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**COUNTRY STRATEGY PAPER (CSP 2017-2021)**

**REGIONAL DIRECTORATE GENERAL – CENTRAL AFRICA**

**RDGC/COCF**

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## **Currency Equivalents**

October 2017

Currency	=	CFA Franc (CFAF)
UA 1	=	CFAF 791.73
EUR 1	=	CFAF 655.96
USD 1	=	CFAF 563.63

## **Weights and Measures**

1 metric tonne	=	2 204 pounds
1 kilogramme (kg)	=	2.200 pounds
1 metre (m)	=	3.28 feet
1 millimetre (mm)	=	0.03937 inch
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

## **Fiscal Year**

1 January - 31 December

## ACRONYMS AND ABBREVIATIONS

ADF	African Development Fund
AfDB	African Development Bank
AfIF	Africa Investment Facility
ALSF	African Legal Support Facility
BDEV	Independent Development Evaluation Department
BEAC	Bank of Central African States
CAB	Central Africa Backbone
CAR	Central African Republic
CFAF	Franc of the African Financial Community
COCF	Bank's Country Office in the Central African Republic
CPIA	Country Policy and Institutional Assessment
CPFR	Country Portfolio Performance Review
CSP	Country Strategy Paper
DBDM	New Development and Business Delivery Model
DCC	Digital Community Centre
DDRR	Disarmament, Demobilization, Reintegration and Repatriation
DTC	Digital Training Centre
ECASEB	Central African Survey for Welfare Monitoring and Evaluation
ECCAS	Economic Community of Central African States
EITI	Extractive Industries Transparency Initiative
EU	European Union
FLEGT	Forest Law Enforcement, Governance and Trade
GBS	General Budget Support
GDP	Gross Domestic Product
GEF	Global Environment Fund
HIV	Human Immunodeficiency Virus
IMF	International Monetary Fund
MDG	Millennium Development Goal
MINUSCA	United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic
MTR	Mid-Term Review
NAPA	National Adaptation Programme of Action
NGO	Non-Governmental Organization
NICT	New Information and Communication Technology
OIF	International Organization of la Francophonie
OMF	Outcomes Monitoring Framework
PARCB-1	Grassroots Community Reconstruction Support Programme, Phase I
PARCGEF	Financial Management Capacity Building Support Project
PBA	Performance-Based Allocation
PDCAGV	Project for Community Development and Support to Vulnerable Groups
PNPEE	National Equality and Equity Promotion Policy
PUASCRE	Emergency Crisis Exit and Economic Recovery Support Programme
PURD	Emergency Programme for Sustainable Recovery in the Central African Republic
RCPCA	Central African Republic National Recovery and Peace-building Plan
RDTs	Transition Support Coordination Office
REDD	Reducing Emissions from Deforestation and Forest Degradation
RWSSI	Rural Water Supply and Sanitation Initiative
SDG	Sustainable Development Goal
TFP	Technical and Financial Partner
TSF	Transition Support Facility
TYS	Bank's Ten-Year Strategy
UA	Unit of Account
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
USD	United States Dollar
WB	World Bank

## ADMINISTRATIVE MAP OF CAR



This map has been provided by the staff of the African Development Bank Group exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the AfDB Group and its members any judgment concerning the legal status of a territory nor any approval or acceptance of these borders.

## EXECUTIVE SUMMARY

1. ***Despite a challenging context marked by an acute socio-political crisis, the Central African Republic (CAR) has achieved significant progress over the past three years.*** The return to constitutional order following the 2016 general elections at the end a three-year transition period, opens a window of opportunity for the new authorities to set the country on the path to stability, recovery and development. This will enable CAR to break with the recurring crises that have marked its history. However, some areas of the territory remain occupied by armed groups that perpetrate acts of violence, destruction and looting of property, as well as illicit and uncontrolled exploitation of mineral resources. Insecurity has led to the forced displacement of people inside and outside CAR.

2. ***The crisis has ravaged the economy, leading to the collapse of agriculture, mining and forestry, which constitute the key productive sectors.*** At the macroeconomic level, the GDP after a 4.1% rise in 2012, crashed in 2013 by around 36.7% in real terms. During the political transition, the country witnessed a gradual recovery in economic activity and GDP growth stood at 1% in 2014, before rising to 4.8% in 2015 and 5.1% in 2016, thanks to an increase in subsistence farming, transport and trade sector activities. Inflation peaked at 11.6% in 2014 before dropping to 4.5% in 2015 and 4.1% in 2016, due principally to improved supply conditions in terms of enhanced security along the Douala-Bangui transport corridor and lower prices for some imported commodities. Overall, the crisis has wrought deterioration of all social indicators—with a human development index of 0.36— placing the country at the bottom rank among the 188 countries assessed in 2016.

3. ***With its new vision of a country finally pacified, the Government continues to pursue the national reconciliation dialogue in a bid to restore social cohesion.*** In this regard, it has drawn up the National Recovery and Peacebuilding Plan for the Central African Republic (RCPCA, adopted in October 2016), which centres on three (3) priority pillars and 11 strategic objectives. However, to achieve the goals set for the next five years, the support of all technical and financial partners (TFPs), including the Bank, is crucial to averting any regression that would be detrimental to CAR and the sub-region.

4. ***This Country Strategy Paper for CAR, covering the period 2017-2021 (CSP 2017-2021), will enable the Bank to consolidate its support to the country, by promoting sustainable and inclusive growth.*** As a reminder, during the political transition period, the Bank prepared an Interim Strategy (iCSP 2014-2016) centred on two pillars: (i) “Rehabilitation of socio-economic and public utility infrastructure to ensure improved basic service provision”; and (ii) “Institutional capacity-building and good governance promotion.” Overall, the implementation of the iCSP has contributed towards restoring basic social services and institutional capacity, through the rehabilitation/construction of socio-economic infrastructure (health, education, energy, water and sanitation) as regards the first pillar. Under the second pillar, the results concern the effective rebooting/redeployment of central and devolved government services (through regular payment of civil servants’ salaries, supply of computer hardware and accessories, and office furniture for government services), as well as restoration of an appropriate public financial management framework.

5. ***The Bank's areas of concentration chosen for CSP 2017-2021 reflect lessons learned from implementing the iCSP, the consultations with the high-level authorities and the all stakeholders (including civil society), the findings of the field mission of Bank Board members, and guidance from the Committee on Operations and Development Effectiveness (CODE), at the review of the iCSP completion report.*** A consensus emerged on the following two pillars: (i) “Agricultural development and infrastructure support for social inclusion” and (ii) Institutional capacity building and governance”. Operations planned under these two pillars will contribute towards promoting inclusive economic growth through support to growth sectors (agriculture/livestock), development of basic infrastructure, institutional capacity building to

promote governance and an environment conducive to private sector development. The operations planned, particularly under Pillar I, will systematically include specific components aimed at reducing fragility factors by promoting employment and youth entrepreneurship as well as gender mainstreaming. In addition, special focus will be put on supporting mining and forestry sector reforms that have great potential for growth and job creation.

6. ***Financing for operations programmed under the two pillars would come mainly from the ADF's public sector window and the Transition Support Facility (TSF).*** Additionally, the Bank will prioritize co-financing to raise the level of resources available to support the implementation of these operations. The Bank will also strengthen its advisory services to the country, particularly on economic and structural reform policies, by providing high-level technical assistance. Such support will be part of the Bank's new Development and Business Delivery Model (DBDM), designed to increase the effectiveness of its work for regional member countries.

## I. INTRODUCTION

1. *After three years of a challenging political transition, CAR has successfully returned to constitutional order, following the holding of presidential and legislative elections in February 2016.* This positive development was made possible thanks to strong support from the international community, which in 2014 had already deployed a peacekeeping force (United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic “MINUSCA”, comprising 12,000 experts and law enforcement officers). The establishment of democratic institutions and the presence of the peacekeeping force notwithstanding, there is lingering insecurity owing to armed groups that hold sway over a large part of the territory, perpetrating multiple acts of violence and thus posing a permanent threat to peace. Such was the backdrop against which the Government in October 2016 adopted a National Recovery and Peacebuilding Plan for the Central African Republic (RCPCA), which is structured around 3 priority pillars and 11 strategic objectives (*Cf. Annex 5*).

2. *The CSP 2017-2021 preparation comes at a time when the country clearly needs strong and concerted support from development partners to consolidate peace and revive sustainable growth.* As revealed by the Interim Strategy (iCSP 2014-2016) completion report, the Bank has successfully supported the country's efforts by rehabilitating socio-economic infrastructure and improving the delivery of basic services to the populace, particularly in the rural areas affected by the conflict. The Bank has also contributed towards restoring institutional capacity and promoting governance, as well as the effective deployment of some central and devolved services.

3. *CAR's growth sources, which are predominantly limited value-added agriculture and artisanal mining, currently contribute insignificantly towards improving the living conditions of the greatest number.* The crisis has ravaged the country's economic base, leading to the collapse of the leading productive sectors (agriculture, forestry, mining, etc.). To consolidate the gains from the previous strategy (iCSP 2014-2016) and as a continuation of the Bank's action, the new CSP will be structured around two pillars *(i) agricultural development and infrastructure support for social inclusion, and (ii) institutional capacity building and governance.*

4. The choice of these pillars will enable the Bank to contribute towards mitigating the country's key fragility factors (*Cf. Section 3.2*). It reflects the lessons learned from implementing iCSP 2014-2016 and the Bank's comparative advantage, notably in socio-economic infrastructure development and strengthening of institutional capacity for reform implementation and monitoring. *The Bank's overall objective is to support CAR in post-conflict reconstruction, by promoting the foundations for sustainable and inclusive growth.*

5. *The preparation of the CSP, which is aligned on RCPCA's priorities, has been guided by extensive consultations with the Government and all stakeholders (civil society, private sector, TFPs, etc.).* It is consistent with the Bank's Ten-Year Strategy (2013-2022) and the Strategy for Addressing Fragility and Building Resilience in Africa (2014-2019). It is also aligned on the Bank's five operational priorities (High 5) and will contribute towards achieving the Sustainable Development Goals (SDGs). The mid-term review of the CSP, scheduled for 2019, will provide an opportunity to take stock of the relevance of the pillars to ensure their consistent alignment on Government priorities.

## II. COUNTRY CONTEXT AND OUTLOOK

### 2.1. Political and Security Context

2.1.1. *The peaceful presidential and legislative elections of February 2016 have opened up favourable prospects for political stability in CAR following a long series of crises, including that of March 2013.* As a reminder, the outbreak of the March 2013 crisis through which the regime in place was ousted by the Séléka<sup>1</sup> rebellion, led to the most serious security, political and humanitarian crisis in CAR's history. This political crisis was followed by a challenging three-year political transition supported by the international community. The return to constitutional order with the election of Faustin-Archange TOUADÉRA to the Presidency of the Republic has made possible the formation of a Government comprising several political parties. The Government was reshuffled in September 2017 to include representatives of armed groups. Apart from the Senate, all the democratic institutions provided for under the Constitution have been set up.

2.1.2. *However, despite these encouraging developments at the institutional level and the presence of the UN peacekeeping force (MINUSCA<sup>2</sup>), insecurity remains a major cause for concern.* Although the security situation has improved significantly in Bangui since the end of the transition, community tensions and regular clashes between armed groups remain rife nationwide. Furthermore, intra-Séléka splits have spawned multiple armed groups currently jostling for control of certain regions of the national territory, thus dampening hopes of a speedy appeasement. This incapacitates public services and humanitarian organizations in their efforts to provide assistance to the crisis-affected populace. Furthermore, the rural areas, particularly those richly endowed with mineral resources, are marked by persistent insecurity, which could endure until the armed groups are effectively disarmed. Several mining sites have been overrun by these groups and the resultant looting of resources provides funding for the war, further undermining the State's capacity to meet the urgent needs of the people.

2.1.3. *The security sector reform embarked upon by the Government with the support of the international community aims to integrate some ex-combatants into the army, downsize and rejuvenate the armed forces and police.* The reform must focus attention on regions occupied by armed groups, with a view to gradually restoring State authority. In 2017, the Government organized several meetings of the Consultative and Monitoring Committee charged with the disarmament, demobilization, reintegration and repatriation (DDRR) process. The meetings brought together the fourteen armed groups, and recruited 500 police and gendarmerie officers. In September 2017, 260 ex-combatants were disarmed, demobilized and integrated into the Central African army. In addition, a special criminal court is being set up gradually to prosecute persons suspected of war crimes and human rights violations.

2.1.4. *The Economic Community of Central African States (ECCAS) played a positive role in ending the crisis by providing the bulk of the contingents* (Cameroon, Congo, Gabon, DRC, Chad, Equatorial Guinea, Burundi) of the African Union MISCA Operation, the troops of which form the backbone of MINUSCA. From a geopolitical perspective, conflicts in CAR often have ramifications in neighbouring States,<sup>3</sup> hence ECCAS supported

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<sup>1</sup> Séléka, which means "coalition" in the national language Sangho, was a coalition of armed groups.

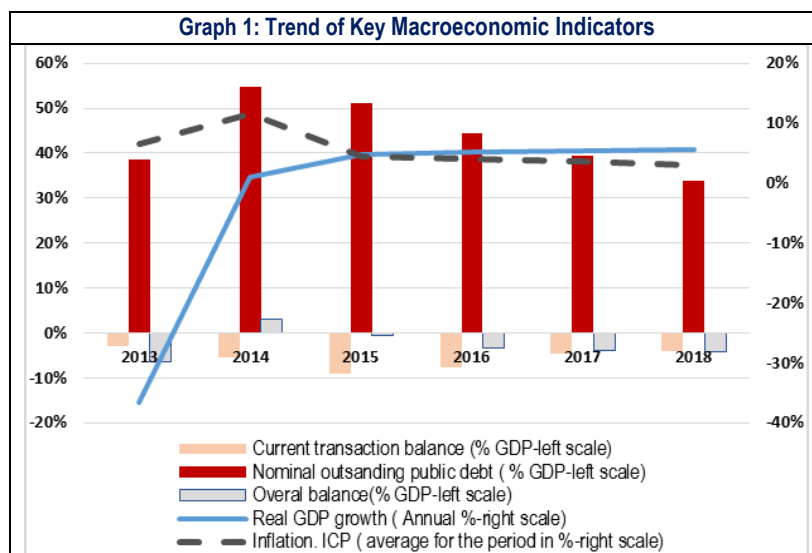
<sup>2</sup> The UN operation, the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA), was established in April 2014 (Resolution 2149) by the Security Council. Its mandate is to protect the population and support the political process (support for reconciliation efforts, the armed groups' demobilization process, the security forces reform, the fight against impunity, etc.). MINUSCA was preceded by African Union forces, and the French forces (SANGARIS)

<sup>3</sup> The resolution of the different conflicts has shown the importance of regional cooperation, thanks to which several peace agreements have been signed and have led to an improvement in the security situation in CAR. All CEMAC countries, as well as Angola, contributed to the financing of CAR recovery and peacemaking. In addition to grants, the Republic of Congo was particularly involved in providing a loan of USD 25 million. For its part, Angola contributed a grant of USD 10 million and a loan of USD 20 million.

the transition process through regional mediation, entrusted to Congo. Moreover, immediately after the swearing-in of the new President, the country re-joined the African Union (AU) and the International Organization of Francophonie (OIF), from which it had been suspended when Séléka seized power.

## 2.2. Economic Context

2.2.1. *The economic recovery that started in 2014 is gradually consolidating with a real GDP growth rate of 5.1% in 2016 against 4.8% in 2015.* Despite its limited diversification,<sup>4</sup> the economy was boosted by the recovery in extractive industries with a 22.8% jump following the partial lifting of suspension from the Kimberley Process. While services grew by 7.5% in 2016, agriculture rose by merely 1.2%, owing mainly



to the sluggish return of refugees and displaced persons, and unavailability of means of production and supervision. Besides the effects of insecurity, supply remains constrained by low agricultural sector productivity, advanced deterioration of infrastructure (particularly in the energy sector), and limited access to credit. Growth in the banking sector estimated at 2.5% remains shaky, while the recovery in trade and transport accounts for tertiary sector growth estimated at 6% in 2016. In terms of overall demand, the growth momentum mainly in Bangui was stimulated by investment in real estate (due to high housing demand from expatriates, mainly United Nations staff and NGOs) and public administration expenditure. Regular payment of civil servants' salaries and the redeployment of administrative services have also increased overall demand via household consumption.

2.2.2. *Concerning public finances, the authorities, supported by the TFPs, have continued implementing actions aimed at consolidating the reforms undertaken during the transition period.* Such efforts have contributed towards improving the mobilization of domestic public resources and gradually restoring a more sustainable public financial management framework. Domestic budget revenue actually improved during the transition period, from 4.9% of GDP in 2014 to 7.1% and 8% respectively in 2015 and 2016. This increase results from the mechanical effect of the economic recovery, actions to restore the capacity of the financial services, tighter tax and customs control as well as tax and customs legislative reforms. As regards public expenditure that had fallen to 12.7% of GDP in 2014, it rose to 14.9% in 2015, reaching 15.2% of GDP in 2016, supported particularly by the resumption of public services, including in the hinterland. The resulting budget deficit was financed by external budget support, which amounted to 4.9% of GDP in 2016. However, this volume of budget support, mostly in the form of grants, was well below its 2014 and 2015 levels, which were respectively 10.8% and 7.2% of GDP. Despite efforts to mobilize tax

<sup>4</sup> In 2016, the agricultural and forestry sectors contribute 58% of GDP. The mining and quarrying sector (gold and diamonds) and processing industries (beverages, sugar, cigarettes, sheet metal, etc.) contribute only 18.1% of GDP. In addition, the tertiary sector (banking, commerce, hotels, and telecommunications) accounts for around 31.7% of GDP.

revenue and control expenditure, including the wage bill following the civil servants census, the country still requires TFP support to curb the budget deficit.

2.2.3. ***At the monetary level, the country is a member of the Central African Economic and Monetary Community (CEMAC). As such, monetary policy is determined by the Bank of Central African States (BEAC),*** which mainly prioritizes inflation control. Its currency, the CFA Franc, has a fixed parity with the European currency (EUR 1 = CFAF 655.957). The money supply (M2) increased by 14.5% to reach CFAF 294.3 billion in December 2016, against 257 billion in 2015. This increase is linked to the resumption of economic activity, particularly in mining and forestry, civil works and trade. In 2016, net foreign assets stood at CFAF 48.7 billion against 42.2 billion a year earlier. Net domestic credit increased by 10%, driven mainly by increased credit to the economy which rose by 5% compared to 2015. Net claims on the government rose by merely 1% due to loans to public enterprises. Since February 2016, the central government has had fewer recourse to the banking system. ***Inflation dropped from 11.6% in 2014 to 5% in 2015 and 2016, thanks to improvements in the system of supplies from Cameroon and the resumption of food production.*** However, this inflation level remains above the convergence criterion set at 3.0% in the CEMAC zone and is due to the increase in the prices of staple foodstuffs, attributable to the decline in livestock production and additional demand induced by the return of some refugees and displaced persons.

2.2.4. ***CAR's debt distress risk remains high due to the structural trade imbalance, heightened by the country's chronic instability.*** The crisis has led to an accumulation of new internal and external payment arrears. This has significantly worsened the public debt level, with a public debt to GDP ratio that increased from 38.5% in 2013 to 51.1% in 2014 and 47.2% in 2016. Although a clearance plan for domestic debt, which went from 31.7% of GDP in 2014 to 26.6% in 2016, was developed following the debt audit financed by the European Union, the country remains highly vulnerable in terms of domestic public debt. Therefore, CAR has moved from a moderate debt risk situation to one of high risk of debt overhang. In this regard, the IMF's May 2017 Debt Sustainability Analysis recommends that the country pursue prudent fiscal policies, with maximum concessionality of external financing, and that further concessional debts be negotiated only in exceptional cases for critical projects where grant funding could not be secured. For such projects, costs and benefits should be thoroughly and independently analysed to ensure that they are profitable and without fiscal impact.

2.2.5. ***CAR's financial sector is underdeveloped and dominated by a few banks located in Bangui.*** There are four commercial banks and five approved microfinance institutions (MFIs), which are mainly concentrated in Bangui on account of economic activities and relative security. The socio-political crisis has had a significant impact on the sector and the financial losses of microfinance institutions have been estimated at USD 2.2 million. Moreover, virtually all bank and micro-finance institutions in the provinces remain closed to date. Their reopening depends on the return of security (to ensure cash transportation without risk of looting) and the restoration of power infrastructure and ICT. Credit to the private sector, which was valued at 10.4% of GDP in 2011, is estimated at less than 10% in 2016. It is worth noting that the banking system is characterized by the predominance of short-term loans, intended to relieve customers' cash flow, but ill-adapted to long-term investments, particularly in the agricultural and industry sectors. In addition, the banks focus on a few large companies involved in mobile telephony, hydrocarbons or general trade, neglecting the agricultural sector as well as small- and medium-sized enterprises. There is no tailored financing system and no policy to support the financing of the economy, for instance guarantee funds or leasing for SMEs. Loan default has witnessed a remarkable upsurge, currently exceeding 30% of the loan volume, against a pre-crisis level of 10%. Furthermore, in collaboration with BEAC, the authorities have recently devised and adopted a microfinance development strategy for greater financial inclusion with a view to facilitating access to credit for economic operators.

**2.2.6. *The private sector is in its infancy and consists of small- and medium-sized enterprises mostly operating in the informal economy.*** CAR's business environment remains among the least attractive in Africa, owing mainly to the country's cyclical crises and major security challenges. The World Bank's latest Doing Business 2017 report ranks CAR 185<sup>th</sup> out of 190 countries. The country remains severely constrained by an infrastructure deficit, in particular electricity and ICT, as well as major challenges related to the payment of taxes and performance of contracts. The crisis has severely undermined the private sector and the economy's competitiveness. Many companies have suffered significant property damage and financial loss<sup>5</sup> due to internal violence and the accumulation of government arrears owed to local suppliers. Efforts are under way to improve the management capabilities of the One-stop shop for Business Formalization (GUFE) and the creation of approved management centres within the Chamber of Commerce. Following the recent adoption of a national plan to revive private sector reforms, the State-private sector consultation structure was also reorganized, with the creation of a Joint Consultative Framework for the Improvement of the business climate. It replaces the two structures set up in 2010 to promote private sector development, namely the Permanent Framework for State-Private Sector Consultation and the Joint Committee for the Improvement of the Business Environment. In 2015, the Transitional Government and TFPs organized several seminars/forums in Bangui to rethink and define the actions required for private sector revival and development.

**2.2.7. *CAR is richly endowed with natural resources and climatic conditions conducive to agriculture and livestock. It also has a high potential for export and industrial crops such as coffee, cocoa and cotton.*** Arable land is estimated at 15 million hectares (ha), of which only approximately 800 000 ha are cultivated each year with cassava and maize as the main food crops. The country also boasts roughly 2 million potentially irrigable hectares, of which around 1000 hectares are exploited, 16 million ha of pastureland, of which only 9 million ha are exploited for an estimated 3.7 million head of cattle. Furthermore, the country's rainfall level is among Africa's best with a degressive annual average (from 1600 mm in the South to 800 mm in the North). Despite all these advantages, CAR's recurrent crises have wrought devastation on the agricultural sector, severely crippling farming activities in terms of: (i) loss of means of production, (ii) destruction of crops/fields, (iii) destruction of small livestock, (iv) closure of public extension services, etc. The livestock and fisheries sectors have paid heavily for the crisis and the decline in terms of numbers is estimated at 67% for livestock and 77% for small ruminants and poultry. Agricultural production contracted by 46% in 2013 and remains inadequate, despite an increase over the past three years.

**2.2.8. *Regional integration constitutes a major stake for CAR's development as it is landlocked and additionally shares boundaries with four countries of Central Africa and two of East Africa.*** CAR is subject to the CEMAC common external tariff, which is the simple average of the most-favoured-nation tariff applied in recent years. Due to its tight financial situation, CAR continues to benefit from certain exemptions, namely the 22.7% tariff for agricultural products and a waiver from the application of the CEMAC general preferential tariff. Furthermore, the country has signed up to the Central Africa Free Trade Area (FTA), which was established in 2004 and covers the eleven countries of the Economic Community of Central African States (ECCAS). However, this FTA which was to lead to the customs union in 2008 is not yet effective, owing to multiple persistent constraints (the non-transposition of instruments at the Community level or non-ownership of FTA instruments by the different stakeholders, among others).

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<sup>5</sup> According to an August 2016 study on losses suffered by the economic units related to the events of 24 March 2013, the losses totaled CFAF 66 billion, of which CFAF 61 billion of material losses and CFAF 5 billion of financial losses.

***Economic growth projections are based on the assumption that refugees and displaced persons will gradually return to their lands to continue their agricultural or artisanal mining activities.*** The total lifting of the ban on exports of diamonds from territories considered as conflict zones, as well as the entry into production of newly acquired logging concessions could boost the primary sector and mining activities, and thus stimulate real GDP growth. The economic growth would then trigger an increase in imports and exports, with a surge in traffic on the corridor connecting Douala and Bangui, which will require a significant increase in the number of protected convoys. In addition, the rise in agricultural supplies and the removal of barriers along the corridor, with the resultant improvement in product distribution channels (including imported products), should bring down inflation to 3.6% in 2017 and 3.0% in 2018. Concerning public financial management, budget expenditure should target priority sectors such as health, education and security. Public investment management, which is essential for supporting inclusive and job-creating growth, will also need enhancement to promote social cohesion and political stability. The expansion of external budget support and technical support in capacity building will enable CAR to meet its enormous challenges and overcome the lingering fragility.

**Box 1: Third review mission of the ECF-supported IMF programme**

CAR's economic performance remains good despite the deterioration of the security environment. Economic growth is expected to reach 4% in 2017 (*below initial projections – Cf. Table 1*), supported by good performance in the forestry and mining sectors, despite a resurgence of violence that has affected agricultural production. Inflation is projected at 3.8% by the end of the year and is expected to decline gradually over the medium term. The Government's decision to accelerate the clearance of the commercial and social debt is in line with strengthening social cohesion and peace. An independent audit to be finalized in October will be essential to guide the arrears clearing process, with social security arrears representing the largest share thereof (CFAF 60 to 70 billion). Given the substantial amount of social security arrears to be cleared, it will be crucial for the authorities to define a clearance schedule and appropriate procedures to ensure transparency and payment to beneficiaries (IMF, October 2017).

**2.3. Social Context and Crosscutting Themes**

**2.3.1. A mostly rural population – above 60% - and largely youthful:** According to the latest official statistics, CAR's population was estimated at 4.9 million in 2015 with a natural rate of increase of 2.0% and an average density of 7.9 inhabitants per km<sup>2</sup> (over 70 % of the population lives on a third of the territory; CAR covers an area of 623 000 km<sup>2</sup>). People aged 0 to 14 represent 39% of the population, those aged 15 to 64 represent 57% and those over 65 only 4%.

**2.3.2. The population lives in social insecurity despite the economic recovery and return to constitutional order (Cf. Annex 7):** With a GDP per capita of USD 322 in 2015, CAR is among the world's poorest countries. With reference to the international poverty threshold of USD 1.90 per day based on the 2011 purchasing power parity, 76% of its current population lives below the poverty line, compared to 66% in 2008. Life expectancy at the birth is 51 years and the country has the world's lowest human development index at 0.36 (188<sup>th</sup> out of 188 countries in 2016). With regard to employment, data from the Ministry of Employment indicates that nearly one out of every four working people (24.2%) was unemployed in 2015. The main reasons for the joblessness in CAR include: (i) the deterioration of the business climate, which hinders investment promotion; (ii) the destruction of private sector economic units during the crisis; and (iii) the mismatch between employment supply and demand. On the humanitarian level, the conflicts have left nearly 6,300 dead and over 800,000 internally displaced persons and refugees in neighbouring countries, while more than 50 per cent of the population is exposed to food insecurity.

**2.3.3. *The deterioration of the social situation is exacerbated by the destruction of health and education facilities against a backdrop of widespread insecurity in most of the country.***

Health wise, about 30% of health facilities have been partially or completely destroyed. Rendered extremely difficult, access to health services has largely been provided only through the humanitarian assistance of NGOs. According to the latest Health Resources Availability Monitoring Survey (HeRAMS), about one-third of the country's 1,008 health facilities have been partially or completely destroyed, 22% of health facilities are dysfunctional, and 43% of staff are community workers with no basic training. The country has one doctor for every 27,000 inhabitants against a WHO standard of one (1) doctor per 10,000 inhabitants. The limited State investment in the sector leaves no reason to expect any improvement of this situation in the short term, given that in 2013 for instance, the share of public health expenditure was 2.1% of GDP against an average of 2.6% in Africa.

**2.3.4. *The education sector has also been severely affected, with a shutdown of the formal school system for two full years.***

Some schools remained closed until early 2015. According to a CAR Education Cluster survey published in April 2015, enrolment rates fell by 6% between 2014 and 2015 compared to the pre-crisis period (2011-2012). Fear of violence, shortage of teachers and insufficient school supplies are the main reasons for school dropout. Nevertheless, school mapping conducted in April 2016 indicates a marked improvement in the situation with nearly 76% of schools functional. The Ministry of Education has adopted a transition plan covering the period 2015-2017, which has been extended until 2018 and intends to train 500 teachers per year from 2016 to 2018. However, actual teacher recruitment is thwarted by the low budgetary resources. Despite these improvements, the performance of the education system remains weak, with a pass rate of merely 13% at the 2017 Baccalaureate (High school certificate) session. In addition, the Government remains well below its stated goal of allocating 22% of the state budget to public spending on education. The share of this category of public expenditure is currently 9%, compared to 7% before the crisis.

**2.3.5. *CAR is signatory to the main international instruments for the protection of women and adopted a National Policy for the Promotion of Equality and Equity (PNPEE) in 2005.***

However, this mechanism did not contribute towards improving the situation of CAR's women who represent 50.7% of the total population. Conflicts have affected women far more than men, thus curbing the progress achieved in eliminating gender disparities in education (the female literacy rate is 27% against 49% for men at the national level), in parliament (they represent 7.2% against 92.8% of men) and in the management and control of economic resources. Nationwide, particularly in conflict areas, multiple acts of violence against women are committed. Numerous women have been victims of such violence (nearly 7,000 women and girls), including about 2,000 rapes, with disastrous consequences such as trauma, HIV infection, stigmatization of victims and repudiation from the marital home. The conflicts have had an adverse impact on women's economic situation, particularly in agriculture where yields have declined owing to work force deficit (men and young farmers having fled or been massacred), and a lack of seeds and food.

**2.3.6. *Although the country is considerably endowed with renewable water resources, barely 30% of the population has drinking water access, with the rates ranging from 36.5% in Bangui to 27% in rural areas.***

Bangui's water supply infrastructure is antiquated and poorly maintained, and even at full capacity, it falls short of demand. Most rural households use wells with hand-operated pumps. Water supply systems are limited to Bangui and a few major towns. CAR has no integrated sanitation system combining sewerage networks and wastewater treatment. Most urban households have private latrines; such is not the case in rural areas where defecation in the open field is prevalent, with environmental and public health risk implications.

2.3.7. ***CAR's environment poses significant risks. The 2016 Environmental Performance Index (EPI) for CAR is 43.4 out of 100, ranking the country 168<sup>th</sup> out of 180 countries assessed.*** This score reflects a high degree of ecological vulnerability and limited capacity for investment in environmental infrastructure, effective pollution control and environmental management. Climate change impacts are the least understood challenges in the country as no data is presented in the report. CAR has ratified and acceded to several international conventions, including the Voluntary Partnership Agreement with the European Union for Forest Law Enforcement, Governance and Trade in Timber and Products (Forest Law Enforcement, Governance and Trade); the United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation for the Management of the Congo Basin Forest. These steps had also led the Central African Parliament to adopt the law establishing and organizing the Autonomous Forest Resources Management Agency. Lastly, the country has developed the National Adaptation Programme of Action (NAPA) for climate change and is a stakeholder in the Mechanism for Reducing Emissions from Forest Degradation (REDD), and is a member of the Congo Basin Countries Coalition and the Coalition For Rainforest Nations. Furthermore, although the Global Environment Facility (GEF) funds the complementary activities of the Bank's operations in CAR, the implementation of various international conventions is sluggish owing to the State's limited budget capacity. The climate change aspects will continue to be incorporated into all Bank operations.

2.3.8. ***Overall, despite the progress recorded, CAR was unable to achieve any of the MDGs in 2015.*** Considering the challenges to be met, the country remains directly challenged on almost all of the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015.

### **III. STRATEGIC OPTIONS, PORTFOLIO PERFORMANCE AND LESSONS LEARNED**

#### **3.1. Country Strategy Framework**

3.1.1. ***The country's medium-term development and socio-economic objectives are contained in the National Plan for Recovery and Peacebuilding (RCPCA, 2017-2021), adopted in October 2016.*** This plan seeks to lay the foundations for sustainable and inclusive economic and social development, in particular through the restoration and extension of the authority of the State throughout the national territory and massive public investment, in order to consolidate peace. The RCPCA is based on a "needs assessment for recovery and peace-building" and is part of a process of coherent emergency relief, rehabilitation and development actions (*Cf. Annex 5*). The implementation of the RCPCA requires synergy in the actions of the various stakeholders (State, private sector, TFPs), as the pillars are interdependent and complementary. There is a need to restore security by reinstating the rule of law in order to initiate a process of development and reinstatement of the social contract. Similarly, renewing the social contract will foster economic recovery and sustain security through governance reform, basic social services support, and development actions.

3.1.2. ***A Donors Roundtable was organized in Brussels in November 2016 to raise funds for the RCPCA.*** The financial contributions pledged by the key TFPs amount to USD 1.3 billion, while the Plan's full implementation cost is estimated at USD 3.1 billion. A Technical Secretariat of the RCPCA is in place to monitor the implementation of the programme, according to the contributions pledged by the partners as well as the mobilization of additional resources to fill the financing gap.

## 3.2. Country's Challenges and Weaknesses

3.2.1. *The fragility analysis conducted under the iCSP (and continued by the recent analyses)<sup>6</sup> reveals that the key factors of CAR's persistent fragility are multiple, complex and inter-related.* The violence of its political history and the dysfunctional institutions, the failure of previous DDR programmes and spatial exclusion hinder social and national cohesion. This has resulted in a fragmented society where periodic tensions and unresolved conflicts within and among various ethnic, social, religious and economic groups and communities are recurrent. (Cf. Box 2 and Annex 6).

### Box 2: Summary of CAR's Key Fragility Factors

The various manifestations of these factors are: (i) a weak commitment of the protagonists to support political and social pacts in a context where different types of **social schisms** at different levels prove to be persistent; (ii) political power and the tapping of natural resources are concentrated in the hands of a small elite running the country with very little legitimacy. Public institutions, which have mainly supported and maintained the elite, lack wherewithal and the capacity required to govern a modern state; (iii) the imbalances between Bangui and the rest of the country, including the marginalized areas of the North-East, have fuelled a sense of marginalization and exclusion; (iv) weak human capacity of public administration coupled with limited diversification of CAR's economy, making the country highly dependent on foreign aid and exposing it to exogenous shocks; (v) cross-border nature of conflicts, including overlapping, interdependence and complexity, which affect the entire sub-region; and (vi) non-prosecution of criminals involved in successive cycles of violence, creating an environment characterized by violence and impunity.

3.2.2. Some of the main challenges facing the country include:

- a. Restoration of security nationwide, peace-building and national cohesion: Despite the return to constitutional order in 2016 and the establishment of the main democratic institutions provided for in the Constitution, insecurity is persistent and inter-community clashes continue to be recorded in several localities around the country. The reason for such instability could be, among other things, the delays noted in effectively starting the DDR process. This situation illustrates the major difficulties of restoring the authority of the State nationwide and the precariousness of national cohesion. The Central African State now controls only a very small part of its territory, and the armed groups have split up into countless uncontrolled rebel factions, increasing criminal activities.
- b. The fight against food insecurity and basic social services delivery to the populace both in Bangui and in the hinterland: The crisis has exacerbated food insecurity that currently affects over 2 million people nationwide. It has also severely weakened the institutional and human capacity of the State and the structures in charge of health (Cf. § 2.3.3) and education (Cf. § 2.3.4), which have become incapable of providing adequate services in these areas. Furthermore the destruction of the water and sanitation infrastructure, and the lack of adequate inputs have completely reduced the access of disadvantaged groups to drinking water, hygiene and sanitation (Cf. § 2.3.6).
- c. Limited productive capacity of enterprises and their weak financial situation due to looting and destruction of their production equipment: The key productive sectors, in particular agriculture and the extractive industries, have been strongly impacted. CAR's limited economic diversification, notably based on primary products, makes it particularly vulnerable to external shocks. Private sector development is the cornerstone for economic expansion and diversification (Cf. § 2.2.6).
- d. The underdeveloped economic infrastructure (transport, energy, ICT, water and sanitation) in the context of a landlocked and vast territory such as CAR. The availability in quantity and quality of such infrastructure constitutes a major fragility and poverty reduction factor.

<sup>6</sup> An extensive Bank-financed study on CAR's fragility factors was conducted in 2016. Similarly, the National Plan for Recovery and Peacebuilding in the Central African Republic 2017-2021 (RCPCA) largely addressed these issues (Cf. Annex 7).

- e. Enhancement of national capabilities and good governance promotion: The conflict has undermined State institutions and their ability to perform the most basic public functions. In 2016, the country ranked 159<sup>th</sup> out of 176 with a score of 20% for the Transparency International Corruption Perception Index and 52<sup>nd</sup> out of 54 countries for the Mo Ibrahim Index for Governance in Africa, with a score of 25.7% in 2015. Furthermore, the Bank's Country Policy and Institutional Assessment (CPIA) notes that the overall rating has gone from 3.0 out of 6 in 2012 to 2.50 in 2016, compared to an average of around 3.5 for African countries during the same period.

### 3.3. Strengths and Opportunities

3.3.1. *The return to constitutional order (Cf. § 2.1.1) constitutes CAR's main asset to initiate its socio-economic development.* Already, in May 2015, the adoption of the Republican Pact for Peace, National Reconciliation and Reconstruction at the Bangui National Forum reflects the national will to abide by the principles of the rule of law and democratic governance. This has enabled the establishment of the main republican institutions provided for under the Constitution.

3.3.2. *As regards the economy, CAR's abundant natural resources constitute a major factor of resilience.* An efficient resource management system would form the bedrock of sustainable development and poverty eradication. The resources include:

- a. Favourable agro-pastoral conditions: CAR has real economic growth potential in the agro-pastoral sector capable of reducing poverty in a sustainable manner (Cf. § 2.2.7). Moreover, the country's climate is conducive to rainfed agriculture, with relatively long cropping cycles enabling the cultivation of a wide range of food (cassava, sorghum, maize, peanut, rice, banana, tomato, etc.) and export crops (cotton, coffee, cocoa, palm oil, rubber, etc.), creating jobs and fetching substantial revenue for the State. The climatic conditions are equally conducive to livestock development. Its hydrographic network, with two large rivers (Oubangui and Sangha), makes fish farming a potential growth sector, the same as river transport development whereby three capital cities of Central Africa (Brazzaville, Kinshasa and Bangui) can be connected. The economy is largely based on the agro-pastoral sector, with agriculture contributing 45% of GDP, 42% of export values, 70% of active jobs and 75% of national food consumption.
- b. Significant forestry and ecotourism potential: CAR is endowed with dense tropical forest resources covering about 34 million hectares. The exploitation of part of this forest potential, which contains a wide and rich variety of species, currently provides about 40% of the country's export earnings. Control of fraudulent exports of Central African wood could improve the rate of tax revenue. The country also boasts some of the richest wildlife in Africa, thus affording real opportunities for ecotourism development (Cf. Annex 8).
- c. Significant mineral resource potential: These varied resources, which particularly concern diamond, gold, uranium, iron, limestone and copper, are enormous, but only diamond and, to a lesser extent, gold are mined artisanally. Although diamond accounts for about 35% of export earnings, its impact on tax revenue is marginal (about 3%). However, studies by USAID (2010) and the World Bank (2011) indicate that artisanal diamond mining would directly provide a livelihood for upwards of 500,000 people and probably around 2.5 million (more than half of the population) if the knock-on effects are factored in (Cf. Annex 8).

### 3.4. Aid Coordination and Harmonization

3.4.1. *The consultation framework was effective, with meetings held in Bangui and outside CAR.* Despite the lack of a formal framework, the missions and activities of the TFPs in CAR have, for the most part, been relatively well coordinated: (i) budget support is prepared in coordination with the World Bank/IMF teams; their reviews in Bangui, Douala or Paris saw the participation of the Bank; (ii) coordination among development partners, led by MINUSCA, enabled the holding of presidential and legislative elections; (iii) a mechanism to combat gender-based violence has been set up with the support of TFPs and operated by UNFPA; (iv) The development of the RCPCA, which was supported by TFPs, is another example of sound collaboration between the Bank, the World Bank, the UN System, the EU and the IMF. However, the implementation of the Poverty Reduction Strategy Paper (PRSP 2 covering the period 2011-2015) as per the Paris Declaration principles, was not effective owing to the political/military crises that occurred during this period in the country. The matrix in Annex 12 presents a breakdown of donors by area of intervention. It is clear that the Bank has comparative advantages in the infrastructure sector, on the one hand, and in the area of economic reforms and good governance as well as institutional capacity building support, on the other.

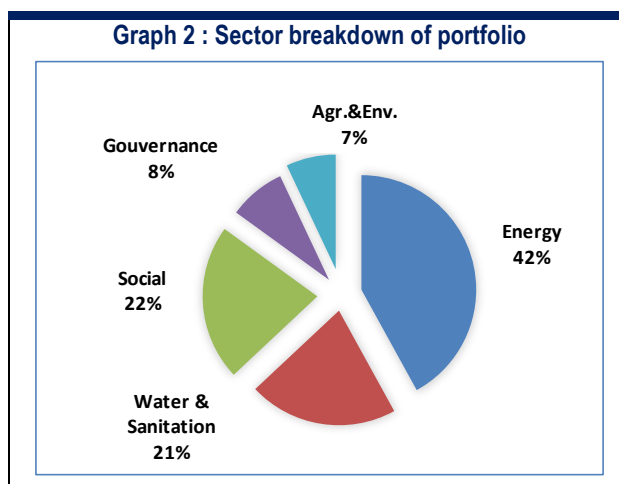
3.4.2. *While the Bank's country office in CAR (COCF) was not fully operational during the crisis, the fact remains that the Bank has played an active role with the other TFPs in the RCPCA preparation and the Roundtable for its funding.* In this capacity, it contributed to the establishment of a mechanism for the monitoring/evaluation and operationalization of the RCPCA, which is the coordination and harmonization framework for the period 2017-2021. Lastly, the preparation of decentralization framework process undertaken by the Bank over the last year with the establishment of a General Directorate for the Central African Region (DRGC), as well as the effective return of all international staff to Bangui will consolidate and strengthen the dialogue with the country and other development partners.

### 3.5. Bank's positioning in CAR

3.5.1. The iCSP Completion Report combined with the 2016/17 Country Portfolio Performance Review (CPPR), presented to CODE in July 2017, provides further details on aspects related to the portfolio and lessons learned. A summary of this report is presented in Annex 9.

3.5.2. *The Bank's active portfolio as of 31 August 2017 comprises 10 public sector operations, for a total UA 70.53 million.* It is financed by ADF 13 (PBA and TSF), RWSSI and GEF resources, 51% of which are for national projects and 49% for regional operations.

3.5.3. *The national portfolio comprises four public investment and three institutional support operations.* Although most of the portfolio's operations were approved before the adoption of the High 5s, the allocation of the active portfolio is consistent with them. They include support to grassroots communities and the rehabilitation of basic socio-economic infrastructure through the financing of four national projects (43% of commitments) and the CAR-DRC interconnection project from Boali power system (42% of commitments). These operations are aligned on three of the Bank's five operational priorities, namely: Improving the quality of life for the people of Africa, Light up and Power Africa, and Integrate Africa.



3.5.4. ***The July 2017 review confirmed the improved performance of the portfolio, with an overall average score of 3.00 on a scale of 1 to 4.*** This improvement is due to the Bank's actions (multidisciplinary supervision missions, high-level dialogue, long-term mission of undertaken by an international staff) following the restructuring of the portfolio in 2014. The review conducted an in-depth analysis of the performance of projects and programmes in the portfolio. In total, 86% of national operations are performing satisfactorily. The remaining 14%, with average performance, are closely monitored by the Bank. This portfolio performance is illustrated by CAR's ranking among the top 5 countries in the Bank's 2017 monthly reports (Executive Dashboard). The average age of operations is 3.8 years in 2017, compared to 3.1 years in 2016. The average time taken for operations to become effective (5 months) is lower than that observed for the Bank as a whole (10.6 months). The annual disbursement rate is 16.8% in 2017 against 10% in 2016. The portfolio does not include any project at risk, compared to the Bank's overall rate of 17% of projects at risk.

3.5.5. ***However, the portfolio continues to face the following generic challenges:*** (i) weaknesses in financial management and procurement; (ii) delays in implementation schedules; (iii) low technical (staff) capacity of project executing agencies; (iv) weak technical and financial capacity of national enterprises, which results in considerable delays in works execution; and (v) the predominance of inconclusive contracts (despite re-issued tender invitations) due to insecurity for international tenders on the one hand, and the inadequate skills of the majority of local firms in national competitive bidding, on the other hand.

3.5.6. ***Since the resumption of its activities at COCF in 2014, close monitoring of the portfolio has been initiated through ongoing dialogue with all stakeholders.*** Regular discussions between the Office and the authorities help to identify the problems as well as the priority actions to be undertaken, with a view to improving project execution. This improvement is also due to quarterly reviews between PIUs, line ministries and multidisciplinary supervision missions. However, COCF remains attentive to the ongoing consolidation of the portfolio in CAR, taking into account the new Presidential Directive DP 02/2015 on the implementation and cancellation of the Bank's sovereign operations.

### **3.6. Key Findings of the 2014-2016 iCSP Completion Report (CR)**

3.6.1. ***The iCSP was designed to support the Government's post-crisis recovery efforts to help improve the living conditions of the people during the transition period.*** However, the implementation of the iCSP took place in a context of extreme fragility: (i) persistent insecurity; (ii) inaccessibility to the whole territory; (iii) uncertainties and contingencies of the electoral calendar; and (iv) frequent changes of Government teams. Uncertainties about the political outlook, which prevailed during the iCSP period, were heightened by a longer-than-expected transition. The flexibility and the conversion of the financing instruments have been applied by the Bank without major difficulty. When the authorities introduced new requests for assistance and/or reorientation, the Bank was flexible in softening and even substituting instruments, in line with its policy on assistance in situations of fragility, empowerment and resilience building. As a result, the second phase of PARCB was postponed and resources were allocated to budget support (PAREF) approved by the Boards for further reforms and coverage of the country's huge financing needs. In responding to the country's changing needs with flexibility, the Bank has been effective in supporting its commitment to CAR's fragile situation.

3.6.2. ***Funding for iCSP operations and programme activities was provided through the restructuring of the ADF portfolio and fresh resources from ADF 13 (Cf. Annex 9).*** The pre-crisis restructuring of the active portfolio before the crisis enabled the release of fresh resources amounting to UA 23.58 million, while maintaining relevant projects to the tune of UA 43.76 million for the iCSP. Additional resources under ADF-13 have been allocated to

the financing of iCSP operations: UA 15 million under Performance-Based Allocation (PBA) and UA 14.84 million under Pillar I of the Transition Support Facility (TSF). The total available resources (UA 53.42 million) was initially allocated to new operations: UA 15 million for emergency budget support (Multisector Emergency Relief and Recovery Programme, PUASCRE) in 2014; UA 30 million for a basic community reconstruction support programme (PARCB), designed in two phases (with UA 15 million for each of the two phases); and UA 7.36 million for an institution building project to strengthen governance.

**3.6.3. *The implementation of the iCSP over the period 2014-2016 showed a performance asymmetry at the level of the two Strategic Pillars, although the common denominator was the unfavourable security conditions that prevailed.*** The execution of operations scheduled, especially those under Pillar 1 (*rehabilitation of socio-economic and public utility infrastructure with a view to improving the provision of basic services*) has not been satisfactory. In addition to the security context, the results of this Pillar were negatively influenced by the scope of its objectives (basic social services, water and sanitation, energy, rural roads, economic opportunities, etc.). It appears that selectivity was somewhat sacrificed to the "stress" imposed by the vast needs and urgency that prevail in a situation of fragility. The specific objective of Pillar II (*restoration of institutional capacity and promotion of good governance*), was to help restart/redeploy central and devolved government services, in the short term, and provide them with essential basic services. The outcomes under the pillar were more convincing, as the Bank's support enabled the effective restart/redeployment of government services, the relative improvement in the management of public finances, and most importantly, the regular payment of salaries and pensions. The outcomes, albeit limited in this pillar, coupled with the successful passage of the completed transition, and the return of the country to constitutional order, reflect relative success. However, it should be underscored that all the results obtained are supported by all TFPs. The main iCSP outcomes are detailed in Annex 9.

### **3.7. Lessons from the 2014-2016 iCSP Completion Report and CPPR 2016/17**

**3.7.1. *The main lessons from the iCSP Completion Report and the CPPR (2016/2017) have been taken into account in preparing this CSP.*** These include: (i) the need for the Bank to remain flexible to best meet the needs of the country, given its level of fragility; (ii) the use of strategic partnerships, particularly in times of crisis, to strengthen coordination for resource mobilization synergies and programme/project implementation; (iii) the need for further institutional capacity building and governance support essential for mitigating the fragility factors; (iv) the need to improve project quality at entry, especially in the infrastructure sector (good preparation of upstream operations avoids delays during the implementation phase); (v) the integrated approach to projects such as PARCB has proven well-suited to the fragility context, generating economies of scale while promoting the economic inclusion of vulnerable populations; and (vi) the need to enhance the project implementation and monitoring capacity of Project Management Units (*Cf. Annex 9*).

## **IV. BANK GROUP STRATEGY**

### **4.1. Rationale and Strategic Thrusts for Bank Group Intervention**

**4.1.1. *The analyses of fragility challenges and opportunities presented above indicate that, in order to achieve the objectives set out in the RCPCA (Cf. Annex 5), CAR needs strong support from the international community, including the Bank.*** In addition to the return to constitutional order, efforts made by the Bank and other TFPs during the transition period have already yielded remarkable results, particularly in terms of institutional capacity building, economic governance, reconstruction and development of socio-economic infrastructure. Despite this progress, there is lingering fragility and insecurity in the country

with significant risks of exacerbation of tensions and armed conflicts both between armed groups and between communities. The international community in general, and the TFPs in particular, have mobilized strongly to support the Central African authorities in implementing the RCPCA activity programme. In particular, since the Brussels Donor Roundtable on RCPCA funding was held in at end-2016, the main TFPs represented in CAR (AfDB, EU, World Bank, IMF, UNDP, etc.) have already adopted development assistance programmes for CAR. The preparation of the Bank's CSP to support the CAR Government in implementing the national development programme falls within this framework.

4.1.2. ***For the preparation of the assistance strategy, several Bank consultation missions were held in the country<sup>7</sup> to determine the CSP pillars*** consensually with the Government and other stakeholders. Similarly, the Bank's choice of areas of intervention in the CSP context is based on the need to focus on sectors wherein the Bank's actions are likely to have maximum impact on the living conditions of the population. Therefore, the Bank will consolidate the results already achieved through the implementation of the iCSP, while remaining selective considering the country's moderate allocation. Lastly, the consultations also highlighted the importance of leveraging complementarity and synergy with other technical and financial partners, with focus on sectors with a high job creation potential.

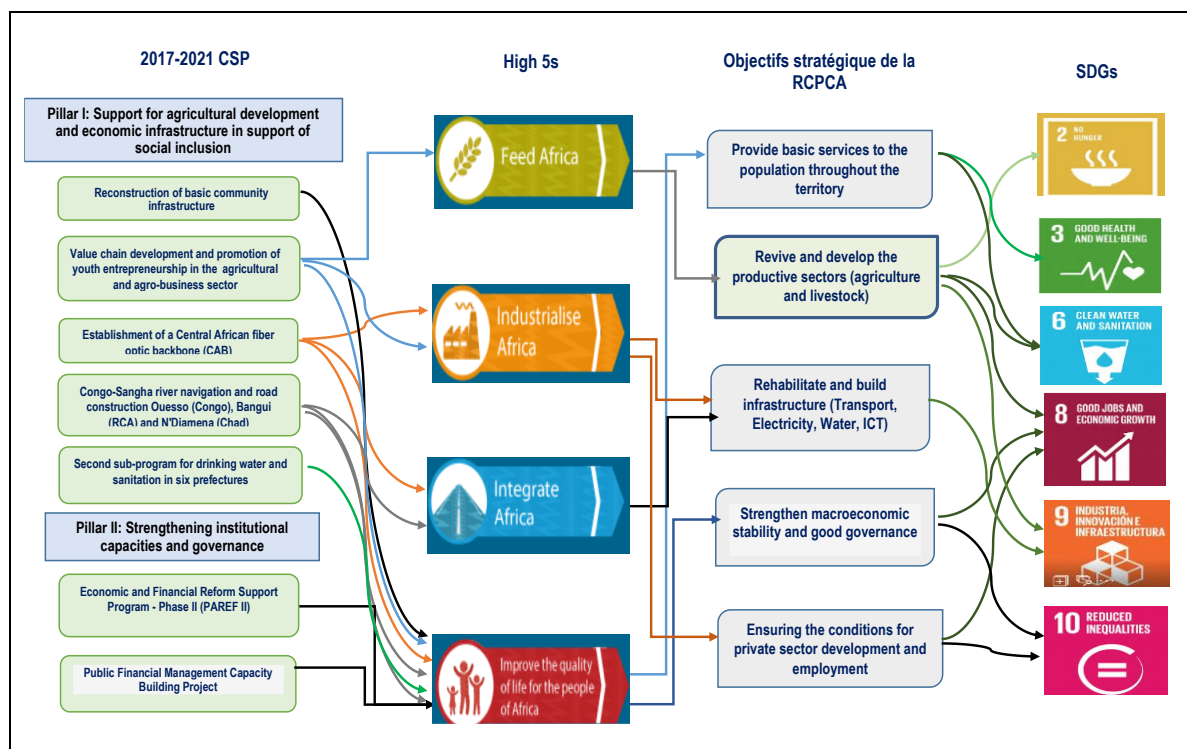
4.1.3. ***The CSP areas of intervention are aligned on the country's RCPCA priorities. Furthermore, the CSP reflects the country's strengths and weaknesses (Cf. § 3.2 and 3.3),*** as well as the findings of the iCSP completion report, complementarity with development partners, and analytical work, including those produced by the Government and the TFPs. The choice of Bank intervention pillars also takes into account the results and recommendations of the report of the Bank's High-Level Panel on Fragile States (2014), and recommendations from the Independent Development Evaluation Department (BDEV). In particular, this concerns the urgent need to align the Bank's interventions with the national crisis exit strategy and treat fragile states as a special interest area needing tailored support in the fragility context.

4.1.4. ***Furthermore, the CSP is consistent with the Ten-Year Strategy 2013-22, the High 5s*** as well as the Bank's Strategy for Addressing Fragility and Building Resilience in Africa (2014-2019). It is also aligned on Bank Sector Policies and Strategies, particularly with regard to agriculture and energy. The following diagram illustrates the linkages between CSP 2017-2021 and the High-5, 5 out of 11 strategic priorities of RCPCA adopted, and the SDGs.

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<sup>7</sup> These include the recommendations of the following missions: (i) high-level dialogue led by DG/RDGC on 2-7 May 2017; (ii) Directors' consultation of 20-24 March 2017; and (iii) preparation of CSP 2017-2021 on 11-16 September 2017.

**Figure 1: Linkages between CSP 2017-2021, the High-5, RCPCA and SDGs**



## 4.2. Strategic Objectives and Pillars

4.2.1. *The objective of CSP 2017-2021 is to support CAR's post-conflict reconstruction by promoting the foundations for sustainable and inclusive growth.* Financial and technical support will focus on the following two pillars: (i) support for agricultural development and infrastructure to promote social inclusion; and (ii) institutional capacity building and governance. These two pillars will help to foster inclusive economic growth through agricultural sector investments and social infrastructure development, as well as the implementation of economic/financial reforms supported by institutional capacity-building actions.

**Pillar I: Support for agricultural and infrastructure development to promote social inclusion**

4.2.2. **Main objective:** This pillar principally involves contributing to the promotion of social inclusion by providing significant support to the development of the agricultural sector, which provides more than 70% of active work, thus helping to reduce food insecurity and promote employment. Secondly, infrastructure development support will help to reduce spatial exclusion in this heavily landlocked and sparsely populated country, thus contributing towards strengthening the social contract (Pillar II of the RCPCA).

4.2.3. *The Bank's interventions under Pillar 1 should lead to increased agricultural sector contribution to the national economy and poverty reduction by empowering the weaker economic groups and helping achieve food self-sufficiency.* The Agricultural Transformation Strategy will be supported in the following complementary components: (i) development of the value chains of growth sectors, in particular under the "Green Savannah"<sup>8</sup>

<sup>8</sup> The Bank launched the "Green Savannah" initiative in collaboration with Brazil and Argentina, to replicate the experience of these countries in similar agro-ecological zones in the continent. The initiative has three components: (i) improve the productivity of commercial production (soya, maize, coffee, cocoa, cane sugar, cotton, milk and meat, etc.), (ii) develop a youth training hub, and (iii) attract South American private investors.

initiative; and (ii) promotion of youth entrepreneurship in the agriculture and agri-business sectors. For this operation, the Bank intends not only to work in synergy with other development partners (IFAD, World Bank, etc.), but also to promote public-private partnerships (PPPs) and alliances between key players in the various growth sectors. The objective is to revive production, develop agribusiness and promote exports. The establishment of an incentive framework and an environment conducive to the development of the sectors to be promoted will support the "value chains" approach linking production activities to markets, and will thus enable impactful investments to be made through various production and marketing support infrastructure. Furthermore, ADF-15 (2020) is expected to initiate a new operation on productive sector recovery and strengthening of food and nutrition security in CAR through financing to be mobilized from the Global Agriculture and Food Security Programme (GAFSP), a multilateral mechanism to help implement the G20 commitments of September 2009.

**4.2.4. Bank support will also focus on enhancing and developing social and public utility infrastructure to improve provision of basic services to the populace.** More precisely, it concerns consolidating and extending over a large part of the national territory, the encouraging multi-sector results obtained under Phase 1 of the Support Programme for the Reconstruction of Grassroots Communities (PARCB 1) approved under the Interim Strategy (2014-2016). In this regard, the Bank's interventions will particularly target Bambari, owing to major State authority restoration issues in this town located at the centre of the country, and strategic for control of the national territory and exploitation of mineral resources. The Bank's support will be coordinated with that of the World Bank and will form part of the presidential emergency programme to set up a "Bambari Task Force" to serve as a model for restoring State authority, and exportable to other towns or parts of the country. Concerning the water and sanitation sector, it is worth noting that ongoing Bank intervention could be enhanced by mobilizing additional resources from RWSSI and GEF.

**4.2.5. In addition, regional infrastructure operations planned under the Regional Integration Strategy for Central Africa (RISP, 2018-2022) as well as ongoing national energy and water sector projects** will further contribute towards achieving the objectives of this pillar in terms of reducing CAR's infrastructure deficit. For their part, the regional operations concern the Central Africa fiber optic backbone (CAB), which is designed to interconnect countries of the sub-region (Cameroon, Congo, CAR, Chad, etc.). This project is part of the Programme for Infrastructure Development in Africa (PIDA), which recommends each African country to be able to have at least two (2) fibre optic land links with its immediate neighbours. Specifically, this project aims to end digital isolation with the establishment of 2 fibre-optic links with Cameroon and the Republic of Congo. This project, which is co-financed by the EU through the Africa Investment Facility (AfIF), will thus contribute to the acceleration of economic growth by providing quality ICT services (telephony, Internet, data, etc.) to citizens, public and private enterprises, and the administration. Furthermore, it is in line with one of the main objectives of Pillar 2 of the RCPCA (Renewing the social contract between the State and society), namely to restore and improve the ICT infrastructure in order to provide quality social and administrative services nationwide.

**4.2.6. Regional transport projects provided for under the RISP (2018-2022) for Central Africa could benefit CAR.** These include the proposed Ouesso-Bangui-Ndjamen road and navigation on the Congo River and its tributaries the Oubangui and Sangha, for which Bank-financed studies are almost completed. Thus, the development of these road corridors and improved navigation on the Oubangui through which transits most of the country's petroleum products, coupled with the ongoing air transport sector support project for Central and West Africa (PASTA-CO), could contribute to CAR's opening up, notably as far as the major import/exports seaports are concerned.

## **Pillar II: Institutional Capacity and Governance Enhancement**

4.2.7. **Main objective:** The Bank's intervention under this pillar aims to foster the creation of conditions conducive to sustainable economic growth by supporting institutional capacity building, and economic and financial reforms in the country. This involves, on the one hand, consolidating the momentum initiated during the transition period in terms of enhancing the institutional capacity of the State and its agencies, and promoting good governance in public finance and natural resources, on the other.

4.2.8. *The State, at the national level, but even more at the local level, is undermined by its limited capacity (characteristic of fragile countries), which reduces the scope of actions and the leeway for reforms.* These are needed, especially to attract the private sector despite the authorities' efforts to reform and rehabilitate the macroeconomic framework, as confirmed by the last three satisfactory IMF-supported ECF reviews. Therefore, the Bank will continue to support reforms, in close collaboration with other TFPs, through General Budget Support (GBS) (*Cf. Annex 10 and Annex 11*). As part of Phase II of the programme-based support operation initiated in 2017, the economic and financial reforms needed to consolidate governance in the public finance and mining resources sectors will be continued. More specifically, the pillar will consolidate the encouraging results achieved in previous operations in the following areas: (i) improved tax revenue collection; (ii) enhanced transparency and efficiency of budgetary expenditure, particularly in the social sectors; and (iii) improved business climate and the mining sector management. This would not only enable the Central African State to gradually release additional budgetary resources to finance economic recovery, but also to seriously encourage private sector investment, notably by improving the public/private dialogue and the business climate, and the sustainable management of mineral resources.

4.2.9. *Through the TSF and the African Legal Support Facility (ALSF), the interventions will also focus on institutional capacity building.* Under Pillar III of the TSF, a project is provided for to enhance the institutional capacity of the administration and the private sector. Hence, the Bank will consolidate efforts already made under the PARCGEF institutional support project, in particular to enhance the institutional and human capacity of the main financial services and set up an integrated and viable IT system. With the ALSF, the Bank plans to assist the Central African authorities to revise the mining contracts/ permits, and to develop mining and oil policies meeting international standards. Such assistance will focus on enhancing the institutional capacity of public structures involved in mineral and petroleum resources management (Ministries, National Assembly, etc.). The interventions will give fresh impetus to sustainable management of natural resources by, among other things, developing national capacity to negotiate with potential investors, mining sector revenue recovery and allocation. Moreover, as part of the Bank's next RISP for 2018-2022, CAR will also benefit from institutional capacity building support for countries and RECs to promote the regional integration process.

### **4.3. Mainstreaming Cross-cutting Issues**

4.3.1. **Gender:** The promotion of sustainable and equitable development seeks to foster gender equity and women's empowerment. The Bank's operations in CAR will pay special attention to gender. Such bias is justified by the precarious living conditions of women in a fragile country context (*Cf. § 2.3.5 and Annex 7*). By mainstreaming gender, particularly in the agricultural and infrastructure project sectors, the Bank will contribute towards addressing the fragility factors related to the living conditions of women in CAR.

4.3.2. **Environment and climate change:** Climate and environmental risks will be addressed through an approach linking climate change impacts to the country's major challenges. In accordance with the Bank's Ten-Year Strategy (2013-22), and considering CAR's vulnerability (Cf. § 2.3.7), the Bank will systematically mainstream actions related to environmental protection and climate change resilience in all its operations in the country.

#### 4.4. Bank Group's Indicative Lending Programme

4.4.1. **The Bank Group's Indicative Lending Programme (ILP) covering the CSP period was guided by consultations held with the Government** on the operations needed to accelerate CAR's economic transformation, considering its indicative allocations (Cf. §4.6.1). The ILP will be consolidated during the mid-term review (MTR) of the CSP, coupled with the CPPR to be conducted in 2019. Besides the assessment of progress made in implementing the CSP, this review will provide the occasion to take stock of areas of concentration initially adopted with all stakeholders and, where necessary, to make amendments, including to the Results Measurement Framework (CRS), to ensure alignment with RCPCA priorities.

#### 4.5. Non-Lending Activities

**The Bank Group's non-lending support, including policy advice, will be guided by the needs expressed by the Central African authorities,** ensuring complementarity with the lending programme and selectivity to effectively contribute to the policy dialogue with the country. Special focus will also be on consistency with the Government's investment choices, the Bank Group's strategic options and coordination with other development partners. On-demand knowledge activities of the Central African authorities will be conducted in accordance with the proposed strategic pillars. The knowledge products derived from the economic and sector work adopted in the ILP (Cf. Annex 1) will be used to support the Bank's operations, to ensure that the Ten-Year Strategy, the High 5s and other priorities such as gender are mainstreamed in supporting CAR. Specifically, these include the study on the Bangui City Urban Planning and Development Master Plan (SDAUVB) and the prospective and local development study.<sup>9</sup> In addition, CAR will be involved in studies to be considered under the Central African RISP, which will be prepared in 2018.

#### 4.6. CSP Financing

4.6.1. **CAR is a country at a high risk of over-indebtedness and with limited resources obtainable from the Bank.** The financing of the indicative operations programme for the 2017-2021 CSP will come mainly from the resources of the ADF window. For the 2017-2019 period, the Performance-Based Allocation (PBA) under ADF-14 amounts to UA 15 million, to which is added the TSF financing of UA 15 million, making a total of UA 30 million. For the period 2020-2021, the assumption is that the same allocations amounting to UA 30 million will be renewed. The Bank will also continue its efforts to mobilize additional resources, such as special/thematic<sup>10</sup> and fiduciary funds, to increase the limited ADF allocations for CAR. Lastly, the regional envelope, with its significant leverage effect, will be used to finance integration projects that are of paramount importance given the extent to which the country is landlocked. Co-financing will also be sought for large-scale infrastructure operations.

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<sup>9</sup> These two studies will also address the land issue in order to mitigate the risk of community conflicts arising as a result of refugees returning to grassroots communities.

<sup>10</sup> These include mainly : (i) NEPAD-IPPF; (ii) Microfinance Capacity Building Fund (MFCBF) and Migration and Development Initiative; (iii) Africa Investment Facility (AfIF) funded by the European Commission; (iv) Rural Water Supply and Sanitation Initiative (RWSSI); (v) Global Agriculture and Food Security Program (GAFSP); and (vi) Global Environmental Facility (GEF).

## 4.7. Monitoring and Evaluation

4.7.1. *The Results Measurement Framework (RMF) will serve as the basis for monitoring and evaluation (M & E) of the outcomes of the Bank's assistance programme.* The RMF is aligned on the RCPCA and presents the mid-term expected outcomes and outputs in 2019 and at the end of the CSP period in 2021 (Cf. Annex 2) Given that CAR's statistical system has major weaknesses and most strategy evaluation data is unavailable, focus will also be on enhancing the capacity of line ministries (and also PIUs) for the inclusion of pertinent gender-segregated indicators in monitoring the results of operations. Additionally, through the Portfolio Monitoring Committee, the Bank will, in conjunction with the Government, monitor and evaluate the indicators thus defined.

4.7.2. *Beyond the project supervision missions, the Bank will conduct annual Country Portfolio Performance Reviews (CPPRs) to ensure that the project's development objectives are met.* For its part, the mid-term review (MTR) of the CSP at end- 2019 will measure the progress made in implementing the strategy, assess the validity of the pillars adopted taking into account developments in the country, and agree on the interventions for the remaining years. This review will be particularly important for CAR as it will need to assess reform requirements. It will also afford the opportunity to refine the pillars and/or the RMF, where necessary. A completion report (CR) of the CSP will be prepared in 2021 and will reflect the results obtained throughout the CSP 2017-2021 period. As part of the decentralization process, with the Bank's presence in CAR through the Country Office (COCF), a close monitoring mechanism will be put in place with the PIUs. Therefore, the Bank will continue to strengthen the fragility analysis throughout the operational cycle and will provide updates to the 2016 Fragility Assessment Study to better inform the MTR and the CSP's CR.

## 4.8. Dialogue Issues

4.8.1. Dialogue with the Government during the CSP implementation period will focus on the country's major challenges, particularly in the following areas:

- (i) *Continued reforms and resource mobilization:* The Bank will maintain regular dialogue with the authorities and TFPs to ensure the country's continued commitment to strategic reforms to accelerate its exit from fragility. Resource mobilization will also be at the core of the dialogue, given the huge needs arising from the RCPCA implementation.
- (ii) *Equity and climate change:* The Bank will support Government's effort to incorporate environmental and climate change aspects that have an impact on most socio-economic activities in its planning and development process, taking into account women's participation in decision-making and mainstreaming gender in all its climate change-related interventions.
- (iii) *Job creation and private sector development:* Private sector development as the engine of economic growth is a key factor for job creation, especially for the youth. As such, it constitutes a priority in the RCPCA and is at the core of this CSP. The Bank will strengthen dialogue with the Government and other TFPs to coordinate efforts in this area and provide support to consolidate the framework for dialogue/public-private consultation.
- (iv) *Regional integration:* Regional integration is among the Bank's five operational priorities. Given the country's extremely landlocked nature and infrastructure deficit, integration will be at the centre of the dialogue during the CSP period.

- (v) Portfolio performance: Constantly concerned about improving the implementation of operations, the Bank will strengthen dialogue as part of the new development and business delivery model and the return of international staff to Bangui. In this context, COCF plans to set up a close monitoring system for operations. Supervision missions and quarterly portfolio reviews will provide further opportunities to strengthen such dialogue. It should be noted that the working conditions at COCF are not optimal as the former office was totally looted during the crisis. The makeshift office is in two 40-foot containers within the UNDP compound, with insufficient workspace for the staff.

#### 4.9. Potential Risks and Mitigation Measures

4.9.1. The risks capable of jeopardizing the implementation of the 2017-2021 CSP and their severity as well as the corresponding mitigation measures are detailed in the matrix below.

Risks	Rating	Mitigation Measures
Deterioration of the security environment. The recent resurgence of violence within the country poses major risks of destabilization of institutions.	High	Continued social dialogue supported by the DDR process opens up positive political prospects for the country. Additionally, efforts to promote social inclusion by implementing emergency rehabilitation programs, particularly in conflict-affected areas, should constitute an appeasement factor by mitigating the social and economic divide and the risks of deterioration of the security situation.
Difficulties in promoting a peaceful political environment to ensure the stability of institutions.	High	The international community's commitment to the Government to strengthening democracy and the definitive return to socio-political stability are conducive to fostering a peaceful climate, essential to the successful implementation and achievement of the RCPCA objectives. Furthermore, through RDTs and in collaboration with RDGC, the Bank will continue to produce information notes on the fragility situation to better guide its engagement in this regard.
Risk of debt non-viability. The country remains heavily dependent on donations and subsidies from TFPs for the implementation of the RCPCA, which could jeopardize the attainment of targets set by the authorities.	Moderate	TFPs, including the Bank, will continue to play a key role in supporting reform and targeted support that can attract the private sector and other non-traditional partners in key areas such as agriculture and mining, which constitute enormous sources of resilience. The concerted commitment of the TFPs should enable CAR to mobilize substantial resources in the form of grants, thus avoiding the country resorting to non-concessional loans to finance its development programme.

## **V. CONCLUSION AND RECOMMENDATION**

5.1. The CAR Government is firmly committed to continuing national reconciliation dialogue with a view to restoring stable and lasting peace in the country, through the implementation of its National Recovery and Peacebuilding Plan adopted in October 2016, among others. This plan articulates the intervention of the Government and its partners for the next five years. Following intensive consultations with the Government, development partners, private sector and civil society actors, this CSP covering the period 2017-2021, which is aligned on national priorities, is mainly designed to support the country's efforts to emerge from the post-conflict situation and promote inclusive growth.

5.2. The Boards of Directors of the Bank are invited to review and approve CSP 2017-2021 of the Central African Republic.

**Annex 1: Indicative Lending and Non-lending Programme (2017-2021)**

Year	Operations	Sector	PBA	TSF	ER	Other Funds	Total	Co-financing
<b>NATIONAL</b>								
<b>Pillar I: Agricultural Development and Economic Infrastructure Support to Enhance Social Inclusion</b>								
2017	Grassroots Community Reconstruction Support Programme (PARCB) (supplemental financing)	Multi-sector		4.00			4.00	
2018	Project to Support the Development of Value Chains and the Promotion of Youth Entrepreneurship in the Agricultural and Agribusiness Sectors (PASTAC-PEJA)	Agriculture	5.00	5.00			10.00	USD 20.00 million (Green Savannah)
(2020*)	Grassroots Community Rehabilitation Support Programme, Phase 2	Multi-sector		10.00 (Indicative)			10.00	
<b>Pillar II: Institutional and Governance Capacity Building</b>								
<b>NATIONAL</b>								
2017	Programme to Support Economic and Financial Reforms, Phase 2 (PAREF II) – Budget Support	Multi-sector	7.00				7.00	
2018	Mining and Oil Sector Assistance Project	Multi-sector				0.50 (ALSF)		
2018	Administration and Private Sector Institutional Capacity Building Project	Multi-sector				2.00 (Pillar III/TSF)		
2020(*)	Programme to Support Economic and Financial Reforms, Phase 3 (PAREF III) – Budget Support	Multi-sector	10.00					
<b>REGIONAL (Pillar I)</b>								
2017	Central Africa Backbone (CAB) Project – CAR Component	ICT	3.00	5.00	4.50		12.50	EUR 17.00 million (EU)
2017	Regional Support Project for the Socio-economic Reintegration of Youths in the Lake Chad Basin	Multi-sector		1	1.5		2.5	
2020(*)	Ouessou-Bangui-N'Djamena Road and Oubangui-Congo-Sangha River Navigation Multimodal Project	Transport	5.00 (Indicative)	5.00	15.00		25.00	
<i>NB: (*) Operations to be financed with ADF-15 Resource Allocation from 2020 to 2022</i>								
<b>RESERVE PROJECT</b>								
2020 <sup>(R)</sup>	Second Sector Sub-Programme for Drinking Water Supply and Sanitation in Six Prefectures	Water/Sanitation	x	x		RWSS, GEF	19.50	EU, Government and beneficiaries

NON-LENDING PROJECTS								
2018	Study on the Bangui Urban Development Master Plan (SDAUVB)					1.00 (Pillar III/TSF)		European Union (EUR 2.00 million)
2019	Prospective and Local Development Study					1.50 (Pillar III/TSF)		

## Annex 2: CSP 2017-2021 Monitoring and Results-Based Framework

Strategic Objectives (RCPCA)	Obstacles Hindering the Achievement of Expected Outcomes	Final Indicators (by end-2021)		Mid-Term Indicators (by end-2019)		Bank Group Operations During the CSP Period (on-going and proposed)
		Outcomes	Outputs	Outcomes	Outputs	
<b>PILLAR I: AGRICULTURAL DEVELOPMENT AND ECONOMIC INFRASTRUCTURE SUPPORT TO ENHANCE SOCIAL INCLUSION</b>						
Provide basic services to the population nationwide.	School infrastructure was occupied, looted and destroyed by armed groups, and enrolment capacity is limited.	Education management infrastructure and school facilities operational and functional (from 50% in 2017 to 80% in 2021 for areas not affected by the crisis, and from 5% in 2017 to 70% in 2021 for conflict areas)	<ul style="list-style-type: none"> <li>- 120 primary schools rebuilt and equipped;</li> <li>- 10 regional pedagogic centres rehabilitated and re-equipped.</li> </ul>	Education management infrastructure and school facilities operational and functional (from 50% in 2017 to 65% in 2021 for areas not affected by the crisis and from 5% in 2017 to 35% in 2021 in conflict areas)	<ul style="list-style-type: none"> <li>- 60 primary schools rebuilt and equipped;</li> <li>- 6 regional pedagogic centres rehabilitated and re-equipped.</li> </ul>	<p><b>Proposed new operations</b></p> <ul style="list-style-type: none"> <li>- Grassroots Community Rehabilitation Support Programme, Phase 2;</li> <li>- Emergency Food Security Grant for the Bambari town.</li> </ul> <p><b>On-going operations</b></p> <ul style="list-style-type: none"> <li>- Grassroots Community Rehabilitation Support Programme, Phase 1 (ADF, TSF, RWSSI, and PARSEJF)</li> <li>- Second Sector Sub-Programme for Drinking Water Supply and Sanitation in Six Prefectures</li> </ul>
	The health infrastructure and delivery services, which were already weak and unevenly distributed throughout the country, were badly damaged and vandalized during the military and political crisis.	Existing health services at regional, prefectural and district levels are rehabilitated, equipped and functional (15% in 2017 to 45% 2021).	<ul style="list-style-type: none"> <li>- Health services affected in the country's interior (15 health facilities) rehabilitated and equipped;</li> <li>- 15 equipped ambulances provided to the health services affected in the country's interior.</li> </ul>	Existing regional, prefectural and district health services rehabilitated, equipped and functional (15% in 2017 to 25% in 2021)	<ul style="list-style-type: none"> <li>- Health services affected in the country's interior (6 health facilities) rehabilitated and equipped;</li> <li>- 6 equipped ambulances provided to the health services affected in the country's interior.</li> </ul>	
	The country's natural and man-made crisis and disaster prevention, protection and management capacity is very weak.	The Firefighting Service is accessible to the inhabitants of Bangui and operations are fast and fluid, thanks to the provision of emergency equipment and crash trucks (13% in 2017 to 35% in 2021).	<ul style="list-style-type: none"> <li>- 4 secondary response centres built in Bangui;</li> <li>- Emergency equipment provided to the secondary response centres of Bangui (Lot 2).</li> </ul>	The Firefighting Service is accessible to the inhabitants of Bangui and operations are fast and fluid thanks to the provision of emergency equipment and crash trucks (13% in 2017 to 35% in 2021).	<ul style="list-style-type: none"> <li>- 2 secondary response centres built in Bangui;</li> <li>- Emergency equipment provided to the secondary response centres of Bangui (Lot 1).</li> </ul>	
Access to drinking water supply in the country is limited. Sanitation infrastructure is in a deplorable state.	Access to drinking water for the inhabitants of Bangui and its outlying areas increased from 29% in 2017 to 40% in 2021.	<ul style="list-style-type: none"> <li>- The existing water distribution system (35 kilometres) replaced and the entire system (55 kilometres) extended to cover the underprivileged sections of the population living in the outlying neighbourhoods of Bangui;</li> <li>- 4 mini-DWS systems set up in Bangui and its outlying areas;</li> <li>- 20-kilometre long water piping rehabilitated;</li> <li>- the existing water treatment plant, pumping stations and tanks rehabilitated;</li> </ul>	<ul style="list-style-type: none"> <li>- The existing water distribution system (25 kilometres) replaced and the entire system (35 kilometres) extended to cover the underprivileged populations in the outlying neighbourhoods of Bangui;</li> <li>- 2 mini-DWS systems set up in Bangui and its outlying areas;</li> <li>- 15 kilometres of water piping rehabilitated.</li> </ul>	<ul style="list-style-type: none"> <li>- The existing water distribution system (25 kilometres) replaced and the entire system (35 kilometres) extended to cover the underprivileged populations in the outlying neighbourhoods of Bangui;</li> <li>- 2 mini-DWS systems set up in Bangui and its outlying areas;</li> <li>- 15 kilometres of water piping rehabilitated.</li> </ul>	<p><b>Proposed new operations</b></p> <ul style="list-style-type: none"> <li>- Central Africa Backbone (CAB) Project – CAR</li> </ul>	
	Access to drinking water for rural dwellers increased from 27% in 2017 to 50% in 2021.	<ul style="list-style-type: none"> <li>- The existing water distribution system (35 kilometres) replaced and the entire system (55 kilometres) extended to cover the underprivileged sections of the population living in the outlying neighbourhoods of Bangui;</li> <li>- 4 mini-DWS systems set up in Bangui and its outlying areas;</li> <li>- 20-kilometre long water piping rehabilitated;</li> <li>- the existing water treatment plant, pumping stations and tanks rehabilitated;</li> </ul>	<ul style="list-style-type: none"> <li>- The existing water distribution system (25 kilometres) replaced and the entire system (35 kilometres) extended to cover the underprivileged populations in the outlying neighbourhoods of Bangui;</li> <li>- 2 mini-DWS systems set up in Bangui and its outlying areas;</li> <li>- 15 kilometres of water piping rehabilitated.</li> </ul>	<ul style="list-style-type: none"> <li>- The existing water distribution system (25 kilometres) replaced and the entire system (35 kilometres) extended to cover the underprivileged populations in the outlying neighbourhoods of Bangui;</li> <li>- 2 mini-DWS systems set up in Bangui and its outlying areas;</li> <li>- 15 kilometres of water piping rehabilitated.</li> </ul>		

			<ul style="list-style-type: none"> <li>- 1 455 boreholes equipped with manual pumps (MPs) sunk;</li> <li>- 50 standalone sources (SWS) equipped with solar panels;</li> <li>- 600 VIP latrines improved;</li> <li>6 small public landfills developed.</li> </ul>			Component
Rehabilitate and build infrastructure (ICT networks)	<p>The population, government services and enterprises have very limited access to quality and affordable telecommunication/ICT services.</p> <p>Minimal contribution to economic growth, digital inclusion and regional integration.</p>	<p>The percentage of the contribution of ICT to the country's GDP increased from 3.1% in 2016 to 9% in 2021.</p> <p>The contribution of ICT to public resources increased from 10.2% in 2016 to 15% in 2021.</p> <p>The Internet penetration rate increased from 2.2% in 2016 to 20% in 2021.</p> <p>The weight of mobile telephone expenditure as a % of annual GNI per capita reduced on average from 50% in 2017 to 18% in 2021.</p>	<ul style="list-style-type: none"> <li>- The national optical fibre backbone extended (1 050 km – local loop in Bangui, Bangui-Berberati-Cameroon border, Bangui-Berberati-Liboko- Congo border;</li> <li>- Two terrestrial optical fibre interconnections with neighbouring countries established.</li> </ul>	<p>The percentage of ICT contribution to the country's GDP increased from 3.1% in 2017 to 4% in 2021.</p> <p>The contribution of ICT to public resources increased from 10.2% in 2017 to 12% in 2021.</p> <p>The Internet penetration rate increased from 2.2% in 2017 to 6% in 2021.</p> <p>The weight of mobile telephone expenditure as a % of annual GNI per capita reduced on average from 50% in 2017 to 40% in 2021.</p>	<ul style="list-style-type: none"> <li>- The national optical fibre backbone extended (300 kilometres – local loop in Bangui, Bangui-Berberati-Cameroon border, Bangui-Berberati-Liboko- Congo border.</li> </ul>	
	Minimal contribution to the social, economic and financial inclusion of the population as well as job creation.	<p>Number of people benefiting from online administrative (informative and transactional) services increased from 0 to 2017 to at least 30 000 in 2021.</p> <p>The number of direct and indirect jobs created in the sector increased from 9 700 in 2016 to 30 000 in 2021.</p> <p>The number of people with access to the Internet through the NCC increased from 0 (in 2017) to 200 000 (in 2021).</p>	<ul style="list-style-type: none"> <li>- A national data centre, a digital training centre (DTC) and an incubator (100 online informative/transactional administrative services established and at least 200 students trained in digital technology per year) established;</li> <li>- A government Internet portal, online administrative services, State information systems (at least 20 digital community centres and 10 new ICT applications developed and operationalized) established.</li> </ul>	<p>Number of people benefiting from online (informative and transactional) administrative services increased from 0 in 2017 to 5 000 in 2021;</p> <p>The number of direct and indirect jobs created in the sector increased from 9 700 in 2016 to 15 000 in 2021;</p> <p>The number of people with access to the Internet through the NCC increased from 0 (in 2017) to 120 000 in 2021.</p>	<ul style="list-style-type: none"> <li>- A national data centre, a digital training centre (DTC) and an incubator (20 online informative/transactional administrative services and at least 100 students trained in digital technology per year) established;</li> <li>- A government Internet portal, online administrative services, State information systems (at least 10 digital community centres and 10 new ICT applications developed and operationalized) established.</li> </ul>	
Rehabilitate and build transport infrastructure	Physical isolation of the country and absence of links with Brazzaville and Bangui on the Pointe Noire-Bangui-N'Djamena road	Trade between ECCAS member countries and between CAR and Congo increased by 6% and facilitated.	<ul style="list-style-type: none"> <li>- The bridge over the Sangha and the Ouesso-Bangui road section is constructed.</li> </ul>	Trade between ECCAS member countries and between CAR and Congo increased by 3% and facilitated	The Ouesso-Bangui road section developed	<p><b>Proposed new operations</b></p> <ul style="list-style-type: none"> <li>- Development of the Oubangui-Brazzaville-Bangui road;</li> <li>- Development of the</li> </ul>

						Bangui-Mabaikoro road.
Revive and develop productive sectors (agriculture and livestock production)	Low productivity of the agro-pastoral sector Poor performance of the cotton, coffee, cocoa, oil palm, banana and plantain, cassava, maize, rice, groundnut, sesame and market gardening sub-sectors.	- The Project Preparation Facility (PPF) allocation of UA 1 million approved in September 2017 will make it possible to conduct studies and update PASTAC-PEJA outcome and output indicators (in 2018). These indicators will concern, in particular: o the promotion of professionalized farms and micro-agricultural enterprises; o the promotion of agricultural sub-sector public-private partnerships; o the operationalization of regional agricultural development plans that are consistent with the 11 sub-sectors; o the conditions for gaining access to agricultural and market garden inputs in quantitative and qualitative terms; o the establishment of production, processing and marketing facilities; o appropriate financing for actors operating in the cotton, coffee, cocoa, oil palm, banana and plantain, cassava, maize, rice, groundnut, sesame and market gardening sub-sectors; o Building the technical, organizational and managerial capacity of agricultural sub-sector actors. The indicators to be developed as well as those relating to the “Revival of Productive Sectors and Strengthening of Food and Nutrition Security” project will be updated within this mid-term monitoring and outcomes review framework.				<b>Proposed new operations</b> - Project to Support the Development of Value Chains and the Promotion of Youth Entrepreneurship in the Agricultural and Agribusiness Sectors (PASTAC-PEJA)
<b>PILLAR II: INSTITUTIONAL AND GOVERNANCE CAPACITY BUILDING</b>						
Strengthen macro-economic stability and good governance/Create conditions conducive to private sector development and employment.	Low tax revenue mobilization and inefficient public expenditure management	The tax ratio increased from 7.1% of GDP in 2017 to 12% of GDP in 2021.	- The legal, regulatory and institutional framework for granting and managing tax exemptions effectively established.	The tax ratio increased from 7.1% of GDP in 2017 to 9% of GDP in 2021.	- The legal, regulatory and institutional framework for granting and managing tax exemptions effectively established.	<b>Proposed new operations</b> - Economic and Financial Reforms Support Programme (PAREF II et III) - Administration and Private Sector Institutional Capacity Building Project (African Legal Support Facility) - Fiduciary funds.  <b>Ongoing operations</b> Economic and Financial Reforms Support Programme (PAREF)
	Inadequate transparency in the procurement process	The budget commitment rate (excluding salaries) in the education, health and social affairs sectors increased from less than 50% in 2017 to 100% in 2021.	- The taxpayer record regularly updated in the new dues and taxes management system (SYSTEMIF4).	Budget commitment rate (excluding salaries) in the education, health and social affairs sectors increased from 50% in 2017 to 75% in 2021.	- The taxpayer record regularly updated in the new dues and taxes management system (SYSTEMIF4).	
	Inefficient business environment	Public contracts executed in year n-2 audited yearly (0% completed in 2017 and 100% in 2021).	- The Expenditure Execution Procedures Manual and the Budget Preparation Guide prepared.		- The Expenditure Execution Procedures Manual and the Budget Preparation Guide prepared.	
		Minimum capital required to start a business (% of income per capita) reduced from 556% in 2016 to the sub-Saharan Africa average of 33%.	- The Disputes Settlement Committee in the Public Procurement Regulatory Agency (ARMP) operationalized.  - The Business Start-up One-Stop-Shop (GUFÉ) operationalized. - A National Private Sector Guarantee and Support Fund established. - An approved management centre established within the Chamber of Commerce, Industry, Mines and Handicrafts (CCIMA) operationalized.	Public contracts executed in year n-2 audited yearly (0% completed in 2017 and 50% in 2021).  The minimum capital required to start a business (% of per capita income) reduced from 556% in 2016 to 200% in 2021).	- The Disputes Settlement Committee in the Public Procurement Regulatory Agency (ARMP) operationalized.  - The Business Start-up One-Stop-Shop (GUFÉ) operationalized. - A National Private Sector Guarantee and Support Fund established. - An approved management centre established within the Chamber of Commerce, Industry, Mines and	

					Handicrafts (CCIMA) operationalized.	
Revive and develop extractive and logging industries	Low economic transformation Poor governance in productive sectors and inappropriate taxation	The share of extractive and logging industries in GDP increased from 5% in 2017 to 15% in 2021.  Diamond production areas declared compliant with the Kimberley Process (5 areas in 2017 to at least 20 areas in 2021).	<ul style="list-style-type: none"> <li>- The decree relating to the implementing instruments of the Environmental Code implemented</li> <li>- The new Mining Code put into effect to enhance the sector's attractiveness and industrialization.</li> <li>- The new forestry taxation and incidental taxation system effectively implemented to make the timber sector competitive.</li> <li>- Mine production effectively revived through the continuous implementation of measures to ensure the full compliance of diamond production areas.</li> </ul>	The share of extractive and logging industries in GDP increased from 5% in 2017 to 10% in 2021.  Diamond production areas declared compliant with the Kimberley Process (5 areas in 2017 to at least 20 areas in 2021).	<ul style="list-style-type: none"> <li>- The decree relating to the implementing instruments of the Environmental Code implemented.</li> <li>- The new Mining Code put into effect to enhance the sector's attractiveness and industrialization.</li> <li>- The new forestry taxation and incidental taxation system effectively implemented to make the timber sector competitive.</li> <li>- Mine production effectively revived through the continuous implementation of measures to ensure the full compliance of diamond production areas.</li> </ul>	<b><u>Proposed new operations</u></b> <ul style="list-style-type: none"> <li>- Economic and Financial Reforms Support Programme (PAREF II and III)</li> <li>- Mining and Oil Sector Assistance Project (African Legal Support Facility);</li> <li>- Fiduciary funds.</li> </ul>
<b>NON-LENDING ACTIVITIES</b>						
Study on the Bangui Urban Development Master Plan	Weak planning capacity in the ministry	The Bangui Urban Development Master Plan prepared	Analytical work carried out			<b><u>Proposed new operations:</u></b> TSF Pillar III
Prospective and Local Development Study	Lack of an appropriate short- and medium-term planning tool as well as a local development plan	The Prospective and Local Development Study report placed at the disposal of ministries	Analytical work carried out			<b><u>Proposed new operations:</u></b> TSF Pillar III

**Annex 3: Bank's Portfolio in CAR as at 30 September 2017**

Sector	Project Name	Approval Date	Closing Date	Net Commitments (UA million)	Disbursed Amounts
<b>A. NATIONAL PROJECTS</b>					
<b>Social</b>	Support Project for Socio-Economic Reintegration of Youth and Women – PARSEJF (CAR)	25 May 2016	28 June 2019	0.7	0.16
	Grassroots Community Rehabilitation Support Programme, Phase 1 (ADF)	24 June 2015	31 Dec. 2019	9.55	5.57
	Grassroots Community Rehabilitation Support Programme, Phase 1 (TSF)	24 June 2015	31 Dec. 2019	5.00	1.77
	Grassroots Community Rehabilitation Support Programme, Phase 1 (RWSSI)	24 June 2015	31 Dec. 2019	0.46	0.21
<b>Sub-Total</b>				<b>15.7</b>	<b>7.71</b>
<b>Multisector</b>	Economic and Financial Management Capacity Building Support Project (PARCGEF)	31 Jan. 2011	30 Nov. 2017	4.00	3.7
	Economic and Financial Management Capacity Building Support Project (PARCGEF)	31 Jan. 2011	30 Nov. 2017	0.50	0.43
	Statistics and PRSP Implementation Technical Support	1 Jan. 2012	30 June 2018	1.35	1.19
<b>Sub-Total</b>				<b>5.85</b>	<b>5.28</b>
<b>Water and Sanitation</b>	First Sector Sub-Programme for Drinking Water Supply and Sanitation in Bangui and Four Prefectures (ADF Loan)	24 Oct. 2012	31 Dec. 2017	1.04	0.82
	First Sector Sub-Programme for Drinking Water Supply and Sanitation in Bangui and Four Prefectures (FSF Grant)	24 Oct. 2012	31 Dec. 2017	4.40	0.40
	First Sector Sub-Programme for Drinking Water Supply and Sanitation in Bangui and Four Prefectures (GEF Grant)	3 Dec. 2015	31 Dec. 2019	5.11	0.09
	Rural Drinking Water Supply	5 Dec. 2016	31 Dec. 2019	4.11	0.05
<b>Sub-Total</b>				<b>14.63</b>	<b>2.48</b>
<b>SUB-TOTAL NATIONAL PROJECTS</b>				<b>36.18</b>	<b>15.47</b>
<b>B. MULTINATIONAL PROJECTS</b>					
<b>Energy</b>	Project to Interconnect Power Grids from the Boali Hydroelectric System – Phase 1	19 Sept. 2012	30 Dec. 2019	29.73	2.95
<b>Sub-Total</b>				<b>29.73</b>	<b>2.95</b>
<b>Environment</b>	Programme to Rehabilitate and Strengthen the Resilience of Lake Chad Basin Socio-economic Systems – CAR	17 Dec. 2014	30 Sept. 2019	2.19	0.42
	Biodiversity Conservation Programme – CAR Component	22 July 2013	31 Dec. 2017	2.50	2.03
<b>Sub-Total</b>				<b>4.69</b>	<b>2.45</b>
<b>SUB-TOTAL MULTINATIONAL PROJECTS</b>				<b>34.42</b>	<b>5.40</b>
<b>TOTAL</b>				<b>70.60</b>	<b>20.87</b>

### Annex 4: Implementation and Outcomes Monitoring Indicators as at 30 September 2016

Project Name	General Conditions	Procurement Performance	Financial Performance	Activities and Outputs	Impact on Development	Aggregate Rating	IP	DO	Project Status
<b>NATIONAL PROJECTS</b>									
<b>I. Social</b>									
Grassroots Community Rehabilitation Support Programme – Phase 1									NPPP
Support Project for the Socio-economic Reintegration of Youths and Women – PARSEJF (CAR)									
<b>II. Governance</b>									
Economic and Financial Management Capacity Building Support Project (PARCGEF)	2.00	3.00	2.00	2.00	2.00	2.50	2.00	3.00	NPPP
Targeted Technical Support for Capacity Building									
Statistics and PRSP Implementation Technical Support	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	NPPP
<b>III. Water and Sanitation</b>									
First Sector Sub-Programme for Drinking Water Supply and Sanitation in Bangui and Four Prefectures	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00	NPPP
<b>REGIONAL PROJECTS</b>									
Project to Interconnect Power Grids from the Boali Hydroelectric System – Phase 1	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	NPPP
Programme to Rehabilitate and Strengthen the Resilience of Lake Chad Basin Socio-economic Systems – CAR	4.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	NPPP
Biodiversity Conservation Programme – CAR Component	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	PPP

## Annex 5: Summary of RCPCA Pillars, Prioritization Framework and Related Costs

**Pillar 1:** “Support peace, reconciliation and security” is essentially political and focuses on the reintegration of ex-combatants, the reduction of violence, the reform of the defence and security forces, the advancement of justice reform and promotion of an end to impunity, as well as reconciliation, cohesion and the return of displaced persons and refugees.

**Pillar 2:** “Renew the social contract between the State and the population”. It concerns the redeployment of the administration across the country in order to provide basic services (health, education, water, etc.), inclusive local governance, food security and resilience, as well as improve public finance management, tax revenue generation and combat corruption.

**Pillar 3:** “Promote economic recovery and boost productive sectors”. It focuses on productive sectors (agriculture and livestock production, extractive and forestry industries), infrastructure rehabilitation and development, the establishment of conditions for private sector development and employment, as well as macro-economic stability. Furthermore, the RCPCA is underpinned by crosscutting principles, namely: reducing regional imbalances and gender inequalities, strengthening transparency and accountability and building institutional capacity.

### PRIORITIZATION FRAMEWORK AND RELATED COSTS (in EUR million)

Priority Components	Costs				
	2017	2018	2019	2020-2021	Total
<b>Pillar 1: Support peace, reconciliation and security</b>	<b>117</b>	<b>130</b>	<b>113</b>	<b>100</b>	<b>461</b>
Support the reduction of violence through disarmament and reintegration of ex-combatants and children associated with armed groups.	42	43	30	0	115
Promote stability through the reform of the security sector	35	36	27	33	131
Advance justice reform and promote an end to impunity	19	21	24	40	105
Facilitate reconciliation and social cohesion and create the conditions for the return of refugees and sustainable solutions for displaced persons	21	30	31	27	109
<b>Pillar 2: Renew the social contract between the State and the population</b>	<b>200</b>	<b>246</b>	<b>284</b>	<b>596</b>	<b>1 326</b>
Redeploy administration across the country and put in place an inclusive local governance system	28	25	18	17	88
Provide basic services to the population across the country, particularly in the areas of education, health, and water, by initiating a progressive transfer of capacity and resources to national structures	65	105	140	344	654
Ensure food security and resilience	14	19	21	50	104
Strengthen macroeconomic stability and good governance, including public finance management and controls, revenue generation, and anti-corruption measures	92	98	106	185	481*
<b>Pillar 3: Promote economic recovery and boost productive sectors</b>	<b>58</b>	<b>182</b>	<b>262</b>	<b>721</b>	<b>1 224</b>
Boost and develop productive sectors: agriculture and livestock farming, extractive and forestry industries	19	68	88	213	387
Repair and construct infrastructure: transport, electricity, and communication networks	29	101	156	456	742
Establish conditions for private sector development and employment: improved business support and financial services, vocational training, entrepreneurship, and employment	10	14	18	52	94
<b>Capacity building and implementation support</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>60</b>	<b>150</b>
<b>Total</b>	<b>406</b>	<b>589</b>	<b>689</b>	<b>1 477</b>	<b>3 161</b>

a. Because costs have been rounded to whole numbers, details may not sum to totals.

b. This amount includes external financing needs to cover the budget deficit, which is estimated at USD 355 million over the next five years (source: International Monetary Fund).

## Annex 6: Summary of Underlying Factors of Fragility, Conflict and Violence

The state of conflict and violence in CAR has its roots in long-lasting structural fragilities that have yet to be addressed. The National Recovery and Peacebuilding Plan is grounded in recognition of the need to address the five main drivers of fragility and crisis over time to break the cycle of violence.

### A. FRAGILITY FACTORS

***A lack of social cohesion.*** The country's colonial past as well as its violent political history and the absence of functioning institutions have prevented social and national cohesion from taking root. The result has been a fragmented society, with periodically high levels of tension and unresolved conflicts between and among ethnic, social, religious, and economic groups and communities. Intercommunal violence (notably between farmers and pastoralists) is common and has frequently mutated into violent confrontations, as different power brokers have exploited these tensions for political or economic gain. There is a pervasive culture of entitlement and impunity both through regional sociocultural biases against women and the unreliability of rule-of-law mechanisms.

***Political power and the capture of scarce resources concentrated in the hands of a small elite that manages a state with very little legitimacy.*** CAR's fragility is defined by the absence of a functioning social contract between the state and society. State institutions have primarily supported and sustained the elites, and lack the means and capacity of a modern state. Successive political leaders have exploited natural resources, particularly diamonds and gold, to enrich themselves and to maintain power. This mode of governance has nurtured grievances toward the elites, which have been at the heart of the successive conflicts and have maintained a permanent state of tension and instability in the country. In light of dysfunctional existing institutions, and the absence of an effective, independent, and non-politicized judicial system and functioning army, people have been subjected to a parallel justice system and protection from non-state armed groups.

***Imbalances between Bangui and the rest of the country, notably the northeast, have fuelled a sense of marginalization and exclusion.*** Policy decisions are centralized and focused on Bangui, while the government has traditionally abandoned large parts of CAR's territory, partly because it lacks the resources to maintain civil servants and security forces. Particularly in the northeast, there has been almost no state presence or public service delivery since the mid-1990s. The road network is very poor, and some regions remain isolated and difficult to reach, especially during the rainy season. Though the northeast is considered the most critical failure of state inclusion, threadbare state institutions remain weak across all of the country's 16 prefectures. The lack of services and the inability of the state to provide justice and security have created resentment among the population, fostered a perception of inequality and a lack of inclusion, and contributed to the emergence of armed groups.

***A cycle of violence and trauma and a population in distress.*** The lack of prosecution of criminals involved in the successive cycles of violence has perpetuated victors' justice and created an environment of violence and impunity. The atrocities of the conflict are fuelled by a desire for revenge, and create new cycles of trauma. Finding ways out of this cycle will require a wider reconciliation process and procedures of transitional justice if a new cycle of conflict is to be avoided. It will also require conflict management initiatives and capabilities at the local level to prevent escalation of conflicts. An International Criminal Court (ICC) procedure is under way, and the Bangui Forum provided for the creation of a Special Criminal Court and a Truth, Justice, Reparation, and Reconciliation Commission (TJRRC). However, it will be costly and challenging to set up national proceedings given CAR's current lack of rule of law. Moreover, since December 2013, one-fourth of the population has been internally displaced or has fled abroad. The modalities of return remain uncertain. The risk of conflict with local armed groups that target minorities would be very likely worsened by competition over access to confiscated goods and land, and scarcity of resources.

***A lasting state of insecurity.*** The succession of conflicts has led to continuous weapons trafficking, illegal trade in diamonds and gold, highway robbery (*coupeurs de route*), and poaching. The current conflict has manifested itself in extremely violent intercommunal clashes and a general increase in crime throughout the country. Moreover, the regional conflict system – which includes CAR as well as South Sudan, Chad, the Democratic Republic of Congo, and northern Uganda – has important deleterious consequences, notably with regard to easy access and trafficking of small arms and light weapons. In particular, it implies that warlords and their trained combatants serve as cross-border mercenaries, and use CAR territory to escape governmental forces in their own countries or for plunder. Past peace agreements; demobilization, disarmament, and reintegration (DDR) programs and security system reform (SSR) processes have failed to address this protracted situation of conflict. Today, the prospect of a DDR process creates high expectations throughout the country. Managing these expectations and placing DDR within the framework of a broader political process is one of the first challenges the newly elected authorities face.

## **B. RESILIENCE FACTORS**

***Despite its unstable political and security context, CAR is endowed with significant assets, which constitute important resilience factors.*** In particular, the country's considerable natural resources (gold, diamonds, uranium, wood, and oil) constitute a major potential foundation for its socioeconomic development if managed effectively. Its rich wildlife could form the basis for a tourism industry, which could generate an important source of income for local authorities and help increase social investments. Furthermore, abundant water reserves and vast arable lands, as well as a tropical climate, are especially conducive to the agricultural and livestock farming sectors, which are critical both in supporting the livelihoods of most of the population and as a potential source of substantial revenue. In addition, given its geographic location, CAR sits at the crossroads of the African continent and could become an important trading platform, if equipped with adequate transport, communication, and energy infrastructure.

***Positive community dynamics, as well as an active civil society, are also factors of resilience that can help rebuild the national social fabric.*** Local communities still use traditional conflict resolution mechanisms, relying on traditional chiefs, respected and reliable local personalities, or trade associations for mediation. There is a positive social climate where relationships are based on communication, negotiation, and mutually beneficial profitable activities. This dynamic is enhanced by commercial transactions, including livestock trading markets, where communities share and interact. There is also a very active civil society, which includes many organizations, as well as a network of community radio channels working on conflict resolution, where debates and public hearings are held to express grievances and feelings of resentment in a spirit of mutual respect. Women too, individually and through local and national organizations, play an important role in promoting peace. Lastly, volunteering is still widely practiced and upheld in the country, constituting a cause for hope, solidarity, compassion, and social cohesion.

***Community tensions seem to be receding in many places, and as armed groups become less popular, the environment is becoming increasingly conducive to peacebuilding.*** The population is starting to realize that more than one community has been victimized, and wishes to see an end to the conflict. Many local reconciliation and social cohesion initiatives have sprung up spontaneously, including the rebuilding of religious sites in various communities. However, the authorities would have to take up these initiatives at the national level and develop them using a comprehensive approach. Socially, armed groups are increasingly seen by the population more as criminals than protectors. The sociological and historical fragmentation of armed groups, as well as their increased rejection by communities, is an important factor of resilience and can help reduce violence while supporting reconciliation efforts.

## **Annex 7: Overview of the Impact of the Crisis on Household Living Conditions and Equity**

### ***A. Humanitarian Situation, Poverty and Unemployment***

The political and security crisis transformed the social conditions and human development, which were already precarious in CAR into serious social and humanitarian crises. In addition to the high number of deaths it has caused, the political and security crisis in the Central African Republic has led to the mass displacement of persons and the destruction of most of the social and economic infrastructure (health and education) in both the capital, Bangui, and the interior of the country. In almost all the villages occupied by armed groups, animals, tools, seeds and barns were systematically looted, while community infrastructure and materials were destroyed or set on fire. In addition, according to latest United Nations system estimates, more than 2.2 million people (that is nearly half of the total population) need assistance (in terms of food, health care, water, sanitation, hygiene, shelter, as well as essential household items, etc.), while more than 50% of the population is facing food insecurity. Despite relative improvements in Bangui and in some localities, social and humanitarian conditions remain difficult due to persistent insecurity and the still high number of displaced persons. According to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), there were still more than 500 000 displaced persons and more than 420 700 refugees in neighbouring countries in July 2017.

The Emergency Food Security Assessment conducted<sup>11</sup> by the World Food Programme (WFP) in 2015 revealed that food insecurity affects 50.5% of the population, 15.2% of them by severe food insecurity and 35.3% of them by moderate food insecurity. The prevalence of chronic malnutrition is estimated at 38.9%, which is above the emergency threshold of 30% defined by WHO. The daily calorie intake per capita is estimated at 1 850 kilocalories compared with an average daily calorie intake per capita of 2 400 kilocalories for sub-Saharan African countries (2008). The feeble State presence across the country, apart from Bangui, has facilitated the proliferation of various forms of trafficking and the establishment of armed groups. The lucrative exploitation of natural resources, particularly gold and diamond, continues to provide armed groups with substantial resources, thus fuelling insecurity.

With 62%<sup>12</sup> of the population living below the poverty line throughout the country in 2008, 64% of them in rural areas and 36% in urban centres and poverty affecting more than 76% of the population in 2013, poverty remains the pressing concern of the Central African Government. It is therefore a major factor of fragility, facilitating recruitment into armed groups, especially among underprivileged youths. It has also adversely impacted the unemployment and underemployment rate, especially among youths, which had already reached an alarming rate before the crisis. Although there is no current data on the country's progress towards the Sustainable Development Goals (SDGs), the scanty data available on the assessment of the country's progress towards achieving the Millennium Development Goals (MDGs) indicate that the situation is still preoccupying<sup>13</sup>. Furthermore, with a Human Development Index (HDI) of 0.36, CAR was ranked 188<sup>th</sup> out of 188 countries<sup>14</sup> in 2016.

### ***B. Health Sector***

Regarding the health sector, the 2013 crisis is reflected in CAR's already poor health indicators. Access to health services, which is extremely difficult, has largely been secured only through the humanitarian assistance provided by NGOs. The last survey on health resource availability (HeRAMS) reveals that about one third of the country's 1 008 health institutions have been partially or totally destroyed, while 22% of health facilities are dysfunctional and 43% of health workers are community workers without any basic training. The country finds itself with 1 medical doctor for 27 000 inhabitants against a standard of 1 medical doctor for 10 000 inhabitants. Already in 2013, the routine immunization coverage rate was less than 28%; maternal mortality reached 890 per 100 000 live births and 164 per 1 000 children died before reaching the age of five. The HIV/AIDS prevalence rate of 4.6% remains the highest in French-speaking sub-Saharan Africa. In 2012 when the crisis erupted, 7.8% of children under the age of five suffered from acute malnutrition, 1.8% of them from severe acute malnutrition and 6% from moderate acute malnutrition. The country's reference hospitals are in dire need of technical support centres and high-tech equipment. For example, from independence until now, the country has no scanner or haemodialysis machine. By end-2012, two scanners and a haemodialysis machine will be provided to the country and the capacity of the main medical laboratories will be strengthened with Bank financing. To

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<sup>11</sup> Emergency Food Security Assessment – EFSA, WFP, 2015.

<sup>13</sup> The proportion of the population living on USD 1 per day dropped from 67% in 2003 to 62% in 2008; the depth and intensity of poverty were estimated at 33.1% and 53.4% respectively in 2008; 28.3% of under-five children were underweight in 2008 compared with 21% in 2003.

<sup>14</sup> 2015 Human Development Report - UNDP.

better coordinate health sector interventions and pending the design of a new National Health Development Plan, the Ministry of Public Health, Hygiene and Population updated its transition plan covering the 2014-2016 period which has been extended to 2018.

### ***C. Education Sector***

Concerning the education sector, prior to the crisis, the pupil-teacher ratio was 1/89. Likewise, 40% of teachers were parent teachers with no training or qualification. In addition, there is a shortage of school buildings and facilities, the pupil/classroom ratio is 87, the pupil/desk ratio is 1/32, and most of the time there is only one textbook for ten pupils, which hampers the achievement of learning outcomes. Classrooms in public colleges and high schools are overcrowded. The ratio is 145 students per classroom. Already in 2011, no school had electricity, more than three quarters had no drinking water and 45% had no latrine. The 2013 crisis aggravated this situation. Many schools were destroyed and require major rehabilitation or reconstruction works. The Ministry of Education has adopted a transitional plan covering the 2015-2017 period and extended up to 2018. It intends to train 500 teachers per year from 2016 to 2018.

However, in early 2015, some schools slowly started to resume normal activities. Vocational centres were looted and destroyed. With the irregularity in the recruitment of new teachers, the capacity of these centres was further reduced. According to a Cluster Education survey in CAR, published in April 2015, the enrolment rate dropped by 6% in 2014-2015, relative to the pre-crisis period (2011-2012). The fear of violence, shortage of teachers and lack of school supplies were the main reasons for school dropout. However, the school map produced in April 2016 indicates a gradually improving situation (76% of functional establishments). The Ministry of Education has adopted a transition plan covering the 2015-2017 period and extended up to 2018. It intends to train 500 teachers per year from 2016 to 2018. However, their effective recruitment is still hampered by the country's limited budgetary resources. With Bank support, the capacity of the country's lone technical high school, the Girl's Vocational High School and other technical and vocational schools will be built by constructing and rehabilitating the work environment and providing equipment and training through PARCB1.

### ***D. Access to Drinking Water***

Although CAR has substantial renewable water resources, barely 30% of the population has access to drinking water, with access rates ranging from 36.5% in Bangui to 27% in rural areas. Water supply infrastructure in Bangui is old and in bad repair, and unable to meet demand even when operating at full capacity. Most rural households use wells equipped with manual pumps, and the waterworks system is limited to Bangui and a handful of major urban centres. CAR does not have an integrated sanitation system comprising sewer and wastewater treatment networks. Most urban households have private latrines, but the same cannot be said of rural areas where open-air defecation is a common practice, which comes along with serious environmental and public health risks. The rates of access to sanitation vary from 44% in urban areas to only 7% in rural areas. The national average is estimated at 22%. The Central African Water Distribution Corporation (SODECA), the government water supply service, incurs technical damage and considerable commercial losses that can lead to additional financial costs. Generally, inappropriate water and sanitation services cost CAR about USD 64 million annually (or close to 4.5% of GDP) in terms of higher healthcare expenses and loss of productivity. The Bank also supports the water and sanitation sector to alleviate the population's suffering with respect to drinking water and sanitation.

### ***A. Gender Issue***

According to World Bank statistics, the population of the Central African Republic was estimated at 5 277 959 in 2014, with women representing 51.8%. The poverty profile shows an average family size of 4.6 persons and 21.8% of female single-parent households (that is a household managed by a single woman). Some 84.6% of households managed by women are poor, against 74% of households headed by men.

CAR adhered to UN Security Council Resolution 1325 on the role of women in peace building by focusing on the protection of women and girls during conflicts. Other UN Security Council resolutions are taken into account by the United Nations Integrated Office for Peacebuilding in the Central African Republic (BINUCA) in supporting the peace-building process and the protection of women, namely: Resolution 1820 on the protection of civilians against violence during conflicts, Resolution 1888 on the protection of women against violence as a tool of war and Resolution 1889 on the participation of women in the decision-making and peace-building process.

Conflicts have affected women much more than men. Many barbaric acts have been committed against women nationwide and in conflict areas. A good number of women have been victims of violence, especially sexual violence, with disastrous consequences such as traumas, HIV infection, stigmatization of victims and children born as a result of rape, and repudiation from the marital home.

Conflicts have also negatively affected women's economic situation. Agricultural yield is low due to insufficient labour force (because men and youths have left the villages) and lack of seeds and food. In the Public Service, salary arrears affect the livelihood of households and the education of children. Lingering insecurity in areas where there are still pockets of tension prevents rural women from carrying on their daily productive activities. Most women have been forced by circumstances to assume responsibility for the life, and even the survival, of their family. As such, they have made up for the absence of men and relied only on themselves to cater for their families. Violence and "forced migrations" have compounded the poverty situation experienced by a significant portion of the population made up mostly of women and children. However, women have played an important role in the reconciliation process and the dissemination of the culture of peace. They have participated in national dialogue, the National Dialogue Proceedings Monitoring Committee and inclusive political dialogue. They are involved in national entities such as regional reconciliation units.

## Annex 8: Current State of Extractive Industries in CAR

CAR has huge mineral resources that can contribute to increasing job opportunities, especially in rural areas, as well as government revenue and investments in social services. The mining sector accounted for 7% of GDP in 2007. After 2009, this share fell to 2%. So far, CAR's extractive industries sector mainly comprises gold and diamond mining, but its potential is largely untapped and could include many other minerals. Diamond extraction accounted for about 40% of exports prior to the outbreak of the crisis, and created between 250 000 and 400 000 jobs. However, there are high levels of informal and fraudulent practices. In 2010, it was estimated that up to 50% of diamonds were exported illegally. This figure could have been even higher in the gold industry, potentially reaching 95% before the crisis. Illegal trade in diamonds was exacerbated by insecurity, leading to the country's suspension from the Kimberly Process Certification Scheme (KPCS) in 2013. This suspension affected the livelihoods of a large number of people in the country and contributed to the growth of the informal sector. The UN has estimated that during the period 2013-2015, a total of 140 000 carats of diamonds valued at USD 24 million were illegally exported to Cameroon. Two tonnes of gold were reportedly exported each year over the same period. The Government signed an "operational framework" in June 2015 with the KPCS to reopen legal trade in raw diamonds in the areas of the country deemed compliant using specific established criteria. The Government has worked towards the implementation of these criteria in Berberati (South-West of CAR) where it is estimated that between 20 000 and 50 000 carats could be exported. With an average value of USD 160 per carat, this could generate close to USD 1 million in tax revenue at the reduced export tax rate of 6%.

Timber is the country's main exploitable commodity. CAR's forest surface area is relatively small compared with neighbouring countries. However, its market value is high. The sale of timber, which is the country's second source of export earnings, declined sharply during the period of conflict<sup>15</sup> because of the destruction of some production facilities, the deterioration of infrastructure, insecurity on the roads and congestion of the Douala Port in Cameroon through which most of its external trade transits. It accounts for close to half of total exports and contributes considerably to tax revenue at the local and national levels. Prior to the 2008 global financial crisis, the timber sector accounted for about 7% of government revenue, but after 2009, this share plunged to 2%. In CAR, there are about 5.4 million hectares of forests, of which 3.8 million hectares in the south-west and 1.6 million hectares in the South-East. The 2009 Forestry Code strengthened the sector's legal framework and contributed to the Central African Republic's compliance with the Forest Law Enforcement, Governance and Trade (FLEGT) process, which promotes sustainable forestry activities and combats illegal practices. Under the FLEGT process, the Central African Republic's forests have undergone detailed analysis and mapping, and socio-economic studies on forest populations have contributed to a deeper understanding of the specificities of their situation and their development priorities. Prior to the crisis, the Sustainable Forest Resources Management Agency supervised the operations of 14 forestry concessions covering 3.5 million hectares and ensured compliance with sustainable management plans agreed between the logging companies and the Government. However, the local timber processing industry is still weak. Nevertheless, it could enable the logging of species with lesser value added whose low export weight after processing could render their marketing viable. During and after the 2013 conflict, logging companies maintained a minimum production level geared mainly towards the export of undressed timber. However, many companies were affected by the general climate of violence and incurred losses, while others were victims of large-scale looting.

<sup>15</sup> Nearly 30% of undressed timber and 35% of sawn timber exports (Source: Statistical Yearbook of the Forestry Sector).

## Annex 9: Summary of I-CSP 2014-2016 Completion Report and CPPR 2016-2017

### A. LESSONS LEARNED FROM I-CSP 2014-2016

The main objective of I-CSP 2014-2016 was to support the post-crisis and political transition process. Specifically, the Bank had to contribute to stabilizing the country and to help the people of the Central African Republic during the transition period. Two intervention pillars were adopted, namely Pillar 1: "Rehabilitating infrastructure to improve the delivery of basic services" and Pillar 2: "Rebuilding institutional capacity and promoting good governance";

The Bank's portfolio was restructured and four projects deemed relevant for a total cost of UA 46.72 million (PDCAGV, PARCGEF, PSEPA and the Boali Energy Project) maintained.

Programme sources of financing: resources mobilized from the restructured portfolio (UA 22.52 million), PBA ADF-13 (UA15 million) and TSF (UA 14.84 million).

#### Key Outcomes

- Contribution to return to constitutional order and relative stabilization of the country;
- Modification of the original IOP thanks to the flexibility adopted: re-assignment of institutional support (UA7.36 million) and PARCB-Phase 2 (UA 15 million) allocations to two new budget support operations in 2015 and 2016 respectively;
- Asymmetric performance of I-CSP implementation in relation to the two pillars: the performance of the implementation of operations under Pillar 1 was lower than that of Pillar 2;
- Performance factors of the implementation of operations: insecurity situation, nature of operations, late implementation of the flexibility measures prescribed in the I-CSP.

#### Outputs and Outcomes

##### Under Pillar 1

- Rehabilitating infrastructure to improve the delivery of basic services: achievement of objectives on track, but insufficient in light of the needs and targets set forth in the appraisal report; abandonment of PARCB - Phase 2, leading to the non-construction of rural roads in the interior of the country;
- Basic social services: improvement of health and education services on track with PDCAGV outcomes (rehabilitation and construction of many school and health facilities); reinforcement of the trend with the imminent finalization of rehabilitation and construction works on the school and health facilities under the PARCB (*Cf. Logical Framework Matrix*);
- Acceleration of the execution of infrastructure development works: (i) regarding the water and sanitation project (PSEPA), signing of most works contracts for the rehabilitation of SODECA's distribution network, sinking of almost all boreholes, building of latrines, etc.; and (ii) Energy: rehabilitation of Bangui's thermal power plants; reduction of load shedding by about two hours; completion of the construction of medium-voltage power lines; and start of the rehabilitation of Boali 1 and Boali 2;
- Economic opportunities for youths and women: establishment, through the PDCAGV and PARCB, of multipurpose platforms for the creation of jobs and new trades for women and youths; employment of more than 600 jobless youths for infrastructure rehabilitation and construction under the PARCB.

#### Box 3: Adjustment of I-CSP 2014-2016 Indicative Lending Programme

The I-CSP indicative lending programme was adjusted to meet the expectations of the authorities and adapt it to the country's volatile context. Thus, the tight financial position of the State (difficulty in meeting essential expenses and national counterpart contributions) compelled the Bank to modify its original scheduling of operations, especially by focusing on budget support operations. In 2015, the Bank cancelled the UA 7.36 million allocation for governance institutional support in order to re-allocate these resources to a second emergency budget support operation to enable the Government to address vital budgetary priorities and continue to implement public finance recovery and adjustment actions. Initiated at the request of the transition Government and in close coordination with the atmosphere of dialogue and the involvement of other TFPs, this action was repeated in 2016 for the same reasons. The Bank thus cancelled the allocation for PARCB Phase 2 amounting to UA 15 million, of which UA 12.8 million was allocated to a new budget support operation (Economic and Financial Reforms Support Programme-PAREF). The other part of the PARCB resources was allocated, as CAR's regional counterpart contribution, to the Programme to Rehabilitate and Strengthen the Resilience of Lake Chad Basin Socio-economic Systems -CAR approved in December 2014.

### Outputs and Outcomes under Pillar 2

- Rebuilding institutional capacity and promoting good governance: concrete outcomes concerning the resumption of service delivery by the central government and implementation of encouraging reforms. Instruments: 2 emergency budget support operations and 1 institutional support operation in collaboration with other TFPs;
- Return and redeployment of civil servants: at least 75% of staff back to work in 2016 (with more than 80% in the health, education and customs sectors); many central government services, prefectures and sub-prefectures provided with infrastructure and equipment; rehabilitation of the buildings of revenue services (taxation, customs, treasury and budget);
- Restoration of transparent and secured economic governance: restoration of the budget and revenue services management computer system; cleaning up the public service payroll; operationalization of the ACCT; regular payment of salaries, etc.;
- Improvement of public revenue collection and expenditure management: the tax revenue-to-GDP ratio increased from 4.5% in 2014 to 7.3% in 2016; the share of emergency public expenditure reduced from over 40% in 2014 to less than 10% in 2016.

## **B. KEY I-CSP 2014-2016 OUTCOMES**

### In relation to the strategy

- Continue the flexible strategic approach considering the still fragile situation in CAR as recommended by the relevant Bank policy. The approach has proved to be efficient and adapted in addressing the needs and trends of the context. In addition, it would be necessary to strengthen the strategic partnership with TFPs within the context of fragility by extending it to all Bank-financed operations. In that connection, it is indispensable for stakeholders (Government and TFPs) to take necessary measures to increasingly coordinate project implementation sequencing. In addition, the Bank should review the adaptability of the Transition Support Facility's current project implementation rules and procedures;
- Increase the quantity and diversity of expert studies on fragile countries and better streamline the number of projects or countries covered by each expert;
- Strict selection method with focus on few but larger integrated transformative operations;
- Reduce transaction costs and maximize development impacts. Considering the small amounts allocated by the ADF and the AfDB to CAR, operations incorporated into interventions and cross-sector outcomes should be classified in order of priority;
- The systematic mainstreaming of gender issues into Bank operations and the measurement of corresponding outcomes will promote balanced inclusive growth. The definition of clear gender objectives and the establishment of systematic frameworks for monitoring progress made will ensure that Bank operations promote gender equality and the empowerment of women;
- The development of partnerships, including through co-chairmanship of Bank sector working groups and sub-groups, has many advantages, some of which are the strengthening of the Bank's role as rallying force, catalyst and disseminator of knowledge, the improvement of national policy dialogue, the facilitation of aid coordination and harmonization, and the mobilization of co-financing.

### Concerning the portfolio

- **Build PIUs' project implementation and monitoring capacity:** although the portfolio performance is satisfactory, some projects are facing implementation difficulties or delays. PIUs must have the required project management capacity. For its part, the Bank should provide them with the necessary training.
- **Build the capacity of local contractors:** the performance of projects requiring works was undermined by the weak capacity (technical and financial) of local contractors. It is therefore important for the Bank and other TFPs to encourage the Government, chambers of commerce, chambers of trades and training institutes to organize training programmes for works contractors and sub-contractors to improve their technical, managerial and procurement capacity.
- **As soon as security conditions permit, accelerate the redeployment of the Bank's international staff to the Country Office in Bangui** to ensure more decentralized and effective cooperation based on the "High-5s". The action of the Country Office will be reinforced with the establishment of the General Directorate for the Central Africa Region. The presence of all the specialists in the region will enable close management of operations, the assumption of leadership in the relevant areas and the improvement of portfolio performance (rapid and proactive processing of procurement and disbursement files

## C. RECOMMENDATIONS

### For the Government

- *Improve aid coordination management (structure, periodicity, method, monitoring, etc.)* in ministries and project units;
- *Conduct a periodic review (annual or six-monthly) of projects* to share and pool experiences and improve project implementation;
- *Improve the procurement process during project implementation* by extending competitive bidding to contractors in the CEMAC sub-region, at least for local competitive bidding;
- *Encourage project implementation by NGOs*, as well as the performance of basic infrastructure contracts by international NGOs that already have an impact and facilities in areas that are difficult to access by contractors. This strategy would have enabled IDA to accelerate the construction of some basic infrastructure.

### For development partners

- Promote a sustained commitment and dialogue;
- Establish a development cooperation framework.

## Annex 10: Assessment of Eligibility for Transition Support Facility Pillar I

### A. COUNTRY ASSESSMENT

In March 2013, the Central African Republic experienced the most serious political and military crisis in its history, considering the intensity of violence and the socio-economic and security consequences of the crisis. However, the country has made appreciable efforts and significant progress in the peace and security building process, the implementation of economic and financial reforms, and the improvement of the living conditions of the population. Nonetheless, the country is still among the most fragile and poorest in sub-Saharan Africa, especially as its fragility has become almost structural following a long series of military and political crises. In 2016, the Country Performance Assessment (CPA) score stood at an average of 3. Thus, CAR is eligible for the Transition Support Facility (TSF) supplementary support (Pillar I) under TSF-14 cycle (TSF 14).

Concerning post-crisis and peace-building efforts, progress has been made especially through: the organization in May 2015 of a National Reconciliation and Social Dialogue Forum; (ii) the adoption, through referendum, and enactment of the new Constitution; and (iii) the holding of presidential and legislative elections deemed credible and transparent by the international community and that restored constitutional order. The country has also prepared a Central African Republic National Recovery and Peace-building Plan (RCPCA) 2017-2021 following a consultation process involving all national components and stakeholders. Also, as part of the implementation of the resolutions of the national forum of May 2015, the Government, under the supervision of the President of the Republic, has prepared a disarmament, demobilization, reintegration and repatriation (DDRR) mechanism and is continuing negotiations with armed groups for their involvement in its effective implementation.

Economically, the country is progressively recovering from the sharp decline in growth recorded in 2013 (-37%) thanks to the revival of all economic sectors, especially agriculture and services. Economic growth prospects for the period 2017-2019 are bright, with an annual average real GDP growth above 5%, and a gradual drop in inflation to the community threshold of 3%, against an average of about 6% over the last three years. Regarding public finance, CAR is facing enormous pressures due notably to its meagre domestic resources in relation to the ever-increasing need to rebuild the country. Since the outbreak of the crisis in 2013, the primary deficit has remained above 3% of GDP. With the support of technical and financial partners, the Government has, on the whole, been able to meet its financing needs regarding the most urgent expenditure and, moreover, undertaken actions to improve tax and customs revenue collection and restore the public finance management system. Thus, domestic public revenue increased from 4.9% of GDP in 2014 to 7.1% in 2015 and 8% in 2016. Although no new public expenditure and financial accountability (PEFA) review has been conducted, remarkable progress has been made towards returning to conventional public finance management.

The March 2013 crisis worsened the population's insecure living conditions. CAR achieved none of the eight Millennium Development Goals (MDGs) by 2015 as shown in the report on the final assessment of the MDGs jointly prepared by the Central African authorities and UNDP. In addition, regarding human development, CAR occupied the 187<sup>th</sup> position out of 188 countries in 2016 mainly due to the aggravation of the incidence of poverty estimated at 70% and life expectancy of only 49 years. At 0.35, CAR's human development index is below the 0.505 average of the group of low human development countries and lower than the 0.518 average of sub-Saharan African countries. The country adopted a Transition Road Map and an Emergency Programme for Sustainable Recovery in CAR (PURD) for the period 2014-2016 which received support from technical and financial partners through social and humanitarian sector projects. Some progress, albeit limited, has been made, namely: the construction and rehabilitation of social (education, health, water and sanitation) and production infrastructure, the revival of income-generating activities and productive sectors, support for the empowerment of women and the fight against gender-based violence. Through the implementation of the RCPCA, CAR seeks to step up its post-crisis efforts and to improve the population's living conditions.

### B. ASSESSMENT OF ELIGIBILITY OF THE TSF PILLAR I UNDER ADF 14

Indicator	Window I: Supplementary Support-First Screening Criteria
<b>Commitment to building peace and security</b>	<p>The Central African Republic has a harmonized average CPIA score of 3. This confirms the country's eligibility for supplementary support (Pillar I) under the Transition Support Facility (TSF).</p> <p>After the March 2013 crisis which was the deadliest in the country's history, CAR, in May 2015, organized a National Reconciliation and Social Dialogue Forum which led to the conclusion of a republican pact for peace, national reconciliation and reconstruction by all the stakeholders, and the signing of a disarmament agreement by the main structured political and military movements, the government and civil society.</p> <p>The political situation has improved thanks to (i) the enactment of the Constitution following a referendum in 2015 and (ii) the holding in 2016 of presidential and legislative elections considered credible and transparent by the international community. These elections enabled the</p>

	<p>return to constitutional order. The country has institutions that are functioning normally, namely: the Government and the National Assembly.</p> <p>The international community and key technical and financial partners continue to mobilize to support CAR in reconstruction and peace and security building efforts. The country has prepared and adopted a CAR National Recovery and Peace-building Plan (RCPCA) 2017-2021. The three pillars of the RCPCA are: (i) Support peace, reconciliation and security; (ii) Renew the social contract between the State and the population; and (iii) Promote economic recovery and boost productive sectors.</p> <p>CAR has made efforts that have helped to improve the security situation, which is still volatile and unstable, especially within the country's interior where armed groups operate. However, the country has established a disarmament, demobilization, reintegration and repatriation (DDRR) mechanism and is, under the supervision of the President of the Republic, continuing negotiations with the main armed groups for their effective involvement in the process. It should be noted that 13 out of the 14 armed groups are participating in the DDRR Advisory Committee whose success is crucial for peace and security building.</p>
<p><b>Unmet socio-economic needs</b></p>	<p>The March 2013 crisis worsened the country's unstable socio-economic situation. In 2016, the poverty rate stood at 70% and the human development index at 0.35, i.e. below the 0.505 average of the group of low human development countries and lower than the 0.518 average of sub-Saharan African countries. In 2016, CAR occupied the 187<sup>th</sup> position out of 188 countries with respect to human development.</p> <p>Because of this worsening of the social and humanitarian situation, especially since the outbreak of the political and security crisis in March 2013, CAR achieved none of the eight Millennium Development Goals by 2015 as shown in the report on the final assessment of the MDGs jointly prepared by the Central African authorities and UNDP. However, progress was made between 2004 and 2012, especially in the enrolment of girls in primary school, the promotion of gender equality, drinking water supply, the consolidation of the macroeconomic situation with the attainment of the completion point in June 2009 and the normalization of international cooperation with TFPs.</p> <p>All socio-economic sectors were seriously affected by the March 2013 crisis and the country's reconstruction needs are enormous:</p> <ul style="list-style-type: none"> <li>(i) According to a survey carried out by the Education Cluster in CAR published in April 2015, enrolment rates dropped by 6% in 2014-2015 compared with the pre-crisis period (2011-2012). The situation improved remarkably in 2016 (76% of schools functional). Gross enrolment stood at 17%, against a net rate of 13%, with only 3% of school children reaching the higher cycle (1.4% for girls, against 4% for girls). The pre-crisis gap widened between the North and the South where school dropout rates were high owing, among other things, to the lack of teachers.</li> <li>(ii) The situation in the health sector is still unstable despite efforts made by the Government with the support of multilateral and bilateral partners through projects and programmes. The last health resources availability survey (HeRAMS) shows that about one third of the 1 008 health institutions in the country were partially or completely destroyed, 22 % of health facilities are dysfunctional and 43% of staff are community health workers without any coherent training. The looting of the equipment of the cold chain and means of transport limited the number of functional EPI centres to 290. The health sector indicators are alarming, including: (i) less than 50% of children were immunized (before the age of one year) against the major vaccine-preventable diseases at end-2015 and only 30% in mid-2016; (ii) 6.6% of under-five children suffer from global acute malnutrition (GAM), of which 1.9% from severe acute malnutrition (SAM); (iii) 40.8% of children are stunted; (iv) 45% of deaths are caused by malaria; (v) 4.9% rate of prevalence of HIV infection among adults aged between 15 and 49 years; (vi) life expectancy at birth of 51 years.</li> <li>(iii) Concerning gender, it should be noted that there are significant inequalities. Women represent 53.7% of the labour force but are more illiterate than men; 80% of women aged between 15 and 49 years have no access to schooling. However, legally, the country adopted: (i) Law No. 06.005 of 20 June 2006 on reproductive health which "ensures equal rights and dignity for all people with respect to reproductive health, without any gender-based discrimination"; (ii) the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) ratified in 1991; (iii) the Convention on the Rights of Children ratified in 1992; and (iv) the African Charter on Human and People's Rights and its additional protocol. Regarding security, the country has adhered to UN Security Council Resolution 1325 on the role of women in peace building by focusing on the protection of women and girls during conflicts. Other resolutions adopted to support the peace-building process and the protection of women are Resolution 1820 on the protection of civilians against violence during conflicts, Resolution 1888 on the protection of women</li> </ul>

	<p>against violence as a tool of war and Resolution 1889 on the participation of women in the decision-making and peace-building process.</p>
<p><b>Better macroeconomic conditions and healthy debt management</b></p>	<p>Recovery in CAR began in 2014 largely thanks to the agricultural sector, which accounts for nearly 45% of GDP. Economic growth prospects for 2017 are bright, with an annual real GDP growth rate expected to reach 5.5%, while the average annual rate of inflation would drop to 3.5% and primary deficit to 1.8% of GDP.</p> <p>The measures taken in 2015 to consolidate public finance helped to address the difficult debt situation in 2014, although three quarters of pension arrears were accumulated in 2015. The recent deterioration of the Central African Republic's debt situation, especially as underscored in the analysis conducted by the International Monetary Fund (IMF) and the World Bank, led to an increase in the public debt-to- GDP ratio which stood at about 40 % in 2014 compared with 25% recorded in 2009 thanks to debt alleviation. Owing to the GDP and export squeeze, CAR moved from a moderate risk to a high-risk situation. As shown in the joint report of the IMF and the World Bank, "the baseline present value (PV) of external debt-to-exports and debt service-to-exports ratios will breach the indicative policy thresholds from 2013 to 2019 and 2013 to 2015 respectively". The recovery measures taken in 2015, combined with external budget support, have helped not only to address public debt service, but also to pay a substantial part of arrears. Consequently, medium-term debt prospects have improved with the help of massive external assistance and concessional loans. The Bank has backed the country's efforts to ensure better public debt management by providing technical and financial support for the implementation of an improved version of the debt management software, SYGADE 6, and capacity building for staff of the Directorate of Public Debt.</p>
<p><b>Commitment to healthy public finance management</b></p>	<p>Concerning public finance, CAR, with the support of technical and financial partners, has undertaken actions to restore the public finance management system. These efforts were later strengthened with measures aimed at mobilizing domestic public resources and reinforcing the public expenditure management framework.</p> <p>Domestic public revenue increased from 4.9% of GDP in 2014 to 7.1% in 2015 and 8% in 2016. Although no recent public expenditure and financial accountability (PEFA) review has been conducted, the national authorities have displayed a strong commitment to returning to conventional public finance management by establishing the Cash Flow Committee responsible for defining and conducting monthly management monitoring, and the Public Finance Monitoring and Management Committee responsible for monitoring the use of all public resources and the proper implementation of the cash flow plan on a monthly or more frequent basis, as appropriate. These public finance management tools increasingly enhance transparency in the use of public finance, especially as TFPs, which provide budget support resources, are involved in them. In addition, it should be recalled that the operationalization of the Treasury Accounting Office in 2014, with a single Treasury account at the Central Bank, as well as the interconnection of budget computer systems, are likely to reinforce the efficiency of this finance management system, even during a crisis. Efforts are being made, with less frequent use of exceptional public expenditure execution procedures and the catching up on public accounting to ensure accountability.</p>
<p><b>Transparency in public management</b></p>	<p>In 2015, the natural resource and environment sector in CAR was characterized by the partial lifting of the country's suspension from the Kimberly Process in July. This decision, which was limited to the south-west region of the country, was dictated by the reassuring measures taken by the transition authorities, with the support of the international community, to fight illicit trafficking of diamonds, and the necessity to meet the country's substantial financial resource needs. The temporary suspension of CAR from the Kimberly Process Certification Scheme (KPCS), of which it is member since 2003, came immediately after the crisis broke out because of the suspicion and risk that criminal activities may be financed through the exploitation of the country's diamond resources.</p> <p>The country's suspension from the Extractive Industries Transparency Initiatives (EITI), which came at the same time as the suspension from the Kimberly Process Certification Scheme, is still in force. The last mining revenue declaration report to EITI dates back to 2010. CAR became EITI member in August 2007 and was declared candidate country in November 2008, prior to achieving the status of compliant country in March 2011.</p> <p>In the forest resources and timber sector, the Voluntary Partnership Agreement (VPA) signed with the European Union in 2011 on the application of the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan is still in force.</p>

## Annex 11: Fiduciary Risk Assessment (FRA)

### A. INTRODUCTION

The fiduciary risk assessment (FRA) of the public finance management (PFM) system of the Central African Republic (CAR) was conducted as part of the Economic and Financial Reforms Support Programme evaluation mission by the Bank's Procurement and Fiduciary Services Department (ORPF) in September 2016. This assessment was conducted in accordance with the Financial Management Policy for Operations Financed by the African Development Bank Group (AfDB) and the Guidelines for Promoting Use of Country Public Finance Management Systems of February 2014. This report on the fiduciary risk assessment (FRA) of CAR's public finance management system is structured around three key points, namely: (i) an executive summary; (ii) the main body of the report, which presents the situation of each indicator; and (iii) annexes.

### B. EXECUTIVE SUMMARY

#### Objective

The objective of the FRA is to honour the commitment made by the Bank under the Paris Declaration to maximize the use of country PFM systems in the financial management of Bank-financed projects and programmes. It entails assessing the PFM system currently used in CAR to ascertain whether it is appropriate and enables the production, in real time, of exhaustive and reliable financial information on the management of projects and programmes financed by development partners, including the Bank, and identify needs in terms of building the capacity to progressively use the said system.

The last report on the assessment of the PFM system is PEFA 2010. Since then, no diagnostic study covering the entire area of PFM has been conducted. The political and military crises that the country has been experiencing over the past years have not allowed for any progress in the area. Most of the PEFA 2010 findings are still relevant. However, to be certain, the mission had to conduct "an ex nihilo review and analysis" of the current situation of the key factors of PFM fiduciary risk, namely: the budget, cash flow, accounting and reporting, internal control and external control. The approach adopted to conduct this review consists in (i) submitting a questionnaire to officials of each service concerned and (ii) conducting direct interviews with each of them. Thus, the mission had discussions with the senior officers of the Central Accounting Office of the Treasury, the Directorate of Accounting Centralization, the General Directorate of the Budget, the General Inspectorate of Finance, the Directorate of Computer Services and the Court of Auditors. The written answers to the questionnaires submitted beforehand were transmitted to the mission within the prescribed time limit.

Moreover, the assessment took into account the corruption perception index in CAR, especially the one published by Transparency International, and the use of these specific reports, particularly the Bank's CPIA, the National Anti-corruption Policy Paper, the report on the computer audit of the joint management application in the General Directorate of the Budget and at the Treasury of the Central African Republic.

#### Assessment outcomes

The assessment shows that the initial overall fiduciary risk is "high" due to the weaknesses noted in the various domain areas of the current public finance management system, despite the good governance and fiscal consolidation promotion policy conducted by the Government. Public finance reforms are many and can only be implemented in a situation of lasting stability in the country and within a sufficient timeline to be able to fully measure their outcomes. The difficulties associated with the country's current context of fragility, poor governance and corruption are factors that impede the efficient implementation of all PFM reforms in the short term. The implementation of the measures identified to mitigate the fiduciary risk requires more than Bank support. It needs Government's commitment and the combined efforts of all of CAR's technical and financial partners. The table below summarizes the outcomes of the assessment.

**C. SUMMARY TABLE OF COUNTRY FIDUCIARY RISK ASSESSMENT BY RISK FACTOR**

Factor	Indicators	Score	Initial Risk Assessment	Major Weaknesses	Mitigation Measures
<b>1. Budgeting</b>	The capacity of the budget sub-system is sufficient for budget planning (preparation).	1	Substantial	<ul style="list-style-type: none"> <li>▪ Absence of formal budget preparation and execution guide;</li> <li>▪ Weakness in the budget preparation process in ministries;</li> <li>▪ Absence of a coherent programme budget (MTEF) with the objectives and outcomes of the various State entities;</li> <li>▪ Absence of reliable information on the annual budgets of projects financed with external resources</li> <li>▪ Absence of a system that provides reliable information on the budgetary management of projects and programmes financed by external partners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accelerate the implementation of the budgeting procedures manual;</li> <li>▪ Establish budget preparation procedures in ministries to ensure the involvement of all the services and consistency between objectives and the priorities of the ministry;</li> <li>▪ Incorporate the budgets of projects and programmes in the same budget management system to ensure permanent monitoring and control of the said budgets right to the level of components;</li> <li>▪ Harmonize the budget schedule of projects with that of the State;</li> <li>▪ Harmonize the budgetary classifications of the projects and programmes of the various donors, then link them to the budgetary classification of the national system.</li> </ul>
	The capacity of the budget sub-system is sufficient for budget control	0.72	High		
<b>2. Cash flow</b>	The capacity of the cash flow sub-system is sufficient to manage the flow of resources and disburse assistance funds.	0.5	High	<ul style="list-style-type: none"> <li>▪ Absence of a formal cash flow management guide;</li> <li>▪ Poor linkage between commitment plans and cash flow plans;</li> <li>▪ Insufficient control of cash flow (unreliable receipts and disbursement projections);</li> <li>▪ Inadequate mastery of arrears and debt management in general;</li> <li>▪ Weakness in the preparation of bank reconciliation statements</li> <li>▪ Absence of a formal system for managing funds from external assistance;</li> <li>▪ Unavailability, in real time, of exhaustive data on external debt.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accelerate the implementation of the procedures manual;</li> <li>▪ Improve the quality of the cash flow plan.</li> </ul>
	The single Treasury account is an appropriate and reliable means of administering assistance funds.	1.42	Substantial		
<b>3. Accounting and financial reporting</b>	The capacity of the accounting sub-system is sufficient to record all transactions and serve, in due course, as basis	1	Substantial	<ul style="list-style-type: none"> <li>▪ Computerized accounting system not efficient</li> <li>▪ Absence, in real time, of reliable and accurate information on the situation of State accounts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish a more efficient integrated PFM system based on precise specifications</li> <li>▪ Build the technical capacity of human resources</li> <li>▪ Define a mechanism for registering the</li> </ul>

Factor		Indicators	Score	Initial Risk Assessment	Major Weaknesses	Mitigation Measures
		for preparing exhaustive financial reports.			<ul style="list-style-type: none"> <li>▪ Insufficient skilled human resources</li> <li>▪ Absence of procedures for posting the operations of projects financed with external funds</li> <li>▪ Late production of financial statements</li> </ul>	<ul style="list-style-type: none"> <li>▪ operations of projects financed by external donors</li> <li>▪ Improve the posting, monitoring and safeguard system of fixed assets</li> <li>▪ Improve the management of debt flow of the State</li> <li>▪ Implement the reforms provided for under donor support operations</li> </ul>
		The integrated financial management systems are sufficiently flexible to meet the specific requirements of preparing reports and are governed by procedures that ensure compliance with deadlines and the quality of information produced.	0.5	High		
		The financial accounting sub-system comprises an integrated fixed assets module for recording and proper control of assets acquired	0.25	High		
		The accounting sub-system keeps updated files on the country's debts.	0.33	High		
		The accounting systems are protected against deliberate data manipulation and/or accidental data loss or corruption.	0.6	High		
<b>4. Internal audit</b>		The capacity of the internal audit sub-system is sufficient.	0.22	High	<ul style="list-style-type: none"> <li>▪ Insufficient human resources;</li> <li>▪ Weak IGF capacity</li> <li>▪ Absence of code of conduct in the administration ;</li> <li>▪ Procedures manuals not known and ill-adapted to the current context;</li> <li>▪ Shortcoming in the application of procedures, including assets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prepare or update the audit procedures manual in line with internationally accepted audit standards</li> <li>▪ Build the capacity of the IGF following an overall training plan;</li> <li>▪ Lay down and disseminate a code of conduct;</li> <li>▪ Establish a mechanism for monitoring the</li> </ul>
		The mechanisms for competitive bidding, optimal use of resources and public procurement control are appropriate.	0.33	High		

Factor		Indicators	Score	Initial Risk Assessment	Major Weaknesses	Mitigation Measures
		The capacity of the internal audit function is sufficient.	1.33	▪ Substantial	<ul style="list-style-type: none"> <li>▪ safeguard;</li> <li>▪ Shortcoming in expenditure control;</li> <li>▪ Absence of internal control of projects and programmes;</li> <li>▪ Absence of transparency and control in the award of contracts;</li> <li>▪ Insufficient monitoring of the recommendations of internal control missions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ recommendations of IGF missions;</li> <li>▪ Incorporate the control of projects financed with external resources into the duties of the IGF.</li> </ul>
5. External audit		The Supreme Audit Institution (SAI) enjoys the level of "independence" required to efficiently discharge its duties.	0	High	<ul style="list-style-type: none"> <li>▪ Low autonomy of the Court of Auditors (CdC) which considerably limits its independence;</li> <li>▪ Insufficient knowledge of the duties of CdC by the administration and citizens;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide the CdC with the resources required to efficiently discharge its duties;</li> <li>▪ Update the instruments establishing the Court of Auditors to reinforce the provisions relating to its independence and financial autonomy;</li> </ul>
		The SAI has the capacity required to accomplish its audit mission.	0	High	<ul style="list-style-type: none"> <li>▪ Insufficient skilled staff and application of internationally accepted standards;</li> <li>▪ Insufficient financial resources;</li> <li>▪ Absence of formal procedures.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prepare the procedures manual of the Court of Auditors;</li> <li>▪ Become member of INTOSAI ;</li> <li>▪ Provide the Court of Auditors with sufficient skilled staff and ensure their continuous training;</li> <li>▪ Disseminate the value added of the CdC to the public and the administration</li> </ul>
<b>Overall Initial Risk Assessment</b>			<b>0.6</b>	<b>High</b>		

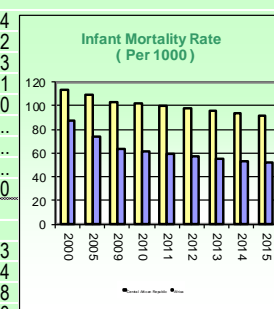
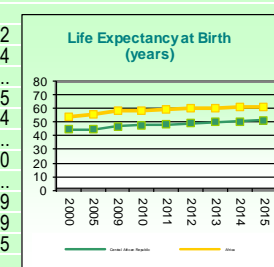
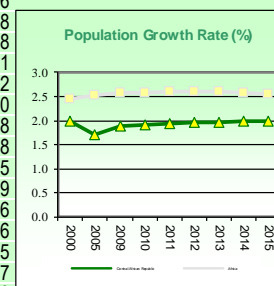
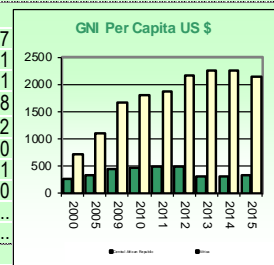
## Annex 12: Distribution of TFPs According to their Thrust Areas in CAR

	Peace and Security	Education	Agriculture (including food security)	Health	Transport	Water and Sanitation	Energy	Private Sector and Youth Development	Social Protection	ICT	Law on Judicial Reconciliation and Governance	Environment and Forestry	Urban and Rural Regulations	Decentralization and Governance	PFM (including economic governance)	Financial Sector
Germany	X		X													
Netherlands	X			X												
Sweden														S		
United Kingdom	X													S		
United States	X	X						X	X		X					
France	X	X	X		X	X		X	X			X		B	X	
Switzerland																
World Fund				X												
Luxembourg																
Japan	X		X			X			X					S		
Korea																
China	X	X			X		X									
India														S		
Kuwaiti Fund																
BADEA						X	X									
Saudi Fund		X	X		X	X										
World Bank	X	X	X	X	X	X	X	X	X					B	X	
<b>AfDB</b>		<b>X</b>	<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>	<b>X</b>				<b>X</b>		<b>B</b>	<b>X</b>	
European Union	X	X	X	X		X		X	X	X	X	X		B	X	
EIB																
FAO			X													
ILO		X														
UNDP	X		X			X		X	X		X				X	
UNEP																
UNESCO		X														
UNFPA		X		X												
UNHCR									X							
UN HABITAT																
UNICEF	X	X		X	X	X			X							
UNIDO																
UN Women								X								
WFP		X	X													
UNAIDS																
IFAD			X													
WHO				X												
IOM									X							

*B* → represents partners that provide sector budget support  
*S* → represents silence partnerships through delegated cooperation

## Annex 13: CAR's Comparative Socio-economic Indicators

	Year	Central African Republic	Africa	Developing Countries	Developed Countries
<b>Basic Indicators</b>					
Area ( '000 Km <sup>2</sup> )	2016	623	30,067	97,418	36,907
Total Population (millions)	2016	5.0	1,214.4	6,159.6	1,187.1
Urban Population (% of Total)	2016	39.5	40.1	48.7	81.1
Population Density (per Km <sup>2</sup> )	2016	8.02	41.3	65.1	33.8
GNI per Capita (US \$)	2015	320	2 153	4 509	41 932
Labor Force Participation* - Total (%)	2016	78.1	65.7	63.5	60.0
Labor Force Participation** - Female (%)	2016	71.8	55.7	48.9	52.1
Sex Ratio (per 100 female)	2016	97.2	100.1	106.0	105.0
Human Develop. Index (Rank among 187 countries)	2015	188	...	...	...
Popul. Living Below \$ 1.90 a Day (% of Population)	2008	66.3	...	21.1	...
<b>Demographic Indicators</b>					
Population Growth Rate - Total (%)	2016	2.0	2.5	1.3	0.6
Population Growth Rate - Urban (%)	2016	2.7	3.6	2.4	0.8
Population < 15 years (%)	2016	38.8	40.9	27.9	16.8
Population 15-24 years (%)	2016	20.5	19.3	16.9	12.1
Population >= 65 years (%)	2016	3.9	3.5	6.6	17.2
Dependency Ratio (%)	2016	74.5	79.9	54.3	52.0
Female Population 15-49 years (% of total population)	2016	25.1	24.0	25.7	22.8
Life Expectancy at Birth - Total (years)	2016	52.2	61.5	69.9	80.8
Life Expectancy at Birth - Female (years)	2016	54.2	63.0	72.0	83.5
Crude Birth Rate (per 1,000)	2016	33.1	34.4	20.7	10.9
Crude Death Rate (per 1,000)	2016	13.7	9.1	7.6	8.6
Infant Mortality Rate (per 1,000)	2015	91.5	52.2	34.6	4.6
Child Mortality Rate (per 1,000)	2015	130.1	75.5	46.4	5.5
Total Fertility Rate (per woman)	2016	4.1	4.5	2.6	1.7
Maternal Mortality Rate (per 100,000)	2015	882.0	476.0	237.0	10.0
Women Using Contraception (%)	2016	24.3	31.0	62.2	...
<b>Health &amp; Nutrition Indicators</b>					
Physicians (per 100,000 people)	2005-2015	4.7	41.6	125.7	292.2
Nurses and midwives (per 100,000 people)	2005-2015	25.2	120.9	220.0	859.4
Births attended by Trained Health Personnel (%)	2010-2015	53.8	53.2	69.1	...
Access to Safe Water (% of Population)	2015	68.5	71.6	89.4	99.5
Access to Sanitation (% of Population)	2015	21.8	39.4	61.5	99.4
Percent of Adults (aged 15-49) Living with HIV/AIDS	2015	3.7	3.4	...	...
Incidence of Tuberculosis (per 100,000)	2015	391.0	240.6	166.0	12.0
Child Immunization Against Tuberculosis (%)	2015	74.0	81.8	...	...
Child Immunization Against Measles (%)	2015	49.0	75.7	83.9	93.9
Underweight Children (% of children under 5 years)	2010-2015	23.5	18.1	15.3	0.9
Prevalence of stunting	2010-2014	40.7	33.3	25.0	2.5
Prevalence of undernourishment (% of pop.)	2015-2016	47.7	16.2	12.7	...
Public Expenditure on Health (as % of GDP)	2014	2.1	2.6	3.0	7.7
<b>Education Indicators</b>					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-2016	93.5	101.2	104.9	102.4
Primary School - Female	2010-2016	79.8	98.4	104.4	102.2
Secondary School - Total	2010-2016	17.4	52.6	71.1	106.3
Secondary School - Female	2010-2016	11.8	50.2	70.5	106.1
Primary School Female Teaching Staff (% of Total)	2010-2016	19.9	47.1	59.8	81.0
Adult literacy Rate - Total (%)	2010-2015	36.8	66.8	82.3	...
Adult literacy Rate - Male (%)	2010-2015	50.7	74.3	87.1	...
Adult literacy Rate - Female (%)	2010-2015	24.4	59.4	77.6	...
Percentage of GDP Spent on Education	2010-2015	1.2	5.0	4.0	5.0
<b>Environmental Indicators</b>					
Land Use (Arable Land as % of Total Land Area)	2014	2.9	8.7	11.2	10.3
Agricultural Land (as % of land area)	2014	8.2	41.7	37.9	36.4
Forest (As % of Land Area)	2014	35.6	23.2	31.4	28.8
Per Capita CO2 Emissions (metric tons)	2014	0.1	1.1	3.5	11.0



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update : June 2017

UNAIDS; UNSD; WHO, UNICEF, UNDP: Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available. \* Labor force participation rate, total (% of total population ages 15+)

\*\* Labor force participation rate, female (% of female population ages 15+)