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Second Party Opinion

Cameroon's Sustainable Financing Framework

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Location: Cameroon

Sector: Sovereign

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Alignment With Principles

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Social Bond Principles, ICMA, 2023
- ✓ Social Loan Principles, LMA/LSTA/APLMA, 2023
- ✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2023
- ✓ Sustainability Bond Guidelines ICMA, 2021

See [Alignment Assessment](#) for more detail.

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Strengths

Projects financed under the framework will support Cameroon's sustainable development efforts. These range across various sectors and activities and include infrastructure, energy, and capacity building, among others. The framework's eligible expenditures align with Cameroon's revised nationally determined contributions and its National Development Strategy 2020-2030.

Weaknesses

Eligible green projects include the financing of infrastructure that supports fossil-fuel-powered transportation. This includes spending related to public transportation projects, such as the Bus Rapid Transit (BRT) systems in the cities of Douala and Yaoundé.







Areas to watch

The broad scope of the framework and project categories creates uncertainty in terms of eligible projects. Several environmental and social project categories such as energy efficiency and waste-to-energy have broadly defined criteria and notably lack eligibility thresholds.

Cameroon is exposed to extreme weather events and project-specific physical-climate-risk considerations are limited. Nevertheless, the issuer says it will conduct environmental impact assessments for relevant projects, including resilience considerations.

Eligible Green Projects Assessment Summary

Eligible green projects under the issuer's sustainable finance framework are assessed based on their environmental benefits and risks, using the Shades of Green methodology.

Renewable energy	  Dark to Medium green
Solar, wind, geothermal, biomass, and hydropower projects	
Marine and offshore renewable energy and renewable energy projects that support other Sustainable Blue Economy (SBE) sectors while preserving the marine environment.	
Connection of solar, wind, geothermal, and hydroelectric power plants to the electricity grid, including the construction of energy evacuation lines and energy injection stations and the transmission and distribution of electricity	
Environmentally sustainable management of living natural resources and land use	  Medium to Light green
Certified forests (FSC, PEFC or equivalent)	
Environmentally sustainable forestry, including afforestation or reforestation, and the preservation or restoration of natural landscapes	
Sustainable agricultural practices, climate-smart agriculture	
Sustainable aquaculture (ASC certified or equivalent) and sustainable fisheries (MSC certified or equivalent)	
Financing related to setting up monitoring systems to support sustainability in the fishing industry	
Preservation of terrestrial and aquatic biodiversity	 Dark green
Funding related to the conservation and protection of terrestrial and aquatic ecosystems and biodiversity	
Clean transportation	 Light green
Zero-carbon transport: investments in passenger and freight transport vehicles with zero tailpipe emissions, such as electric cars, hydrogen cars, trains.	
Low-carbon transport:	
<ul style="list-style-type: none"> Investments in low-carbon passenger vehicles with an exhaust emission intensity of maximum 50g CO₂/km until 2025 (from 2026 only vehicles with an emission intensity of 0g CO₂/km are eligible) Zero-carbon and low-carbon vehicles 	
Other	
<ul style="list-style-type: none"> Investments in transportation infrastructure for public transit (expansion of train/metro networks, projects related to capacity improvement, modernization of stations) 	

- Projects that enhance the environmental performance and sustainability of maritime transport and port functions and infrastructure

Sustainable water and waste-water management

 Light green

Investments in technologies to reduce overall water demand in stressed areas

Financing of sustainable infrastructure for clean water; wastewater management and treatment

Flood prevention, flood defense, or stormwater management

Pollution prevention and control projects

  Medium to Light green

Waste prevention, waste reduction, waste recycling, and energy recovery from waste

Removing or significantly mitigating environmental pollutants in water, air and soil using biological, physical and chemical

Energy efficiency

 Light green

Financing related to improving energy efficiency in various sectors, such as building renovations to include energy-efficient retrofits of heating systems, refrigeration systems, lighting equipment

Green buildings

 Light green

Buildings accredited with a recognized green building standard, including BREEAM Excellent, LEED Gold, or equivalent

Buildings within the top 15% of the national or regional building stock based on Primary Energy Demand (PED)

Renovation of buildings leading to a reduction in primary energy demand of at least 30%

Climate change adaptation projects

 Medium green

Funding related to efforts to make infrastructure more resilient to the impacts of climate change, as well as information support systems such as climate monitoring and early warning systems

See [Analysis Of Eligible Projects](#) for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Entity Description

Cameroon is a Central African country on the Gulf of Guinea, with a land area of 475,440 square kilometers and a population of 28.9 million. The country is ranked medium on the Human Development Index (HDI) and with GDP per capita at around US\$1,600 it is considered a lower-middle-income country. Its main exports include crude petroleum, petroleum gas, cocoa beans, sawn wood, and gold. Agriculture employs nearly 62% of Cameroon's young, rapidly growing, and urbanizing population, including 80% of women. The country has a variety of natural resources such as oil and gas, mineral ores, timber, and agricultural products such as coffee, cotton, cocoa, maize, and cassava. Forests, which cover about 42% of Cameroon's area, are a vital source of biodiversity and livelihoods, especially in the south and east of the country.

Material Sustainability Factors

Climate Transition Risk

Policymakers have a key role to play in bringing about the greenhouse gas emissions cuts needed to address climate change. While the many country signatories to the 2015 Paris agreement provide a basis for global action, current climate pledges fall significantly short of the reductions needed to reach net zero by 2050. A lack of policies to support climate pledges exacerbates the challenge, making it likely that +1.5°C warming—compared with pre-industrial levels—could be exceeded in the near future given past emissions and current (increasing) emissions trends. Indeed, current commitments are expected to result in broadly constant global emissions of about 60 Gt co₂e per year, resulting in warming likely exceeding 3°C by the end of the century.

Regulations, incentives, and various price signals—including (but not limited to) broad and material carbon taxes, subsidies, and penalties—are ways for governments to stimulate climate action from public and private, personal, and industrial actors. Countries have also made widely different contributions to past, current, and future global emissions, both on an absolute and per capita basis, with historical economic development closely linked to the use of fossil fuels and resulting emissions. Policymakers' incentives to act on climate vary widely and can change rapidly according to public support, international agreements, tangible evidence of climate change in the region, short-term economic costs of transition, social acceptance, competitive pressures, the perceived impact a country or region can have on global emissions, and the perceived imbalance between local and global risks from climate change.

Cameroon submitted its revised nationally determined contributions (NDCs) in October 2021, increasing its emissions-reduction target to 35% by 2030 compared to 2010 levels. Of the target 23% is conditional on international support in the form of financing, technology transfer, and capacity building. The remaining 12% will come from Cameroon's own efforts (unconditional).

Physical Risk

Physical climate risks can affect many economic activities and increasing (unabated) greenhouse gas emissions will drive more frequent and severe climate hazards, absent adaptation. However, while the physical impacts from climate change and extreme weather events will continue to play out globally, the direct impacts of climate hazards—including (but not limited to) heat waves, flooding, and wildfires—are typically localized. However, the indirect impacts associated with such events may precipitate through different channels (such as the volume and pricing of traded goods and services), extending beyond administrative borders and cascading through multiple sectors.

Cameroon's topography varies from desert plains in the north (20%), high plateaus and mountains in the center (40%), and tropical rain forests in the south (40%). Some of the country's key geographical characteristics include the Congo Basin, the Sanaga River, and Lake Chad. This geographical diversity translates into a range of potential physical climate impacts such as seasonal flooding and droughts, heat waves and wildfires, and coastal erosion and saltwater intrusion. According to the World

Bank, in 1980-2020 floods and droughts were the second and third most frequent natural hazard in Cameroon after epidemics-- 32.1% and 7.5% of total natural hazards respectively. Droughts may become more frequent in some areas due to changing rainfall patterns and reduced precipitation runoff. Wildfires are also major hazards particularly as forests cover almost half of total land.

Other environmental factors

Governments play a key role in protecting biodiversity, and containing land, air, and water pollution. Economic development goals can exert considerable pressure on natural ecosystems locally and for trading partners. Environmental factors are often intertwined, including with climate transition and physical climate risks.

Cameroon is exposed to various environmental challenges, including in the areas of water, land use, and biodiversity. The country has many ecosystems and species, but they are threatened by habitat loss, poaching, and climate change. Specifically, deforestation is a key risk, with tree coverage declining by about 1.53 million ha between 2001 and 2020, and almost half of this loss occurring in primary forests, according to Global Forest Watch. Finally, agriculture remains a significant source of environmental pollution across Cameroon, affecting land, water, and air quality.

Social factors

Governments play a key role in socioeconomic development. Depending on national and local circumstances, governments might prioritize economic advancement; poverty, hunger, or inequality reduction; essential services or infrastructure access; and/or clean water or sanitation or other social goals.

Cameroon is a lower-middle-income economy with an HDI of 0.587 (2022), ranking 151 out of 191 countries. It faces significant challenges related to poverty, food security, inequality, and human rights violations. Climate change effects could further exacerbate tensions and conflicts within the country. Moreover, the ongoing Anglophone Crisis—an armed conflict between Cameroon and self-proclaimed Ambazonia in the English-speaking Northwest and Southwest—has resulted in thousands of civilian deaths and displacements. Access to and affordability of essential services like hospitals, electricity, and education is also still difficult. Epidemics, including cholera and monkey pox, have significantly affected the population in the past.

Issuer And Context Analysis

The eligible project categories address material sustainability factors like the climate transition and physical risks, and resiliency and social challenges. Projects cover renewable energy, clean transportation, green buildings, biodiversity conservation, and energy efficiency. The issuer intends to finance various adaptation efforts to make infrastructure more resilient to physical climate risks. Activities in the circular economy and sustainable waste and wastewater management categories will address material environmental factors such as water usage, waste, and pollution. These projects build on the country's sustainable development objectives, specifically its Vision 2035 and National Development Strategy 2020-2030 (NDS30).

Cameroon faces challenges related to high emissions linked to the agriculture, forestry, and other land use (AFOLU) sector, as well as its climate governance. While it ratified the Paris Agreement in 2016, the government has yet to set up a comprehensive regulatory framework to align its decarbonization and adaptation efforts with policy and planning processes. Nevertheless, in 2021 it updated its NDCs and committed to reduce its greenhouse gas emissions by 35% by 2030, compared to the business-as-usual scenario. Of the 35%, about two-thirds hinges on the availability of financial, technological, and capacity-building support from the international community and the private sector. Cameroon's 2021 NDC report states that the agricultural sector remains the largest source of emissions at roughly 69% (data from 2010, excluding forestry). The energy sector accounts for 18% of emissions, and the waste sector for 12%. The country's current energy supply relies heavily on biofuels and waste—71.4% of the total energy supply (in 2022, IEA data). The remaining energy sources are oil (17.9%), natural gas (5.0%), and hydropower (5.7%). To meet its climate targets and energy objectives, Cameroon aims to increase installed power capacity to 5,000 megawatts (MW) by 2030 through diversified generation including hydroelectricity, solar, thermal (using natural gas as fuel), and biomass-powered power plants.

Physical climate risks like rising sea levels, heat waves, and storms, floods, and droughts—which disproportionately affect poorer communities—challenge Cameroon's sustainable development. The resulting land degradation and food security issues are aggravating conflicts over natural resources, specifically given the heavy reliance on agriculture—a source of income for about 62% of the population, including 80% of women. The NDS30 strategy includes provisions for climate-smart agriculture, the improved management of natural resources and ecosystems, and strengthened institutional and policy frameworks for climate adaptation and resilience. Also, Cameroon's National Adaptation Plan for Climate Change (NAPCC) has four strategic axes: improving knowledge on climate change; educating the population about climate change adaptation; reducing vulnerabilities in key agroecological zones; and integrating adaptation into national sectoral strategies. While we think this could go some way to addressing material risks, additional investments under the framework and improved cooperation and capacity across different government levels could help the country progress its sustainability agenda.

We think the framework's financing of projects linked to health, education, energy, and clean water will help tackle social challenges and strengthen Cameroon's development path.

Despite consistent economic growth throughout the last decade (until the pandemic and Ukraine's invasion by Russia), poverty levels have remained steady. The main causes of poverty are structural underdevelopment, recurring climatic shocks, and violent conflict, notably linked to the Anglophone Crisis and the Boko Haram insurgency in the north, as well as tensions in the eastern border regions related to a refugee influx from the neighboring Central African Republic. Furthermore, regional disparities and challenges exist with respect to access to essential services, such as electricity and clean water, especially in rural areas and in the conflict-affected regions. According to the World Bank, only 65.4% of the population had access to electricity in 2021, and about 79.4% had access to improved drinking water sources in 2020. The lack of access to basic services affects people's quality of life, health, and education, and increases their vulnerability to poverty, disease, and climate change.

Alignment Assessment

This section provides an analysis of the framework's alignment to the Social and Green Bond/Loan principles and the Sustainability Bond Guidelines.

Alignment With Principles

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Social Bond Principles, ICMA, 2023
- ✓ Social Loan Principles, LMA/LSTA/APLMA, 2023
- ✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2023
- ✓ Sustainability Bond Guidelines ICMA, 2021

✓ Use of proceeds

All the framework's green project categories have a green shade and all social project categories are considered aligned with the Principles. The issuer commits to allocate the net proceeds issued under the framework exclusively to eligible green and social projects. The government of Cameroon can issue a variety of different instruments under the framework, including green, blue, social, sustainability, and SDG bonds. Please refer to the Analysis of Eligible Projects section for more information on our analysis of the environmental and social benefits of the expected use of proceeds.

✓ Process for project evaluation and selection

The Cameroonian government has outlined its procedure for project evaluation and selection within its sustainable financing framework. It has delineated specific environmental objectives for each project category in alignment with the International Capital Market Association (ICMA) standards. Additionally, it has established social project objectives. To oversee this process, a collaborative ministerial working group named "Groupe de Travail Chargé de la Mise en Place du Financement Durable (GTCMFD)" has been formed, comprising members from various ministries. This group is entrusted with the responsibility of evaluating, selecting, and validating eligible expenditures. It conducts an annual review of projects and eligibility criteria, and approves impact and allocation reports, among other things. The government is also committed to identifying and mitigating social and environmental risks associated with eligible projects. To this end, it commits to apply relevant governmental legislation and policies, including the Environmental Protection Act, Labor Code, Gender Equality Act, Corporate Social and Environmental Responsibility Act, and Forestry Law. The oversight of project examination and the issuance of permits for execution based on environmental screening outcomes will fall under the purview of the "Ministère de l'Environnement, de la Protection de la nature et du Développement durable (MINEPDED)". The issuer commits to exclude funding for projects associated with fossil fuels, nuclear energy, gambling, tobacco, alcohol, and weaponry.

✓ Management of proceeds

The issuer commits to managing the allocation of funds equivalent to the net proceeds generated from its sustainable financing instruments through a portfolio approach. To ensure transparency and fidelity to defined eligible projects, the government will establish a sustainable finance registry. Within the framework, the issuer states that the value of the eligible financing portfolio will consistently surpass the value of outstanding instruments. Furthermore, the framework provides for the prompt removal and replacement of projects that no longer meet the eligibility criteria. Any unallocated proceeds will be maintained in cash, cash equivalents, and/or other liquid investments, adhering to Cameroon's treasury policy.

✓ Reporting

The government is committed to publishing annual allocation and impact reports. The allocation report will encompass net proceeds from outstanding sustainable financing instruments and the total amount allocated to eligible expenditures. It will provide a list and descriptions of eligible projects, the proportion of financing versus refinancing and the remaining balance of unallocated proceeds. The issuer will include projects' estimated impact indicators, encompassing both green and social categories until full allocation. To the extent possible, the issuer seeks to align with the reporting practices in the ICMA Harmonized Framework for Impact Reporting, which we consider good practice. The allocation report will be externally verified.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "[Analytical Approach: Shades Of Green Assessments](#)," as well as our analysis of eligible projects considered to have clear social benefits and to address or mitigate a key social issue.

Over the next two years following publication of framework, the government of Cameroon expects to allocate about two thirds of proceeds to green projects, including a significant share to blue projects. The remainder will address the financing of social projects.

The issuer expects a majority of eligible expenditures to be new financing, with the remainder being projects occurring in the look-back period of two years.

Green project categories

Renewable energy	
Assessment	Description
<div><div></div><div></div><div></div></div> Dark to Medium green	<p>Financing related to the construction, development, acquisition, maintenance, and operation of renewable energy, including:</p> <ul style="list-style-type: none">Solar, wind, geothermal, biomass, and hydropower energy. For hydropower plants exceeding 25MW capacity (“large-scale hydropower”), the plants will adhere to at least one of the following criteria as well as have no significant risk or expected negative impact identified via the ESIA:<ul style="list-style-type: none">The electricity generation facility is a run-of-river plant and does not have an artificial reservoir;The power density of the electricity generation facility is above 5 W/m2;The lifecycle greenhouse gas emissions from the generation of electricity from hydropower are lower than 100 g CO2e/kWh.Marine and offshore renewable energy and renewable energy projects that support other Sustainable Blue Economy (SBE) sectors while preserving the marine environmentConnection of solar, wind, geothermal, and hydroelectric power plants to the electricity grid, including the construction of energy evacuation lines and energy injection stations and the transmission and distribution of electricityFinancing relating to the connection of solar, wind, geothermal, and hydropower plants to the power grid, including the construction of power evacuation lines and power injection stations and the transmission and distribution of electricity

Analytical considerations

- Renewable energy, as long as local environment impacts are sufficiently mitigated, is key to limiting global warming to well below 2°C. According to the IEA, Cameroon’s energy mix is dominated by biomass and waste, accounting for 71% of its total energy supply in 2022. This high share is driven by over 90% of the population using firewood for domestic purposes, including cooking, heating, and lighting. The national electrification rate in Cameroon was around 65% in 2021. However, there is a significant rural-urban divide, with more than 90% of urban households having access to electricity compared to about 21% of rural households. As such, scaling up renewable energy deployment in Cameroon presents an opportunity to mitigate greenhouse gas emissions while addressing the stark disparity in electricity access between rural and urban areas.

- In line with its decarbonization commitments under the Paris Agreement, Cameroon aims to reduce emissions by 35% by 2030, compared to the business-as-usual scenario. It plans to achieve this partly by increasing the share of renewable sources in the electricity mix to 25% by 2035. Currently, the largest source of electricity generation in Cameroon is hydropower, accounting for 70.5% of total generation. This is followed by natural gas (19.9%), and oil (9%), with biofuels and solar PV the remainder.
- We consider investments in solar, wind, geothermal, and hydropower projects, and eligible activities related to marine renewable energy--such as offshore power generation from wave and tidal energy--to be Dark green. They support the government's objectives to diversifying electricity sources, increasing the share of renewables in the national grid and promoting an SBE. In addition, we view positively that the issuer has set lifecycle greenhouse gas emission thresholds for large hydropower projects.
- For hydropower projects, significant emissions can arise from construction and water reservoirs. However, this concern is somewhat mitigated because the issuer specifies that hydropower assets with generation capacity larger than 25 MW will be required to have lifecycle greenhouse gas emissions of less than 100gCO2e/kWh; a power density higher than 5W/m2; or be run-of-river without an artificial reservoir, in line with the EU Taxonomy's substantial contribution criteria. In addition, the construction and operation of larger hydropower plants are associated with more significant environmental impacts, including on biodiversity, such as fish migration patterns, as well as alterations to river flows. Nevertheless, the issuer notes that no projects will be funded where the environmental and social impact assessment indicates material risks or negative impacts through the funding of such projects.
- Geothermal power plants' emissions might exceed similarly sized fossil-fuel plants. This depends on the concentration of greenhouse gases in the reservoir fluid. As such, the type of geothermal resource being utilized is significant, as are mitigatory measures to avoid excessive emissions. While Cameroon has notable potential geothermal energy, we understand that most projects are still in their early stages of exploration and development.
- For projects focusing on energy generation from biomass, such feedstocks could present lifecycle emissions risks depending on factors such as deforestation and transportation distances. The issuer states that all feedstocks will come from waste-based raw materials, such as agricultural waste. Nevertheless, we understand that these will not be subject to third-party certification, which limits our assessment of this activity to Medium green.
- The issuer confirms that none of the assets will be exclusively dedicated to providing energy to the oil and gas industry. Similarly, the financed transmission projects will be dedicated to the integration of electricity from renewable sources through power lines, and will exclude the transmission of natural gas or hydrogen via pipelines.
- The issuer acknowledges the importance of assessing potential risks along the value chain of financed assets (for example the lifecycle emissions related to the sourcing of raw materials and the production of components and their end-of-life treatment). While Cameroon is currently testing and implementing procedures to integrate such considerations into its procurement process, no such measures are in place and relevant to assets financed under the framework.
- Cameroon integrates physical climate and biodiversity considerations into its risk assessment and project selection process, including the identification of material physical, as well as local environmental and biodiversity, risks related to the underlying projects. This builds on national decree no.2013/0171/PM (Feb. 14, 2013), on procedures for conducting Environmental and Social Impact Assessments (ESIAs), Strategic Environmental Assessments (SEAs), and Environmental Impact Statements (EIS). Among other things, these require the identification and assessment of the potential impact of environmental hazards and how these may affect local wildlife and habitats. Nevertheless, we understand that the considerations around physical climate risks are limited. The decree also specifies that any project undergoing an ESIA, SEA, or EIS must be under the administrative and technical supervision of the relevant administrative bodies. This supervision aims to ensure that the environmental and social management plans outlined in these assessments are effectively implemented. The decree also mandates that project promoters produce a semi-annual report detailing the progress of these management plans.

Environmentally sustainable management of living natural resources and land use

Assessment	Description
<div><div></div><div>Medium to Light green</div></div>	<p>Financing related to the acquisition, maintenance, and sustainable management of natural resources such as land, water, air, minerals, forests, wildlife, and flora, including:</p> <ul style="list-style-type: none">• Certified forests (FSC, PEFC, or equivalent)

- Environmentally sustainable forestry, including afforestation or reforestation, and the preservation or restoration of natural landscapes
- Sustainable Agricultural Practices and Climate-Smart Agriculture
- Sustainable aquaculture (ASC certified or equivalent) and sustainable fisheries (MSC certified or equivalent)
- Setting up monitoring systems to ensure sustainability in the fishing industry

Analytical considerations

- Reducing AFOLU emissions is central to a 2050 low carbon and climate resilient future, as is reducing land-based carbon. Projects can have significant co-benefits for climate adaptation and biodiversity if carefully implemented, factoring in indirect and direct land-use change and minimizing adverse effects on biodiversity, water, local communities, and food security. Conversely, the conservation of biodiversity, natural ecosystems, and habitats can have substantial co-benefits for climate change mitigation and adaptation due to critical ecosystem services, including carbon sequestration, local climate regulation, soil stabilization, and storm-surge protection.
- Sustainable agriculture is a broad term with different interpretations, depending on context. It aims to minimize emissions, as well as maintain and enhance soil and water quality, while conserving local biodiversity and ecosystems. In the context of Cameroon's sustainable financing framework, eligible expenditures include the development of irrigation infrastructure, such as the expansion of a hydro-agricultural perimeter in the Adamawa region. The project could help increase crop yields resulting from more reliable irrigation. It also includes measures to protect surrounding ecosystems from the adverse effects of agricultural activities, such as runoff or erosion control. Eligible spending for forestry projects includes investments in reforestation and the restoration of degraded forest landscapes. The eligibility criteria for this category include certifications such as FSC or PEFC, or equivalent. Such certifications can cover many important environmental topics and can verify improved on-site practices. At the same time, certification systems vary significantly in stringency, can contain loopholes and pitfalls, and in many cases cannot adequately address larger systemic issues. Overall, we consider these projects to be Medium green.
- Regarding risks such as potential land-use changes as a result of the funded projects, the issuer notes that eligible landscape restoration projects mainly address forest reserves and communal forests, namely forest estates classified for forest use. Through its Ministry of Forestry and Wildlife (MINFOW), the government ensures that land tenure is secure when transferring resources for reforestation to decentralized territorial communities and that the projects will not lead to changes in land use or a transformation of natural ecosystems.
- Eligible fisheries and aquaculture projects include land-based fish-production units in ponds and above-ground tanks, as well as on sea and in inland water bodies, in floating cages. Sustainable fishing and aquaculture offer the potential to provide protein sources with a significantly lower carbon and environmental footprint compared to meat. This becomes increasingly important as the population expands and consumption patterns demand more resources. However, some fishing practices can lead to overexploitation, the reliance on fossil fuel-powered vessels, and plastic pollution. Additionally, fish feed might be tainted with soy and palm oil linked to deforestation. Other negative environmental impacts include fish escapes, effluent and wastewater discharge, the use of antibiotics and chemicals, the overexploitation of wild fish stocks and other marine ingredients for feed, and sea lice infestations. We understand that the framework has no separate considerations related to these risks for relevant financed activities. This leads us to assess these projects as Light green.
- The framework criteria cite that projects that are not certified under the ASC or MSC standards will be ineligible to receive financing. Nevertheless, we note broader challenges around certifications remain regarding enforcement, traceability, and gaps in certification criteria. While addressing aquaculture risks, both standards offer varying degrees of protection. The ASC standard includes stricter measures against deforestation in fish feed compared to MSC. Specifically, the ASC salmon farm standard requires 100% of soy inputs to be certified by the Round Table for Responsible Soy (RTRS), while the MSC has fewer stringent requirements for soy certification.

Preservation of terrestrial and aquatic biodiversity

Assessment

 **Dark green**

Description

Funding related to the conservation and protection of terrestrial and aquatic ecosystems and biodiversity, including:

- Establishment of sustainability monitoring systems to assess the impact of climate change on biodiversity in protected and vulnerable terrestrial/aquatic areas
- Expansion of protected terrestrial/aquatic areas, especially sites important for terrestrial/aquatic biodiversity and for the protection of threatened terrestrial/aquatic species
- Protection of threatened terrestrial/aquatic species and terrestrial/aquatic species at risk
- Conservation and restoration of the health of coastal and marine ecosystems (projects carried out in the marine environment or within 100 km of the coast)

Analytical considerations

- Biodiversity conservation is key to a low-carbon future particularly when it helps maintain or enhance carbon sinks (natural systems that absorb and store more carbon than they release). The establishment, systematic management, protection, and restoration of ecosystems like mangroves, coral reefs, and grasslands can offer significant co-benefits for climate change mitigation and adaptation. These benefits stem from essential natural ecosystem services, including carbon sequestration, local climate regulation, soil stabilization, and storm surge protection. In our view, these activities are in line with an LCCR and we subsequently assign a Dark green shade.
- Cameroon has a diverse network of protected areas, including national parks, wildlife sanctuaries, faunal reserves, and a flora sanctuary. The government has implemented projects and action plans as part of its national biodiversity strategy and action plan, and has submitted it to the Convention on Biological Diversity. As of 2021, Cameroon has 54 protected areas reported in the World Database on Protected Areas. Additionally, there are 11 proposed protected areas and three UNESCO-MAB Biosphere Reserves.
- Eligible projects under the framework focus on initiatives that conserve and protect both terrestrial and aquatic ecosystems and biodiversity. These focus on establishing monitoring systems, expanding protected areas, protecting endangered species, and restoring the health of coastal and marine ecosystems. The establishment of monitoring systems is important for evaluating the impact of climate change on biodiversity in protected and vulnerable areas, largely by providing data on the health of ecosystems. This allows for timely interventions and adaptive management strategies. In addition, expanding protected areas is an important component of the government's biodiversity strategy, safeguarding critical habitats and promoting the recovery of endangered species. Finally, conserving and restoring coastal and marine ecosystems is central to ecological balance. These ecosystems protect shorelines, support marine life, and offer services like carbon sequestration and storm protection. In Cameroon, terrestrial and coastal ecosystems have suffered from economic development and illegal logging. We believe that the financed activities promote their preservation and therefore assess the activities under this category as Dark green.

Clean transportation

Assessment

 **Light green**

Description

Financing related to the development, construction, acquisition, operation, maintenance, and upgrading of zero- and low-carbon transportation assets, including:

- Zero-carbon transport: investments in passenger and freight transport vehicles with zero tailpipe emissions, such as electric cars, hydrogen cars, trains, among others
- Low-carbon transport

- o Investments in low-carbon passenger vehicles with an exhaust emission intensity of max. 50g CO₂ /km until 2025 (from 2026 only vehicles with an emission intensity of 0g CO₂ /km are eligible)
- Other:
 - o Investments in transport infrastructure for public transport (expansion of train/subway networks, projects related to capacity improvement, modernization of stations)
 - o Projects that increase the environmental performance and sustainability of maritime transport and port functions and infrastructures

Analytical considerations

- Electrification and supporting infrastructure play a key role in decarbonizing the transport sector. However, there are also potential risks related to indirect greenhouse gas emissions from a life cycle perspective (material sourcing, manufacturing). Financing public infrastructure and transportation options could also present substantial fossil fuel lock-in risks if the modes of transports are not electrified or do not have to comply with robust emissions thresholds.
- Cameroon has insufficient public transport capacity due to inadequate infrastructure. Eligible projects under this category support the expansion of its public transport sector, including the establishment of a green transport incubator as well as financing Bus Rapid Transit (BRT) systems in the cities of Douala and Yaoundé, among others. BRTs are being developed to address the urban congestion and inefficient public transport that have led to air pollution and high greenhouse gas emissions in the two cities. While the issuer notes that the majority of these investments remain focused on fossil-fuel transport infrastructure, which refers to both the eligible bus systems as well as railway infrastructure, we understand that the focus will be on infrastructure investments. Fossil-fuel-powered vehicles, such as buses, are not eligible to be financed under the framework. The issuer explains that the need for financing infrastructure that is still fossil-fuel-based partially reflects the fact that electricity production is not yet sufficient to meet the country’s growing energy needs and achieve the electrification of public transport infrastructure. Nevertheless, we understand from the issuer that any public transport and railway construction projects would be developed with future electrification in mind. Low-carbon transportation investments might also include hybrid and electric public and private vehicles (fleets with zero tailpipe emissions or direct emissions below 50 gCO₂/p-km, until 2025, as outlined in the EU Taxonomy). For these reasons--including the government's aim to continue moving toward zero-emission buses--we assess these projects as Light green.
- For projects that increase the environmental performance and sustainability of maritime transport, ports, and related infrastructure, we understand the issuer has not identified any eligible projects yet. Nevertheless, Cameroon confirms that it will not finance ships powered by fossil fuels or those dedicated to their transport.
- The issuer does not have a systematic approach to addressing life cycle emissions in the procurement process for financed assets and activities. The production of batteries for EVs and the sourcing of raw materials can have substantial climate and environmental impacts along the value chain. This also applies to the end-of-life treatment of vehicle components.
- Cameroon integrates physical climate and biodiversity considerations into its risk assessment and project selection process, including the identification of material physical as well as local environmental and biodiversity risks for the underlying projects. This builds on the national decree no.2013/0171/PM, which establishes procedures for conducting ESIA, SEAs, and EIS. Among other things, these require a project to identify and assess the potential impact of environmental hazards and how these might affect local wildlife and habitats. As noted previously, considerations around these risks and forecast are somewhat limited. The decree specifies that any project undergoing an ESIA, SEA, or EIS must be under the administrative and technical supervision of the competent administrative bodies. This supervision aims to ensure that the environmental and social management plans outlined in these assessments are effectively implemented. The decree also mandates that project promoters produce a semi-annual report detailing the progress of these management plans.

Sustainable water and waste-water management

Assessment	Description
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Light green

- Financing related to the development, construction, acquisition, installation, operation, and upgrade of sustainable water management projects, including:
- Investments in technologies to reduce overall water demand in stressed areas
 - Sustainable infrastructure for clean water; wastewater management and treatment
 - Flood prevention, flood defense, or stormwater management

Analytical considerations

- Efficient water and wastewater activities, both in terms of energy and water, are generally positive for climate resilience and pollution prevention, and investments in these sectors are needed to meet the 2050 goals. Cameroon faces considerable risks linked to water pollution and the inefficient use of water resources. It is also vulnerable to climate change impacts such as floods and droughts, which could affect the availability and quality of water. Eligible expenditures under this category include financing water supply, storage, and sanitation systems, among others. The issuer has not included specific thresholds related to energy consumption for the different types of projects in this category. We assess the category as Light green.
- The issuer has confirmed that no water-related infrastructure spending will exclusively support emissions-intensive sectors. Similarly, none of the financed water or wastewater activities will involve the use of fossil fuels (for example, fossil-fuel-powered pumps), with the exception of emergency cases where fossil fuels may be used as back-up.
- Untreated sewage threatens water quality, and new and/or improved wastewater infrastructure, including treatment and disposal systems, are important to prevent pollution. Best practices include applying a circular economy approach to the water treatment process, by using as much of waste streams as possible, such as sewage sludge for biogas production or reusing extracted nitrogen. The issuer notes that the management of methane and nitrogen oxide emissions in funded wastewater treatment projects will generally depend on international standards and practices for reducing greenhouse gases. Specific considerations include methane capture systems, such as biodigesters, which collect the methane generated during the treatment. However, the issuer says that the implementation of such systems will not apply to all financed projects.
- As with all projects under the framework, the issuer will conduct an ESIA for relevant water supply and wastewater systems, which it says will include material considerations related to greenhouse gas emissions and topics such as local hydrology.

Pollution prevention and control

Assessment


Medium to Light green

Description

- Funding related to investments in technology and associated services to create environmental sustainability through the reduction of environmental pollution, including:
- Eliminating or significantly mitigating environmental pollutants in water, air, and soil using biological, physical, and chemical methods
 - Waste prevention, waste reduction, waste recycling, and energy recovery from energy-efficient/emission-free waste, including:
 - Valorization of wastes (agricultural for instance) into biogas and compost by installing biodigesters
 - Sustainable solid waste management within 50 km of the coast or a river that flows into the ocean
 - Sustainable management of non-point source pollution within 200 km of the coast or within 50 km of rivers (and their tributaries) flowing into the ocean

Analytical considerations

- Waste management is an important pollution prevention measure that can avoid harm to human health and local ecosystems. Recycling, if done properly, will reduce emissions and benefit energy and natural-resource use. In Cameroon, the recycling rate for plastic waste is about 20%. The country produces an average of 6 million tonnes of waste annually, mostly accumulating in urban areas like Douala and Yaoundé. Given the country's geographic location, waste, particularly plastic, can easily enter rivers and flow into the Atlantic Ocean. This contributes to marine pollution, which affects marine life and ecosystems.
- Eligible spending in this project category includes the establishment of waste collection and management centers across Cameroon. These help reduce improper disposal practices and the diversion of waste to landfills, which are widespread. We assess these activities as Medium green. Further eligible activities include waste valorization such as Waste-to-Energy (WtE) projects, which provide a disposal solution for waste that cannot be recycled, reused, or avoided. Nevertheless, unabated WtE plants that incinerate waste create significant emissions and only represent a near-term transition measure, which is why we consider such activities Light green. The issuer notes that these plants would exclusively rely on biodegradable organic waste collected from markets and businesses in large cities and villages, as well as sawmill waste otherwise destined to be dumped in nature. Moreover, the waste would be subject to national certification by ANOR (Agence des Normes et de la Qualité; to ensure that waste has been collected from specified collection points) and would meet national environmental and waste management standards, specifically Decree No. 2012/2809/PM on Waste Management. The decree emphasizes the importance of sorting waste at the source and addresses waste collection, treatment, and recycling, among other things.
- Eligible expenditures in this category also support the conversion of livestock waste into biogas and compost, which helps reduce methane emissions by capturing the gas for energy use and creates nutrient-rich fertilizer, improving soil health and reducing reliance on chemical fertilizers. Projects also include the conversion of agricultural biomass into biochar through pyrolysis, which sequesters carbon and, when added to soil, may improve its fertility, water retention, and nutrient-holding capacity. Nevertheless, we expect spending on these activities to be comparatively small and note that technologies such as carbon sequestration from biochar are still in their infancy.
- Finally, the issuer notes that expenditures related to the elimination or mitigation of environmental pollutants in air, water and soil would not apply to thermal plants or other fossil-based generation plants.

Energy efficiency	
Assessment	Description
 Light green	<p>Funding related to investments in energy and resource efficiency, including:</p> <ul style="list-style-type: none">• Improving energy efficiency in various sectors, such as building renovations to include energy-efficient retrofits of heating systems, refrigeration systems, lighting equipment, among others.

Analytical considerations

- Energy efficiency gains are important to all sectors; greenhouse gas emissions can be lowered through reduced energy use, improving alignment with an LCCR future. Eligible projects under this framework include the promotion of energy audits and energy management systems in industry (aluminum, cement, chemical, and others) as well as the creation of “low-consumption neighborhoods” and “high-performance self-consumption buildings” in metropolitan areas. While the latter targets energy improvements by 20%-40%, the framework does not specify an overall minimum reduction threshold for financed activities.
- Moreover, the criteria outlined in the framework are broad and do not prevent Cameroon from investing in other energy efficiency measures in other sectors that could be associated with high environmental risks and emissions, including the agri-food and timber exploitation industries. As such, we assign a Light green shade to this project category.
- The issuer excludes improvements in energy efficiency to fossil-fuel-generation assets.

Green buildings

Assessment

 **Light green**

Description

Financing related to the construction and acquisition of energy-efficient buildings, including:

- Attainment of a minimum certification for, for example, "BREEAM Excellent" or "LEED Gold" or a similar recognized standard
- Buildings within the top 15% of the national or regional building stock based on Primary Energy Demand (PED)
- Investments and expenditure related to the renovation of buildings leading to a reduction in primary energy demand of at least 30%

Analytical considerations

- For existing buildings, high energy efficiency is important to the transition to a low-carbon economy. In new construction, improving energy performance and reducing the embodied emissions associated with building materials are key to achieving low-carbon aims. For all buildings, mitigating exposure to physical climate risks will improve climate resilience.
- Eligible projects under the framework include the construction and acquisition of buildings that receive a minimum sustainable building certification or are within the top 15% in terms of PED. The certifications address several environmental topics and involve third-party verification. In our view, however, this does not necessarily guarantee a low climate impact or highly energy-efficient building, particularly in points-based certification systems. Furthermore, there is uncertainty regarding the methodology to identify the buildings within the top 15% of the national or regional building stock. The issuer informs us that the government is implementing new policies related to green buildings. Further eligible projects include expenditures addressing the renovation of buildings resulting in a reduction in PED of at least 30%, a threshold that we consider robust. We understand from the issuer that there are currently no projects under this category, though it expects to have a pipeline of such projects in the future, once the legislative requirements are in place. Because we understand that the focus for these buildings will be on energy efficiency and operational emissions, and there are no specific requirements or thresholds regarding the buildings' embodied emissions, nor clarity on the underlying expenditures and projects, we assign a Light green shade to this category.
- Cameroon integrates physical climate and biodiversity considerations into its risk assessment and project selection process, including the identification of material physical as well as local environmental and biodiversity risks for the underlying projects. This builds on the national decree no.2013/0171/PM, which establishes procedures for conducting ESIA's, SEAs, and EIS. Among other things, these require the identification and assessment of the potential impact of environmental hazards and how they might affect local wildlife and habitats. Furthermore, the decree specifies that any project undergoing an ESIA, SEA, or EIS must be under the administrative and technical supervision of the competent administrative bodies. This supervision aims to ensure that the project effectively implements the environmental and social management plans outlined in these assessments. The decree also mandates that project promoters produce a semi-annual report detailing the progress of these management plans.

Climate change adaptation

Assessment

 **Medium green**

Description

- Funding related to efforts to make infrastructure more resilient to climate change, as well as information support systems such as climate monitoring and early warning systems
- Funding related to projects within 50 km of the coast or in the marine environment that support ecological and community resilience and climate change adaptation, including using nature-based solutions













Analytical considerations

- In an LCCR future, investments in climate change adaptation will play a key role in enhancing resilience against climate risks such as floods, droughts, and coastal erosion, to which Cameroon is highly vulnerable. Investments in physical assets to improve

their resiliency as well as observation and early-warning systems and nature-based solutions are important to limiting the damage caused by climate-related weather events.

- Eligible expenditures include the construction of climate-resilient infrastructure and strengthening national and regional transport systems, which enhance the country's ability to withstand climate risks such as floods and storms. These are in line with Cameroon's PNACC, which provides a strategic framework for Cameroon's adaptation efforts. The projects can promote long-term sustainability and connectivity but may also result in significant CO2 emissions from construction materials and may perpetuate fossil-fuel dependency, such as through the financing of adaptation measures to roads, which limits our assessment of this category to Medium green.
- Cameroon states that it does not, within this category, intend to invest in adapting infrastructure solely dedicated to fossil fuels, such as oil and gas power plants. Instead, the focus will be on protecting and adapting existing infrastructure to climate change effects, which might include roads and railways that also support vehicles powered by fossil fuels, which limits our assessment. Furthermore, the issuer confirms that proceeds will only be used for the adaptation measures themselves and will not be used to fund the total cost of infrastructure, such as roads, enhanced with adaptation measures.
- While there is no separate framework to address the use of fossil fuels or limit the local environmental impact during the construction of new climate-resilient infrastructure, the issuer notes that relevant environmental considerations would be reflected in the ESIA, which needs to be conducted before construction starts.

S&P Global Ratings' Shades of Green

Assessments					
 Dark green	 Medium green	 Light green	 Yellow	 Orange	 Red
Description					
Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects					
 Solar power plants	 Energy efficient buildings	 Hybrid road vehicles	 Health care services	 Conventional steel production	 New oil exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Social project categories

Access to essential services

Financing related to projects that provide and promote:

- Health
- Education
- Vocational training
- Financial services
- Technology (affordable micro-computers and tablets, affordable mobile phones, etc.)

Analytical considerations

- The coverage of essential health services remains inadequate in Cameroon, with significant disparities between urban and rural areas. While the under-five mortality rate has been declining, it remains high compared to the global rate. In 2022, it stood at 69.8 deaths per 1,000 live births, according to UNICEF. Eligible investments under the framework include projects such as improving the national vaccination system, which could contribute to a further decrease in the rate.
- With respect to education, eligible projects include building and equipping public educational institutions, such as primary and secondary schools, among others. Though the completion rate for primary education was 80% in 2020, rates drop significantly for secondary education, with only 40% completing lower secondary and 25% upper secondary education.
- Cameroon's NDS30 includes promoting education by enhancing infrastructure, teacher training, and core subject skills. It also aims to improve healthcare by ensuring equitable access to quality services, reducing infant morbidity and mortality, and strengthening the national health information system. As target populations, the issuer lists vulnerable groups, including the elderly, individuals with disabilities, undereducated people, and underserved communities. Specifically, the government defines vulnerability as high exposure to risks that threaten wellbeing, combined with a reduced ability to protect oneself, influenced by factors such as economic status, geographical location, gender, life cycle stages, education, and health conditions. We view positively that the Ministry of Social Affairs identifies and assists these populations, whose physical, social, mental, cultural, and/or economic conditions can affect their ability to care for themselves. This effort aims to bring people adequate support and resources, aligning with the broader goals of the national strategy. Overall, we believe that the projects financed under the framework will contribute to the social objectives of the country and consider them to be aligned with the Social Bond Principles.

Affordable basic infrastructure

Financing related to projects that provide and promote:

- Drinking water
- Sanitation
- Transportation
- Energy

Analytical considerations

- The eligible projects under the affordable basic infrastructure category include drainage and sanitation infrastructure, paving, and building roads to connect rural communities, and enhancing households' access to energy in rural zones. In 2021, about 65.4% of Cameroon's population had access to electricity, which is above the regional average in Sub-Saharan Africa but still significantly below the global standard. Data on safely managed sanitation services in Cameroon is less specific, though can be derived from regional and international standards. Globally, 57% of the population used safely managed sanitation services in 2022, according to the WHO. In contrast, only 21% of the population in the least developed

countries had access to such services. Sub-Saharan Africa has one of the lowest rates of access to safely managed sanitation, with open defecation still being a major issue in many rural areas.

- Approximately 42% of Cameroon's population resides in rural areas, according to the World Bank. Supporting connectivity is vital in these regions, where many communities face challenges accessing essential services due to inadequate infrastructure. Eligible investments in new roads will contribute to local development efforts, though we note that such construction efforts also pose environmental risks. These include emissions from materials like steel and cement, as well as impacts on biodiversity, among others. To address these risks, Cameroon has implemented a risk analysis and monitoring process for projects eligible to be financed under the framework. These must undergo ESIA's to comply with national and international standards, including considerations around biodiversity and land use, among others.
- Overall, the financed projects align well with Cameroon's National Development Strategy 2020-2030 and specifically the set objectives of improving infrastructure and access to essential services in rural areas. These initiatives aim to support underserved populations, vulnerable groups, and low-income individuals, addressing rural isolation and improving opportunities and resources. We consider this category to be aligned with the Principles.

Affordable housing

Financing related to the construction, rehabilitation, and/or preservation of quality affordable housing.

Analytical considerations

- Eligible projects are linked to Cameroon's National Development Strategy 2020-2030 goal of improving access to affordable housing and enhancing living conditions. These projects include the construction of social housing and the development of buildable plots, as well as the development of residential areas in cities.
- Housing affordability in Cameroon significantly affects low-income and vulnerable populations. According to the World Bank, the number of poor people in Cameroon increased by 12% to reach 8.1 million between 2007 and 2014, amounting to 37.5% overall, largely due to the poverty reduction rate lagging population growth. Under the NDS30, the government states its ambition to reduce this rate to less than 25% by 2030. Eligible expenditures under this category specifically target vulnerable populations and low-income individuals. Though the issuer does not define specific thresholds on how it defines affordable housing, we consider the category to be aligned with the Principles.
- Nevertheless, potential environmental risks remain regarding projects financed under this category. Though not directly affecting the social benefits, we note that the construction of affordable housing can result in high greenhouse gas emissions, such as the embodied emissions from materials like steel and cement. These projects can also impact biodiversity. The government says it has implemented a risk analysis and monitoring process to address these concerns. All projects require an ESIA to ensure compliance with national and international standards.

Employment generation

Financing related to programs aimed at preventing and/or mitigating unemployment resulting from socioeconomic crises, including through the potential impact of SME financing and microfinance.

Analytical considerations

- In Cameroon, 90% of the labor market is informal, with a large portion of the working-age population being self-employed. The secondary (industry) and tertiary (services) sectors employ only 9% and 29% of the workforce, respectively, while the primary sector (mainly agriculture) employs 62% of the workforce, including 80% of women.
- Eligible expenditures under this category address unemployment resulting from socioeconomic crises by financing programs that support job creation and economic stability. These initiatives include SME financing and microfinance, with a focus on developing new professional fields, employing specialized professionals, and improving business incubation structures. The target groups for these employment programs are the unemployed and underemployed. The targeted outcomes under this category are in line with the country's objective to transform its economy to progress from a lower-middle-income country to an emerging economy, in part through diversifying economic activities and supporting entrepreneurship. As such, we consider this category to be aligned with the Principles.

Socioeconomic advancement and empowerment

Financing related to local initiatives with positive social, environmental, and commercial impacts.

Analytical considerations

- Poverty and social exclusion in Cameroon remain high, with 90% of the labor market being informal and a large portion of the working-age population being self-employed. Women make up a significant share of the labor force in Cameroon, particularly in the informal sector. However, they often face barriers to equal employment opportunities, such as limited access to education and training, discrimination, and inadequate support systems. Eligible expenditures under this category address improving the competitiveness of women in the labor market and strengthening the capacities of female entrepreneurs, among other things. For instance, the SheTrades Outlook initiative aims to equip women with needed skills and promotes female involvement in various economic areas and decision-making.
- Target populations under this category also include people with disabilities, the underserved, and the undereducated. To this end, financed projects include the construction of centers for people with disabilities and the professional integration and reintegration of vulnerable groups. While we note the lack of specificity on some of the project types and target populations, we believe that eligible expenditures by the Cameroonian government will broadly provide social benefits and improve the quality of life for these groups and we consider this category to be in line with the Principles.

Food security and sustainable food systems

Financing related to projects that provide and promote physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and preferences; resilient agricultural practices; reduction of food losses and waste; and improvement of smallholder productivity.

Analytical considerations

- Cameroon faces significant food security challenges, with around 3 million people (11% of the population) estimated to be “severely acute food insecure” in 2023, according to the FAO. Contributing factors include persistent conflict, displacement, and climate-related issues such as flooding, which disrupt agricultural activities and market access. Domestic food systems are predominantly driven by smallholder agriculture, with major crops including cassava, yams, maize, and plantains.
- Eligible projects under this category include support to SMEs that process and preserve local food products for mass consumption, the development of aquaculture entrepreneurship, and the strengthening of food and beverage quality control at production and marketing sites. These projects are aligned with national objectives under the NDS30 that aim to enhance food security and agricultural resilience. The projects specifically focus on supporting rural economies, promoting local production, and improving the livelihoods of vulnerable groups, underserved communities, and low-income individuals. Overall, we consider this category to be aligned with the Principles.
- Nevertheless, we note that some of these activities, across both agriculture and aquaculture, may introduce potential environmental risks that have been previously discussed, including deforestation, water pollution, soil degradation overfishing, and greenhouse gas emissions, among others.

Mapping To The U.N.'s Sustainable Development Goals

Where the Financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the Financing to the International Capital Markets Association (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not impact our alignment opinion.

This framework intends to contribute to the following SDGs:

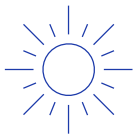
Use of proceeds	SDGs	
Renewable Energy	<div> 7. Affordable and clean energy*</div>	
Environmentally sustainable management of living natural resources and land use	<div> 14. Life below water</div>	<div> 15. Life on land*</div>
Preservation of terrestrial and aquatic biodiversity	<div> 14. Life below water</div>	<div> 15. Life on land*</div>
Clean transportation	<div> 11. Sustainable cities and communities*</div>	

Sustainable water and wastewater management



6. Clean water and sanitation*

Pollution prevention and control



7. Affordable and clean energy



12. Responsible consumption and production*

Energy efficiency



9. Industry, innovation and infrastructure*

Green buildings



11. Sustainable cities and communities*

Climate change adaptation



13. Climate action*

Access to essential services



3. Good health and well-being*




4. Quality education*

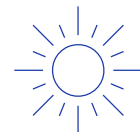


10. Reduced inequalities*


Affordable basic infrastructure



6. Clean water and sanitation*



7. Affordable and clean energy*



11. Sustainable cities and communities*

Affordable housing




11. Sustainable cities and communities*

Employment generation



8. Decent work and economic growth*

Socio-economic advancement and empowerment



5. Gender equality*

Food security and sustainable food systems



2. Zero hunger*

*The eligible project categories link to these SDGs in the ICMA mapping.

Related Research

- [Analytical Approach: Second Party Opinions: Use of Proceeds, July 27, 2023](#)
- [FAQ: Applying Our Integrated Analytical Approach for Use-of-Proceeds Second Party Opinions, July 27, 2023](#)
- [Analytical Approach: Shades of Green Assessments, July 27, 2023](#)

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Second Party Opinion: Cameroon's Sustainable Financing Framework

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