, the orientations given by the Ouagadougou Speech in 2017 guide the strategies deployed by the AFD Group in Central Africa. At the country level, the cooperation between France and the Central African countries lies within a long tradition of cooperation agreements which act as strong ties between France and this region.

Thus, in Central Africa, **AFD Group's activity contributes fully to the dynamic of this cooperation.**

Although the macroeconomic situation of the area limits the choice of intervention tools, AFD Group continues to maintain its commitment in the region and helps maintain this strong relationship between France and Central Africa. **AFD Group (AFD and Proparco) thus authorized commitments for nearly 2.5 billion euros in the Central Africa region in the 2015-2019 period** for 250 projects, 123 of which are currently being implemented. **The sub-region thus represents 12% of the Africa Department's business plan in 2019** (€514 M in commitments, excluding €130 M realized by Proparco), 8% of signatures in the year (€334 M), 22% of disbursements realized (€515 M), for an outstanding amount in the range of 1.5 billion euros to date.

The impact of AFD commitments in the sub-region and in the 2015-2019 period is significant. To cite some examples, they enabled the enrollment of an additional 175 000 girls and 182 000 boys at the primary and lower secondary school levels. More than 1 million people benefited from improved access to health systems in the region. Nearly 4 million hectares of forest benefited from conservation, restoration or sustainable management programs. In the domain of public finances, whereas budget support accompanying IMF programs enabled the consolidation of budget situations, public debt in the sub-region continued to grow and country efforts at implementing structural reforms remained timorous.

Proparco, the AFD subsidiary dedicated to the private sector, is also well established in Central Africa. It has been present there since 2005, with financing reaching €500 M destined for 20 projects over the last 5 years. In the sub-region, Proparco **ranks as a donor of choice notably in the sectors of infrastructure, energy** (40% of its portfolio) **and financial services** (45% of its portfolio). Proparco has notably developed partnerships through its SME ARIZ guarantee product with the largest banks and microfinance institutions (MFIs) of the financial markets. Proparco proposes a range of differentiated financing according to the needs of its clients (debt and equity financing and guarantees).

In the absence of regional representation in Central Africa, the presence of **Expertise France (EF)**, mainly in Franco-phone zone countries, is based on i) **a solid network of currently employed technical assistants**, spread over 4 countries in the region (Cameroon, CAR, DRC and Gabon); and on ii) **targeted one-off interventions through projects** (led by AFD or other donors such as the European Union) and more particularly on multi-country projects¹³. These different experts are important relays for the Regional Office, notably in the domains of **governance** (economic and financial governance, migration) and of **maritime security**¹⁴. Expertise France is strongly implicated in the domain of **health** and also leads actions to promote **human capital**. Lastly, its experts, along with those from AFD, are developing activities to fight against **climate change**, in launching the Adapt'Action program financed by AFD in the field. The action of Expertise France in Central Africa associates, as a complement, structural support through multi-year projects (notably in Cameroon, DRC and CAR) and technical expertise within key ministries.

The Group therefore intervenes in all countries of the sub-region, but it is Cameroon that benefits from the largest volumes of financing, notably due to the large debt reduction and development contracts implemented¹⁵. In volume and in number of projects, the Group's main sectors of intervention in the region are infrastructure and urban development, agriculture and non-CICID sectors (technical assistance, studies funds, budget support and support for public policies).

In the region, the Group deploys its full range of financing tools: sovereign and non-sovereign loans, grants, guarantees, debt reduction and development contracts, studies funds and capacity building... The latter notably make it possible to support particularly weak contracting authorities in the region. Within the Regional Office, DRC and CAR are among the 19 priority countries for French aid as defined by the CICID. As such they benefit from a concentration of gifted budget resources from France (grants and budget support). These two countries thus attract the near totality of grants for the area.

Lastly, **AFD Group regularly shows its capacity to innovate in terms of tools and methods to find adapted solutions, notably in crisis zones**. The creation of two initiatives covering DRAC countries within the "Peace and Resilience" Minka Fund¹⁶, as well as the "Fragile Countries" initiative led by Proparco, allow for facilitated intervention for public and private actors in risky contexts.

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AFD Group is contributing to French influence through its interventions and supporting the renewal of France's commitment in the entire area.

Central Africa being the largest Francophone area on the African continent

¹³ Initiative for the fight against epidemics and protection against infectious risks (HIV, malaria, tuberculosis); Medisafe regional project to fight against fake medicine in Central and East Africa.

¹⁴ GoGIN maritime security and safety project to foster the blue economy, projects NRBC 41 and 48 on the prevention and management of biological and chemical risks, and the WeCaps security and safety project for ports in West and Central Africa.

¹⁵ Cf. Appendix 2: Overview of AFD Group activities between 2015 and 2019.

¹⁶ Lake Chad Initiative (covering the North of Cameroon) and CAR Initiative.



2.

**WHAT AFD GROUP
PRIORITIES FOR ACTION
IN CENTRAL AFRICA?**

The countries of Central Africa begin with different situations but are confronted with a same challenge: the search for new balances between economic growth and the imperative to preserve their natural resources, between the need for investment and the risk of excessive debt, between the growth of wealth and its unequal distribution, between the need for stability and the workings of democracy, between accounting for youth and the weight of traditions, between regional solidarity and national individualism. Central Africa is thus searching for its path to achieve resilient, sustainable, united development, between potentialities and vulnerabilities.

Three main themes will guide AFD Group strategy in the implementation of its 2018-2022 Strategic Orientation Plan in Central Africa to support the sub-region in **"Overcoming its vulnerabilities for sustainable, green and united development"**: (1) **support political and civic transitions and the fight against vulnerabilities**; (2) **promote human capital and economic diversification**; (3) **protect natural capital and strengthen resilient and shared territorial dynamics**.

Through this ultimate goal and these priorities, **AFD Group in Central Africa has a dual approach**. On the one hand, it involves accounting for the existing vulnerabilities in Central Africa and identifying the actions which will lead to reducing them, acting both on the causes and the effects. On the other hand, it involves capitalizing on successes, consolidating achievements, promoting new paths of development and opening new horizons in this region.

The implementation of this regional strategy will fall within the major commitments of AFD Group, notably the **100% Paris Agreement and 100% Social Link**, in order to contribute to reaching the Sustainable Development Goals (SDGs):

- The 100% Paris Agreement commitment takes on its full meaning in a region like Central Africa which benefits from the largest concentration of biodiversity in Africa. Beyond its focus on action in resource management, AFD Group will ensure that all financing falls within sustainable, low-carbon and resilient development trajectories.
- The fight against vulnerabilities must be based on the inclusion of all actors in society, at all levels, in all sectors and in all territories. Also, the imperative of 100% Social Link will be at the heart of AFD Group cross-cutting action in Central Africa. AFD interventions will be attentive to accounting for groups which are excluded by virtue of their sex, age, origins and place of residence in order to give them a place and a voice in this green and united development. The thematic of gender equality will be central in all actions led by AFD Group to help fulfill SDG 5. The DRAC will notably rely on France's international strategy for gender equality (2018-2022) and its internal gender strategy. The inclusion of women in social, political and economic domains is an essential aspect for sustainable development in Central Africa and will be sought in all activities in order to give them a voice in public and economic spheres. This stress will be all the more marked in areas of great vulnerability (conflict zones, epicenters of epidemics, migration corridors, etc.), where women and girls are subjected to even greater physical and symbolic violence.

2.1. POLITICAL AND CIVIC TRANSITIONS UNDERWAY AND REDUCED VULNERABILITIES

In crisis and post-conflict contexts found in Central Africa, relations between citizens and their state system are not always serene: the lack of State presence in territories, breakdowns in administrations, weaknesses in governance systems in place, sense of abandonment among the population, limitation or even absence of expression and civic participation, war, etc. As such, AFD Group **will seek to develop strengthened models of governance while promoting political and citizen transitions, paying particular attention to institutional and societal vulnerabilities including gender inequalities and aiming to reduce territorial as well as cultural divides**. To reach this objective, AFD will strive to lead concrete interventions able to strengthen territorial governance, support the empowerment of local actors, encourage the process of decentralization, and consolidate the principles of the rule of law.

Particular attention will be focused on regional, national and local actors to enable them to provide quality public service throughout the territory and at all levels. This support will appear in the form of improved public policy dialogue on structural reforms to carry out, in capacity building of actors, modernization of tools and supply of equipment. If they are well led, the processes of deconcentration and decentralization can fight against territorial imbalances, making it possible to boost more remote territories, consolidate social cohesion and create a sense of territorial belonging for inhabitants. In this respect, the implementation of targeted AFD interventions in conflict zones and cross-border areas (mainly Cameroon, CAR and DRC) will be strengthened. Often difficult to access, removed from decision-making centers, these zones escape the control of States and suffer from the absence of public

services; they become lawless zones at the mercy of factions exacting all sorts of violence. For example, in CAR, the first objective of the Minka Initiative is to support an opening up and the fight against territorial inequalities (between Bangui and the regions) by supporting local development.

Furthermore, countries in the sub-region must come to terms with **cross-border problems of strong governance:** pastoralism, trade zones, movement of people. Porous and often conflictual, borders will be priority areas for Group interventions. These are effectively areas conducive to destabilization and the disintegration of social cohesion. Drawing on experience acquired from major Initiatives implemented in recent years¹⁷, **AFD will mobilize its tools and expertise to pursue the work engaged on the causes of crises, supporting its partners in identifying vulnerabilities and therefore limiting the risks of contagion.** Based on context analyses, AFD will seek to act directly on the effects of crises in the scope of French action on the humanitarian-development-peace nexus in close coordination with "Team France" actors and with a view toward producing convincing results for populations and local governments. AFD action will fall within the French "3D" approach in partnership with the Ministry of the Armed Forces and the MEAE in order to facilitate a dynamic of peace and of sustainable reconstruction. To offer the best socio-economic opportunities to populations that have been weakened the most, the private sector will need to be further associated and supported in these areas. Interventions will particularly target displaced people in a position of vulnerability, notably women and children. As one example of this thematic, AFD has already set up the "I Yeke Oko" project, deployed on both sides of the border between Cameroon and the Central African Republic. It is AFD's first project aimed at dealing with the issue of prolonged forcible displacements of people, resulting from the Central African crisis. The DRC, which counts the greatest number of refugees on the African continent, is also concerned by this problem.

To fight against social divisions, AFD Group will also foster participation in civil society by supporting its structuring and the bolstering of dialogue platforms. Regional development dynamics will be encouraged on this theme. AFD will put women at the heart of its intervention, aware of their role in economic and social development in the region. Improved concentration on their concerns, support

for their empowerment and their protection by institutions will guide the engagement of the Group in the area. Youth will also be a focus of attention in order that they feel included and are actors in institutional changes.

AFD Group will seek **to build capacity and the resources of state institutions** through its interventions in order to improve their performance and facilitate the protection of citizens. **Improved access to rights**, notably to justice and public services (health, education, water) for all, will be at the heart of AFD priorities. AFD Group will continue to support the capacity building of civil service staff, the implementation of fair and transparent legal frameworks as well as well-structured and effective institutions. The partnership action plan with specialized French public institutions will remain a preferred mode of intervention in the area thanks to the mobilization of Expertise France. Having strong and effective institutions serving all citizens throughout territories is the key to peacefully lifting them out of crisis and fosters a successful transition which is fair and democratic.

Aware of the importance of changes affecting the financial system and currency zone, all the more in the post-Covid context, AFD Group will attach particular importance to **financial governance in the area.** Improvement in managing resources and public finances is essential to the satisfactory implementation of development policies drawn up by governments. With support from its subsidiaries, Pro-parco and Expertise France, among others, the Group will be able to propose a complete financial and technical offer in this domain. Support will be provided at the regional and national levels and will be part of a dialogue, both strategic and technical, which is sustained, regular and constructive with the partners. Through its PAGIF 2 program, AFD Group is supporting the Cameroonian government in its reform of public finances, thanks to the support of two technical assistants, in the department of Accounting and at the Court of Auditors. This program, financed by AFD on C2D and led by Expertise France, is consistent with the Group's mobilization on this theme. At the regional level, AFD Group is supporting CEMAC in drafting a common regulatory framework for the Public-Private Partnerships in the CEMAC zone, which in the long run will enable better regional market integration for large investments and more transparency in the attribution of these markets. A training section for regional and national executives has been integrated in order to enable the rapid use of these new procedures.

¹⁷ "Peace and Resilience Fund" MINKA Initiative: French initiative launched in 2017 which is devoted to the consolidation of peace. Endowed with 250 million euros, it was conceived for crisis context interventions (flexible tools, adapted procedures). In CAR, it is present as the Gasongo Initiative, for example (a part of research and operational projects which aims to support the rebound of agriculture around the secondary cities of Berbérati and Bambari, and to revitalize the microfinance sector), or the Kouri Initiative around Lake Chad.

2.2. VALORIZED HUMAN POTENTIAL AND STRENGTHENED ECONOMIC DIVERSIFICATION

AFD Group is counting on the development of human capital in Central Africa, a key factor in the economic development of the area, by concentrating its resources on two sectors in particular: health and education, including training. The following quote from writer and economist Philippe Hugon well illustrates the importance of the issues of human development in this region: *"Central Africa is a volcano which is deploying its energy and fertility through the rise of its youth but also its violence through unemployment and the vulnerability of populations and marginalized territories"*¹⁸.

In the health domain, AFD intends to promote the emergence of reinforced primary and secondary health systems to create better access to care for everyone, and prepare them to face significant epidemic crises. To do this, AFD will seek to reinforce the offer of health systems by investing in basic infrastructure. This first line of action will aim to optimize the territorial fabric with health centers, the accessibility of centers for the greatest number, the increase of accommodation capacity and better equipment for accommodation areas and care. The areas most at risk will have priority in preventing epidemics and acting fast. While it is difficult to map diverse epidemics which have shaken the region in recent years, Covid being the latest, Ebola, malaria and cholera have also been identified in areas which are particularly vulnerable (cross-border or conflict zones) or weakened (those which have been epidemic epicenters) for which consolidation work on the health system is a priority.

The second line of action will aim at improving the quality of care with a strong emphasis placed on strengthening the capacity of health systems and training health care workers and administrators of different establishments. Beyond its support for national policies, AFD Group will support regional initiatives in this sector, notably by supporting the institutions of CEMAC, OCEAC and CIESPAC. Lastly, the Group will support the research and development of a network of modern and efficient laboratories, in partnership with the existing health networks in the region (Centre Pasteur, IRD, INSERM) in order to support their increase in skill and to promote their resilience. Nutrition, an important determinant for human capital, will be a cross-cutting point of attention in the different health activities led by AFD,

notably in CAR and in Cameroon, consistent with the 2019-2024 international strategy of France for food security, nutrition and sustainable agriculture¹⁹.

The development of human capital is also enabled by equitable access to quality basic education for all, including marginalized children and girls, as quality training meets the needs of the labor market and supports the employability of vulnerable working-age people like the young, women and populations in sensitive zones including displaced people and refugees. From education to employment, there are many challenges to overcome in Central Africa. AFD Group will adopt a holistic approach to the educational sector, giving priority support to basic education and vocational training and also to higher education. More education – in quantity as well as quality – will allow Central African youth to better integrate the working world. The mismatch between the training offer and the real needs of the economy is a major issue for youth currently, which also explains their employability challenges. Closing the gap between the educational/university world and the working world is desirable, with emphasis placed on vocational training in the area. AFD will also be watchful to promote the implementation of gender-sensitive educational policies as well as their evaluation. The collaboration with French higher learning institutions will be fostered to support regional establishments such as ICAM in Cameroon and in Congo.

Simultaneous with the development of human capital, AFD Group **will support economic diversification and job creation, the second key factor for inclusive and united growth. Two main lines of action will be prioritized: i) the development of micro-enterprises and the promotion of creative entrepreneurship; ii) the structuring of sustainable production sectors.**

The ecosystem of micro-enterprises today is still largely underdeveloped and unstructured in Central Africa. Yet this is an important source of jobs in the area and a source of innovation. The main obstacles facing micro-enterprises are financing and structuring. Aware of the existing potential, AFD Group, through its subsidiary, Proparco, will invest in investment funds which target African SMEs and which have a real will to support these enterprises over the long

¹⁸ L'Afrique, by Philippe Hugon, published by Editions Eyrolles pratiques, 2017, p.33.

¹⁹ CAR and Cameroon figure as 2 of 8 priority countries in the name of "France's 2016-2020 International Nutrition Road Map" and of "France's 2019-2024 International Strategy for Food Security, Nutrition and Sustainable Agriculture".

run. This tool aims to **provide the needed boost to these SMEs and stimulate the emergence of capital and expertise in national and regional investment**. The ARIZ guarantee tool will also be mobilized. The Group will be able to provide technical support for the structuring and implementation of good practices. AFD will also emphasize women's entrepreneurship, particularly present in the food processing sector in Central Africa in order to support the empowerment of women and the development of their activities.

Furthermore, to reduce the area's dependence on international flows and valorize its resources, AFD Group, with support from its subsidiary, Proparco, will support the **structuring of production-transformation-marketing sectors**, at national and regional levels in order to develop production and transformation capacity of local products in the area. The support for sectors, notably that of food processing, will occur at different levels: support for family farming, notably through increased access to financial services to smallholders, producers, farming organizations and cooperatives in their structuring (as in the TRANSFAGRI program in Cameroon), support for investment through ARIZ credit lines, improved training offers for rural youth with an accent placed on the agro-ecological approach adapted to each territorial context, and advocacy addressed to legislators (notably to secure access to land). The objective will be to increase the capacity and autonomy of the various actors in the food processing production chain.

Lastly, AFD Group will **promote the improvement of the business climate** regulated by the common framework of the OHADA (the Organization for the Harmonization of Business Law in Africa from the French "*Organisation pour l'Harmonisation en Afrique du Droit des Affaires*") in the region as an engine of economic development in the area. The Group will support public authorities in their effort to make the best possible arrangements for private operators in order to foster risk-taking and private investment. To achieve this, AFD Group will engage in discussions with administrations and national and regional legislators to promote a regulatory framework which is equitable, transparent, well-designed and contains less cumbersome procedures. AFD Group will also involve private sector actors such as employer organizations in dialogues with governments. The Group's interventions will also aim to strengthen the governance of state-owned enterprises, which continue to dominate the economic landscape. Finally, efforts in the area of financial training and education will be prioritized, by targeting the integration of diversified actors into the market so as to help them appropriate the legal framework, become aware of their rights and obligations, and comply with these.

2.3. SUSTAINABLE MANAGEMENT OF NATURAL CAPITAL AND RESILIENT TERRITORIAL DYNAMICS

The Central Africa region is home to the second-largest forest resource in the world and rich biodiversity in the Congo Basin. The preservation of this biodiversity is a priority for the whole world, and as such AFD interventions will foster the development of this common good so as to strike a balance between exploitation and protection.

In this perspective, AFD Group **will contribute to the consolidation of models of sustainable land management and of forest and fishing resources by developing integrated value chains**. This development will enable the transformation of raw materials before export and will multiply the economic impact while lowering the ecological cost. In the domain of agriculture, AFD Group will foster the rapid development of low-carbon and resilient farming practices in

the face of climate change and of agro-ecology, which take full advantage of ecosystem capacity, by drawing on farming know-how and scientific knowledge.

AFD will also rely on projects integrating the "One Health" dynamic, linking human, animal and ecosystem health, which are closely connected and can give rise to the emergence of pathogens and diseases potentially causing epidemics.

AFD interventions will promote **the concerted management of common goods in the Congo Basin** by supporting integration and cross-border regional initiatives. AFD Group will work together with regional institutions such as CICOS and COMIFAC, and with national authorities to strengthen

their capacity and deploy a common regulatory framework to fight illegal exploitation and trade of forest resources and wild species. Support programs for the management of national natural parks, such as the tri-national park of Sangha (Cameroon-Congo-CAR)²⁰ or projects like "*Paysage Forestier*" ("Forest Landscape") in North Congo enable the promotion of these protected areas for flora and fauna, and to strike a balance between conservation and the economic valorization of resources.

The sustainable management of natural resources goes hand in hand with **territorial planning in Central Africa**. In the region, two observations dominate: (i) public policies have difficulty keeping up with rapid urban growth; and (ii) rural territories, where natural resources are found, remain hemmed in.

To respond to the rapid growth of urban zones, AFD Group will foster **resilient and sustainable urban planning programs** in its action plan. Improved access to essential services – water, electricity and also waste management and urban mobility – as well as affordable and sustainable housing will be AFD priorities in this sector. AFD Group will intervene at the national and local levels: nationally, the definition of urban public policies will remain a major issue, whereas locally AFD will support local authorities in finding effective answers with a positive and rapid impact on populations. Consistent with programs such as "Sustainable Douala" in Cameroon, "PRESU" in Bangui or "TOPETOLA" in Kinshasa, AFD Group will support the restoration of precarious districts and will support sanitation policies. These urban planning projects prioritize the targeting of the most vulnerable urban populations with emphasis placed on the social and sanitary dimension. The "TOPETOLA" project, for example, allowed for providing access to drinking water in 26 outlying districts of Kinshasa with community management of water points. The 26 autonomous management associations are formed and supported in the scope of the project. AFD will also foster the search for innovative and resilient solutions to climate risks while promoting solutions based on nature and on new technologies when possible. The reduction of flood risks in urban areas, for example, is at the heart of AFD actions in Cameroon (sanitation project in the city of Douala with IRD) as well as in Congo (installation of a water development plan for the city of Pointe Noire).

AFD Group will advocate for **installing networks and the development of structuring basic services** (transport, electricity, communication routes, high-bandwidth internet access) for national and regional plans. Depending on opportunities, AFD Group will be able to support integrating projects, such as corridors²¹, proposed by regional institutions. AFD Group will continue to provide long-term support to countries at the levels of their human and financial resources, giving priority to a case-by-case approach and remaining attentive to the environmental and social issues brought about by these projects. Through its subsidiary, Proparco, the Group will back the development of public private partnerships at national and regional levels in order to finance infrastructure. This financing model could help to attract technical and financial expertise from the private sector while supporting the public sector in the deployment of major integrating programs. Facilitating the mobility of people and goods is an intra-regional engine for economic development. While road and electricity infrastructure remains a priority of the Group, consistent with projects already underway, AFD will also support the development of digital corridors as well as structuring development initiatives in this domain. Indeed, the Covid health crisis has underlined the importance of digitizing services for a resilient economy.

Lastly, territorial land planning policies must include accounting for the consequences of **climate risks** (flooding, coastal erosion, drought), notably in particularly fragile areas (mangroves, savannahs, water basins, etc.). **The resilience of territories in Central Africa will be built up through a better anticipation of disasters and a targeted preparation of people and activities.** The Group will foster the implementation of early warning systems in rural and urban zones and will build on experiments carried out in various operations (cooperation with IRD in Cameroon) or in-depth vulnerability studies. The Adapt'Action program is an area pilot in this sense: in Cameroon and Congo, this program responds to problems of flooding, protection of coastal areas and drought by proposing climate projections, which enable farmers and investors to anticipate trends and to adapt their activities. These studies should serve as a basis for the development of new project portfolios in both countries.

²⁰ This space is made up of three national parks: Lobéké National Park in Cameroon, Nouabalé-Ndoki National Park in Congo and Dzanga-Ndoki National Park in the Central African Republic. Its management is integrated and led by the Sangha Tri-National Trust Fund, supported by AFD Group.

²¹ The regional corridors are major routes (mainly highways and railways) which have been deemed a priority by Central Africa regional institutions.



3.

**WHAT PARTNERSHIP
PRIORITIES?**

The three strategic priorities identified for Central Africa are multisector priorities which can benefit from an integrated and regional approach to Group interventions.

Also, to reach its ambitious objectives, AFD Group must facilitate the opening up of sectors and geographies. The Group, through its three entities, will position itself as a key actor in the dialogue and exchange between the actors. At the time of their scheduling, the Group will take into account the priorities of strategic partners as much as possible at the national and regional levels, all while affirming its strategic and operational priorities to ensure sustainable long-term action and strong relationships.

AFD Group will renew its action with **Central African regional institutions**, which are working toward the emergence of a solid and inclusive regional integration. AFD will pursue its cooperation with CEMAC and its development bank (BDEAC).

The support of the Group will focus on financial governance (mobilization of domestic resources; expenditure chain; debt trajectories, etc.), the establishment of a regional regulatory framework (PPP directive, for example) and capacity building for its officials (training with FERDI on tax policy in extractive industries, SYDONIA customs software). In the context of the merger of two regional stock exchanges and the reinforcement of the free-trade zone, AFD Group will in particular support the area's regional regulators (CIMA, COSUMAF, BVMAC) by offering the possibility of technical support. Lastly, in these different key intervention sectors, the Group will foster its collaboration with the specialized institutions of the **CEMAC**, present throughout the territory. The Group will strengthen its collaborations with the **COMIFAC**, the **CICOS** in the sector of common management of Congo Basin resources; with the CIESPAC and the OCEAC for health. It should also intensify relations with the ECCAS, a regional institution spread more broadly in Central Africa (11 countries) to better define its mandate and support the dialogue between the two institutions. **The partnership developed over several years with the OHADA** will be pursued, the institution having communicated the desire to be supported on a number of subjects consistent with the Group's strategy, namely: the participation of OHADA in the ZLECAF in order to ensure the proper linkage between these two levels of trade integration, "the greening of OHADA legislation" aimed at stimulating member States to integrate measures on corporate social and environmental responsibility, aid for capacity building of national OHADA Commissions ("CNO"), as well as the development of digital technologies through the online training of professionals in law and business communities.

Lastly, **an effective and sustainable action in Central Africa can only be reached on the basis of a common and concerted effort.** AFD Group will strengthen its **interactions with different technical and financial partners** present in the area. **The partnership with the European Union** and its materialization are priorities for AFD teams in the area. In the different countries, AFD Group is involving itself, along with European delegations, in joint programming and is positioning itself as a privileged partner for co-financing. The emergence of common initiatives such as "*Forêts et territoires en Afrique tropicale*" ("Forests and Territories in Tropical Africa"), proposed by AFD and financed by the European Union (EU), shows the common commitment of AFD and the EU in the fight against climate risks and the protection of biodiversity of Africa's green lungs. **The ties between the EIB and AFD Group, through its subsidiary, Proparco, will be strengthened** in a process of co-financing and strategic dialogue. More generally, the collaboration with other donors will be favored to foster frequent exchanges and the dialogue with their regional branches through the Regional Office. The involvement of AFD Group in these regional initiatives, led by other donors, will be sought when they enable improved projection of the geographic and sectoral priorities of the French development policy and when they fall within the complementarity, coherence and coordination with France's multilateral action (notably concerning the sustainable management of natural resources). **The positioning of AFD Group on the CAFI funds in Central Africa will be made a priority.** Education will also be a priority domain for the Group, which wishes to be an engine in multi-donor programs when this is necessary. Moreover, Proparco's Regional Office is managing a group of development finance institutions (DFIs) in DRC aimed at improving information sharing and the coordination of these actors in the countries.

Beyond institutional and state actors, AFD Group also **wishes to draw support from local, international and French civil society organizations** which can fully contribute to achieving the SDGs. In the area, relations with CSOs will be bolstered and the creation of regional networks in the different intervention sectors will be fostered when it is relevant to do so. These partnerships will be all the more sought after in the domain of the management and protection of biodiversity, a Group priority in the region. AFD will apply the watchword of facilitating exchanges between different key actors in this thematic, notably in order to promote State/ NGO co-management and to find sustainable solutions for these common riches.



4.

FINANCIAL PERSPECTIVES AND INTERVENTION MODALITIES

4.1. PROJECTED FINANCIAL PROGRAMMING

Countries in the sub-region have suffered badly from the consequences of the 2014 oil crisis and from the failing political and financial governance which endures. The deterioration of macroeconomic balances which followed led most countries in the region to resort to IMF programs as early as 2017, of which a first wave may be renewed in 2020 (Cameroon, Gabon and CAR). In this context, external financial needs have grown simultaneously with a progression in public debt in several countries. **Thus, given the levels of debt and/or situations of default, the recourse to sovereign loans will be limited in the countries of the sub-region.**

Moreover, **the C2D programs which brought activity to Cameroon and Congo in recent years are reaching an end**, with the last commitments to be made by 2021, whereas the second C2D signed with DRC has just begun.

Lastly, **the consequences and uncertainties linked to the Covid-19 crisis are further constraining the mobilization of financial tools.** Payment arrears, requests for moratoriums for 2020-21, and delays in IMF reviews will all impact activity projects in the sub-region over the next five years.

In view of this observation, for the 2020-2024 period, the Group will seek to stabilize the volume of commitment authorizations for the 2021-24 period (thus an average level of about €400 M per year, all tools combined).

Stability of commitments will be sought by optimizing financial resources through the development of a non-sovereign loan portfolio, the search for and mobilization of fund delegations (European Union, CAFI, Green Climate Fund, FGEF...), and innovation in niches. The rebound in sovereign loans is conditioned by countries' debt situation, likewise the continuation of budget support programs should rest on more conditionalities, notably in terms of real country efforts to invest in public finance reforms – the perpetuation of budgetary discipline, the mobilization of non-oil revenue, the strengthening of governance of public enterprises – as well as that of State and territorial civil services.

AFD Group will also seek to develop tools and action methods which are more adapted to Central Africa to offset the sub-region's weaknesses in the domain of project implementation (bad governance, counterparty weaknesses, difficult business climate, conflict zones). The structuring of projects in several stages and adaptation to different sectors and contexts (urban/rural territories, crisis zones) will make it possible to meet the Group's ultimate goal in the sub-region: address vulnerabilities and overcome them. The "projects by phase" approach will be sought

in Group interventions in order to ensure continuity and sustainability in leading projects and to better meet the needs of populations. This approach enables the sequencing and prioritization of needs by fostering a long-term approach which is founded on results indicators. This also allows for greater appropriation of the project by beneficiaries and a renewed dialogue with the target public. The work methods of the Minka Initiative and the 3D approach will be at the heart of AFD action, mainly in CAR and in conflict zones.

Group commitments will also be directed at reaching the objectives of AFD Group Strategy 2018-2022, notably the commitments of 100% Climate and 100% Social Link. As indicated in Part 2 (above), the inclusion of gender will be cross-cutting in all actions led by the Group with a minimum objective of 50% of financing oriented toward gender. The implementation of specific tools for project identification phases as well as evaluation will contribute to AFD's will to commit to this thematic.

The lack of infrastructure in transport as well as energy, a hindrance to development of the sub-region, will figure among Proparco's priority intervention sectors. In the scope of its interventions, the recourse to Public Private Partnerships (PPP), which make it possible to attract technical and financial expertise from the private sector, will be prioritized. Proparco's action on financial inclusion through the ARIZ product will also be key in order to encourage banks to lend more to micro-enterprises and SMEs, which account for the majority of jobs and the economic fabric of the countries. Lastly, acting in advance of project implementation on essential thematic for the rapid expansion of the private sector, like good governance in enterprises, will allow Proparco to fully assume its mandate as donor to the private sector. In the scope of the "Country Initiative in a Complex Environment" in DRC, the structuring projects for the farm sector, access to energy and promotion of financial inclusion will be its priority intervention themes.

To improve and establish the impact of AFD Group commitments, the capacity building programs for traditional contracting authorities and management units will need to be studied and organized in parallel to financial operations, with support from EF or from the partnership with France Volontaires.

Furthermore, **the projects with a regional or cross-border dimension** (regional integration, crises and conflicts, business climate, sustainable management of natural resources, etc.) will fit fully within the activity program with the optimization of initiatives in progress and of partnerships.

Lastly, the Regional Office will set itself the objective of **developing its analytical and intellectual production** in order to fill out operational choices and provide contextualized answers on a regional scale. The Regional Office will draw on its regional thematic networks (education, biodiversity, governance, gender) to bring about the emergence

of cross-cutting subjects and address common problems. The work will be performed in collaboration with area actors (specialized think tanks, research centers, regional networks, etc.) as well as other Group actors (neighboring ROs in the event of a cross-border topic, EF and Proparco).

4.2. ACCOUNTABILITY FRAMEWORK AND MONITORING-EVALUATION MECHANISM

In order to strengthen its ability to account for its results and control for the quality of its intervention logic, the Central Africa Regional Office has planned to develop a regional communication strategy and a monitoring framework for its activities.

The regional communication strategy is structured around four major themes, which are i) the development of human capital and the employability of young people, ii) access to basic services, iii) the fight against climate change and the protection of biodiversity, and iv) the consolidation of peace.

The monitoring framework of activities within the DRAC will focus on the monitoring of evaluations (*ex ante* and *ex post*), indicators which can be aggregated and Group Strategy indicators. It will notably take into account “Zones of high stakes of accountability”²², the commitment of AFD in the implementation of the national Strategy in the fight against imported deforestation. It will be updated regularly, and an annual quality and quantity assessment will be produced. The monitoring framework will follow two main objectives: i) strengthening the evaluability of projects, and ii) the improvement of communication.

²² High accountability zones are crisis, conflict and so-called fragile zones. The assessment of these zones is updated regularly in coordination with diplomatic services and partners in the field in order to correspond to epicenters of social, political and health instability.

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5.

APPENDICES

APPENDIX 1. DRAC LOGICAL INTERVENTION FRAMEWORK



OVERCOME VULNERABILITIES FOR GREEN AND UNITED DEVELOPMENT

3 OBJECTIVES

INTERVENTION THEMES



Political transitions undertaken and weaknesses reduced

Promote inclusive governance models

Reduce institutional vulnerabilities: social divides (youth, women), territorial (deconcentration and decentralization) and cultural

Participate in modernization of state systems and their institutions: more efficient public services

Support reform policies in financial and monetary governance led by regional institutions



Valorized human potential and strengthened economic diversification

Promote health for all: normalization of systems and facilitated access to care

Foster the transition from education to work: education (basic education to higher learning), training (vocational training program adapted to enterprise needs)

Support/encourage economic diversification policies: support for job-creating and income-generating industries, especially in agriculture, private sector structuring, support for SMEs and entrepreneurship

Improve the business climate at the national and regional level in collaboration with public and private sector actors



Sustainable management of natural capital and resilient territorial dynamics

Develop models of sustainable management of natural resources

Strengthen the collaborative management of common goods with support of integrating cross-border initiatives

Foster resilient and shared urbanization policies by promoting innovation, improving quality of services and resilience of cities facing climate risks

Open up territories to foster integration of societies and economies

Partnership by design

100% Social Link

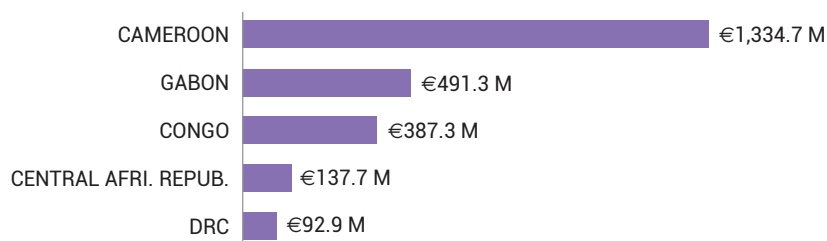
100% Paris Agreement

APPENDIX 2. OVERVIEW OF AFD GROUP ACTIVITIES BETWEEN 2015 AND 2019

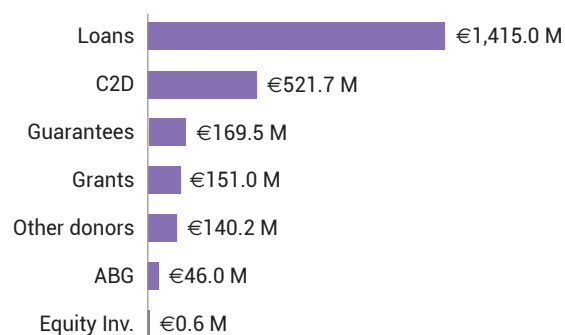
Overview of AFD Group activities between 2015-2019

Total authorizations 2015-2019	€2,444 M
Of which Proparco	€382 M
Total approvals with climate co-benefit	€285 M
Total approvals with gender co-benefit (2018-2019)	€294 M
Total State cost mobilized	€14 M
<hr/>	
Total transfers	€2,153 M
Of which Proparco	€91 M

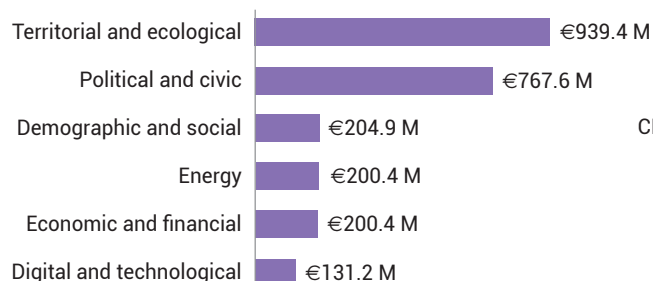
Group approvals by country 2015 to 2019



Group approvals by instrument 2015 to 2019



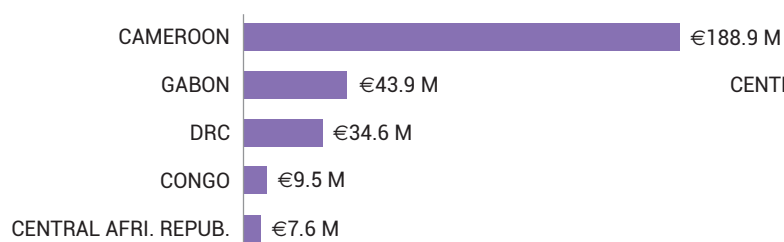
Group approvals by "transition" 2015 to 2019



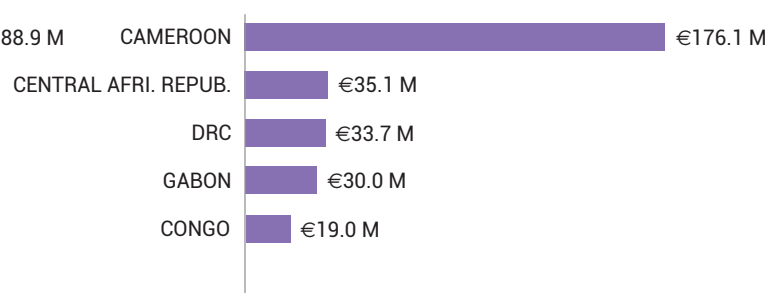
State cost mobilised 2015 to 2019



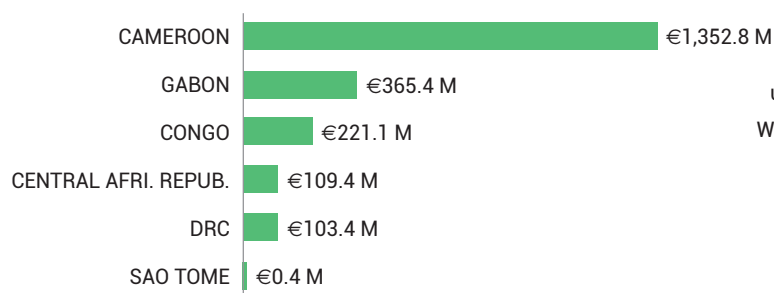
Approvals with climate co-benefits 2015 to 2019



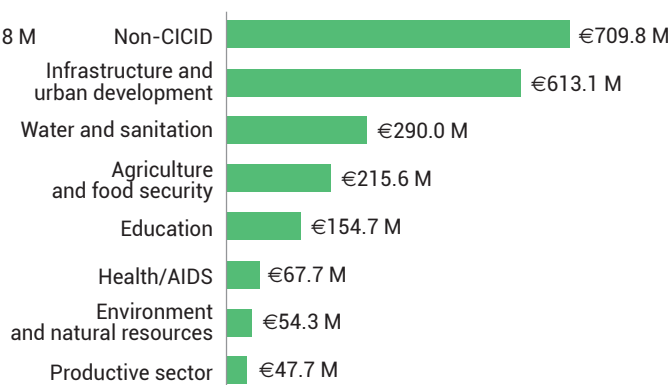
Approvals with gender co-benefits 2018 to 2019



Group disbursements by country 2015 to 2019

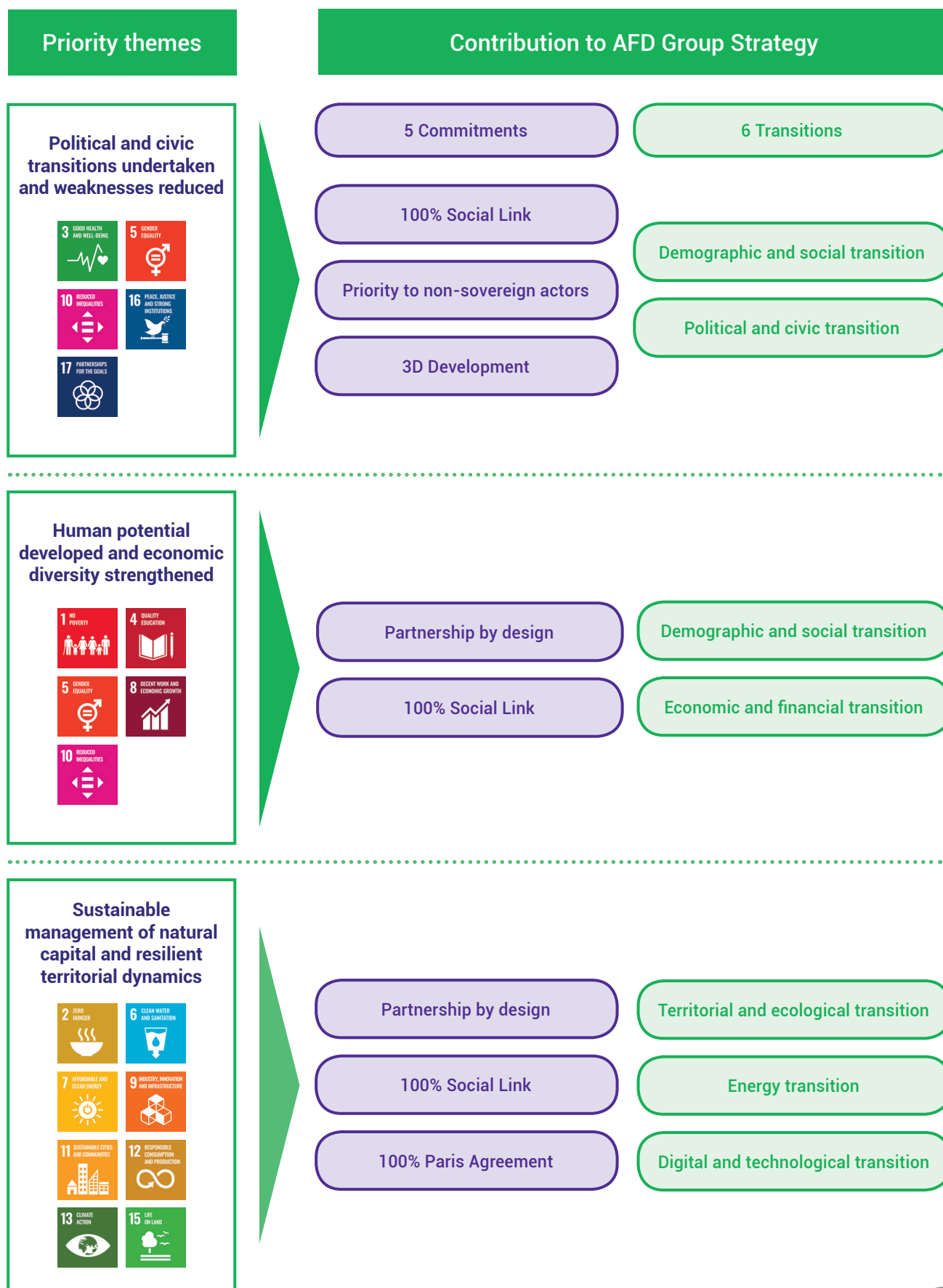


Group disbursements by sector 2015 to 2019



Multi-country projects are not accounted for in this appendix.

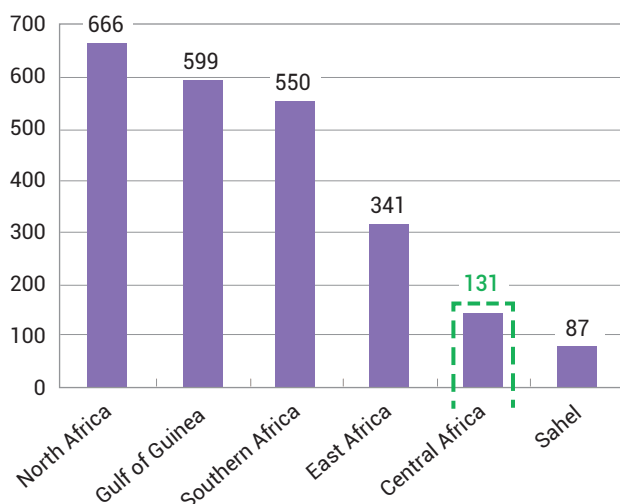
APPENDIX 3. CONTRIBUTION TO AFD GROUP STRATEGY



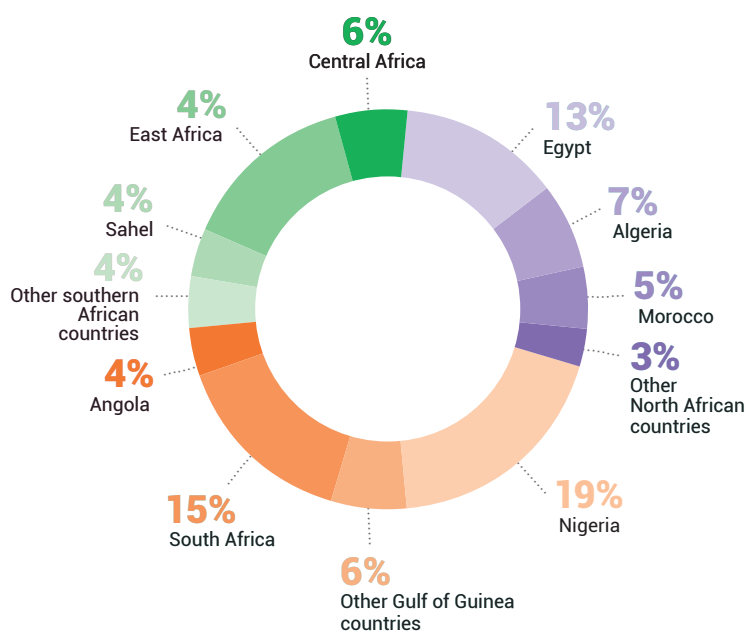
APPENDIX 4. SOCIO-ECONOMIC INDICATORS OF THE AREA

An area whose economic weight remains low

GDP in value (in billions of USD) in 2019
Comparison of African regions

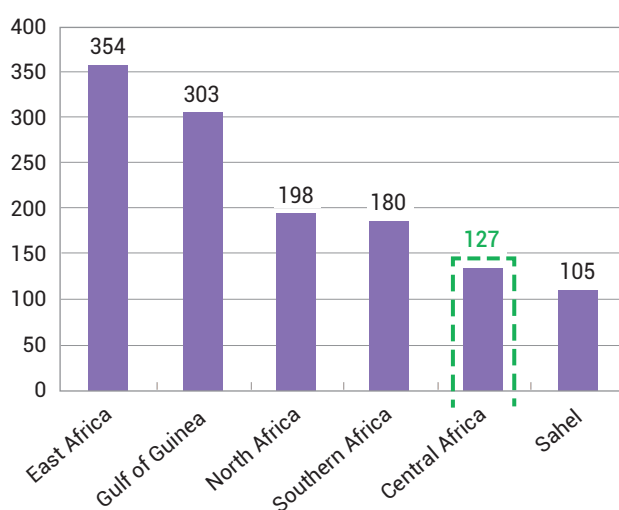


Weight in African GDP in 2019

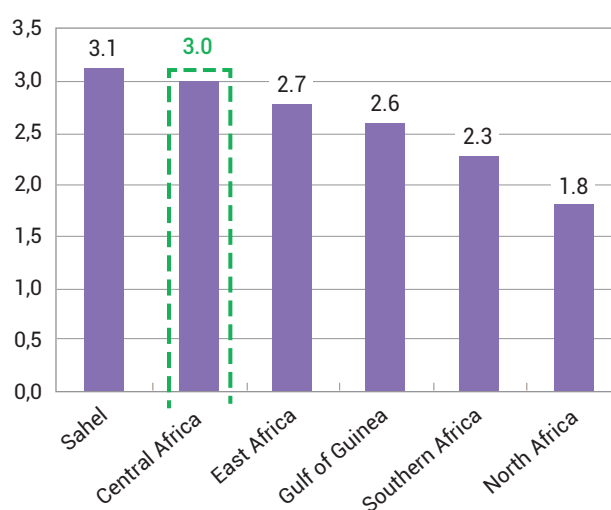


A still sparsely populated area but in full demographic expansion

Size of population (in millions) in 2019
Comparison of African regions

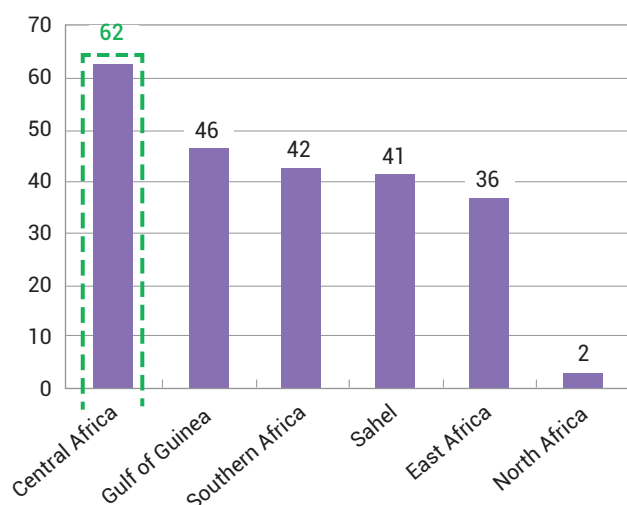


Population growth (in %)
Comparison of African regions

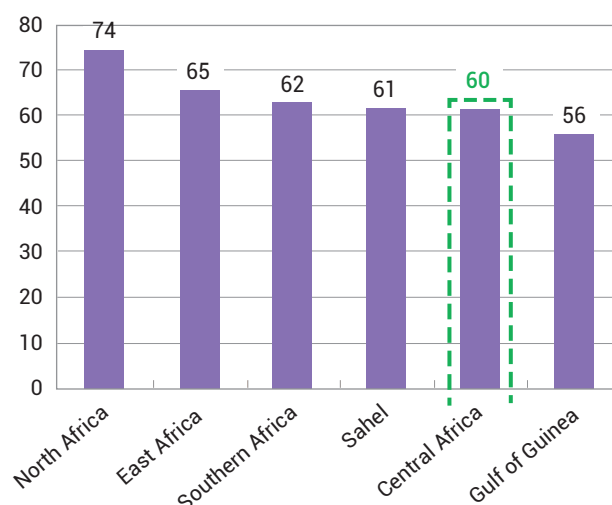


An area with worrying development indicators

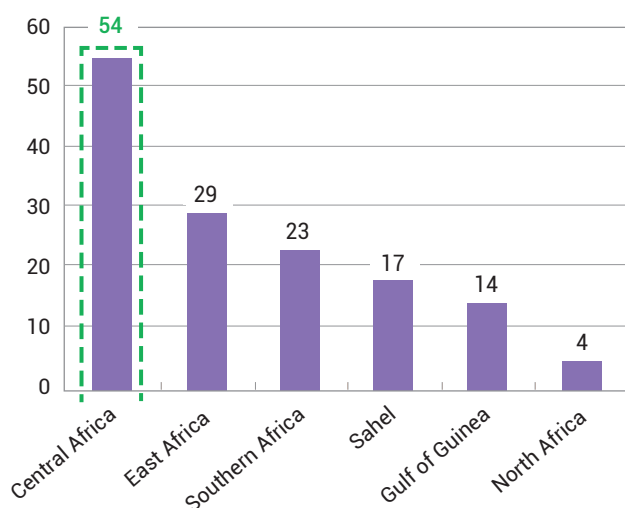
Poverty rate (%) in 2018*
Comparison of African regions



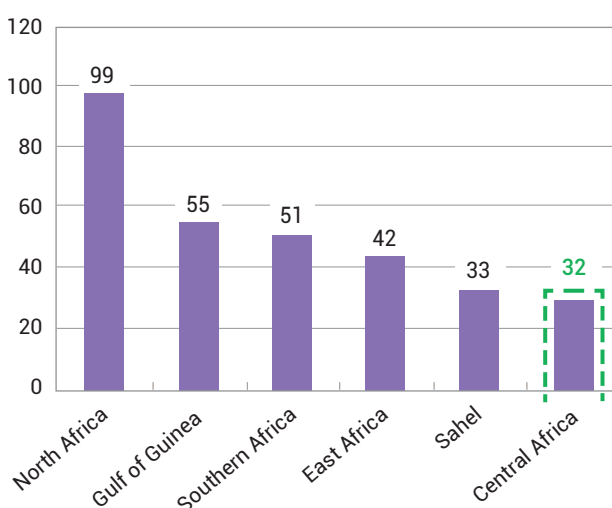
Life expectancy at birth in 2018
Comparison of African regions



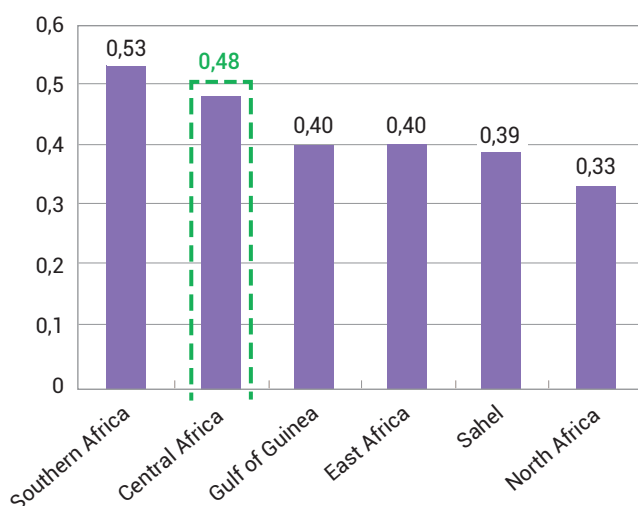
Prevalence of malnutrition in 2017*
Comparison of African regions



Access to electricity (% pop.) in 2017
Comparison of African regions



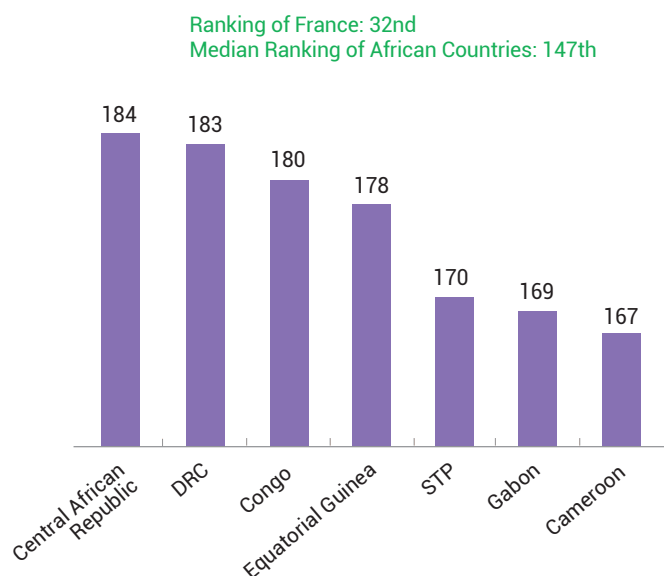
GINI indicator in 2018*
Comparison of African regions



Note: the Gini Index measures income inequality. It ranges from 0 (perfect equality) to 1 (extreme inequality). It shows only certain inequalities (for example, it does not account for inequalities in wealth, perceived inequalities, etc.). Note that the regional index is a simple average of country indices (unweighted average).

An area with a difficult business climate and major governance issues

Business environment: Doing Business 2020 ranking



Governance in Africa: Mo Ibrahim ranking in 2017 (1 = best rank)

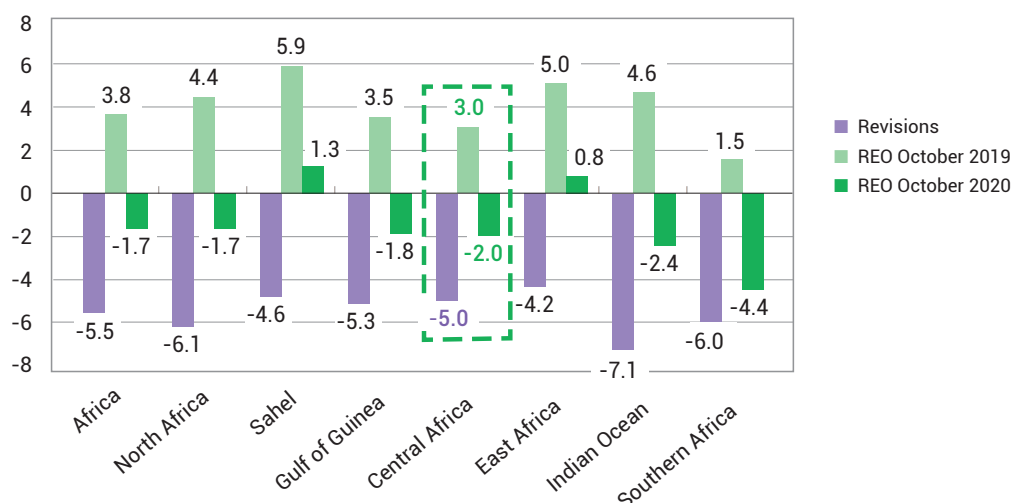
	global index	Of which:			
		Security and rule of law	Participation and human rights	Sustainable economic development	Human development
STP	12	7	9	33	11
Cameroon	36	44	42	24	17
Gabon	41	31	32	43	51
Congo	43	44	43	40	40
DRC	47	52	46	44	42
Equatorial Guinée	48	46	51	52	45
Central African Republic	50	49	31	49	52

A vulnerable area facing the crisis linked to the Covid-19 epidemic

Sources of vulnerabilities for countries facing crisis linked to Covid-19 – Central Africa

	Global financial conditions	Country dependent on global demand	Country dependent on export of extracitve raw materials	Country dependent on tourism	Quality of health system	Debt rating according to the debt sustainability analysis of LICs
Cameroon	Low	Low	High	Low	Average	High
Central African Republic	Low	Low	Low	Low	High	High
Congo	Low	High	High	Low	High	High
Gabon	High	High	High	Low	High	
Equatorial Guinea	Low	High	High	Low	High	
DRC	Low	High	High	Low	High	Average
STP	Low	Low	Low	High	High	High

Economic growth forecasts for 2020 and revisions following Covid-19 – Comparison of African regions



APPENDIX 5. AFD GROUP STRATEGY IN CENTRAL AFRICA

Group Strategy		Role and added value of Expertise France and Proparco in Central Africa	
Themes of AFD Group strategy		EF positioning → Thematic priorities	Proparco positioning → Thematic priorities
Overcome its vulnerabilities for green and united development	1. Support for political and civic transitions and fight against vulnerabilities	Local governance and return of the state Support for financial governance Migration and International Mobility Maritime Security and protection of ports	Improvement of economic governance and business climate: enterprise governance (TA), strategic dialogue with institutions and employers
	2. Promotion of human capital and economic diversification	Health: fight against epidemics and protection against infectious risks Vocational training: development of offer and improved adaptation of offer to job market needs	Support for rapid development of local enterprises/local economic fabric by fostering the diversification of financial services by developing private equity Support for structuring micro-enterprises (TA, workshop) Development of incubators/innovation
	3. Protection of natural capital and strengthening of resilient and shared territorial dynamics	Fight against climate change and protection of biodiversity	Contribute to sustainable management of resources: Development of agro-industrial sector ; forestry sector Support public and private investment in infrastructure: transport corridors, energy (PPP)

ACRONYMS AND ABBREVIATIONS

AFD: Agence française de développement

AfDB: African Development Bank

BDEAC: Development Bank of Central African States

BVMAC: Securities Exchange of Central Africa

C2D: Debt Reduction-Development Contract

CAFI: Central African Forest Initiative

CAR: Central African Republic

CARO: Central Africa Regional Office

CBRN: Chemical, biological, radiological and nuclear risks

CEMAC: Economic and Monetary Community of Central Africa

CICOS: International Commission of the Congo-Oubangui-Sangha Basin

CIESPAC: Inter-State Centre for Higher Education in Public Health of Central Africa

CIMA: Inter-African Conference on Insurance Markets)

CIRAD: French Agricultural Research Centre for International Development

COMIFAC: Central Africa Forests Commission

COSUMAF: Central Africa Financial Market Supervisory Commission

CSA: Climate Smart Agriculture

CSO: Civil society organization

DFI: Development finance institutions

DRC: Democratic Republic of Congo

ECCAS: Economic Community of Central African States

EIB: European Investment Bank

EU: European Union

FERDI: International Foundation for Studies and Research on International Development

ICAM: Catholic Institute of Arts and Trades

IIAG: Ibrahim Index of African Governance

INSERM: French National Institute of Health and Medical Research

IRD: French National Research Institute for Sustainable Development

LIC: Low-income country

MSMEs: Micro-enterprises and small and medium-sized enterprises

OCEAC: Organization for the Coordination of the Fight Against Endemic Diseases in Central Africa

OHADA: Organization for the harmonization of Business Law in Africa

SDG: Sustainable Development Goal

SMEs: Small and medium-sized enterprises

STP: Sao Tome and Principe

PPP: Public-private partnership

WB: World Bank



AFD Group

AFD Group implements France's policy in the areas of development and international solidarity. The Group includes Agence Française de Développement (AFD), which finances the public sector and NGOs, as well as research and education in sustainable development; its subsidiary Proparco, which is dedicated to private sector financing; and soon, Expertise France, a technical cooperation agency. The Group finances, supports and accelerates transitions towards a fairer, more resilient world.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.

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