



## **CENTRAL AFRICAN REPUBLIC:**

National Recovery and Peacebuilding Plan

2017-21

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#### **Foreword**

he Central African Republic is at a major turning point in its history. The country is just emerging from a very violent conflict, during which thousands of human lives were lost and one-third of the population was displaced. After a three-year transition, and with the support of the international community, authorities successfully created the conditions required to conduct credible presidential and legislative elections. Central African citizens mobilized to express their desire for peace and to break with the cycle of past violence. Their exemplary democratic maturity ensured the electoral process was peaceful, despite palpable tensions. The welcome given Pope Francis in Bangui in November 2015 and visible reconciliation efforts demonstrate the population wishes to turn the page on this conflict.

The government is strongly committed to addressing issues related to citizen security, national reconciliation, state redeployment, and productive sector recovery; it will continue to make bold decisions and implement the necessary reforms. Regarding macroeconomic stability, it has introduced a reform program to reduce the amount of external financing needed to cover the budget deficit.

But the situation remains fragile, and ongoing support from the international community is critical in this historic period. For this reason, the Central African government has decided to identify priorities and needs for recovery and peacebuilding, seeking the technical and financial support of the European Union, the United Nations, and the World Bank.

For several months, Central African authorities have worked diligently to complete analytic and prioritization activities. These efforts have led to the development of the National Recovery and Peacebuilding Plan for the Central African Republic (RCPCA)—a clear, structured, and consistent plan that articulates the efforts to be undertaken by the government and its partners during the next five years. I am confident that this plan is an excellent opportunity to build robust foundations for a new beginning.

The government looks forward to a country that is finally healing, engages in a national reconciliation dialogue, implements concrete milestones on the path to lasting peace, and initiates recovery and a sustainable development process.

This vision is shared by the National Assembly, which was consulted on and approved the plan on October 26, 2016. It is also shared by all Central African citizens, whose concerns and

priorities—collected through consultations held across the country and field surveys—have been included in this document.

I know I can count on the support of all of the partners of the Central African Republic to help build a sustainable peace and move the country toward economic recovery.

I wish to thank the entire administration and national institutions as well as all other individuals who worked on or were involved in preparing this National Recovery and Peacebuilding Plan.



### **Abbreviations**

AfDB African Development Bank

CAR Central African Republic

CEM Mutual Commitment Framework (Cadre d'Engagement Mutuel)

DDRR disarmament, demobilization, reintegration, and repatriation

EDF European Development Fund

ENERCA Energie Centrafricaine

EU European Union

FACA Central African Armed Forces (Forces Armées Centrafricaines)

GDP gross domestic product

HRP Humanitarian Response Plan

ICASEES Central African Institute of Statistics and Economic and Social Studies (Institut

Centrafricain des Statistiques et des Etudes Economiques et Sociales)

ICT information, communication, and technology

IMF International Monetary Fund

MINUSCA Multidimensional Integrated Stabilization Mission in the Central African Republic

NNLPRC National Network of Local Peace and Reconciliation Committees

ODA official development assistance

RCPCA National Recovery and Peacebuilding Plan

RPBA Recovery and Peacebuilding Assessment

SDG Sustainable Development Goal

SODECA Société de Distribution d'Eau en Centrafrique

TJRRC Truth, Justice, Reparation, and Reconciliation Commission

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TVET technical and vocational education and training

UN United Nations

VAT value-added tax

All dollar amounts are U.S. dollars unless otherwise indicated.

## **Executive summary**

he election of President Faustin Archange Touadéra in February 2016, and of the National Assembly, reinstituted constitutional order in the Central African Republic (CAR) after nearly three years of political transition. The return to constitutional order and stability is supported by the international community, and facilitated by the deployment of the 12,000-person United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA). Together, these factors have created high hopes that the country will at long last break free from the cycle of fragility and crisis it has experienced since independence.

Challenges are significant and urgent as the CAR prepares to tackle the results of more than two years of armed confrontation and decades of poor governance and underdevelopment. Armed groups took control of a vast majority of the territory, with unprecedented levels of looting, pillaging, and acts of retaliation and abuse. Insecurity led to the forced displacement of approximately one-third of the CAR population. The crisis also devastated the country's economy, and the main productive sectors—agriculture, the extractive industries, and forestry—collapsed. Armed groups took control of mining sites, and growing resource trafficking and corruption financed warlords and fueled instability, all of which further weakened the state's ability to respond to the urgent needs of its population. Vulnerable groups were particularly hard hit.

The CAR government in May 2016 requested support from the European Union, the United Nations, and the World Bank Group to prepare a Recovery and Peacebuilding Assessment (RPBA).¹ The assessment identified priorities for the first five years of the post-election period, with three specific objectives in mind: (1) support the CAR government in identifying recovery and peacebuilding needs and priorities and associated financial costs; (2) identify specific operational, institutional, and financial arrangements to facilitate the implementation of identified priorities, given capacity and security constraints; and (3) create a platform to monitor implementation progress, notably on major reform commitments, and ensure consistency and coordination across development, humanitarian, political, and security engagements. The resulting report was approved by the government in October 2016 and adopted as the

<sup>&</sup>lt;sup>1</sup>The RPBA is based on a commitment by the European Union, the United Nations, and the World Bank to align their partnership and approach in the area of post-conflict recovery in support of government efforts. This commitment was formalized in a declaration signed in 2008 on the joint conduct of post-conflict needs assessments, which were later renamed recovery and peacebuilding assessments.

National Recovery and Peacebuilding Plan (RCPCA). It will be presented and discussed during the international donor conference in Brussels on November 17, 2016.

Several structural causes of the crisis need to be addressed for the CAR to move forward on a path toward sustainable peace and recovery. Scarce resources and political power have been concentrated in the hands of the elite, and imbalances between Bangui and the rest of the country—as well as the marginalization of certain extremely poor regions, notably in the northeast—have bred frustration and tension. The cyclical nature of the conflict has been exacerbated by the weakness of national institutions, which found it difficult to maintain social and national cohesion; as well as by the absence of prosecution for human rights violations. Consequently, "victors' justice" has become the norm, creating an environment of widespread impunity. Moreover, regional instability, weapon trafficking, and illegal trade of diamonds and gold maintain insecurity in the country.

In response to these challenges, the government proposes a five-year recovery and peacebuilding plan. It is articulated around 3 priority pillars and 11 strategic objectives (table 0.1). Total needs have been estimated at \$3.161 billion. The five-year plan relies on the progressive increase of interventions, along with improvement of the security situation, the gradual redeployment of public administration throughout the country, and the availability of the necessary capacity to implement the plan. A set of strategic activities and results are laid out for each pillar (table 0.1). Six cross-cutting objectives have also been integrated throughout the document, focused on promoting regional equity, gender equality, and transparency and accountability at all levels; national capacities (in government, public administration, and civil society); youth inclusion; and environmental sustainability. The RCPCA should be accompanied by a Humanitarian Response Plan (HRP) for the period 2017–19, which will focus on live-saving interventions, severe malnutrition, protection against violence, and provision of basic services in unstable or inaccessible areas. Close coordination has been sought with humanitarian actors during the assessment period to ensure that the activities led under the HRP and RCPCA are complementary, and to enable the progressive transfer of responsibilities to national authorities in charge of providing security and basic services.

Prioritization and sequencing have been introduced in the plan across sectors and geographical areas, based on discussions with the government, consultations conducted in all regions, and the findings of a household survey covering 1,790 households across all communes and arrondissements. The results of these consultations and surveys are presented in an annex to the main document. Prioritization has been further refined through political discussions, notably with the National Assembly.

The first pillar aims to support peace, security, and reconciliation as essential underpinnings to recovery and normalization. It covers four strategic objectives at a total estimated cost of \$461 million. Short-term priorities include, notably, the adoption of a national disarmament, demobilization, reintegration, and repatriation (DDRR) strategy, which aims to disarm and demobilize former combatants that meet the agreed-upon criteria and to repatriate foreign combatants. The government will also finalize and adopt the political and strategic framework for reform of the security sector. Mobile court hearings will be established to spread the reach of the judiciary across the entire territory, and the penitentiary system will be demilitarized. A Special Criminal Court will be operationalized and a National Human Rights Commission will be established. A network of peace and reconciliation committees will be created at the local, regional, and national levels, and a Truth, Justice, Reparation, and Reconciliation Commission

TABLE 0.1: PRIORITIES FRAMEWORK AND ASSOCIATED COSTS (MILLION \$)

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

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

will be operationalized. A national strategy for the return of displaced populations will be designed and adopted. In the medium term, activities for the reinsertion and socioeconomic reintegration of former combatants will commence. Reforms will be adopted to improve the efficiency and effectiveness of the defense and security forces, focusing in particular on improving human resource management, providing training and capacity building, and rehabilitating key infrastructure. An in-depth reform of the justice sector will be implemented, which will notably help ensure its independence and impartiality, and complement support to

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

the resumption of an effective justice system. Implementation of the existing reconciliation strategy will also continue.

The second pillar aims to renew the social contract between the state and the population by building state presence and capacity to provide basic social services such as education, health, and water and sanitation. It covers four strategic objectives, with a total cost of \$1.326 billion. Short-term priorities include, for instance, supporting the progressive redeployment of civil servants and state employees. A decentralization policy, including local elections for the establishment of local authorities, will be implemented, as well as a local reconciliation and social cohesion policy. Representative and accountable political governance will be promoted through the creation and strengthening of democratic institutions (including the National Assembly) in line with the CAR constitution as well as through supporting national planning processes. National policies and institutional frameworks for basic service delivery will be revised, with a particular focus on education, health and nutrition, water, sanitation, and social protection. Activities aimed at improving access to and the quality of basic services will also be implemented. This will include the construction and rehabilitation of administrative offices, health care services, water and sanitation infrastructure, and schools and training centers. Training and recruitment programs for teachers and health care workers will be launched. Agricultural productive capacities and livelihoods of the most vulnerable households will be gradually restored, notably through recapitalization efforts aimed at small farmers and herders. Revenue generation programs will also be introduced, targeting women and youth in particular. Community financing will help promote savings mobilization and a credit culture, while strengthening social cohesion. The introduction of integrated transhumance management structures will help reduce conflicts between farmers and herders. In addition, to increase revenues and support increased service delivery, public financial management reforms and capacity building will continue. In the medium term, quality control mechanisms will be introduced to monitor the effectiveness and efficiency of state policies at the local level.

The third pillar aims to promote economic recovery and boost productive sectors to rapidly provide the population with income-generating activities and employment opportunities in core productive sectors, and to improve the business and investment environment more broadly. It covers three strategic objectives at a total cost of \$1.224 billion. Activities will support the relaunch of the agriculture, forestry, and extractive industries sectors. The transition from subsistence farming to a more productive food-related production system will be encouraged, as well as the diversification of commercial agricultural production. This will be achieved by improving access to inputs, services, and information. Agro-ecological potentials will be mapped out, and associated market studies will identify the cash crops and value chains holding the greatest potential for job creation and increased revenue. Bottlenecks to commercial farming and agribusiness will be progressively tackled, and research entities will be rehabilitated and their activities resumed. The government will also aim to increase added value and job creation in the forestry sector, while taking into account the need to sustainably exploit resources. Measures will be adopted to improve the investment climate for the extractive industries sector and to incentivize investments. This will help increase revenues by reducing informal activities and improving sector management. To further unlock the country's economic potential, the government will undertake investments in key transport, electricity, and communication infrastructure. Business creation will be facilitated, the cost of doing business will be reduced, the public-private dialogue will be strengthened, and legal security will be improved. Technical and vocational training will be enhanced and

entrepreneurship supported to ensure a smooth transition to the labor market, in order to maximize the use of available human capital to underpin private sector growth.

Addressing the priorities identified will require strong commitment and leadership by the CAR government, as well as effective support from the international community and civil society. To this end, a new partnership will be needed, based on a limited set of agreedupon milestones and commitments that can help focus attention on the critical priorities for the CAR's successful recovery during RCPCA implementation. Many of the reform areas for which commitments could be drawn are already identified and prioritized in the RCPCA. These include, from Pillar 1, critical reforms to develop and implement strategies for DDRR and security system reform and to promote political inclusion, broader reconciliation, and respect for rule of law; from Pillar 2, reforms to help the state return and establish a legitimate presence across the country, improve the macroeconomic framework, and build core government functions and fiduciary capacities and anti-corruption measures; and, from Pillar 3, measures to facilitate rapid improvement of the business environment and to improve natural resource management, including of minerals and timber.

To discuss these priorities, including their political and security aspects, the government has undertaken, in partnership with the international community, to establish a CAR Mutual Commitment Framework (Cadre d'Engagement Mutuel—CEM-RCA).2 It will include the commitments of international partners in accordance with the principles of aid effectiveness as set out in the New Deal and so will ensure their cohesion.3 It will also strengthen the dialogue on transparency and accountability.

Given the low levels of domestic resource mobilization in spite of efforts made to increase domestic resources, international financial support will be absolutely critical for RCPCA implementation. Needs totaling \$3.161 billion have been identified, of which \$1.684 billion will be required for the first three years. The international community should make a concerted effort to provide predictable and coherent aid over the coming years to avoid the experiences of other post-conflict countries, which have seen a massive hike in aid flows followed by a rapid decrease a few years later. To this end, the appropriate combination of financing modalities and instruments need to be adopted in order to deliver rapidly on specific priorities. At the same time, strengthening absorptive and implementation capacities will be essential. Given the limited donor presence on the ground, and the significant risks related to the context and limited capacity for implementation, creation of a common financing platform that can allow grant financing to be closely aligned to the needs identified in the RCPCA should be explored. Grant financing would be pooled in a number of existing or planned multipartner trust funds. This pooling will enable prioritization of the objectives associated with the recovery and peacebuilding process, support more coherent efforts to build capacities and institutions, and allow technical and financial partners to cofinance scale-up of investment projects.

The RCPCA proposes the establishment of an operational structure for coordination, monitoring, and implementation. This structure will ensure the implementation of the RCPCA, and allow alignment of funding with key priorities, mobilization of resources to respond to

<sup>&</sup>lt;sup>2</sup> In compliance with United Nations Security Council Resolution S/RES/2301 (2016) of July 26, 2016.

<sup>&</sup>lt;sup>3</sup>The New Deal for Engagement in Fragile States is a key agreement between fragile and conflict-affected states, international development partners, and civil society to improve current development policy and practices in fragile states.

critical gaps, and clarity on the appropriateness of different instruments. It will also guide the elaboration and implementation of a communications strategy. The imperative for quick results will have to be balanced with the long-term objective of building institutional capacity. An accompanying monitoring framework is also proposed. This framework will include a combination of data and perception indicators and provide a snapshot of progress and obstacles to inform decision making and communicate results to the population.



## Background and rationale



he Central African Republic (CAR) is emerging from the most violent conflict in its history, following the turmoil and chaos that superseded the government overthrow in March 2013. In 2015, authorities

successfully launched a nationwide reconciliation process, in an attempt to address long-standing grievances and drivers of fragility. Several months of broad consultations culminated in the May 2015 Bangui National Forum, which defined the country's peacebuilding priorities and paved the way for elections. The runoff vote in February 2016 resulted in the victory of President Faustin Archange Touadéra, in what were described as peaceful and credible elections. His inauguration on March 30, 2016, and the convening of legislative elections, formally mark the end of a three-year political transition. Also, with the support of the international community, stability is gradually being restored. In particular, the Sangaris force and the 12,000-strong United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) have quelled open clashes between armed groups and facilitated the implementation of stabilization activities, which have proved essential for the new government. The current state of relative stability and the progressive restoration of democratic institutions have created high hopes that the country will at long last break free from the cycle of fragility and crisis it has experienced since independence.

Yet the challenges are significant and urgent as the CAR now tackles the results of almost two years of ongoing armed confrontation and decades of poor governance and underdevelopment. The state has lost control of large parts of the territory, and armed groups have splintered into a multitude of uncontrolled rebel factions, which are increasingly engaging in criminal activities. Community clashes have abated—especially in areas where minorities have left, becoming refugees or internally displaced people—and most citizens generally aspire to peace and stability. However, sectarian tensions are still rife, perpetuated by ill-intentioned minorities. Deep societal fractures could easily undermine recovery efforts, as has been the case in the past. In addition, the widespread possession, circulation, and trafficking of arms, due to recurrent conflicts and tensions as well as the wider regional instability, represents an important challenge to sustainable peace and recovery. Poverty is rampant: the majority of the population lacks access to basic services, 2 million people are at risk of food insecurity,2 and 852,750 people—almost one-fifth of the population—remain displaced.3 Women are more severely affected by conflict, poverty, human rights abuses, and the lack of economic opportunities. In rural areas, poverty rates for women can reach 81 percent compared to 69 percent for men. As a result of the near-collapse of the state during the crisis, the capacity to respond to these many concomitant challenges has been considerably reduced.

Significant support from donors and partners will be required as the government moves to restore peace and security and create the foundations for recovery and economic development. The country's needs are extensive in every sector and significantly higher than the level of available resources. Against this backdrop, the government requested

<sup>&</sup>lt;sup>1</sup>The United Nations Security Council authorized the deployment of the African-led International Support Mission to the Central African Republic (MISCA) and the French Sangaris force (Resolution 2127, adopted December 5, 2013). As of September 2014, MISCA was replaced by MINUSCA. In February 2014, the European Union launched a military operation (EUFOR RCA, in accordance with Resolution 2134), followed by an advisory mission (EUMAM), and a current military training mission (EUTM).

<sup>&</sup>lt;sup>2</sup> Integrated Food Security Phase Classification (IPC), March 2016.

<sup>&</sup>lt;sup>3</sup> As of September 2016.

support from the European Union (EU), the United Nations (UN), and the World Bank to prepare a Recovery and Peacebuilding Assessment (RPBA), which could forge consensus on needs and priorities for the 2017–21 period. The assessment, which is based on a commitment by the three aforementioned organizations to align their partnership and approach in the area of post-conflict recovery in support of national efforts, 4 had three objectives:

- Support the CAR government in assessing recovery and peacebuilding needs and priorities and associated financial needs
- Identify specific operational, institutional, and financial arrangements to facilitate implementation of identified priorities, given capacity and security constraints
- Create a platform to monitor implementation progress, notably on major reform commitments, and ensure consistency and coordination of international support across development, humanitarian, political, and security objectives

The assessment has been devised through four overlapping processes: (1) a desk study synthesizing existing information, including needs and challenges in all sectors and geographic areas; (2) the elaboration of needs, priorities, and costs across 3 priority pillars, 11 objectives, and 6 cross-cutting themes (discussed in the technical report); (3) the organization of a process of consultations and validation of identified needs and priorities with a view to generating a national consensus around their prioritization; and (4) the formulation of a coordination and financing strategy for the implementation phase, including associated monitoring arrangements for implementation of identified priorities. The broad timeline for these steps is shown in figure 1.1.

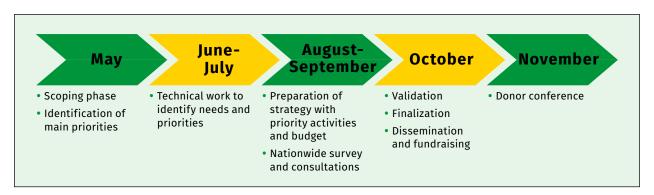
The resulting report, which is presented in this document, was approved by the government in October 2016 as the National Recovery and Peacebuilding Plan (RCPCA). It covers a period of five years, for which a comprehensive set of strategic objectives, results, activities, and costs is identified for the first three years; with a broader outline of needs and priorities included for the subsequent two years.

Considerable efforts have particularly focused on engaging all stakeholders in the process of needs identification and prioritization. In total, 14,000 people have been involved in developing the RCPCA or in consultations—including bilateral meetings and thematic and sectoral workshops with government-representing civil society and the private sector, technical and financial partners, and experts. Consultations were organized in all 16 prefectures, and a municipal and household survey was conducted in all communes and arrondissements, reaching 1,790 households. The RCPCA was presented to the Council of Ministers on September 9, and to the National Assembly on September 16 and October 26. It was approved by the government and adopted as the National Recovery and Peacebuilding Plan in October 2016.

Chapter 2 provides an overview of the current context; the impact of the recent crisis; the underlying drivers of fragility, conflict, and violence in the CAR; and the crisis response to date. Chapter 3 describes the framework used to assess and identify priorities. Chapter 4 outlines the needs and priorities the RCPCA aims to address; while chapter 5 describes the

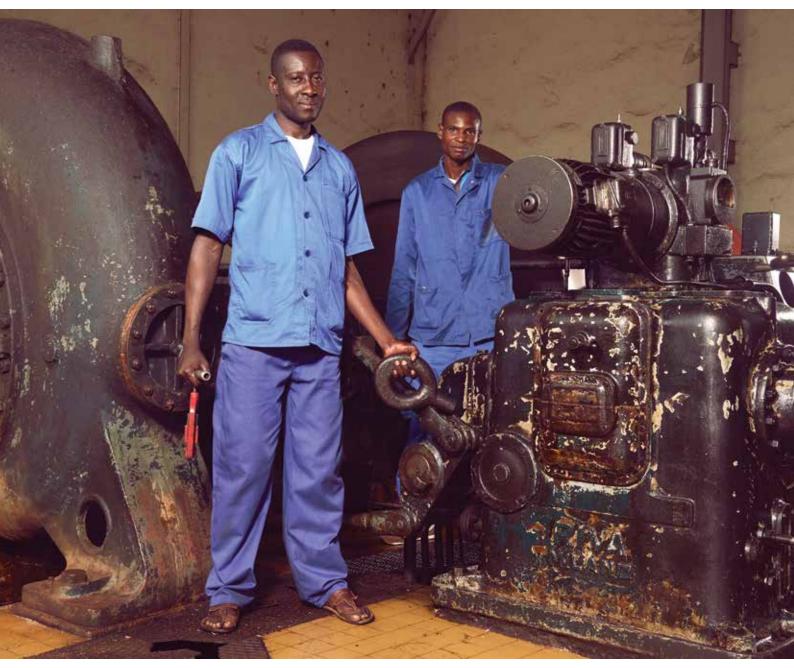
<sup>&</sup>lt;sup>4</sup>This commitment was formalized in a declaration signed in 2008 on the joint conduct of post-conflict needs assessments, which were later renamed recovery and peacebuilding assessments.

FIGURE 1.1: TIMELINE FOR PREPARING THE RPBA (2016)



proposed coordination, financing and monitoring arrangements. Chapter 6 concludes with some suggestions for a longer-term strategy. A **technical report** complements this synthesis report. Published separately, it consists of a thematic note for each pillar, transitional results frameworks, detailed costing, and accounts of consultations in the prefectures.

# Context analysis



## CURRENT CONTEXT AND IMPACT OF THE CONFLICT

The election of President Faustin Archange Touadéra and of the National Assembly reinstituted constitutional order in the CAR, despite the extremely fragile situation. Chronic insecurity continues to prevent full redeployment of administrative staff and state agents, and perpetuates an ongoing security, humanitarian, social, and economic crisis. It is estimated that 6,300 people, including many civilians, have been killed since the beginning of the crisis in December 2012,1 when the Séléka armed group descended on Bangui from the CAR's northern border with Chad.<sup>2</sup> Entire villages and towns, including neighborhoods in Bangui, were destroyed and burned down over the course of the following year, and civilians were deliberately targeted and killed.3 Although the eruption of violence did not initially stem from religious motives, leaders and armed groups exploited religious divides to magnify grievances and foster instability. Disenfranchised young men and children were recruited into the armed militias. Confrontation intensified with the formation of the "anti-balaka" in December 2013 and its ensuing retaliation against the Séléka and other minority communities. The conflict has exacerbated cultural differences and fragmented communities due to long-lasting unresolved local conflicts and grievances, and the development of a culture of violence. Meanwhile, rising crime rates and the proliferation of small arms have exacerbated the threats of insecurity and violence.

The Séléka insurrection took place in a climate with an already weak state presence and a lack of capacity to reinforce security and the rule of law. As the insurrection continued, political leaders and communities took justice into their own hands, spurring people to form or join armed groups and seek revenge. Looting, pillaging, and serious human rights abuses-including rape, torture, and summary executions-were committed in broad daylight, and have been exempt from any form of judicial punishment. These events shattered the already weak trust in the capacity of the judiciary, considered inefficient and politicized, to settle individual or collective disputes. Injustices further eroded the legitimacy of the state. Armed groups filled the void left by the state's absence outside of Bangui, and consolidated their presence by engaging in criminal activities: smuggling diamonds; selling illicit mining authorizations; and levying parallel taxes on mineral exploitation, herders, and poachers, including at border controls and makeshift checkpoints. Some turned into militias paid by local communities or companies to provide protection, effectively replacing the government security apparatus. During the crisis—and even to this date, in some locations—armed groups exercised judicial power, demanding payment for their services as prosecutors and local judges, further weakening the legitimacy of these institutions.

The events related to the conflict caused a severe and unprecedented humanitarian, human rights, and protection crisis: half the population—or 2.3 million people—is in need of humanitarian assistance. 4 The state has been unable to protect civilians from systematic targeting or prevent human rights violations and abuses. Abuses were committed by

<sup>&</sup>lt;sup>1</sup>Global Conflict Tracker.

<sup>&</sup>lt;sup>2</sup> https://www.hrw.org/news/2013/05/10/central-african-republic-rampant-abuses-after-coup.

³ https://www.hrw.org/news/2013/06/27/central-african-republic-seleka-forces-kill-scores-burn-villages.

<sup>&</sup>lt;sup>4</sup>UN Office for the Coordination of Humanitarian Affairs, August 2016.

all parties to the conflict, including "extrajudicial killings, enforced disappearances, arbitrary arrests and detention, torture, sexual violence against women and children, rape, recruitment and use of children and attacks against civilians."5 It is estimated that between 6,000 and 10,000 children, including girls, were forcefully recruited by armed groups. The state was unable to provide an adequate response to victims of abuse, in particular, medical and psychological care for women and girls subjected to sexual violence.

#### The conflict further eroded the state's capacity to reach and care for the popula-

tion. Since 2013, an estimated one-third of the population has been displaced. In September 2016, 467,000 Central Africans were still registered abroad with the United Nations High Commissioner for Refugees (UNHCR), and 385,750 were internally displaced persons. Of the latter group, 258,513 were living in camps across 92 sites,7 while the remainder were housed in communities or had fled to hard-to-reach areas.8 More than half of the refugees have fled to Cameroon, a quarter to the Democratic Republic of Congo, and the remainder to Chad and the Republic of Congo.9 The crisis saw the emergence of enclaves, from which trapped populations have been unable to escape for fear of their security. These communities rely on the protection of peacekeeping forces for security, and remain in confined camps within which they lack access to basic services.

The recent crisis has profoundly altered the social cohesion within and between communities. "Entrepreneurs of violence" have manipulated long-standing unresolved conflicts and differences, thereby aggravating social disorganization in the absence of commonly accepted social norms and credible, impartial, and equitable conflict resolution mechanisms. The system of traditional chiefdoms has been denatured over time, depriving communities of this first level of administration for amicably settling disputes and grievances within or between communities. Further, the victims of the recent crisis join a long list of victims of previous crises, and the status of "victim" is not recognized by the state. Individual, community, and collective trauma are now deeply rooted, and sexual and gender-based violence is widespread.

The crisis further damaged the state's already weak capacity to respond to the population's urgent needs. It is estimated that only 5 percent of civil servants remained in their posting outside of Bangui during the crisis, as a result of insecurity and the breakdown of the civil service payroll system. The conflict greatly magnified the education sector's challenges, as unpaid teachers left their posts, school facilities were looted or destroyed, and thousands of children lost several years of schooling. Teacher recruitment and training were disrupted, further constraining the deployment of qualified teachers. The formal school system effectively ceased to function for two full academic years, with some schools slowly beginning to resume normal operations in early 2015.10 The surge of violence in Bangui in September 2015

<sup>&</sup>lt;sup>5</sup> UN Security Council Resolution 2121, October 10, 2013.

<sup>&</sup>lt;sup>6</sup> United Nations Children's Fund (UNICEF) estimates, 2014.

<sup>&</sup>lt;sup>7</sup>UN Office for the Coordination of Humanitarian Affairs, September 2016.

<sup>&</sup>lt;sup>9</sup> United Nations High Commissioner for Refugees (UNHCR), March 2016.

<sup>&</sup>lt;sup>10</sup> In April 2015, 83 percent of schools were operational, but with major regional disparities: 25 percent in Nana-Gribizi, 50 percent in Ouaka, and 63 percent in Sangha-Mbaéré (Humanitarian Needs Overview, post-con2016).

led to new disruptions. The crisis increased gender inequality with regard to access to education and to the vulnerability of girls to exploitation and abuse.

The crisis also considerably weakened the CAR's health care system. Approximately 28 percent of health facilities have been partially or completely destroyed, or were not functional due to insecurity or lack of medication and equipment.<sup>11</sup> During the crisis, humanitarian actors provided 75 percent of health services.<sup>12</sup> A deficit of around 2,000 qualified personnel is estimated in total, with shortages particularly experienced in provincial health facilities, where there are few doctors, midwives, qualified nurses, or even nursing assistants.<sup>13</sup> Access to medication and vaccines has been severely hampered, with major deleterious consequences on the population's well-being. The Pharmaceutical Distribution Agency (l'Unité de Cession du Médicament-UCM) is bankrupt as a result of mismanagement, leading to a proliferation of counterfeit drugs and parallel sales by health workers.14 It is estimated that close to 5 percent of the population is HIV-positive (2010), and the crisis may have led to an increase in prevalence.15

Food insecurity is estimated to affect approximately 2 million people throughout the country. Some 37,200 children under the age of five suffer from severe, acute, or moderate malnutrition.<sup>16</sup> Physical or financial access to staple foods has been hindered as a result of displacement, insecurity, and severe disruptions to the agricultural sector. Food reserves in rural areas were 40-50 percent lower than the pre-crisis average. Reduced agricultural production also resulted in a sharp increase in food prices. In parallel, purchasing power was reduced by a third compared with 2012, further entrenching vulnerability.<sup>17</sup> Women, displaced populations, minorities trapped in enclaves, returned populations, and refugees are the most severely affected by food insecurity. Traditional systems of social support have collapsed, and displacements have shattered community support networks and eroded social cohesion. Protection for poor and vulnerable groups is almost nonexistent, other than via donor-funded programs.<sup>18</sup> Existing social protection schemes are predominantly contributory and focus on public sector workers.

The crisis resulted in a collapse of the CAR's economy, which had experienced a low yet stable economic growth between 2004 and 2012, as a result of steady macroeconomic management and structural reforms. The country reached the Heavily Indebted Poor Countries (HIPC) Initiative completion point for debt relief in 2009, and the stock of debt fell from 80 to 35 percent of gross domestic product (GDP) between 2008 and 2012. These achievements were reversed as a result of the crisis, as GDP contracted by 37 percent in 2013

<sup>&</sup>quot;Damage to facilities varied widely by region, ranging from 6.8 percent in the greater Bangui area to 46.1 percent in the country's far northwest in 2014 (Humanitarian Needs Overview, 2016).

<sup>&</sup>lt;sup>12</sup> UN Office for the Coordination of Humanitarian Affairs status report, October 2016.

<sup>&</sup>lt;sup>13</sup> General Policy Statement of the Government, June 7, 2016.

<sup>14</sup> Ibid.

<sup>15</sup> Ihid

<sup>&</sup>lt;sup>16</sup> Humanitarian Needs Overview, December 2015.

<sup>&</sup>lt;sup>17</sup> Crop and food security assessment mission to Central African Republic (Food and Agriculture Organization of the UN/World Food Programme, March 2016).

<sup>&</sup>lt;sup>18</sup> At least 113 programs with a social protection component were implemented during 2009–15.

alone. In 2014, the gross national income (GNI) per capita of \$600 (purchasing power parity-PPP) was the lowest in the world, returning to dismal 1990 levels. The country's public finances underwent an acute crisis: domestic revenues dropped to 6 percent of GDP on average during the transition, down from 11.5 percent of GDP in 2012; and the debt stock increased to just over 50 percent of GDP in 2014, as a result of the rapid expansion in domestic arrears, from approximately \$40 million in 2013 to \$290 million in 2014.<sup>19</sup> This in turn further reduced the state's capacity to provide basic services. The payment of civil service wages and pensions was suspended for the better part of 2013.

#### With the support of technical assistance from several partners, the CAR has marginally improved macroeconomic stability and the management of its public finances.

The total debt stock was reduced slightly in 2015, to 48.5 percent of GDP. Domestic primary deficit (excluding grants) narrowed to 3 percent of GDP as a result of the boost in domestic revenues and tight control of primary spending. The government has strengthened excise and customs controls and the value-added tax (VAT) on oil products, and has closely monitored tax exemptions.

The crisis severely affected the productive sectors—agriculture, the extractive industries, and timber exports. Agriculture is the country's primary economic activity, with over 70 percent of the population engaged in subsistence farming. Extensive looting, insecurity, and displacement led to a 58 percent reduction in crop production in 2014 compared with the pre-crisis average. The exile of traders, merchants, and wholesalers reduced the supply of commodities and inputs to income-generating activities, causing a general increase in prices. In 2014, 96 percent of farmers reported that they lacked access to seeds. The cattle population fell from 5.2 million to about 4 million during the same period, as a result of the forced exile of herders to neighboring countries. Foreign direct investments fell drastically, from \$71 million in 2012 to \$1.8 million in 2013, as insecurity and instability affected the general investment climate<sup>20</sup> and the private sector suffered great losses, prompting a 30 percent reduction in activities on average, increasing to 40 percent in the eastern region of the country.

Insecurity also affected the extractive industries. As a result of armed factions and rebel groups taking control of most diamond mining sites, the Central African government was no longer able to certify to the "conflict-free" nature of exported diamonds. This led to the country's temporary suspension from the Kimberly Process Certification Scheme (KPCS) in 2013. Legal exports, as recorded by the KPCS, plummeted. The suspension affected the livelihoods of a significant number of people in the country, and led to intensified illicit trading—which helped to further sustain armed groups. Timber exports, which represented approximately half the country's exports and 10 percent of public revenues prior to the crisis, also fell sharply during the conflict (close to a 30 percent reduction between 2012 and 2015<sup>21</sup>). This drop was due to the destruction of production facilities, deteriorating infrastructure, and insecurity on the main road from Bangui to the port of Douala in Cameroon, through which most external trade transits. The situation affected the 4,000 direct jobs and 6,000 indirect jobs provided by the sector.

<sup>&</sup>lt;sup>19</sup> International Monetary Fund (IMF) estimates.

<sup>&</sup>lt;sup>20</sup> World Bank data.

<sup>&</sup>lt;sup>21</sup> Forestry Sector Statistics Directory.

#### UNDERLYING DRIVERS OF FRAGILITY, CONFLICT, AND VIOLENCE

The state of conflict and violence in the 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:22

- 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-oflaw 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. The 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 capacities 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 nonpoliticized judicial system and functioning army, people have been subjected to a parallel justice system and protection from nonstate armed groups.
- Imbalances between Bangui and the rest of the country, notably the northeast, have fueled a sense of marginalization and exclusion. Policy decisions are centralized and focused on Bangui, while the government has traditionally abandoned large parts of the 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.

<sup>&</sup>lt;sup>22</sup>These drivers are extracted from the fragility assessment carried out in 2016 as a collaborative effort of the World Bank Group, the UN, the U.K. Department for International Development (DFID), and the Agence Française de Développement (AFD), in consultation with CAR authorities.

- 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 fueled 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 the 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 the 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. It 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.

#### RESILIENCE FACTORS

Despite its unstable political and security context, the CAR is endowed with significant assets, which constitute important resilience factors. In particular, the country's considerable natural resources (gold, diamonds, uranium, wood, 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 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, the 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. Finally, 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. 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.

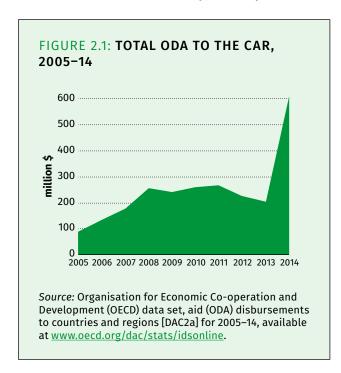
#### **DEFINING RISKS AND SCENARIOS**

Several inherent risks exist to sustained recovery and peace in the CAR. These risks center on the ability and commitment of the government and other stakeholders to respond to the need for better governance, and on the challenges of establishing systems of governance that can deliver peace and security, economic growth, and equitable social services. In the midst of a humanitarian crisis, gender concerns are not at the top of the pyramid of needs. However, post-crisis responses offer opportunities to "build back better" and to incorporate a meaningful gender perspective throughout all phases of recovery to ensure sustainability. A risk during the response is that insufficient focus is placed on strengthening national and subnational capacities for the inclusive delivery of public services. The international community's ability to provide long-term support to the CAR government in responding to these challenges compounds these risks.

The RCPCA takes into account a number of scenarios based on these risks. The scenario judged most likely, and that has been used to underpin the subsequent analysis and recommendations, is that while governance improves, a number of groups will remain hostile to the government and to the rule of law. In this first scenario, security could deteriorate (1) as a response to policies aimed at fighting corruption and promoting natural resource transparency; (2) because disarmament, demobilization, reintegration, and repatriation (DDRR) programs are rejected by former combatants; (3) or because the return of displaced populations gives rise to difficulties of a judicial and security nature. The contrasting scenario, where increased security is met with a deterioration in governance, is deemed less likely.

#### GOVERNMENT AND INTERNATIONAL **RESPONSES TO DATE**

The CAR continues to be highly dependent on support from the international community, which provides the majority of essential services to the population



alongside the government. Originally considered an aid orphan, total official development assistance (ODA) to the CAR hovered around \$250 million per year in the period leading up to the crisis (figure 2.1). However, international financing surged following the inception of the crisis, reaching approximately \$1.5 billion annually in 2014 (roughly equivalent to the CAR's entire pre-crisis GDP). The majority of these funds was associated with peacekeeping operations, including MINUSCA,23 the French Sangaris force, as well as missions and military operations conducted by the European Union,<sup>24</sup> estimated respectively at \$800 million, \$300 million, and \$54 million per year. ODA also tripled from \$202 million in 2013 to \$610 million in 2014, but three-quarters of these funds were devoted to humanitarian assistance. This substitution of security and service provision has removed pressure from the state to perform core functions, further entrenching the risk of creating a dependency syndrome.

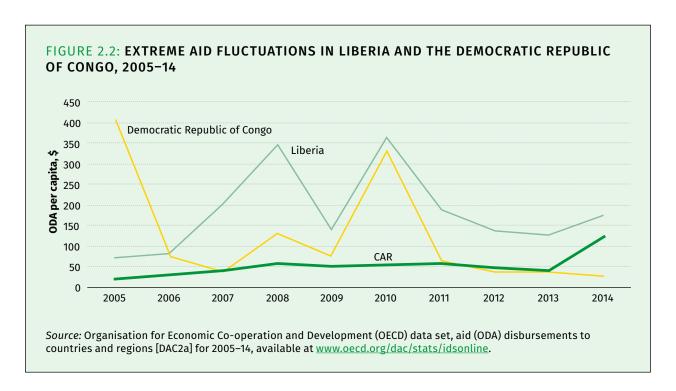
#### Donors have started to scale up their support to recovery and development activ-

ities. Sustaining such support for the next few years will be absolutely critical in preventing the CAR from sliding back into crisis; yet at the same time, the focus should be on building and using country systems to avoid reinforcing dependency on external resources. Donors, well aware of this dual challenge, have been providing budget support and technical assistance, allowing the government to close the financing gap and reestablish the basic fiduciary and financial management functions that had broken down during the crisis. International partners have also assisted the government in improving governance and the rule of law, notably through the gradual redeployment of the judiciary, reconstruction of key justice infrastructure, and supporting the preparation of reforms in the security and defense sectors. Key assistance has also been provided toward reconciliation and social cohesion, notably through support to community reinsertion, as well as localized alternative conflict resolution mechanisms. Partners have helped lay the groundwork for economic recovery, focusing on the rebuilding and/or maintenance of transport and energy infrastructure, support to key growth poles of the agricultural sector, and technical assistance in the mining and forestry sectors. However, the impact of some of the long-term development projects may be reduced, due to the fragility of the country. Huge efforts have been expended to ensure that resilience and efforts to link relief, rehabilitation, and development (LRRD) projects could be launched to

<sup>&</sup>lt;sup>23</sup> MINUSCA's July 2014–June 2015 budget was \$628.7 million, rising to \$814.1 million for July 2015–June 2016, and \$920.7 for July 2016-June 2017.

<sup>&</sup>lt;sup>24</sup> EU military operations include EUFOR (the EU Force), EUMAM (the EU Military Advisory Mission), and the EUTM (the EU Training Mission).

address urgent needs of the population while preparing longer-term programs. While these are promising developments, experiences from countries such as Liberia and the Democratic Republic of Congo have shown that such sudden surges of aid are typically followed by an equally significant decline shortly thereafter (figure 2.2). Unless steps are taken, aid flows to the CAR risk following the trajectory of the majority of low-income fragile states in Sub-Saharan Africa over the past decade (figure 2.2), hovering between \$20 and \$80 per capita annually.



The government has already taken bold steps toward showing its commitment to recovery and peacebuilding, which could be used to sustain higher levels of international support. The principles of a DDRR program were defined in the Agreement on the Principle of DDRR and Integration into Defense Forces signed between the CAR authorities and armed groups on May 10, 2015. This agreement includes specific eligibility criteria for ex-combatants. Pre-DDRR activities have begun and have successfully targeted just over 4,000 former combatants, including 658 women and 1,034 ex-Séléka combatants cantoned in Bangui.<sup>25</sup> Their objectives are to (1) provide an option to disarm voluntarily before the DDRR officially begins and to be reintegrated in their communities through community public works and social cohesion activities, (2) contribute to the stabilization of the security situation, and (3) complete the planning and design of the DDRR program. Between January and October 2015, 2,558 children (77 percent boys and 23 percent girls) were set free by armed groups, and some are benefiting from reinsertion activities. The authorities have supported reconciliation efforts, through a decree to set up a Special Criminal Court in June 2015, with the aim of investigating and ruling on cases of war crimes and crimes against humanity committed since January 1, 2003. In addition, authorities have supported greater decentralization, in an effort to overcome frustrations at the historical marginalization of certain regions of the country and to respond to the demand for local economic development. The constitution adopted in December 2015 includes provisions for municipal and regional elections in 2017.

<sup>&</sup>lt;sup>25</sup> MINUSCA, Community Violence Reduction (CVR) update, September 2016.

The government has also begun undertaking reforms to improve governance, stabilize the economy, and enhance the business climate, and is adopting strategic plans in various sectors. A high-level Private Sector Promotion Forum took place in Bangui in September 2015, and provided recommendations on how to improve public and private dialogue and implement measures aimed at kick-starting the economy. In addition, the government has been working toward improving natural resource management in the mining and forestry sectors in order to attract investment, increase formalization, and create employment. A series of strategic plans have been elaborated in preparation for the post-crisis recovery, including a national program for agricultural investment, food, and nutritional security;26 a national anti-corruption and transparency strategy; and a national education strategy for the 2015-18 period.

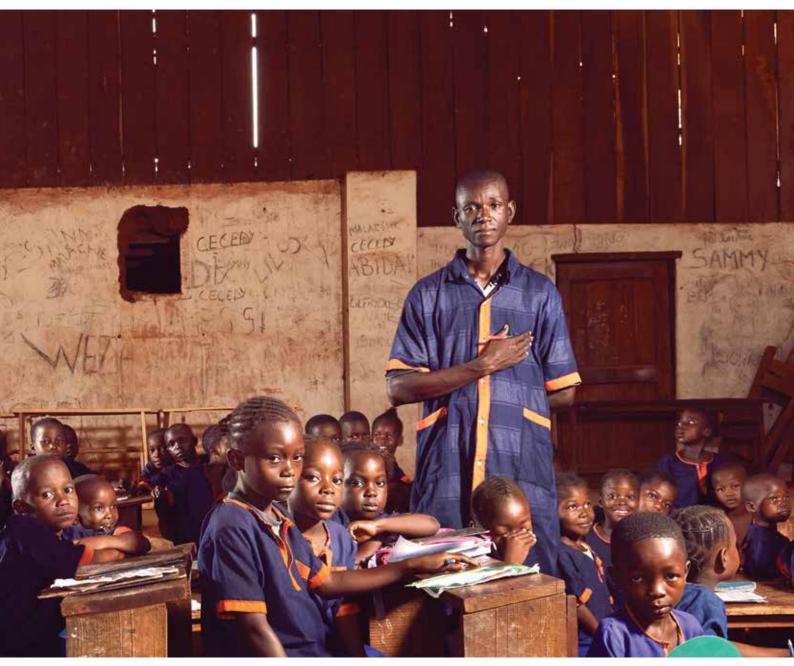
The country's needs remain enormous. There are already signs of a decrease in humanitarian assistance, and—given the significant needs in other parts of the world, especially in the Middle East—limited donor aid resources are and will continue to be in high demand. In September 2016, the CAR received \$162 million in humanitarian assistance, 27 i.e., around 30 percent of the almost \$532 million sought under the 2016 Humanitarian Response Plan (HRP). In 2014, the international community had provided 68 percent of the requested humanitarian aid, i.e., \$377.4 million. The consequences of this reduction in humanitarian aid should not be underestimated; it is likely to affect stability and security across the country.

<sup>&</sup>lt;sup>26</sup> National Program of Agricultural Investment, Food and Nutritional Security (PNIASAN), developed in 2013, and updated by the Agricultural Recovery Roadmap, which covers the period 2016–18.

<sup>&</sup>lt;sup>27</sup> UN Office for the Coordination of Humanitarian Affairs update, August 17, 2016.



# Framework for prioritizing recovery and peacebuilding



#### KEY CONSIDERATIONS AND LESSONS LEARNED UNDERPINNING THE ASSESSMENT

The RCPCA was prepared under significant time pressure, in a fast-evolving political and security environment, and with limited access to and presence outside the capital of Bangui. A number of lessons and considerations from other recovery and peacebuilding processes were instrumental in allowing its completion:

- Ensure national strategic leadership of the process from the start. The CAR government has led the RCPCA development. Assistance provided by the EU, the UN, and the World Bank was jointly defined with the CAR government and implemented and coordinated in close cooperation with relevant state agencies and institutions. The government, through dedicated sessions of the Council of Ministers chaired by the Prime Minister, supervised the preparation of the RCPCA, and consulted on a regular basis with representatives of the National Assembly, the presidency, and the international community.
- Emphasize the identification of priorities that are likely to immediately improve the living conditions of the population. Given the need to urgently accelerate recovery efforts and support peacebuilding activities in the country, the RCPCA focused on identifying the most urgent priorities to be immediately designed and implemented.
- Build on international good practice and agreements. The RCPCA adheres to international policy frameworks and principles for recovery and peacebuilding support, as enshrined in the New Deal for Engagement in Fragile States, the Sustainable Development Goals (SDGs), and the Organisation for Economic Co-operation and Development (OECD) Principles for Good International Engagement in Fragile States. Particular attention has been made to ensure that identified priorities and activities are conflict sensitive and "Do No Harm."
- Recognize the link between humanitarian action and recovery. The vast majority of social services and most measures to assist the population are currently largely delivered by humanitarian organizations. Humanitarian assistance is—and will remain for some time—an essential component in stabilizing the situation, including in areas that remain unstable from a security viewpoint or inaccessible to public services.
- Include priorities across development, policy, and security pillars. Given that peacebuilding efforts require policy, early recovery and development support, close coordination has been sought with other strategic planning processes, including the Humanitarian Response Plan.
- Develop implementation options from the start. To avoid delays in the implementation of priorities once defined, a special emphasis has been placed on reaching a good understanding of who does what now, of existing implementation actors, and of the facilities that can immediately be used to carry out specific activities. Chapter 5 outlines specific implementation and financing considerations.

• Focus on building national consensus. The RCPCA aims to promote the consolidation of peace and recovery in the CAR. As such, the process itself was developed to forge national consensus around critical priorities through a combination of interactions at the thematic level, the use of perception surveys, and broader communication and consultation efforts.

#### CRITERIA FOR PRIORITIZATION AND SEQUENCING OF NEEDS

The CAR is faced with considerable needs, which cannot all be addressed immediately and concomitantly. The RCPCA focuses squarely on needs related to recovery and peacebuilding. Prioritization and sequencing was sought along four variables: (1) time; (2) sectors, (3) geographical areas, and (4) population groups. To facilitate the prioritization exercise, the following criteria were used:1

- 1. Will the activity have an immediate and visible impact on peacebuilding and recovery and/or on reducing critical risks and fragility factors?
- 2. Will the activity directly target the poorest and most vulnerable population groups and households and/or the most disenfranchised parts of the country?
- 3. Can the activity be realistically implemented in the planned time frame within the security context, given existing implementation (national/international) and absorptive capacities and available resources?
- 4. Does the activity establish essential systems and/or the prior reforms required to rebuild state legitimacy?

Prioritization and sequencing have also been guided by a number of assumptions about the future implementation environment. First, security is a minimum requirement for the realization of the majority of recovery and peacebuilding investments. As such, measures to facilitate immediate access and security have been prioritized during the first years, both as separate initiatives and as integral to different priority areas. Similarly, progress will depend on successfully strengthening political agreement through dialogue and reconciliation efforts, and on progress with a number of key reform areas that do not necessarily require significant levels of financing but rather consistent political attention and engagement. Finally, it will take time and effort to strengthen the fiduciary and absorptive capacities required for the government to take full charge of implementation. These assumptions have enabled further prioritization of activities during the first couple of years and the sequencing of a number of activities in the latter part of the five-year period.

<sup>&</sup>lt;sup>1</sup>All four criteria do not necessarily need to be met to prioritize a given activity.

#### PRIORITIZATION FRAMEWORK

The RCPCA is articulated around three priority pillars. These aim to (1) support peace. security, and reconciliation; (2) renew the social contract between the state and the population; and (3) promote economic recovery and boost productive sectors. Each pillar has been articulated around a selected number of specific strategic objectives, broken down into priority strategic results and activities. This should allow for more streamlined coordination across different line ministries, transcending the humanitarian, political, security, and development fields. In addition, six cross-cutting objectives are addressed throughout in recognition of the tremendous structural challenges in the CAR and the need to focus on specific groups or topics across all priorities. The pillars and cross-cutting objectives are set out in table 3.1.

TABLE 3.1: RCPCA PRIORITIZATION FRAMEWORK

Priority pillar	Strategic objectives
1: Support peace, security, and reconciliation	Support reduction of violence through disarmament and reintegration of ex-combatants and children associated with armed groups
	Promote stability through the reform of the security sector
	Advance justice reform and promote an end to impunity
	Facilitate reconciliation and social cohesion and create the conditions for the return of refugees and sustainable solutions for displaced persons
2: Renew the social contract between the state and the population	Redeploy administration across the country and put in place an inclusive local governance system
	Provide basic services to the population across the country, particularly in the areas of education, health, and water, by initiating a progressive transfer of capacities and resources to national structures
	Ensure food security and resilience
	Strengthen macroeconomic stability and good governance, including public financial management and controls, revenue generation, and anti-corruption measures
3: Promote economic recovery and boost productive sectors	Boost and develop productive sectors: agriculture and livestock farming, extractive and forestry industries
	Repair and construct infrastructure: transport, electricity, and communication networks
	Establish conditions for private sector development and employment: improved business support and financial services, vocational training, entrepreneurship, and employment

Within each pillar, needs have been distinguished and prioritized across time based on the above criteria and a realistic understanding of absorptive capacity and the time needed for implementation to start. This prioritization is further described in chapter 4, as well as in the technical report. It is important to note that the order of the pillars does not in any way represent an attempt to prioritize between them. Rather, the temporal prioritization is described within each pillar and across the various subcomponents. The three

environmental sustainability and the sustainable use of natural resources

pillars should be implemented in an integrated manner, taking into account security and physical constraints in the regions.

A number of cross-cutting objectives have been identified as critical in addressing drivers of fragility, conflict, and violence across each pillar and its respective subcomponents:

- Reduce regional imbalances. Regional disparities are one of the root causes of fragility in the CAR. Poverty levels are higher in the northern and eastern regions of the country, which have historically been strongly marginalized. No equalization mechanism has been established, in particular to counterbalance the uneven distribution of natural resources. Furthermore, power and decision making are highly centralized in Bangui, further intensifying the feeling of exclusion and resentment outside the capital, in turn leading to popular support of rebel movements.
- Promote gender equality. Women are more strongly affected by poverty; human rights abuse; and the lack of political, economic, and development opportunities. Sexual and gender-based violence is widespread, and female genital mutilation affects about one-third of women.<sup>2</sup> In rural areas, poverty rates reach 81 percent for women, compared to 69 percent for men.<sup>3</sup> Gender equality is not only a fundamental human right, but also a necessary basis for peace and sustainable development. Women are already working actively to prevent conflict and foster social cohesion at the community and national levels. Ensuring equal access of women and girls to education, health care, decent work, and representation in political and economic decision-making processes across governance levels is key to sustainable recovery and peace. Ensuring economic empowerment and educational opportunities to men and women is of fundamental transformative importance. All interventions should include prevention, protection, and response measures to sexual and gender-based violence and human rights violations. Collection and analysis of sex- and age-disaggregated data will be necessary to monitor progress. Gender-based societies are more stable and more resilient to conflict;4 this must be assimilated into the CAR context, from an early age.
- Strengthen transparency and accountability at all levels. The capture of power and resources by a small elite has eroded the legitimacy of the state in the past. Adopting principles of accountability and transparency in implementing policies at all levels of government will help ensure greater citizen participation in the political process and fair access to opportunities. This in turn will contribute to reduced inequalities and the rebuilding of trust in the state, thus leading to long-term peace and stability.
- Develop national capacities. The conflict trigged a near-collapse of state institutions and the capacity to perform even core government functions. Statebuilding will require massive efforts and investments to build capacities and institutions across the administration at the central and local levels—including in terms of creating capacities and systems for the design, implementation, and monitoring of policies and projects.

<sup>&</sup>lt;sup>2</sup> UN Women, September 2016.

<sup>&</sup>lt;sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> UN Women, Preventing Conflict, Transforming Justice, Security and Peace. A Global Study on the Implementation of United Nations Security Council Resolution 1325, 2015.

A program for the gradual transfer of knowledge, skills, and resources is integrated in RCPCA activities, to strengthen the ownership and responsiveness of economic, social, and political institutions to the needs of the population. This will also contribute to building greater accountability, and will ensure greater long-term sustainability of activities through the progressive transfer of responsibility from local implementation partners to government.

- Promote youth inclusion. The CAR's population is very young (60 percent of the population is below the age of 24), and young women and men are disproportionately affected by underdevelopment and the adverse impacts of crises. Often, they are prevented from fully participating in political processes, and their access to socioeconomic opportunities is restricted. Their marginalization undermines stability and peace, as disenfranchised youth become easy targets for recruitment into militias. It is important to consider the gendered impacts of conflict on young women and men, and to address the specific and often differentiated needs, roles, and potential of young women and men in the economic recovery and the construction of a society that is more fair, equitable, and cohesive. The response to the needs and specific roles of young men and women will allow them to play their role as transformative agents for positive change.
- Ensure environmental sustainability and the sustainable use of natural resources. With a rapid scale-up of recovery and peacebuilding activities, targeted efforts are required to ensure that these do not have a negative impact on the environment and that income generation through natural resource exploitation is done in a sustainable and gender-sensitive manner, in particular with regard to extractive industries. Such principles will be essential in protecting the health of the CAR's citizens, and to ensure that overall growth is sustainable.

The cross-cutting objectives have been integrated across the three priority pillars. Specific project lines have also been included when explicitly discussing activities targeting a cross-cutting theme, such as women's participation in the reconciliation process or the establishment of institutions required to promote transparency and accountability.

# Summary of needs and priorities



#### OVERVIEW OF NEFDS AND PRIORITIES

The RCPCA has identified recovery and peacebuilding needs and priorities over the next five years amounting to \$3.136 billion (table 4.1). Of this total, \$461 million is associated with Pillar 1, and the remainder is shared almost equally between the other two pillars. An additional \$150 million has been added specifically to develop the capacity of the administration and overcome the challenges of weak implementation and absorption capacity.<sup>1</sup>

**TABLE 4.1: SUMMARY OF NEEDS** 

	Costs (million \$)				
RCPCA priority pillar	2017	2018	2019	2010-21	Total
1: Support peace, security, and reconciliation	117	130	113	100	461
2: Renew the social contract between the state and the population	200	246	284	596	1,326
3: Promote economic recovery and boost productive sectors	58	182	262	721	1,224
Capacity building and implementation support	30	30	30	60	150
Total	406	589	689	1,477	3,161

#### As outlined in chapter 3, strict prioritization and sequencing have been enforced in

the RCPCA. The analysis and recommendations below have been informed by the technical work undertaken to prepare the three thematic notes and accompanying results matrixes, which are included in the technical annex. The Council of Ministers approved the RCPCA on September 9. It was also presented to the National Assembly on September 16 and October 26. In addition, prioritization across and within the pillars has been informed by consultations organized in all 16 prefectures and the household survey that was carried out in 1,790 households covering all communes and *arrondissements*. Finally, prioritization has been informed through the application of international experiences and lessons learned in the sequencing of recovery and peacebuilding efforts in other post-conflict contexts, while taking into account the significant lead times needed to prepare and implement programs, and institutional capacities as well as low absorptive capacity.

The consultations and surveys carried out as part of the RCPCA offer particularly valuable insights into the expectations and priorities of the population, both overall and by region. Security remains the most pressing concern, despite most communes reporting recent improvements since the elections. More specifically, the results show a clear consensus on the following five key priority areas for recovery and peacebuilding (see annex 4 for more detail on survey findings):

1. Improve security through reform of the Central African Armed Forces (FACA) operating across the territory (Pillar 1)

¹The cost details can be found in annex 2. Annex 2 also provides costs in CFA francs and euros. Exchange rates used in the plan are \$1 to CFAF 590, and \$1 to €0.90. The CFAF/euro exchange rate is CFAF 655.96 to €1.

- 2. Reintegrate ex-combatants (Pillar 1)
- 3. Improve access to basic services (health, education, water; Pillar 2)
- 4. Improve roads (Pillar 3)
- 5. Strengthen agriculture (Pillar 3)

The RCPCA factors in the extremely low institutional and human capacity in the CAR to manage and implement identified strategic activities. To address this constraint, the RCPCA focuses on developing legal, institutional, systemic, training, and learning capacities. For this purpose, a flat amount of 5 percent of overall RCPCA costs—\$150 million—has been budgeted over five years to cover additional costs related to (1) organizational strengthening of the administration across the country; (2) material needs of the central administration, including building rehabilitation or construction, and equipment needs; (3) development and operationalization of fiduciary facilities and mechanisms to ensure transparent implementation of RCPCA programs; and (4) implementation of a high-level, independent scheme to monitor policies and reforms under implementation.

Organizational strengthening will be critical in ensuring that the administration can improve its operations, effectiveness, and to lead and supervise RCPCA implementation across the country. This approach should be closely coordinated with and articulated around the following principles: (1) conduct a participatory organizational diagnosis, involving the ministries at all levels, to identify key dysfunctions; (2) formulate an action plan, including specific missions and organizational support to be provided, as well as anticipated training; (3) decompartmentalize the operations of various units; (4) bring in results-based management; (5) increase management skills, including time and conflict management and accountability; (6) establish a professional culture based on accountability, a spirit of public service, and the public good, including by relying on the institutional memory of the most experienced civil servants; and (7) revise counterproductive practices in order to strengthen national capacities (recruitment of skilled national staff by technical and financial partners, per diem, payment of bonuses, etc.). Individual training programs will no longer stand alone, but rather match each ministry's organizational capacity-building plan to ensure that RCPCA implementation is tangible, transparent, and effective. Organizational strengthening should be closely coordinated with activities aimed at consolidating the public service roster and modernizing human resource management (see Pillar 2). Over time, it should also be scaled up to local authorities to support the decentralization process.

All prioritized strategic activities are costed. These activities are listed in the summary tables in annex 2, with the associated costs presented in the detail tables of the technical report. Costs come from the relevant ministries, as well as from technical and financial partners or existing documentation (sectoral strategies, program documents, etc.). To the extent possible, unit costs and numbers of beneficiaries/units were used in the cost breakdowns, so as to allow for rapid updating of costs if needed. Project costs were only integrated when they directly addressed an identified priority, and only for relevant project components. Estimates deriving from countries with similar characteristics to the CAR were used when no costs could be found for the CAR. For activities extending beyond the five-year plan—notably infrastructure projects—only the share of costs to be disbursed in the five-year period were accounted for. Lastly, costs include implementation-related expenditures, which will vary depending on the selected implementation structure and security conditions on the ground, all of which are necessarily based on assumptions at this stage.

A Humanitarian Response Plan will be implemented independently for the period 2017-19, coinciding with the first three years of the RCPCA. The HRP will concentrate on live-saving interventions, severe malnutrition, protection against violence, and provision of basic services in unstable or inaccessible areas in the absence of state capacity to do so. Indeed, the situation is not homogeneous across the country with respect to security, the physical status and functioning of infrastructure, protection conditions, and the availability of public servants and technicians.

Therefore, guiding principles have been identified in order to strengthen coordination between the humanitarian (HRP) and recovery (RCPCA) responses, to minimize potential instances of duplication of interventions and initiate the gradual transfer of responsibilities to national authorities charged with the provision of basic social services and protection:

- Humanitarian action will continue to respond to natural disasters, outbreaks of epidemics, and the humanitarian consequences of security shocks.
- Humanitarian action will remain an essential factor for stability and protection, especially in geographical areas that remain unstable or inaccessible to state public services.
- Regarding refugees and internally displaced people, the HRP will only include humanitarian assistance for voluntary returns, whereas the RCPCA will concentrate on the needed normative conditions and implementation of the national strategy for the return of refugees and sustainable solutions for internally displaced people.
- The transfer of responsibilities to national institutions will be gradual and will rely on the effective mobilization and disbursement of funds for recovery.
- The implementation of the HRP and the RCPCA will require very close and continuous coordination, and will be reviewed at least twice a year in order to (1) agree on geographical areas where recovery interventions can take over from humanitarian actions, while gradually transferring responsibility to provide basic social services and protection to national institutions; (2) identify incremental complementarities for recovery interventions to build on the achievements of humanitarian interventions; (3) clarify the respective nature of and methods used by humanitarian actors (e.g., acute and severe malnutrition) and recovery actors (e.g., structural interventions to address chronic malnutrition and ensure food security); and (4) specify respective target beneficiary groups.
- All humanitarian and recovery interventions will be implemented through "Do No Harm" principles to reinforce social cohesion and prevent new outbursts of inter- or intracommunity conflicts.
- The transitional results framework and detailed cost assessment for Pillar 2 (see annex 2 of the technical report) reflect in the most rigorous way possible RCPCA recovery interventions that will take over from humanitarian action, while benefiting from its achievements in the areas of education, health, nutrition, water and sanitation, social protection, and food security.

The remainder of this chapter summarizes the priorities identified under each of the three pillars. For more detail, see the full thematic notes and transitional results framework in the technical report.

## PRIORITY PILLAR 1: PROMOTE PEACE, SECURITY, AND RECONCILIATION

The first pillar of the RCPCA is founded on the recognition that lack of safety and security, as well as widespread and unresolved intercommunal tensions and an environment of impunity, remain the main threat to lasting socioeconomic recovery in the CAR. It is important to note that the country's current situation is not only the product of the recent politico-military crisis, but has its origins in structural fragilities, which have been fueled by deeply rooted shortcomings across all dimensions of governance and social structures. Since the mid-1990s, violence has permeated all levels of society, facilitated by growing access to arms and the state's inability to ensure territorial control. To address these challenges, the pillar proposes to establish immediate conditions for recovery and peacebuilding and to take the first steps toward more structural reforms that will require a sustained effort over the long term. To do so, it will address four interlinked strategic objectives:

- 1. Support reduction of violence through disarmament and reintegration of ex-combatants and children associated with armed groups
- 2. Promote stability through the reform of the security sector
- 3. Advance justice reform and promote an end to impunity
- 4. Facilitate reconciliation and social cohesion and create the conditions for the return of refugees and sustainable solutions for displaced persons

All sectors covered by Pillar 1-peace, security, justice, and reconciliation-are closely interrelated and have a powerful symbolic and political value. Their breakdown into strategic objectives is for practical use but should not lead to isolated sectoral approaches. For instance, DDRR implementation will need to be closely linked to the effective restoration of security throughout the territory. Similarly, the reestablishment of justice has an important impact on improving security by preventing the perpetuation of violent conflicts. The sectors covered by Pillar 1 will require an integrated approach, and donors should avoid siloed programming.

The activities and results promoted under this pillar will indirectly support economic recovery (Pillar 3) by facilitating the conditions required to reestablish markets and value chains disrupted by the conflict and widespread displacement. It will also rebuild trust and the legitimacy of the state, providing an enabling environment for a positive presence of public authorities throughout the territory and creating a virtuous circle of stability (Pillar 2). At the same time, the economic recovery pursued under Pillar 3 will create the context for a reintegration of former combatants in the communities. Following is a brief overview of the needs, priorities, and financial requirements for each objective. These are also summarized in tables A2.1 and A3.1 (in annexes 2 and 3, respectively).

#### Support reduction of violence through disarmament and reintegration of ex-combatants and children associated with armed groups

The prevailing presence of armed groups throughout the country, and their effective control over the territory and resources, preclude any hope of normalization of the situation in the CAR. These groups sustain a climate of insecurity, nurture local grievances, and prevent the reestablishment of the state and recovery of the economy, leading in turn to new cycles of repeated crisis. Dismantling armed groups, disarming their members, repatriating foreign combatants, and reintegrating those who are eligible into society are preconditions to the restoration of security. Ineffective previous efforts at implementing such measures are a reason for renewed conflict and fragility in the CAR, and implementing an effective disarmament and reintegration program is pivotal to ensuring that peace is sustained.

The immediate priority will be the adoption of the national DDRR strategy, which will build on the framework agreement signed in May 2015. It will enable the disarmament, demobilization, and reintegration of former combatants who meet the agreed-upon criteria, including respect of human rights, reduction of community violence, repatriation of an estimated 500 foreign combatants, and neutralization and/or destruction of weapons and ammunitions collected from the 14 armed groups targeted by the DDRR. In the short to medium term, community-based reintegration of 7,000 male and female former combatants will be undertaken. Children and women associated with armed groups, as well as vulnerable groups (handicapped or traumatized former combatants), will also be targeted by reinsertion and reintegration measures. Lastly, a Community Violence Reduction (CVR) Program will be implemented for the ex-combatants who are not eligible for participation in the national DDRR program.2

The total cost for this component has been estimated at \$115 million, of which \$42 million will be required immediately.

#### Promote stability through reform of the security sector

Effective reform of the security sector is essential to ensure (1) that the military, gendarmerie, and police forces are able to protect the population, quell illicit arms trafficking, and prevent renewed conflicts; and (2) democratic control over the security sector. The RCPCA community household survey confirmed the fundamental importance of a reformed security sector to the CAR's long-term peace and stability. This reform will also be critical in promoting better governance and civilian oversight of the security sector, thus addressing some of the underlying structural challenges that have fueled past conflicts.

Short-term RCPCA priorities will focus on efforts by the government to finalize and adopt the overall framework for reform of the security sector. This will include (1) adoption of the national security policy, the intermediate plan for integration of eligible former combatants into the national forces in uniform, and the national strategy for the fight against small arms and light weapons proliferation; (2) establishment of the National Superior

<sup>&</sup>lt;sup>2</sup> Mandated activity in UN Security Council resolution 2147 (2015).

Council for Security to oversee implementation of the reform process; and (3) establishment of democratic oversight of the security sector and organization of the border control system.

Following the adoption of the overall framework for reform of the security sector, reform of defense and interior security will begin to be implemented in the short to medium term. This will include the adoption of legal and regulatory frameworks for defense and interior security forces; rationalization and consolidation of defense and internal security personnel management; streamlining of staff and payrolls, including retirement or reorientation of personnel who no longer meet service requirements (including ethical and physical), thereby creating room for integration or recruitment; theoretical and operational training; and training and equipment allocation for the first defense units to be deployed in the provinces.

Reform of defense and security forces will also focus on extensive training and capacity development, including the provision of equipment and the rehabilitation of essential infrastructure. Operational and control procedures will be designed to strengthen the chain of command of the defense and security forces; this process will be carried out in parallel with improvement of the communications chain and system of each force. Human resource management will be improved and made transparent, and fair recruitment processes established to promote more equitable regional and gender staffing in the security sector. The strategy to fight against small arms and light weapons proliferation will also be implemented. Similarly, the capacity of national authorities to manage weapons and ammunition will be strengthened. Oversight mechanisms to the defense and security sectors will be supported, including through the establishment or strengthening of relevant oversight units, such as the military justice court, to fight impunity and contribute to the establishment of the rule of law.

The total cost for this component has been estimated at \$131 million, of which \$35 million will be required immediately.

#### Advance justice reform and promote an end to impunity

An effective justice system is paramount in helping address grievances caused during the crisis and to rebuild trust in the state's capacity to resolve individual and collective conflicts in an independent, impartial, and equitable manner. The lack of prosecution following abuses committed during previous crises has favored a "victor's justice," which in turn has fueled violence, abetted by a sense of impunity for any crime that will be committed. It is essential to restore the rule of law through a functioning, independent, and accessible justice system to provide an adequate conflict resolution mechanism and thus support the peacebuilding process. Early and rapid efforts will help signal a break with the past and help reduce the use of violence as a means to resolve disputes. Rebuilding an effective justice system will also help create a more attractive climate for economic and private sector development, which is critical for economic recovery.

In the short term, a Special Criminal Court will be operationalized and its members appointed and trained on international crimes. A prosecution strategy will be established following the results of the mapping of international crimes committed since 2003. The National Human Rights and Fundamental Liberties Commission will be established by law, its strategic action plan devised and approved, and its members trained. At the same time, judicial activities will be launched in geographical areas that are more stable from a security

viewpoint—specifically, the reactivation of mobile court hearings to spread the reach of the judiciary until a functioning nationwide justice system is in place. Criminal and penal proceedings will be resumed in the Bouar and Bangui Courts of Appeal. When the security situation permits, they will resume in the Bambari Court of Appeal. The law on legal and judicial assistance will be adopted, and shortcomings in the treatment of judicial files will be analyzed. Finally, the sector plan for development of an independent, impartial, and fair judiciary will be developed and approved, including (1) specific, achievable, and affordable annual targets for 2017-21; (2) measures for the demilitarization of prison administration; and (3) a national program for social and economic reintegration of prisoners.

In the short to medium term, implementation of an action plan for an independent, impartial, and equitable judiciary will be launched. Notably, this will include the revision of legislation that restricts individual freedoms, harmonization with international legal frameworks, and the provision of training to national actors on judicial procedures and human rights. Internal controls will be reinforced. Support will be provided to the functioning of the Special Criminal Court—including protection services for staff, victims, and witnesses—and to the National Human Rights and Fundamental Liberties Commission, including training. Essential judicial and penitentiary infrastructure will be rehabilitated, modernized, and equipped; and justice and penitentiary staff officials will be progressively redeployed in the field, after having received training on judicial and penitentiary procedures, gender-based violence, and human rights. Access to justice will also be improved through information campaigns and the establishment of a legal aid system.

The total cost for this component has been estimated at \$105 million, of which \$19 million will be required immediately.

#### Facilitate reconciliation and social cohesion and create the conditions for the return of refugees and sustainable solutions for displaced persons

Sustaining peace requires continued investment in the national reconciliation process and dialogue at all levels to broaden and strengthen political agreement over time. This will be particularly critical in finding lasting solutions for the many displaced, whether they decide to return or to find new livelihoods elsewhere. The National Bangui Forum and preceding local consultations need to be anchored across the country through continued dialogue with political leaders, regional and local elites, and communities. This has been defined as one of the country's key priorities, as a basis to a lasting peace process. This process facilitates involvement of traditional and religious leaders, local civil society organizations, and business and labor cooperatives, all of which are essential in community mediation and reconciliation. These actors will help strengthen social cohesion and play critical roles in preventing new violence and tension from arising as displaced people return to their place of origin.

In the short term, an inclusive National Network of Local Peace and Reconciliation Committees (NNLPRC) will be established and based in Bangui, to promote the reinstatement of local chiefdom responsibility for social cohesion and reconciliation. This platform will unite many initiatives that are either spontaneously organized locally or supported by the international community to discuss reconciliation in a structured national

comprehensive framework as well as at the (decentralized) regional and local levels. A Truth, Justice, Reparation, and Reconciliation Commission will be created and operationalized, first in Bangui and then in the regions, to put in place systems to make reparations for damages and losses. A national communications strategy for peace, reconciliation, and social cohesion will be designed that will build upon the findings of the RCPCA household survey. Regarding the return of refugees, a tripartite agreement will be concluded with neighboring countries. Regarding internally displaced people, the Kampala Convention will be domesticated by law. Further, a national strategy for the reintegration of refugees and sustainable solutions for internally displaced people will be designed and adopted.

In the short to medium term, the functioning of the NNLPRC and the TJRRC will be supported, including gradual establishment of their divisions/bodies/services at the local or regional level. An exit strategy will be devised and approved for the state to take over the funding of the NNLPRC, and a fund for the compensation of victims will be created and operationalized. The national communication and peace awareness-raising strategy will continue to be implemented. The national strategy for the voluntary return, relocation, or reinstallation of refugees and internally displaced persons will also gradually be implemented as conditions for return improve. Investments will focus on the reconstruction and rehabilitation of necessary infrastructure for the return of displaced populations, including housing, in close coordination with the Humanitarian Response Plan under development.

The total cost for this component has been estimated at \$109 million, of which \$21 million will be required immediately.

#### Considerations for the implementation phase

Pillar 1 has an estimated cost envelope of \$461 million, spread across the four strategic objectives. The majority of the activities outlined above will require concerted and immediate effort by both the government and international partners. The focus in the short term is largely on establishing the necessary conditions and policy frameworks required to consolidate peace, security, and national reconciliation. These activities might not be very costly in terms of financing, but will depend on focused high-level political attention and long-term investment.

#### The proposed activities will be financed to a large extent by international actors.

A critical complication stems from the fact that funding will come from political- and security-focused funding instruments rather than from development instruments. This puts particular emphasis on effective coordination from the outset, as explained in chapter 5. Such coordination is already apparent in the preparation of the DDRR program and preparations to support returning refugees and internally displaced persons.

## PRIORITY PILLAR 2: RENEW THE SOCIAL CONTRACT BETWEEN THE STATE AND THE **POPULATION**

The second pillar of the RCPCA aims to restore and improve infrastructure and the capacity needed to deliver quality social and administrative services across the country. It will begin to turn around decades of underinvestment in basic administrative and service delivery capacity and to establish and reinforce the capacities of the central government to carry out basic functions associated with financial management and control. The priorities covered will strengthen the state's capacity and legitimacy and reinforce the social contract after years of state absence from many parts of the country. To achieve this, the pillar proposes a focus on four objectives:

- 1. Redeploy the administration across the country and put in place an inclusive local governance system
- 2. Provide basic services to the population across the country, particularly in the areas of education, health, and water, by initiating a progressive transfer of capacities and resources to national structures
- 3. Ensure food security and resilience
- 4. Strengthen macroeconomic stability and good governance, including public financial management and controls, revenue generation, and anti-corruption measures

The activities and results promoted under this pillar will directly support poverty reduction and economic recovery. They will improve regulatory and expenditure controls, strengthen transparency and accountability, and scale up services for the population at large, with a focus on the most vulnerable. This will contribute to building trust in the state and, through this, forging a renewed social contract that can sustain peace and underpin future development efforts. Following is a brief overview of the needs, priorities, and financial requirements for each objective. These are also summarized in tables A2.1 and A3.2 (in annexes 2 and 3, respectively).

#### Redeploy administration across the country and put in place an inclusive local governance system

The erosion of the state is one of the major factors of fragility in the CAR. Ensuring a functional and responsive state presence throughout the country, including by enhancing women's participation and engagement in elected or decision-making positions, will signal positive political change. It will also reinstate communication between the local and central levels of administration, leading to the formulation of equitable and effective development policies that take into account regional disparities. Building inclusive political processes at the local level will not only help ensure that public policies are adapted to local needs and improve accountability, but also reduce the use of violent protest methods through inclusive and participatory policy making. This in turn will support lasting peace. A decentralization policy—including local elections for the establishment of local authorities—will be implemented,

as well as a local reconciliation and community social cohesion policy. This will involve implementation of local recovery and peacebuilding plans, and capacity building aimed at local communities.

In the short term, the establishment and strengthening of the institutions foreseen in the constitution will be supported. Existing institutions will be strengthened, including the National Assembly, as will political governance, national planning and oversight processes, and legislative processes. This includes the need for an effective national civil service registry for the public sector and a national census of the population. Moreover, a conducive environment to the redeployment of civil servants and government employees will be established. This will include rehabilitating infrastructure, providing basic equipment, and introducing a temporary regional salary payment system through mobile banking until bank branches reopen. Progressive redeployment will take place in parallel. An appropriate communications strategy will be implemented to help rebuild the social contract and the credibility of the state. A decentralization strategy will be updated, including the associated legal framework and national coordination mechanism. A needs assessment for the preparation and organization of inclusive local elections will be carried out, taking into account the refugee and internally displaced persons database.

In the medium term, public sector redeployment and infrastructure rehabilitation will continue. Quality control mechanisms will be introduced to monitor government effectiveness and efficiency at the local level, and to ensure the provision of quality services to the population. Capacity-building efforts will be carried out for civil servants of the territorial administration.

The total cost for this component has been estimated at \$88 million, of which \$28 million will be required immediately.

#### Provide basic services to the population across the country

The provision of basic services is a priority for the country's medium- to long-term development. Improvements in access to education, health, nutrition, water, and sanitation, as well as social protection, will have a positive impact on stability by offering opportunities to disenfranchised youth and improving living standards; and will introduce the foundations for economic recovery by helping build a healthy and skilled labor force and putting in place the elements of a national social safety net.

A critical priority across the various service sectors in the immediate term will be to revive and revise the national policy and institutional frameworks. This will include the Education 2019–28 Sectoral Plan, the National Nutritional Policy, the National Health Policy, and the Public Health Code. Supporting legislation will be required, such as national legislation on the commercialization of breast milk substitutes. Activities will also build the capacity of various institutions to plan, manage, and respond to crisis situations and monitor implementation; and the operational and commercial performance of state-owned utilities such as the national water company (Société de Distribution d'Eau de Centrafrique—SODECA). In particular, information and management systems will be improved. Coordination between actors in each sector will be strengthened through the establishment of the RCPCA coordination and monitoring platform (see chapter 5).

#### Improving access to and the quality of basic services will also begin immediately.

This will include, among other actions, the construction and rehabilitation of administrative offices, health care services, water and sanitation infrastructure, and schools and training centers. Programs will be introduced to remove barriers to access for the most vulnerable (including gender0sensitive programs), notably through implementation of a nationwide school canteen strategy, the provision of school supplies, and free health care services. Crucial teacher and health care worker training and recruitment programs will be launched, including basic teacher training tools. Nonformal education will also be progressively introduced, targeting children and youth who have been excluded from society or mobilized by armed groups. The availability of essential drugs, equipment, and supplies will be expanded. A performance-based financing system, compatible with the current national health policy, will progressively be introduced to improve the health sector's efficiency and sustainability. Capacity reinforcement of locally based health care teams (équipes cadres de santé) will be expanded, especially outside Bangui. In addition, a nutritional supplement and food fortification campaign will be launched. A communication and social mobilization strategy will be implemented in support of water supply and sanitation. Improvement of basic services will have a major impact on recovery and peacebuilding in the CAR, as well as help strengthen citizen trust in the state.

Over the course of the next five years, the objective is to train and recruit 560 health care workers, train 700 staff members on the topic of reproductive health and child nutrition, and equip 700 maternal health care services. In total, 218 schools will be built nationwide, 1,000 teachers recruited, 1,200 school canteens introduced, and 150,000 children will receive school kits. With regard to water and sanitation, the rehabilitation and construction of 2,000 boreholes will provide access to safe drinking water to over 1 million rural people. Moreover, the social protection framework needs to be widened to strengthen safety nets and thus enhance resiliency.

The total cost for this component has been estimated at \$654 million, with the following split between the four sector objectives: \$188 million for education, \$304 million for health and nutrition, \$147 million for water and sanitation, and \$15 million for social protection. An estimated \$65 million will be immediately required for activities during the first year.

#### **Ensure food security and resilience**

About 2 million people in the CAR depend on food aid for survival. Food insecurity is a factor that can drive conflict and violence, which in turn can lead to a loss of assets, increases in food prices, and reduced income—further reducing physical and financial access to staple foods. Supporting food security and resilience is essential to breaking this cycle of vulnerability and dependence on humanitarian aid. It will help promote greater stability throughout the country, reduce conflicts over the use of natural resources including agricultural land, thus supporting peacebuilding efforts. It is also an essential foundation to recovery, ensuring that the population is sufficiently resilient to invest over the long term in its future.

This component will aim to progressively restore agricultural productive capacities and the livelihoods of the most vulnerable households. Recapitalization of small farmers and herders will initially support livelihoods through an increase in agricultural production. This will be achieved by supporting staple crop value chains for the most vulnerable,

reviving local commercialization circuits, and investing in local infrastructure in support of local economic recovery and targeted crops. Revenue-generation programs, including scale-up of ongoing resilience schemes (caisses de résilience) at the community level, will also be introduced, targeting women and youth in particular. An integrated school canteen and nutritional supplement program will help reduce malnutrition among children and patients undergoing antiretroviral and tuberculosis treatment. This component will also introduce and support community financing, which will help promote savings mobilization and a credit culture while strengthening social cohesion. Microfinance initiatives will be strengthened and consolidated. By reducing conflicts between farmers and herders through the introduction of integrated transhumance management structures, the component will support peaceful coexistence and increase the productivity of livestock farming. National policies for food and nutritional security will be designed and implemented.

The total cost for this component has been estimated at \$104 million, of which \$14 million will be required immediately.

#### Strengthen macroeconomic stability and good governance, including public financial management and controls, revenue generation, and anti-corruption measures

The government will need to boost economic development in order to consolidate peace, which is achieved partly through public investment programs. A program of reforms has been agreed upon with the International Monetary Fund (IMF) and will need to be implemented in the coming years to build momentum around public financial management to create the virtuous circle needed to finance this stimulus: good management of public finances would allow, on the one hand, reconstruction of a tax base and revenues for the state; and, on the other hand, investment in priority productive sectors (see Pillar 3) where the economic impact will be the highest. Such momentum would also help secure the necessary financial support from technical and financial partners to revive economic growth and consolidate state revenues. Reform will help ensure that budget programming will be used as a peacebuilding tool, ensuring that spending is aligned with priority needs for the RCPCA.

In the short term, targeted capacity building will aim at improving public accounting, and the transparent elaboration and management of the budget. A new budgetary calendar will be rolled out to allow for effective participation of line ministries. The tax base will be expanded, notably through a reform of the VAT, and exemptions will be reviewed to support an increase in revenues. Excise and customs controls, internal control mechanisms, and public procurement will be strengthened. Efforts aimed at reestablishing the expenditure chain will include the reduction of exceptional spending procedures, strengthening capacities and procedures for procurement, and continuing efforts aimed at streamlining the payroll and simplifying the human resource management system. Public accounting will be improved by centralizing government accounts into a single treasury account. After benefiting from capacity-building activities, the Central African Institute of Statistics and Economic and Social Studies (ICASEES) will update such key statistics as the consumer price index and launch the surveys and censuses needed to shape public policy. Efforts aimed at reducing corruption and increasing accountability and transparency will be implemented, including resuming the Extractive Industries Transparency Initiative (EITI) process, and strengthening financial or procurement control bodies such as the Court of Auditors, the Finance General

Inspectorate (l'Inspection générale des finances—IGF), and the Public Procurement Regulation Agency (l'Agence de régulation des marchés publics—ARMP), as well as the National Assembly.

In the medium term, revenue collection mechanisms will be strengthened, including through training and building of capacity of the customs and tax administration, and their improved interconnection. The expenditure chain will be strengthened through progressive preparation of deconcentrated budgetary management, a sustained focus on improving the procurement process, and modernization of human resource management through a performance-based management system and the definition of a recruitment and career management policy. Public accounting will be conducted in accordance with best practices at all levels of government, and the use of exceptional spending procedures will be suspended. The capacity of civil society organizations and the media to provide accountability will be strengthened, and the High Authority for Good Governance will begin its activities. Finally, alongside rigorous budgetary management and efforts to mobilize interior revenues, budget support will help reduce the budget deficit for fixed state expenditures throughout the duration of the RCPCA (box 4.1).

#### BOX 4.1: PROGRESSIVE REDUCTION OF EXTERNAL FINANCING TO COVER THE BUDGET **DEFICIT**

The authorities have adopted an action plan that aims to reduce their dependence on ODA. This plan foresees an increase in public revenues in the coming years, as a result of fiscal policy reforms and improved natural resource management. Regarding expenditures, the government intends to pursue fiscal consolidation measures, public financial management reforms, and revisions to the payroll. The latter has already been streamlined and its reliability improved, reducing the total public sector workforce by 4 percent between 2014 and 2015 (down by 1,307 agents). Authorities have exerted tight control over primary spending, which remained broadly unchanged at 10.3 percent of GDP in 2015. In terms of revenue collection, excise and customs controls have been strengthened, including the control of the VAT on oil products and monitoring of exemptions. Domestic revenues consequently increased to 7.1 percent of GDP in 2015, and the primary balance narrowed from -7 percent of GDP in 2013 to -3 percent of GDP in 2015. These measures are part of the economic and financial policy program supported by the IMF, which aims, among other things, to reduce the primary deficit to 1 percent by 2019.\* Continued efforts to improve budget spending and execute public financial management reforms will help spur economic recovery and contribute to increasing tax revenue to pre-crisis levels. As a result, financing needs should decrease from 4.8 percent of GDP in 2016 to 3.1 percent in 2019, therefore progressively reducing the need for external financing during the five years of the RCPCA.

\*Under the extended credit facility (ECF) approved by the IMF Executive Board in July 2016, in the amount of \$115.8 million.

The total cost for this component has been estimated at \$481 million, of which \$92 million will be required immediately. A large portion of this amount—\$355 million is associated with the state's estimated financing gap until 2021, to be covered by budget support.

#### Considerations for the implementation phase

Pillar 2 has an estimated cost envelope of \$1.326 billion, spread across the four strategic objectives. Activities under Objectives 1 and 4 will require immediate reform efforts and concerted focus by the government to ensure that elements of the broader statebuilding framework are put in place and that core government functions related to fiscal management and fiduciary oversight are established and strengthened. These efforts also demand a significant focus on the part of the international community, even if financial requirements might be less taxing. Experiences from other countries suggest that there are ways to rapidly build fiduciary systems that can allow donors to start using country systems, including through joint accountability arrangements.

Activities under Objectives 2 and 3 will demand significant resources and solid coordination from the outset. Most services are currently delivered by humanitarian actors, and a critical challenge will be to ensure that these entities can continue their work and possibly scale it up based on improvements in security and progress in implementation of the RCPCA. In parallel, it will be important to build systems and capacities on the government side and to analyze the triggers for gradual transfer of oversight and coordination of service delivery over time. This might call for the establishment of a selected number of national programs that could be implemented through pooling of resources and more effective coordination between humanitarian and development actors, including the food security working groups and the early warning system, in support of common objectives.3 Specifically, instruments exist to promote resilience through the co-mingling of humanitarian and development resources, which can be used for rapid scale-up of service delivery outside Bangui.

### PRIORITY PILLAR 3: FACILITATE ECONOMIC AND PRODUCTIVE SECTOR RECOVERY

The third pillar of the RCPCA aims to enhance economic activity and productive capacities as an engine for recovery and growth. The CAR has been endowed with vast natural resources, but their exploitation has been affected by years of underinvestment, pillaging, and squandering. Control over the exploitation of renewable and nonrenewable resources has also historically been concentrated in the hands of a small elite, which has used revenues to stay in power and led to the adoption of exclusionary policies. Decades of chronic underinvestment, exacerbated by the damage from the recent crisis, have led to a highly inadequate economic infrastructure. To rectify this, Pillar 3 will address the severe underinvestment in economic infrastructure, improve private sector activities, and create opportunities for employment and livelihoods. It proposes to focus on three objectives:

- 1. Boost and develop productive sectors: agriculture and livestock farming, extractive and forestry industries
- 2. Repair and construct infrastructure: transport, electricity, and communication networks
- 3. Establish conditions for private sector development and employment: improved business support and financial services, vocational training, entrepreneurship, and employment

The activities and results promoted under this pillar will directly support recovery and peace. Supporting these key productive sectors will help expand resilience in rural

<sup>&</sup>lt;sup>3</sup>See the conclusions of the World Humanitarian Summit for further details.

areas, improve livelihoods, and increase job creation. They will also provide opportunities for the integration of former combatants and displaced people, thus contributing to greater peace and stability. Moreover, boosting productive sectors will increase domestic revenues and therefore promote macroeconomic stability and the ability to invest in and maintain infrastructure. Economic recovery will rely on creating adequate conditions for private sector development, including investing in infrastructure, improving the business environment, and increasing access to financing and qualified human resources.

Following is a brief overview of the needs, priorities, and financial requirements for each objective. These are summarized in tables A2.1 and A3.3 (in annexes 2 and 3, respectively).

#### Boost and develop productive sectors: agriculture and livestock farming, extractive and forestry industries

Economic recovery will support job creation and create opportunities for disenfranchised youth who may otherwise engage in banditry or join armed groups, thus contributing to reduced violence and supporting the peace process as agents of a positive transformation of society. The agriculture and livestock farming sectors are considered a priority because they can help improve the livelihoods of the majority of the rural population, with an immediate, visible, and tangible impact for the poorest and most vulnerable. Supporting transformation activities in the production basins can also help reduce regional inequalities. The extractive and forestry industries can become powerful drivers for rapid growth, boosting the domestic revenues required to undertake strategic investments toward peacebuilding efforts. Efforts aimed at reducing informality and illegal exploitation will help ensure revenues are more equitably distributed and reduce the elite capture of resources, which have been a cause for frustration and grievances, thus supporting stability and reducing conflicts over resource control.

#### **AGRICULTURE**

In the short term, access to inputs will be improved by strengthening the Central African Institute for Agricultural Research<sup>4</sup> and local seed producers, as well as supporting veterinary and fishery inputs. Training and extension services provided to farmers and herders will be strengthened by updating training programs, rehabilitating centers, and redeploying extension services to provide beneficiaries with the latest advice and support in adopting appropriate techniques. Mapping of agro-ecological potentials and associated market studies will identify cash crops and value chains holding the greatest potential for job creation and increased revenues, focusing on import substitution and high-value exports. The agropastoral code will be reviewed and revised, with the objective of improving cohabitation and resource sharing between herders and farmers. The mapping of farming and agricultural areas, as well as transhumance corridors, will be updated.

In the medium term, bottlenecks to commercial farming and agribusiness will be progressively reduced. This will include facilitating the production and distribution of agropastoral and fisheries inputs, such as improved seeds, fertilizer, and animal feed for small

<sup>&</sup>lt;sup>4</sup>L'Institut Centrafricain de Recherche Agronomique (ICRA).

livestock, as well as access to equipment. A national agricultural research strategy, aimed at further increasing productivity, will be adopted; and research centers will be rehabilitated and operationalized. Multipurpose agropoles will be created in rural centers to serve as clusters for providing training, technology, and financial service solutions, and as a base for local transformation industries. Value chains in cash crops, livestock, and fishery subsectors will be supported, focusing on support to inputs, production, transformation, distribution, and commercialization. Official transhumance routes will be revised, aiming at increased synergies between agriculture and herding, and the participatory design of land management plans for negotiated resource management.

#### FORESTRY SECTOR AND RENEWABLE NATURAL RESOURCES

In the short term, a technical and financial audit of forest companies will be carried out, taking into account damages sustained during the crisis. The government will agree on a payment plan for forestry operators to settle their tax arrears. It will also analyze and validate business plans for new forestry operations, taking into account the need to exploit resources sustainably; and adopt measures to improve the sector's business climate. Local communities will be supported to improve development and reduce conflict with logging companies. The FLEGT (forest law enforcement governance and trade) process will be renewed to fight illegal logging, provide access to European markets, and increase revenues. An REDD+ (reducing emissions from deforestation and forest degradation) strategy will be designed, alongside an investment plan for climate change reduction activities, such as industrial reforestation.

In the medium term, a revitalization plan will be developed with the objective of increasing added value. This will include support to the diversification of activities and the promotion of the local wood transformation industry, notably through a revision of the fiscal framework and the design of adapted training programs. An integrated, participatory, and sustainable approach to land use planning for forest savannas and dry forests, and a protected areas management plan, will be developed with the objective of promoting shared growth and sustainable natural resource exploitation of fauna and related products.

#### **EXTRACTIVE INDUSTRIES**

In the short term, measures will be adopted to improve the sector's investment climate and increase revenues. Reform of the legal and institutional framework will be launched, and the fiscal regime will be revised based on international benchmarks. An institutional and organizational study of the artisanal sector will form the basis of a broader formalization strategy. Support to artisanal miners' production methods and their organization in cooperatives will span the five-year plan to improve livelihoods, reduce environmental impact, and help formalization.

In the medium term, further measures will be adopted to attract investments in the sector, including improving management of the mining cadaster and facilitating access to geoscientific data. A strategy for the repression of fraud will be implemented, and cooperation with security forces will be strengthened to further control informal exploitation and quell trafficking. Compliance with the Kimberly Process Certification Scheme will be expanded beyond Berberati to increase formalization of artisanal diamond mining. The

administration's capacity will be strengthened to manage the sector, negotiate with potential investors, and collect and equitably distribute extractive revenues.

The total cost for this component has been estimated at \$387 million, with the following split between the three sector objectives: \$296 million for agriculture, \$47 million for the forestry sector, and \$44 million for extractive industries. About \$19 million will be required immediately for first year activities.

#### Repair and construct infrastructure: transport, electricity. and communication networks

Investments in the CAR's infrastructure are critical to unlock the country's economic potential and facilitate mobility and communication. Improving transport and information, communication, and technology (ICT) networks will also reduce the isolation of certain regions, thus supporting and facilitating the redeployment of the state, and information sharing between central and local authorities, thus contributing to national cohesion. Building transport infrastructure, including international corridors and rural roads, will facilitate the provision of basic services in marginalized regions and attract investment, thereby helping reduce disparities. To the extent possible, rehabilitation and construction of infrastructure will make use of labor-intensive methods to provide short-term employment opportunities, and will be linked to vocational training schemes for longer-term employment opportunities.

The road network will be rehabilitated, focusing first on major bottlenecks such as impassable bridges or strategic sections. In the short term, priority will be given to the rehabilitation of national, regional, and rural roads, with a focus on the latter given their importance in agricultural production and service delivery to rural populations. Rehabilitation of roads leading to the East and Northeast regions will be prioritized to alleviate regional imbalances. The Bangui International Airport will be brought up to standard, and work on the last unpaved section of the Bangui-Douala corridor will commence, to increase interregional commercial exchanges, reduce the cost of imports, and increase the competitiveness of export products. Sector management will be improved, notably by reforming the roads maintenance fund; and planning in the sector will be refined by developing a transport master plan. In the medium term, road rehabilitation will continue, and revenues for the road maintenance fund will be increased, so as to strengthen the sustainability of investments. Feasibility studies for the Congo-Bangui-Chad transport corridor will be finished and work begun. Rehabilitation of regional airports will also take place.

#### Investments in the energy sector will aim to increase access to reliable energy sources, starting with rehabilitation and extension of existing generation capacity.

Access to reliable energy will notably be increased outside of Bangui, through the rehabilitation of infrastructure in the prefectures and investment in small-scale solutions based on renewable energies to provide electricity to local services and industries. Governance reforms of the electric company (ENERCA) will be initiated in order to improve performance and cost-efficiency, and a new strategic framework with a particular focus on rural electrification and renewable energies developed. Investment in the extension of the distribution network, interconnection with neighboring countries, and major new hydroelectric generation capacities such as dams on the Lobaye and Sangha Rivers will be started in the medium term. The institutional framework for ICT will be improved in the short term, notably through the restructuring of the state-owned Socatel (Central African Telecommunications Company). In the medium term, rural connectivity will be improved with the deployment of ICT community centers, as well as international connectivity with the construction of a fiber optics backbone, first with Cameroon and eventually with the Republic of Congo.

The total cost for this component has been estimated at \$742 million, with the following split between the three sector objectives: \$420 million for roads and transport, \$267 million for energy, and \$55 million for ICT infrastructure. The majority of activities covered will, however, require significant lead time before implementation can start; the first year cost has been estimated at \$29 million.

#### Establish conditions for private sector development and employment: improved business support and financial services, vocational training, entrepreneurship, and employment

Addressing the bottlenecks to private sector development will help to rapidly relaunch key industries that will support job creation and provide an immediate and visible impact for the population. In parallel, training programs and accompanying measures to small- and medium-size enterprises will help boost entrepreneurship, and increase alignment between the skills of the CAR's workforce and the needs of the private sector. These measures will lead to greater opportunities and inclusion, in particular for vulnerable populations and educated youth—who are severely affected by unemployment and underemployment—thus contributing to greater stability.

In the short term, implementation of the Joint Consultation Framework for Business Improvement, a public-private dialogue platform, will be finalized. A new national microfinance strategy will be implemented, focusing on professionalizing microfinance institutions, extending their product offerings and geographical outreach outside Bangui, and improving the understanding of clients and humanitarian actors intervening in the subsector (see Pillar 2). In the medium term, business creation and procedures for access to various permits will be facilitated, notably through the strengthening of a "one-stop shop" in Bangui and its expansion nationwide. The cost of doing business will be reduced by securing the Douala-Bangui corridor and undertaking reforms of the justice sector and investments in infrastructure (as described in Pillar 1 and Objective 2 of Pillar 3). The work of the public-private dialogue platform will continue, and its proposed reforms be implemented in order to improve the CAR's business climate. Support will be provided to small- and medium-size enterprises to strengthen their administrative, accounting, and management capacities and therefore increase their performance. The legal framework of the financial sector will be improved, leading to the establishment of a credit guarantee fund, an agricultural credit bank, and a leasing institution—all the while continuing implementation of the microfinance strategy with a focus on reinforcing integration of the subsector in the financial sector.

Technical and vocational education and training (TVET) will be enhanced, and entrepreneurship supported to ensure a smooth transition to the labor market, in order to maximize the use of available human capital to underpin private sector growth. In the short term, a new policy for TVET will be formulated, and existing TVET centers rehabilitated. Short-term occupation programs will be coupled with condensed technical and entrepreneurship training for out-of-school youth, and a diversity of approaches will be encouraged to allow for differing needs between rural and urban areas as flagged by the commune survey. Implementation of the National Employment Policy and the strengthening of intermediation bodies will give coherence to the whole. In the medium term, new curricula closer to the labor market's needs will be developed, teachers retrained, and new teaching material circulated. New TVET centers focusing on the CAR's growth clusters will be built. Entrepreneurship programs will be extended to absorb a sizable part of the 600,000 disenfranchised youth.

The total cost for this component has been estimated at \$94 million, with \$10 million required to initiate activities during the first year.

#### Considerations for the implementation phase

Pillar 3 has an estimated cost envelope of \$1.224 billion, spread across the three objectives. Many activities will be delivered in the form of development projects. The lead time required to design, approve, start, and scale-up projects can be significant. Given the urgent needs associated with agriculture and road rehabilitation in particular, donors and the CAR government will need to prioritize these topics during project preparation, use emergency procedures to the extent possible, and ensure a smooth transition through close cooperation with recovery actors. Some programs could be broken down into several phases, with the first phase launched as soon as possible without waiting for a full-fledged program to be identified, formulated, and contracted. The RCPCA does not specify the nature of implementing structures, and its costing allows for a degree of flexibility in this regard. Many of the proposed activities will require significant capital investments, the lifespan of which will extend beyond the five-year strategy—in particular for roads, energy, and ICT projects. Given the considerable time required to undertake the studies and work underpinning major infrastructure projects, and their essential contribution to the long-term growth of the CAR and to sustainable job creation, it is important they begin as soon as possible, while bearing in mind that the security situation in the CAR and its component regions can have a major impact on effective execution. It is also important to note that a few strategic infrastructure projects may require implementation in a weak security environment to increase access and offer a visible sign of peace. In this case, costs could increase beyond the initial budget. Despite these concerns, mechanisms and modalities will be devised for the immediate implementation of development projects in regions that have suffered from chronic underinvestment—in particular the East and Northeast—since these regions are not among those most affected by insecurity.

Focus over the short term will also be on establishing the necessary conditions and policy frameworks required for economic development, notably improvement of the business climate. While relatively inexpensive, these measures will require a strong political commitment to break the habits of the past, coupled with improvement of the rule of law and the functioning and efficiency of public administration.

## 5 Institutional and financing arrangements

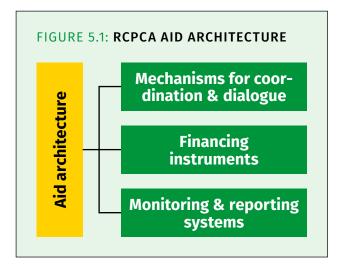


ddressing the priority needs identified in the RCPCA will require strong commitment and leadership by the CAR government along with support from the international community and civil society.

This chapter identifies the need for a new partnership grounded in mutual accountability

and lays out institutional and financing arrangements to support RCPCA implementation. In this context, the proposed aid architecture is broken down into three components: (1) mechanisms for coordination and dialogue, (2) financing instruments, and (3) monitoring and reporting systems (figure 5.1). This architecture complements the national systems needed for RCPCA implementation.

The situation in the CAR calls for a light, flexible aid architecture. Building on existing structures, the coordination mechanisms for the RCPCA should bring together financing instruments already present in the country. The objective is to focus efforts on implementation and on achieving tangible results, rather than



on process-related issues associated with establishing a complex institutional framework. Monitoring and reporting should be designed to inform decision making and communicate tangible results to citizens through concise, regularly updated tools and analysis, providing a snapshot of progress and bottlenecks in the delivery of RCPCA priorities.

## A NEW PARTNERSHIP FOR RECOVERY AND PEACEBUILDING

Successful support to implementation of the RCPCA will need to be grounded in a renewed partnership between the government and international partners based on mutual accountability. This will require a consensus at the highest level on the top priorities for the short term and on adapting a way of delivering international assistance, moving away from a sometimes fragmented approach toward a more coherent, strategic, and targeted use of domestic and aid resources. It is important not to forget that ultimately RCPCA success will be measured by tangible improvements in the lives of the Central African people and the growing trust between the state and its citizens and between citizens.

A systematic focus on delivering progress against a limited number of critical priorities will be essential for the CAR's successful transition toward peace, stability, and economic recovery. The RCPCA provides a comprehensive framework that spans the political-security-development space. While progress against all these priorities over the next three to five years will be important, particular effort should be mobilized to deliver short-term results in areas critical to the achievement of medium-term recovery and peacebuilding objectives. Visible progress on concrete government actions toward these "priority priorities" will help build confidence in the stabilization process on the part of domestic and international stakeholders.

At the heart of a new partnership framework between the government and international partners should be agreement on a limited number of priorities and an

associated government commitment toward a set of milestones. Lessons from other transition situations suggest that these need to be extremely selective and should reflect support at the highest political level. Progress against milestones should be reviewed regularly and can serve as a useful basis for political and policy dialogue. Priorities should include developing and implementing critical reform strategies for DDRR; security system reform; promoting political inclusion; fighting against impunity; reforms aimed at an independent, impartial, and equitable judiciary; broader reconciliation; and respect for the rule of law (Pillar 1); reforms to help the state reestablish a legitimate presence across the country, improve the macroeconomic framework, and build core government functions and fiduciary capacities and anti-corruption measures (Pillar 2); and steps required to facilitate rapid improvements in the business environment and to improve natural resource management, including of minerals and timber (Pillar 3).

It will be important for the CAR government to increase revenue mobilization. While international aid is expected to represent a major source of financing toward achievement of the RCPCA priorities laid out for the next years, growing levels of domestic resources would facilitate more rapid implementation. Given resource constraints, it is essential that resources be utilized in the most effective way. This will require a paradigm shift in how aid is provided, moving from "business as usual" to more strategic, harmonized, flexible, and risk-taking approaches based on New Deal principles and recent international commitments in the humanitarian-development nexus. While the establishment of a functioning aid and financing architecture will play a vital role in this regard, it will also be necessary to agree on a shared vision of how aid should be delivered for maximum impact in the CAR.

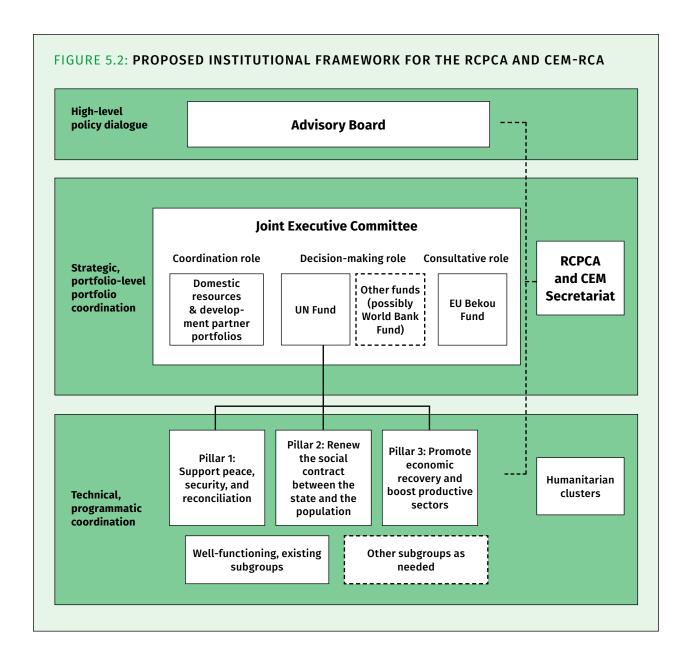
It is suggested that a set of partnership principles and a number of related international commitments be developed and agreed upon by all stakeholders as part of a new partnership framework. These should reflect a joint vision on the best way to operationalize the partnership and could include the following objectives:

- Achieve greater transparency and alignment of financing against RCPCA priorities
- Reduce critical funding gaps as well as fragmentation and duplication of aid
- Increase government ownership and leadership of the recovery and peacebuilding process
- Ensure coherence and coordination across the humanitarian-development-peace nexus
- Ensure that aid contributes to building the capacity of Central African institutions
- Establish accountability toward citizens

To institutionalize this new partnership, the government has sought to establish a Mutual Commitment Framework (CEM-RCA2) with its international, regional, and bilateral partners in line with UN Security Council Resolution 2301 of July 26, 2016. The goal of the CEM-RCA is to ensure that support provided by the international community to address national priorities is not only consistent and sustained in accordance with aid effectiveness principles outlined in the New Deal, but also transparent and accountable. CEM-RCA monitoring is integrated into the institutional framework suggested in figure 5.2, to ensure a global approach between the RCPCA and the CEM-RCA.

<sup>&</sup>lt;sup>1</sup>For more information on international aid effectiveness commitments, see <u>www.pbsbdialogue.org</u> and www.oecd.org/development/effectiveness/busanpartnership.htm.

<sup>&</sup>lt;sup>2</sup>Cadre d'Engagement Mutuel pour la République Centrafricaine.



#### COORDINATION FRAMEWORK

Implementing the RCPCA will require adopting institutional arrangements that are flexible and responsive to evolving needs and opportunities. These arrangements must build on existing mechanisms and lessons learned from past initiatives. The proposed coordination system is structured around: (1) a Political Dialogue Group and Advisory Board, (2) a Joint Executive Committee for RCPCA implementation, and (3) technical working groups for each of the three RCPCA pillars (figure 5.2). Subgroups on specific themes may also be established for specific sectors within pillars as needed.

Strong government ownership and leadership will be essential in operationalizing the proposed architecture. Government should play a central role in establishing proposed structures for dialogue with the international community, while reinforcing existing coordination structures within government. Currently, coordination groups that operate on a

regular basis are mostly led by humanitarian partners and civil society. Previously designed aid coordination mechanisms never became entirely operational. Government leadership will be essential in ensuring that the proposed architecture is used for strategic dialogue—to discuss resource allocation, monitoring, and coordination well beyond mere information sharing. An operational secretariat, located within government and able to support coordination mechanisms and create links among its various levels, will be critical.

The Advisory Board will serve as a platform for high-level dialogue and policy discussions on critical aspects of RCPCA and CEM implementation. The head of state will chair the board, which will be a formal and regular forum where the government and the international community represented in the CAR can discuss policy directions for concrete action by government and partners for effective RCPCA implementation. The board will also ensure coordination and coherence between the RCPCA and the CEM.

The Joint Executive Committee will provide the consultation framework between the government and all partners for RCPCA implementation. It will be the main driver of RCPCA implementation and monitoring. It will serve as an important consultation forum for portfolio resource allocation in the planning phase and during implementation. With an overview of funding flows, the committee will have an important role in prioritizing funding gaps for delivering identified priorities. It aims to:

- 1. Provide strategic guidance for implementing the RCPCA;
- 2. Monitor progress in implementing the RCPCA and commission independent evaluations;
- 3. Ensure resource coordination, harmonization, and alignment for RCPCA implementation;
- 4. Supervise and enforce overall accountability for trust funds under its authority;
- 5. Bring political issues that may interfere with proper RCPCA implementation to the attention of the Advisory Board.

The Joint Executive Committee should include a balanced representation of government and international partners, reinforcing the mutual commitments required for successful RCPCA implementation. The Minister of the Economy, Planning and Cooperation would co-chair the Joint Executive Committee, with the Minister of Finance as vice-president, and with the participation of the Minister of Social Affairs and Reconciliation, a representative of the presidency, a representative of the Prime Minister's Office, a representative of the National Assembly, a representative of the Central Bank, and a representative of civil society. An international partner may co-chair the state-partners Joint Executive Committee on a rotating basis, and international representation should include the main bilateral and multilateral implementation partners. Suggestions on the composition of the Joint Executive Committee are presented in table 5.1. It is suggested that the group meet every two months.

The Pillar Working Groups are responsible for sectoral and programmatic coordination within the three pillars of the RCPCA. Development partners should use these groups to present programs at an early stage of development to discuss alignment with RCPCA priorities and coordination with key actors, and to avoid duplication. The groups will also be responsible for tracking and reporting on progress within their pillars, which will then be compiled by the Secretariat and inform discussions of the Joint Executive Committee. Coordination

TABLE 5.1: PROPOSED COORDINATION FRAMEWORK: COMPOSITION, RESPONSIBILITIES, AND **MEETING FREQUENCY** 

Group	Composition	Responsibilities	Frequency
Political Dialogue Group	Under the distinguished chairmanship of the President of the Republic, it includes the Prime Minister and members of government, as well as representatives of partner countries and institutions represented in the CAR, and the RCPCA Permanent Secretary, as indicated in the presidential decree	High-level political dialogue	Quarterly (and as needed)
Joint Executive Committee	Co-chairs: Minister of Economy, Planning and International Cooperation, representative of an international partner (on a rotating basis); Minister of Finance as Vice-President  Members: Minister of Public Security, Minister of Social Affairs and Reconciliation, adviser to the presidency, adviser to the Prime Minister, United Nations Development Programme, World Bank, IMF (observer status), EU, African Development Bank, Economic Community of Central African States, Development Bank for the Central African States, Agence Française de Développement, and RCPCA Permanent Secretary	Strategic guidance and monitoring of RCPCA implementation  Coordination of government and development partner activities at the portfolio level  Review of pipelines and projects for select multipartner funds supporting implementation: Bekou Fund, UN Multi-Window Trust Fund (Ezingo), potential World Bank fund  Coordination with Humanitarian Country Team	Every 2 months
Pillar Working Groups (subgroups as needed)	Co-chaired by a government representative and a development partner  Members: Representatives of government, bilateral and multilateral partners, and civil society	Sectoral/programmatic coordination Coordination with humanitarian clusters	Between 1 and 3 months (as needed)

between the Pillar Working Groups and the humanitarian clusters will be important in ensuring coherence and coordination across the humanitarian-development-peace nexus, discussed further in box 5.1.

The Pillar Working Groups do not replace existing groups that work well. Rather, they provide a forum for cross-sector coordination that is currently missing. Some sector groups at the "subpillar" level already exist, such as the Education Working Group and the Treasury Committee for Coordinating Budget Support. Members of these groups can use the Pillar Working Groups to tackle issues that require a more collaborative approach across sectors or that go beyond the scope of their current mandate.

Support from the RCPCA-CEM Secretariat will be essential at all levels of the coordination framework. This Secretariat should be attached to the Ministry of the Economy. Planning and Coordination, while closely involving directorates and departments with missions that complement those of the Secretariat. It will ensure representation of the presidency in support of the Advisory Board. In addition to acting as Secretariat for the three levels of the coordination mechanism and managing the strategic monitoring process (figure 5.2), the Secretariat will also handle a set of functions for the multidonor trust funds administered by the UN and potentially by the World Bank. The Secretariat's main objectives will be to:

- 1. Coordinate and serve as Secretariat for the three levels of the coordination mechanism;
- 2. Manage the aid information system and monitor partner commitments;

#### **BOX 5.1: THE HUMANITARIAN-DEVELOPMENT-PEACE NEXUS**

The World Humanitarian Summit emphasized the urgency of finding a new way of working together and partnering between development, humanitarian, and peacebuilding actors. This is particularly crucial in the context of the CAR, where the need to deliver humanitarian assistance remains very strong. RCPCA implementation should not deter partners from simultaneously addressing the humanitarian needs of the population and undertaking life-saving activities.

Working efficiently across the humanitarian and development nexus requires not drawing artificial lines and recognizing that a continuum exists between humanitarian and recovery work. The transition from humanitarian to development funding sources entails the strengthening of national leadership and an increasing reliance on national systems. However, it is crucial to ensure that this transition does not result in the sudden cessation of programs funded by humanitarian sources. Ongoing early recovery programs implemented by humanitarian actors should not be abruptly disrupted; on the contrary, RCPCA implementation should build on the capacity of these actors and the outcome of their programs. In a context of limited financial resources, ensuring synergies between life-saving humanitarian assistance, early recovery, and longer-term development programs is key to achieving the RCPCA objectives.

In view of the above, it is proposed to establish strong institutional linkages between the humanitarian and RPBA coordination mechanisms with the participation of the Ministry of Social Affairs and Reconciliation and the Humanitarian Coordinator to the RCPCA Joint Executive Committee, the participation of humanitarian cluster coordinators in relevant thematic/sector working groups, and the organization of biannual joint meetings of the thematic/sector working group and corresponding cluster.

- 3. Help manage trust funds under the purview of the Joint Executive Committee;
- 4. Monitor the principles of the partnership and aid efficiency policy;
- 5. Handle monitoring and evaluation of the RCPCA;
- 6. Handle monitoring and evaluation of the CEM-RCA;
- 7. Support project preparation.

The presidential decree establishing the organization of the institutional structure was signed November 5, 2016. It also defines the missions of the Advisory Board and the Joint Executive Committee, which will be managed by a Permanent Secretary, who will also supervise human, material, and financial resources provided to the Secretariat. If necessary, international experts will be recruited on a temporary basis to support the functioning and operationalization of these structures.

#### The Secretariat is the bedrock on which the coordination instruments will rest.

Creation of a separate facility within the Ministry of the Economy, Planning and Coordination should be avoided. Instead, the goal will be to establish an effective operational platform, bringing together directorates and departments with missions that complement those of the Secretariat and encompass their own specific objectives which can no longer be addressed separately, in accordance with the organizational strengthening proposals outlined in chapter 4. Existing capacities within the Ministry of the Economy, Planning and Coordination should be robustly reinforced to transform professional and organizational practices to ensure that relevant directorates are decompartmentalized, information and communication flows are fluid, and roles and responsibilities are clarified as part of team work focused on expected results. Identifying capacity-building needs, including by conducting a diagnosis of current organizational functions, and coordinating partners' technical assistance to address them should be seen as an urgent priority by the partners. Such technical assistance should help

ensure that the Secretariat is operational from the start of RCPCA implementation. An exit strategy must also be identified from the outset.

#### FINANCIAL INSTRUMENTS

Given the low levels of domestic resource mobilization, recovery and peacebuilding in the CAR will require a concerted effort by the international community to provide predictable, coherent aid over the coming years. The potential for significant lending and foreign direct investment is likely to be limited in the short term. Given the significant role of ODA and the need to deliver swift and tangible results, particular importance will need to be placed not only on the fundamental principles of aid effectiveness, but also on the choice of financing instruments and implementation channels.

The coordination mechanisms established to support RCPCA implementation will aim to strengthen aid effectiveness in the CAR by linking different financing sources and instruments in support of the identified priorities. The objective is to encourage collective responsibility for delivery with a clearer division of labor and a better understanding of the comparative advantages of various financing instruments. It will be important to establish synergies between the different sources of domestic and external financing. The following considerations should guide the delivery of financing in the CAR:

- Potential for alignment with RCPCA priorities
- Speed and flexibility of financing instruments to ensure quick delivery
- Ability to support institutional transformation and transition toward the use of country systems
- Potential for coordination to fill critical funding gaps and avoid fragmentation and duplication

#### **Overview of financing instruments**

No single instrument will be able to deliver on all of the principles above and all of the necessary financing against the different objectives of the RCPCA. Supporting effective RCPCA implementation will therefore require a combination of financing modalities and instruments.

The national budget (including direct budget support). The budget will need to be used as a central channel for financing to ensure the sustainability of recovery efforts over time and to cover recurrent costs associated with the reestablishment of government capacities and services in conflict-affected areas. The EU and France are currently the primary providers of budget support to the Central African government. The World Bank and the African Development Bank (AfDB) are both expected to provide budget support in the near future. Budget support is coordinated through monthly Treasury Committee meetings, in which representatives of the Ministry of Finance, the central bank, the AfDB, the EU, France, the IMF, and the World Bank meet to discuss technical issues.

Lending instruments. The scope for lending remains limited. International financial institutions such as the AfDB and the World Bank are providing financing on grant terms. In July 2016, the IMF approved establishment of a three-year extended credit facility (ECF), which provides lending on highly concessional terms. Lending activities are predominantly implemented through national systems and thus aligned to budget priorities. A key challenge, however, will be to establish the coordination mechanisms needed to ensure coherence with other financing instruments.

Private sector financing and instruments. Foreign direct investment will be critical for fostering economic recovery and laying the foundation for sustainable development and longterm stability. However, this is likely to be a slow-moving source of financing: the mobilization of private sector resources will require the use of guarantees and/or other de-risking instruments.3 Investments in creating an enabling environment for private sector development and foreign investment through grant financing could accelerate movement on this front.

Project or program financing from international donors mainly takes the form of earmarked grant funding for specific programmatic areas. The majority of grants over the past three years have been for humanitarian assistance in response to the crisis. To deliver on RCPCA priorities, donors will need to shift financing to early recovery and development activities, while not losing sight of the persistent need for life-saving humanitarian assistance in many parts of the country. They will also need to increase the share of programs delivered through country systems for more sustainable results; this will require a significant corresponding effort to strengthen fiduciary and project management capacities.

- On the multilateral front, the AfDB, the EU, the UN, and the World Bank are the main providers of project or investment financing. Current and future projects financed by the AfDB, the World Bank, and the EU (under the 11th European Development Fund— EDF) are almost entirely implemented through government; the UN system channels funds primarily through UN agencies working closely with and building the capacity of national institutions.
- The primary bilateral donors providing direct project financing and with an active presence in the CAR are France and the United States. Other bilateral donors and global (thematic) funds (e.g., the Global Alliance for Vaccines and Immunization—GAVI, the UN Central Emergency Response Fund—CERF, and the Peacebuilding Fund) provide support through UN agencies, nongovernmental organizations, and pooled funding instruments.

Pooled funds. Pooled funds can play an important role in the RCPCA's financing strategy and provide an important complement to bilateral or multilateral project financing, as discussed further below. At present, three country-level trust funds are active in the CAR:

 The EU-administered Bekou Trust Fund. This trust fund is mandated to support the CAR's exit from crisis and contribute toward its reconstruction. It focuses on resilience building in the sectors of social services (health; water, sanitation, and hygiene; etc.), reconciliation, economic recovery, food security, and gender. The Bekou Trust Fund is governed by a multidonor operational committee and a strategic board with the

<sup>&</sup>lt;sup>3</sup> International Development Association (IDA) 18 private sector window.

CAR government represented by the Ministry of Economy, Planning and International Coordination.

- The UN-administered Ezingo Fund (CAR Multi-Window Trust Fund). Under the authority of a joint executive committee co-chaired by the Minister of Economy, Planning and International Coordination and the UN Resident Coordinator, the Ezingo Fund offers two operational windows (the UN Window and the National Window-Direct Budget Support) to channel assistance toward CAR recovery efforts, promoting aid effectiveness and ensuring national ownership and transparency.
- The CAR Humanitarian Fund (CAR-HF). Under the authority of the Humanitarian Coordinator, the CAR-HF is designed to target the most critical humanitarian needs in the country and enable a rapid response to unforeseen circumstances.

#### **Ensuring effective scale-up of RCPCA financing**

The specific situation of the CAR-characterized by limited donor presence on the ground, significant contextual risks, and a weak capacity-implementing environment—makes effective scale-up of resources particular challenging. It may be expedient for a majority of grant financing to be pooled in multipartner trust funds, as has been the case in several other post-conflict recovery contexts. Multiplication of small bilateral financing channels runs a high risk of being inefficient and ineffective, due to insufficient coordination and coherence across tools. This in turn could lead to the duplication of implementation modalities, excessive demands on local implementing partners, and fragmentation of smaller projects that address overlapping parts of the same priority.

Building on recent experiences in Somalia (see box 5.2), consideration should be given to establish a facility of pooled funds under a common governance umbrella. Pooled funds can prevent duplication and fragmentation, fill key gaps in financing, promote economies of scale, and facilitate collective action and risk management. Importantly, a pooled fund can provide a vehicle to finance those priority areas where collective focus and attention are absolutely critical. A single instrument or fund administrator will not necessarily have the speed, flexibility, diversity of implementation channels, and sectoral expertise to support diverse financing needs. A second important opportunity lies in the potential to closely link and align financing instruments with the coordination structures of the RCPCA.

In the case of the CAR, a common financing platform (facility) with a number of underlying trust funds (windows) could have the following benefits:

- Align a critical mass of international resources behind RCPCA priorities and ensure coverage across the three pillars, supporting overall coherence and filling key gaps and underfinanced priorities
- Coordination of instruments and implementation channels that can deliver on urgent needs as well as laying the foundation for longer-term institutional development
- Support government ownership and leadership by putting CAR institutions in the lead of a core set of pooled funding instruments

#### **BOX 5.2: LEARNING FROM THE SOMALIA EXPERIENCE**

The Somalia Development and Reconstruction Facility (SDRF) was established in 2014 as a coordination and financing architecture for implementing the Somali Compact. Closely aligned with the compact's principles, it serves as a platform for government and development partners to provide strategic guidance and oversight for development activities in Somalia. The SDRF brings together several multipartner trust funds under common governance arrangements administered by three technical agencies in areas based on their comparative advantage: the UN, the World Bank, and the AfDB. This coordinated financing facility has offered many benefits for improving aid effectiveness in Somalia:

- The use of SDRF pooled funds has helped strengthen government ownership and alignment with national priorities. The overall pipeline and specific projects financed through the SDRF are systematically brought through working groups and the Joint Executive Committee for discussion and endorsement.
- The pooling of resources through the SDRF generates economies of scale and has allowed donors better leverage of their contributions through more coordinated assistance, avoiding fragmentation and duplication.
- A joint risk management strategy has been established to support the delivery of SDRF strategic objectives. By sharing the analysis and management of risk, government, donors, and fund administrators are able to respond to the substantial risks of engaging in Somalia in a way that is more effective in meeting the goals of the Somali Compact.
  - Reduce transaction costs through pooled resources and encourage harmonized operational approaches, risk management, and results reporting
  - Allow for both piloting of small-scale activities as well as leveraging of investments financed through other channels (e.g., the International Development Association-IDA, EDF) by scaling up successful investments in key areas
  - Provide specific expertise and support on thematic issues not covered by other financing instruments

#### **Financing coordination arrangements**

The coordination framework detailed in the previous section should serve as the main platform for overseeing the various financing instruments supporting the RCPCA. It should be used to ensure alignment of funding with key priorities, mobilize resources to respond to critical gaps, and provide guidance on the appropriateness of different instruments to meet specific objectives.

The Joint Executive Committee in particular should have a direct role in decision making for select multipartner trust funds under the proposed pooled financing platform. The governance structures for the existing trust funds should be integrated into the Joint Executive Committee:

- While the EU-administered Bekou Fund will retain its independent governance structure,4 the RCPCA Joint Executive Committee should have an advisory role with regard to its strategic orientation and funding allocations.
- The governance structure of the existing UN-administered Ezingo Fund should be fully integrated in the Joint Executive Committee and its programmatic scope fully aligned with RCPCA priorities. The Joint Executive Committee would exercise overall accountability over the fund, allocate resources to priority projects, review and approve reports submitted by UN organizations and national entities, and commission reviews and lessons learned reports.

It will be important to understand whether a critical mass of grant financing can be mobilized to determine the role, scope, and sectoral focus of a joint financing platform. If a multipartner fund were to be established by the World Bank, the governance structure of the fund should be integrated into the Joint Executive Committee in the same manner as that of the UN fund.

#### Addressing risks of weak absorption and implementation capacity

The expected increase in financing for the CAR will bring transformational opportunities but will come with significant implementation and fiduciary risks. The government's institutional and human resource capacity in functional areas such as project management, financial management, and procurement are extremely weak. Currently, government-implemented projects generally rely on parallel or hybrid (government-externally staffed) structures for implementation (i.e., project implementation units). A majority of funds are implemented outside government through humanitarian and UN agencies, nongovernmental organizations, or other third-party actors.

Proactively managing risks related to weak absorption and implementation capacity will require balancing the imperative for quick results with the objective of building

**institutional capacity.** Achieving this dual objective will require using a combination of financing instruments that rely on different implementation channels. It will be important to ensure that development partners and implementing agencies make use of country systems to the full extent possible even if funds are not channeled through the government's fiduciary systems (box 5.3). It is expected that the shift in aid delivery from parallel systems to increasing implementation by government or under its leadership will be gradual, but it is important to lay the foundations for such a shift from the start. The proposed financing platform and aid architecture with the central role of the Joint Executive Committee is meant to provide a forum that, based on a positive track record, will have

#### **BOX 5.3: USE OF COUNTRY SYSTEMS**

Country systems refer not just to the use of a single treasury account but to a broader set of functions within the public financial management operational cycle. Within this cycle, the three systems for (1) alignment behind a national plan ("on plan"), (2) adherence to a budget framework ("on budget"), and (3) common reporting standards ("on report") could be adopted by development partners from the start. In addition, several partners are also likely to use the single treasury account, as well as country systems for accounting and auditing, as a clear fiduciary framework emerges.

<sup>&</sup>lt;sup>4</sup>As set by its constitutive agreement adopted July 15, 2014.

increasing influence over broader decision making across a wide range of ongoing programs and projects.

A deliberate effort is required to strengthen country public financial management systems and build core institutional capacity across the civil service. This will require dedicated investments in strengthening fiduciary capacity and core civil service functions (both at the central and, in the future, subnational levels), and a review of project implementation arrangements. This should build on lessons from other fragile and conflict-affected countries and the use of single project implementation units across donor-financed projects. It will also be important to tackle the issue of donor-financed incentive practices (e.g., salary top-ups, per diem payments) and salary payments for national technical advisers early on to avoid the risk of undermining institution-building objectives.

#### MONITORING AND REPORTING SYSTEMS

The RCPCA monitoring framework should be targeted and light, in order to be both strategic and sustainable. It should provide a snapshot of progress and obstacles in order to inform decision making and communicate results to citizens. It is recommended that the framework capture three types of monitoring: (1) results and achievements over the course of the RCPCA, (2) a set of milestones articulating concrete actions that will serve as stepping stones for achieving the objectives, and (3) transparent tracking of aid flows and indicators for improving aid effectiveness (figure 5.3). An annual progress report should be produced by the Secretariat with inputs from the Pillar Working Groups and the Joint Executive Committee. Specific elements of the framework should be updated on a more regular basis to inform decision making (e.g., tracking of milestones, perceptions). Progress reports should be shared with the Joint Executive Committee and the Political Dialogue Group to inform their discussions.

FIGURE 5.3: RCPCA STRATEGI	C MONITORING FRAMEWORK
RESULTS AND ACHIEVEMENTS	<ul> <li>Indicators of progress toward the achievement of RCPCA objectives</li> <li>A narrative report highlighting the main achievements and challenges</li> </ul>
MILESTONES	<ul> <li>Concrete, short-term actions led by the government necessary for achieving RCPCA objectives</li> </ul>
AID FLOWS AND EFFECTIVENESS	<ul> <li>Monitoring of aid flows (pledges, commitments, disbursements)</li> <li>A set of partnership principles for better aid effectiveness</li> </ul>

The tracking of results and achievements should be used to inform decision making, communicate results to citizens, and track perceptions. It should serve to establish a feedback loop between the state and citizens. Based on a limited number of indicators, the dashboard should draw on available statistics demonstrating the tangible outcomes for citizens alongside indicators measuring citizen perceptions. These indicators should be measured regularly over the course of implementation in order to demonstrate trends over time. To the extent possible, they should be aligned with Sustainable Development Goal indicators to avoid proliferation of monitoring frameworks. The National Communes and Households Survey that was carried out as part of the RCPCA can serve as the core of a new monitoring system. By repeating this survey regularly, it can feed a monitoring system that assesses progress toward RCPCA objectives and presents a feedback loop for the state and citizens. Using a select set of indicators from the survey and complementary information from other sources (e.g., on displaced people, quality of roads), a dashboard can be created to present information on tangible development outcomes (e.g., number of functional schools, coverage of the mobile phone network, availability of transport) as well as report on citizen perceptions (e.g., security, trust, whether life is improving). To offer a more complete picture of progress, the indicators should be accompanied by narrative reporting (e.g., on an annual basis) highlighting the achievements and challenges of implementation. This could include information based on analytical work carried out in a given sector and gathered through focus groups.

Lessons from other transition situations suggest that milestones must provide a basis for high-level political dialogue. As such, they must be highly selective and measurable, reflecting concrete actions with clear responsibility for delivery. They should be updated on an annual basis and endorsed by the Political Dialogue Group in order to flexibly adapt to mobilize action where it is most needed.

While the milestones should be largely based on government commitments and actions, the aid flows and effectiveness component reflect the commitments of the international community to support the achievement of RCPCA priorities. The CAR needs a transparent Aid Information Management System capturing pledges, commitments, and disbursements to inform planning and coordination while strengthening accountability. The government and international partners should also agree on a limited set of partnership principles, defining the key areas where aid effectiveness should be improved. These principles should be monitored by the Joint Executive Committee.

Monitoring is essential for tracking progress, but it serves little purpose if the findings are not properly shared and used to inform decision making. Results need to be communicated to different stakeholders to ensure monitoring processes are meaningful and support better development outcomes. As such, a communications strategy should be developed to accompany the framework.

# 6 Conclusion



he CAR has initiated its long and arduous path to rebuild the country, and to heal the souls and hearts of its population. The country faces tremendous challenges, as indicated in the RCPCA. The government must simultaneously (1) stabilize the security situation; (2) concretely and immediately improve the living conditions of the population, including its protection schemes; (3) reform policies and governance systems to address structural drivers of fragility; and (4) put the country back on the road to development and national reconciliation.

Given the scope of needs and expectations, the national authorities have committed, through a new partnership, to undertake public policies that ensure sustainable peace and recovery. This essential partnership with the population and the international community will be based on transparency and accountability, in a climate of renewed trust. On their end, traditional and new technical and financial partners will commit to providing the CAR with predictable long-term assistance. Support from the international community will also help the CAR get ready to deliver on its commitments to reach the 2030 Sustainable Development Goals, which constitute the 17 "pillars of peace." Advocacy efforts and mobilization around the SDGs will focus on involving civil society, youth, women, local authorities, deconcentrated state entities, inclusion, impartiality, justice, and equitable development across all regions of the country.

The improved security climate, combined with ongoing macroeconomic and structural reform programs, increases the prospects of favorable macroeconomic trends in the medium term. The economic recovery initiated in 2016 with a GDP growth estimated at 4.5 percent should continue during the RCPCA period. International Monetary Fund projections estimate GDP growth will reach 5.5 percent on average for the 2017–21 period, rising to 5.8 percent on average between 2020 and 2021. The current account deficit should decline from 9.6 percent of GDP in 2017 to 6.5 percent of GDP in 2021, while domestic revenue should increase from 8.7 to 12.4 percent of GDP during the same period. However, the CAR still faces substantial internal and external risks, including commodity price volatility, a global slowdown of emerging economies, and persistent regional instability. This should encourage the country to expand its growth base, pursue efforts initiated to improve the collection of internal revenues, implement cautious fiscal and debt policies, and implement structural policies to improve budget execution and create an enabling environment for private investment.

Planned investments in infrastructure will support economic growth during the next five years. Transport infrastructure will help increase efficiency in the movement of goods, as well as the volume of trade between the CAR and neighboring countries. Consistency within and across sectors among various investment projects and their articulation around clearly identified development poles aimed at increasing access to the regions should facilitate the transition to processing activities and support a fair distribution of growth benefits. With regard to prices, the substantial increase in investments should generate additional supply to offset unmet internal demand, thus bringing inflation closer to the Economic and Monetary Community of Central Africa (CEMAC) target rate of 3 percent. Regarding the external account, this increase in investment should lead to a high demand for imports, which would increase the current account deficit. However, such a deficit could be offset by an influx of foreign direct investment as the business climate improves.

RCPCA implementation and recovery in the CAR cannot be achieved without investing in the country's human capital. Investments in education, health, and sanitation will

be essential to improving the living conditions of the population, which is required to promote stability and peacebuilding. Investing in human capital will also help create qualified and healthy human resources, able to productively contribute to the development of the country. These efforts will be led by Central African authorities, with the support of international partners, with the objective of gradually transferring responsibilities for basic service delivery back to the public administration. This increased involvement of central and local authorities will help renew the social contract between the state and the population.

In the short term, the recovery of the CAR will depend on progress in restoring security, peacebuilding, and stability. Unless these preconditions are fulfilled, it will be very difficult to turn the country's numerous and promising potentialities into concrete improvements in the living conditions of the population and the economic situation of the country. Authorities will need to rely strongly on those resilience factors identified in chapter 2, including the youth, women, local communities, and civil society, which could potentially generate a positive social transformation. Subregional integration is essential, including in terms of security, and presents major opportunities for political, economic, and cultural cooperation. It can help raise significant funding under regional projects, such as building regional infrastructure or reforming the legal framework. Such projects can lead to structural change and stimulate other sectors.

In the medium term, undertaking additional detailed studies will be critical. Such studies should include an in-depth analysis of the drivers of poverty and how best to address them, and a comparison of potential development scenarios. On this basis, it would be useful to draft, inclusively and before the end of the first three-year phase of RCPCA implementation, a strategic document discussing the long-term development perspectives of the Central African Republic.

### Annex 1: Maps

FIGURE A1.1: CENTRAL AFRICAN REPUBLIC

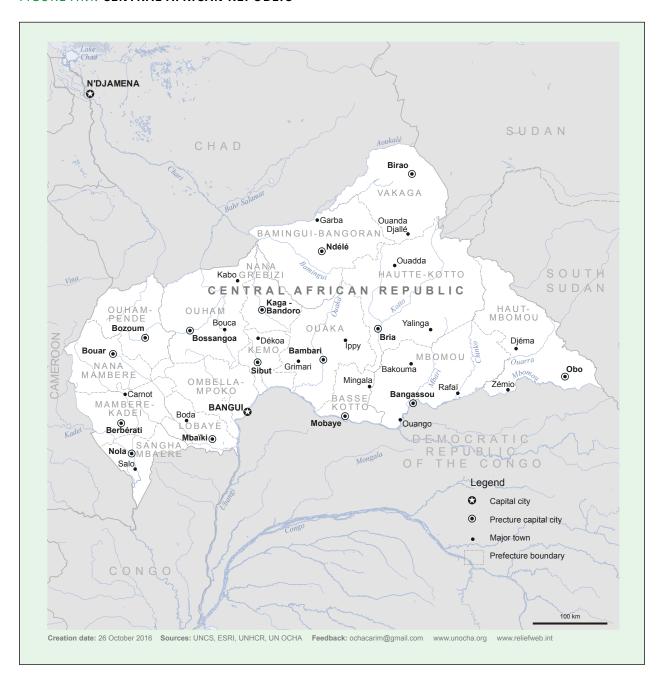
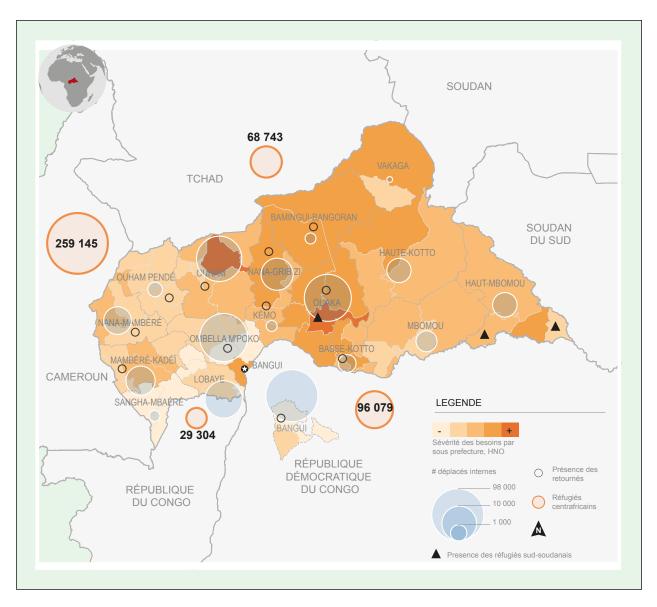


FIGURE A1.2: HUMANITARIAN SITUATION IN THE CENTRAL AFRICAN REPUBLIC



#### FIGURE A1.3: VEGETATION OF THE CENTRAL AFRICAN REPUBLIC

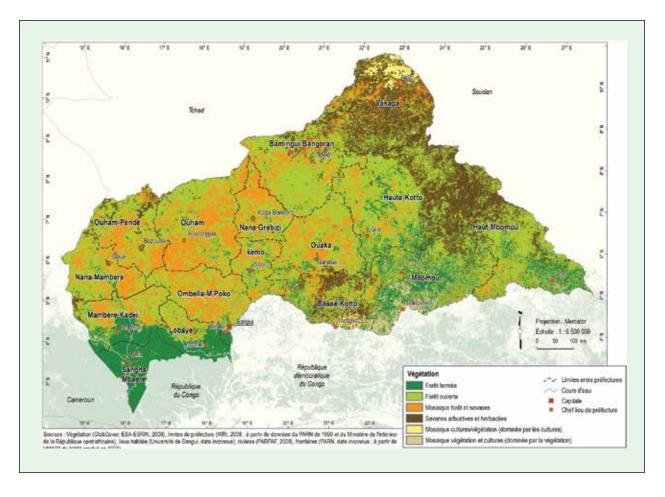
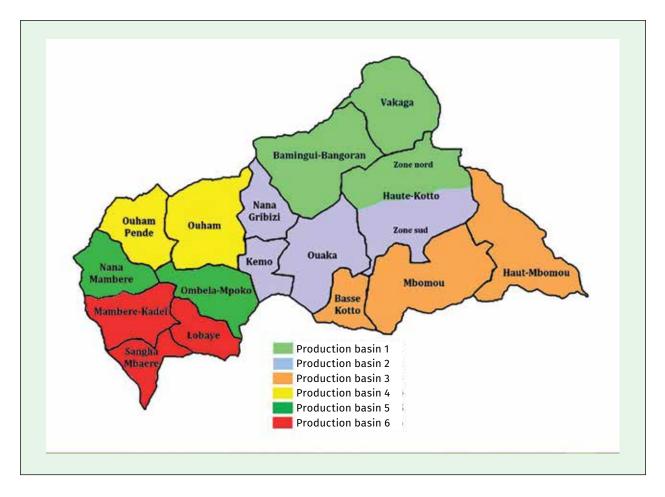


FIGURE A1.4: AGRICULTURAL PRODUCTION BASINS IN THE CENTRAL AFRICAN REPUBLIC



## **Annex 2: Summary of costs**

TABLE A2.1: PRIORITIZATION FRAMEWORK AND ASSOCIATED COSTS IN U.S. DOLLARS

Priority component	2017	2018	2019	2020-21	Total
Pillar 1: Support peace, security, and reconciliation	117	130	113	100	461
Support reduction of violence through disarmament and reintegration of ex-combatants and children associated with armed groups	42	43	30	0	115
DDRR	18.2	18.7	6.2	0	43.1
Community violence reduction	5.0	5.0	5.0	0	15.0
Child soldiers	18.9	18.9	18.9	0	56.8
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
National reconciliation and social cohesion	7.6	8.7	5.7	3.7	25.6
Return of refugees and internally displaced people	13.0	21.3	25.5	23.3	83.1
Pillar 2: Renew the social contract between the state and the population	200	246	284	596	1,326
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 water, health and education, by initiating a progressive transfer of capacities and resources to national structures	65	105	140	344	654
Education	14.9	27.2	48.5	97.5	188.1
Health and nutrition	33	49.8	65.8	155.7	304.3
Water and sanitation	16.6	27.2	24.6	78.3	146.7
Social protection	0.7	0.9	0.8	12.8	15.2
Ensure food security and resiliency	14	19	21	50	104
Strengthen macroeconomic stability and good governance, including public financial management and controls, revenue generation, and anti-corruption measures	92	98	106	185	481ª

Priority component	2017	2018	2019	2020-21	Total
Pillar 3: Promote economic recovery and boost productive sectors	58	182	262	721	1,224
Boost and develop productive sectors: agriculture and livestock farming, extractive and forestry industries	19	68	88	213	387
Agriculture	13.7	50.3	69.8	162.6	296.4
Forestry sector and renewable natural resources	3.8	6.0	7.8	29.2	46.7
Extractive industries	2.0	11.2	10.1	21.0	44.2
Repair and construct infrastructure: transport, electricity, and communication networks	29	101	156	456	742
Roads and transport	8.1	45.9	95.8	270.7	420.4
Energy	19.6	52.1	48.8	146.1	266.5
Information and communication technologies	1.0	3.3	11.6	39.6	55.4
Establish conditions for private sector development and employment: improved business support and financial services, vocational training, entrepreneurship, and employment	10	14	18	52	94
General capacity building and implementation support	30	30	30	60	150
Total	406	589	689	1,477	3,161

a. This amount includes the need for external funding to cover the budget deficit, which is estimated at \$355 million over the next five years (source: IMF).

TABLE A2.2: PRIORITIZATION FRAMEWORK AND ASSOCIATED COSTS IN CFA FRANCS

Priority component	2017	2018	2019	2020-21	Total
Pillar 1: Support peace, security, and reconciliation	69	77	67	59	272
Support reduction of violence through disarmament and reintegration of ex-combatants and children associated with armed groups	25	25	18	0	68
DDRR	10.7	11.0	3.7	0	25.4
Community violence reduction	3.0	3.0	3.0	0	8.9
Child soldiers	11.2	11.2	11.2	0	33.5
Promote stability through the reform of the security sector	21	21	16	19	78
Advance justice reform and promote an end to impunity	11	13	14	24	62
Facilitate reconciliation and social cohesion and create the conditions for the return of refugees and sustainable solutions for displaced persons	12	18	18	16	64
National reconciliation and social cohesion	4.5	5.1	3.4	2.2	15.1
Return of refugees and displaced persons	7.7	12.6	15.0	13.7	49.0
Pillar 2: Renew the social contract between the state and the population	118	145	168	351	783
Redeploy administration across the country and put in place an inclusive local governance system	17	15	11	10	52
Provide basic services to the population across the country, particularly in the areas of water, health and education, by initiating a progressive transfer of capacities and resources to national structures	38	62	82	203	386
Education	8.8	16.0	28.6	57.5	111.0
Health and nutrition	19.5	29.4	38.8	91.9	179.5
Water and sanitation	9.8	16.1	14.5	46.2	86.5
Social protection	0.4	0.6	0.5	7.5	9.0
Ensure food security and resiliency	9	11	12	29	61
Strengthen macroeconomic stability and good governance, including public financial management and controls, revenue generation, and anti-corruption measures	54	58	62	109	283ª

Priority component	2017	2018	2019	2020-21	Total
Pillar 3: Promote economic recovery and boost productive sectors	34	108	154	426	722
Boost and develop productive sectors: agriculture and livestock farming, extractive and forestry industries	11	40	52	126	229
Agriculture	8.1	29.7	41.2	95.9	174.9
Forestry sector and renewable natural resources	2.2	3.6	4.6	17.2	27.6
Extractive industries	1.2	6.6	6.0	12.4	26.1
Repair and construct infrastructure: transport, electricity, and communication networks	17	60	92	269	438
Roads and transport	4.8	27.1	56.5	159.7	248.0
Energy	11.5	30.7	28.8	86.2	157.3
Information and communication technologies	0.6	2.0	6.8	23.3	32.7
Establish conditions for private sector development and employment: improved business support and financial services, vocational training, entrepreneurship, and employment	6	8	11	31	56
General capacity building and implementation support	18	18	18	35	89
Total	239	347	407	871	1,865

a. This amount includes the need for external funding to cover the budget deficit, which is estimated at CFAF 209 billion over the next five years (source: IMF).

TABLE A2.3: PRIORITIZATION FRAMEWORK AND ASSOCIATED COSTS IN EUROS

Priority component	2017	2018	2019	2020-21	Total
Pillar 1: Support peace, security, and reconciliation	106	117	102	90	415
Support reduction of violence through disarmament and reintegration of ex-combatants and children associated with armed groups	38	38	27	0	104
DDRR	16.4	16.8	5.6	0	38.9
Community violence reduction	4.5	4.5	4.5	0	13.5
Child soldiers	17.1	17.1	17.1	0	51.2
Promote stability through the reform of the security sector	32	33	25	30	119
Advance justice reform and promote an end to impunity	17	19	22	36	95
Facilitate reconciliation and social cohesion and create the conditions for the return of refugees and sustainable solutions for displaced persons	19	27	28	24	98
National reconciliation and social cohesion	6.8	7.8	5.1	3.3	23.1
Return of refugees and internally displaced people	11.7	19.2	23.0	21.0	74.9
Pillar 2: Renew the social contract between the state and the population	180	222	256	536	1,195
Redeploy administration across the country and put in place an inclusive local governance system	25	22	16	15	79
Provide basic services to the population across the country, particularly in the areas of water, health and education, by initiating a progressive transfer of capacities and resources to national structures	59	95	126	310	589
Education	13.4	24.5	43.7	87.8	169.5
Health and nutrition	29.7	44.8	59.2	140.3	274.1
Water and sanitation	14.9	24.5	22.1	70.5	132.1
Social protection	0.6	0.8	0.8	11.5	13.7
Ensure food security and resiliency	13	17	19	45	93
Strengthen macroeconomic stability and good governance, including public financial management and controls, revenue generation, and anti-corruption measures	83	88	95	166	433ª

Priority component	2017	2018	2019	2020-21	Total
Pillar 3: Promote economic recovery and boost productive sectors	53	164	236	650	1,102
Boost and develop productive sectors: agriculture and livestock farming, extractive and forestry industries	17	61	79	192	349
Agriculture	12.3	45.3	62.9	146.5	267.0
Forestry sector and renewable natural resources	3.4	5.4	7.0	26.3	42.1
Extractive industries	1.8	10.1	9.1	18.9	39.8
Repair and construct infrastructure: transport, electricity, and communication networks	26	91	141	411	669
Roads and transport	7.3	41.3	86.3	243.8	378.7
Energy	17.6	46.9	44.0	131.6	240.1
Information and communication technologies	0.9	3.0	10.4	35.6	49.9
Establish conditions for private sector development and employment: improved business support and financial services, vocational training, entrepreneurship, and employment	9	12	16	47	85
General capacity building and implementation support	27	27	27	54	135
Total	365	530	621	1,330	2,847

a. This amount includes the need for external funding to cover the budget deficit, which is estimated at EUR 319 million over the next five years (source: IMF).

# **Annex 3: Summary of strategic results**

TABLE A3.1: STRATEGIC RESULTS OF PILLAR 1: SUPPORT PEACE, SECURITY, AND RECONCILIATION

Objective	Strategic results			
Objective 1: Support reduction of violence through disarmament and reintegration of ex-combatants and children associated with armed groups				
DDRR	The national DDRR program is accepted by all stakeholders and implemented			
Community violence reduction	Community violence is stabilized			
Children associated with armed groups	Children who left armed groups are reinserted and reintegrated, in accordance with the Paris Guiding Principles			
	Objective 2: Promote stability through security sector reform			
	A strategic and political security sector reform framework is adopted			
	Democratic control of the security sector is in effect			
Overall framework for security sector reform	Ensure that the Central African authorities have the required capacity to implement a small arms and light weapons strategy			
	A strategy to control borders and the movement of people and goods is adopted and implemented			
	The legal and regulatory framework of the defense sector is revised and adopted			
	Human resource management in the defense sector is mainstreamed and appropriate			
	Essential defense sector infrastructure is rehabilitated			
Defense sector reform	Seven infantry battalions and one amphibious battalion are trained, equipped, and operational			
	Military justice, which helps fight impunity and solidify the rule of law, is operational			
	FACA's initial and ongoing training system is restored			
	The legal and regulatory framework of the domestic security apparatus is revised and adopted			
Domestic security reform	Human resource management in the domestic security apparatus is mainstreamed and appropriate			
	Required domestic security infrastructure is rehabilitated to ensure that the police and gendarmerie have the minimum capacity to operate			
	Domestic security forces are trained to accomplish their governmental functions			
	The police and gendarmerie are managed is a way that is effective, transparent, and reliable			

Objective	Strategic results				
Objective 3: Advance justice reform and promote an end to impunity					
	The Special Criminal Court is operational				
	The National Commission for Human Rights and Fundamental Freedoms is established and operational				
	Judiciary infrastructure is rehabilitated and judiciary activities resume				
	The demilitarized penitentiary administration is redeployed across the territory and operates in accordance with international norms				
Objective 4: Facilitat	Objective 4: Facilitate reconciliation and social cohesion and create the conditions for the return of refugees and sustainable solutions for displaced persons				
	The CAR has a long-standing and inclusive peace architecture, representative of citizens at the local, regional, and national levels				
Facilitate reconciliation and social cohesion	The CAR has a transitional justice mechanism and systems to provide care and reparation to victims of conflict				
	A national communications strategy for peace, reconciliation, and social cohesion is formulated and implemented				
Create the conditions for the return of refugees and sustainable solutions for displaced persons	A normative framework is developed and implemented for the return and reintegration of refugees and displaced individuals				
	The national strategy to provide the displaced with sustainable solutions and reintegrate refugees is adopted and implemented				

TABLE A3.2: STRATEGIC RESULTS OF PILLAR 2: RENEW THE SOCIAL CONTRACT BETWEEN THE STATE AND THE POPULATION

Objective	Strategic results				
Objective 1: Redepl	Objective 1: Redeploy administration across the country and put in place an inclusive local governance system				
	The national strategy to restore and extend state authority is drafted and implemented				
	Public servants and state agents are (re)deployed and in place in all subprefectures				
	The decentralization policy is implemented, the legitimacy of authorities is increased, and elected local authorities take office and are operational				
	Constitutional institutions are put in place and operational				
	The institutional framework to undertake and implement administrative reforms is created and operational				
	Society's foundations are strengthened, positive local dynamics are recreated, and good local governance, as well as peaceful community coexistence, is promoted				
	The policy of national reconciliation and social cohesion among communities is implemented at the local level through local recovery and peacebuilding plans				

Objective	Strategic results
	Objective 2: Provide basic services to the population
	Infrastructure for education management and hosting capacities of educational facilities are reinforced, particularly in the most vulnerable prefectures
	Improved learning environment and more secure learning facilities
	Alternative educational models targeting children, teens, and youth who are at risk of dropping out of school, are already out of school, or never attended school are developed and implemented
	Teachers' initial and ongoing training and academic monitoring framework systems are reinforced, with a focus on education for peace, citizenship, and social cohesion
	Equitable support for the deployment of teachers across the entire national territory
Education	Strategies to attract and retain teaching staff are developed
	The status, recruitment, training, and compensation mechanisms for parent-teachers are revised
	Knowledge about performance, costs, and financing of the sector is generated and the next sectoral plan is formulated
	Implementation of actions listed in the interim plan for compensating parent-teachers is accelerated
	The Education Information and Management System is restored and modernized
	Institutional development is in place
	Operational capacities for planning, budgeting, monitoring and evaluation, and infrastructure are reinforced at all levels of the health system
	Resources required to finance health care are raised
	A system to supply essential medicines, equipment, and other health products is operational
Health	Qualified and sufficiently motivated health personnel are present across the entire national territory, including in remote rural areas
	Maternal health care services are improved
	Child health care services are improved
	Efforts to prevent and fight communicable and noncommunicable diseases are reinforced
	Epidemiological monitoring and the early alert, referral, and counter-referral system, as well as public health emergency management, are in place
	The political and institutional framework for nutrition is reinforced
	Initiatives to promote and protect infant and young child feeding are developed and executed
	More robust integration of nutritional interventions within primary health services
Nutrition	Community-based nutritional interventions are developed
Nutrition	Increased provision of micronutrient supplements and food fortification
	Increased food delivery to specific vulnerable groups, including persons living with HIV/AIDS
	More robust nutrition and food monitoring system
	Increased capacity to prevent and respond to nutritional emergencies

Objective	Strategic results
	Improved access to safe drinking water by rural populations
	Improved access to safe drinking water by urban populations (Bangui and secondary centers)
	Improved access to sanitation
Water and sanitation	Government structures are strengthened to ensure that water and sanitation service delivery is improved
	The water and sanitation sector has institutional, legal, and regulatory instruments and effective tools to improve knowledge and monitoring and evaluation of the sector
	A social and community-based communications strategy to alter norms and behaviors is implemented to ensure that water, sanitation, and hygiene interventions are sustainable
	The political and institutional framework for social protection is reinforced
	The social protection framework is scaled up
Social protection	Specific vulnerable groups are targeted
	Administrative capacities are developed
	Objective 3: Ensure food security and resiliency
	Food security is ensured for the most vulnerable households; their productive capacities and their livelihoods are restored and reinforced
	Less malnutrition among children and patients under an antiretroviral and tuberculosis treatment
	Communities build social cohesion, develop a savings culture, and share good practices by adopting a resiliency fund approach
	National food and nutrition security policies are updated and operational
	Livestock and agricultural farmers coexist peacefully by putting in place consultative transhumance management facilities
	Socioeconomic reinsertion of vulnerable youth affected by conflicts is implemented in the agropastoral sector
	Coordination of the food security working group is reinforced and the early food and nutrition security alert system is operational
Objective 4: Strengthe	en macroeconomic stability and good governance, including public financial management and controls, revenue generation, and anti-corruption measures
	More robust budgeting framework
	Increased domestic resource mobilization
	The public expenditure chain is reinforced and normal expenditure execution procedures are followed
	Public accounting is done in a timely fashion and in accordance with current legislation
	Greater capacity to produce statistics
	Public finance credibility is restored and internal controls and accountability mechanisms are strengthened
	The budget deficit for irreducible public spending is covered by budget support

TABLE A3.3: STRATEGIC RESULTS OF PILLAR 3: PROMOTE ECONOMIC RECOVERY AND BOOST **PRODUCTIVE SECTORS** 

Objective	Strategic results			
Objective 1: Boost and develop productive sectors				
	Improved access to inputs for the agropastoral and fisheries sectors			
	Research and outreach methods are updated and deployed, and more adequate techniques are disseminated			
Agriculture	Agricultural production increases and cash crops are expanded			
	Livestock production increases and its value chains are expanded			
	Fisheries production increases and its value chains are expanded			
	Improved governance and regulation in the agropastoral and fisheries sectors			
	Integrated and participatory forest management ensures that challenges are addressed and new activities are identified harmoniously			
	Resumption of investments in the forestry sector helps restart income flows, tax revenues, and job creation			
	Improved and diversified forest sector activities and specialized production			
Forestry sector and renewable natural	The livelihoods of forest communities show a positive trend, and there are fewer conflicts between concession-holder companies and forest communities			
resources	Increased Income from sustainable forest activities			
	Integrated and participatory management of forest savannas and protected areas ensures that challenges are addressed and new activities are identified harmoniously			
	Increased income from sustainable natural resource use			
	Improved waste management			
	Increased investments in the industrial mining sector			
Extractive industries	Improved formalization, productivity, and working conditions in artisan mining activities			
	Improved governance in the mining sector			
	Objective 2: Repair and construct infrastructure			
	Increased external access to the CAR greatly facilitates the movement of people and goods			
	Increased internal access greatly facilitates the movement of people and goods			
Roads and transport	Improved air service increases national and international connectivity			
	Transport-related institutional framework and policies help improve the sector's management and development			
	Expanded access to a reliable electric grid			
Energy	Improved performance by ENERCA			
	Strengthened political, regulatory, and institutional framework for electricity grids in urban areas and for rural electrification			
Information and	Improved rural connectivity			
Information and telecommunication	Improved international connectivity			
networks	The sector's institutional framework and institutions are strengthened			

Objective	Strategic results				
Objective 3: Establish conditions for private sector development and employment					
	Business creation and permit issuance are facilitated				
Business climate	Lower business costs				
	The Business Climate Improvement Program is developed through a consultative process				
	Professionalized SMEs and SMIs				
Duei	Larger number of public-private partnerships				
Business support and financial services	Easier access to credit				
	The microfinance subsector is deployed across the entire territory and ensures financial inclusion				
	Adequate vocational training increases the number of qualified workers				
Vocational training, entrepreneurship, and employment	Entrepreneurship support helps ensure successful insertion of youth and vulnerable populations				
	An effective national intermediation system exists between training and the labor market				

# Annex 4: Results and analysis of a national survey on the state of the nation and policy priorities

#### **Background**

In August 2016, ICASEES conducted a national survey, with financial and technical support from the World Bank, to collect information about the state of the nation and the development priorities of local authorities and citizens. The survey, the National Communes and Households Survey, was comprised of two components: a commune survey and a household survey. A complete report of the survey findings and the databases was made publicly available in October 2016.

The commune survey collected information on current conditions in all 179 communes of the CAR and on local perspectives of security and policy priorities. Through interviews with local authorities, the survey gathered information on local infrastructure, health and education facilities, local governance, economic activities, conflict, security and violence. In addition, the survey asks about perceptions of socioeconomic and security conditions in the principal town of the commune, and about policy priorities for the commune with respect to three themes: peace, reconciliation, and security; good governance and the provision of basic services; and economic recovery.

The household survey collected information on household socioeconomic well-being, perceptions of security and economic conditions, and opinions on policy priorities, complementing the data from the commune survey. By conducting the commune and household surveys simultaneously, it was possible to explore potential differences in perspectives between local authorities and citizens. The household survey was conducted in all but two communes, with 10 households interviewed in each. The two communes that could not be covered due to armed groups and impassable rainy season roads were Ouandja-Kotto in Haute-Kotto prefecture and Ouada-Djalle in the Vakaga prefecture, both in the Northeastern area of the country. (See the methodology section for additional details on survey design and implementation.)

The National Communes and Households Survey will form the basis of a feedback system to inform decision makers about progress. By conducting these surveys every six months, it will be possible to obtain timely and reliable evidence of evolving needs and development progress in the CAR to inform decision making. With additional donor support, this feedback system can be strengthened to improve monitoring and could complement other initiatives to strengthen data production in the CAR.

#### Profile of household survey respondents

Household livelihoods are predominantly in agriculture. About 7 out of 10 household heads are engaged in agriculture, livestock, or fishing as their primary occupation. About 1 in 10

household heads is engaged in commerce. Smaller shares are engaged in transport, industry, construction, mining, and artisanal activities.

Most households are headed by a male, about half of whom are between the ages of 25 and 44 years. Educational attainment among household heads is low, with 7 out of every 10 household heads having no more than primary education. Only 10 percent of heads are married, but most are engaged in informal unions. The overall population pyramid is expansive, with large shares in younger age groups.

The socioeconomic characteristics of the households (table A4.1), including gender, education, and occupation of household head, are similar to results from other national surveys (2015 World Food Programme Food Security, and 2008 Central African Survey for the Monitoring and Evaluation of Welfare-ECASEB). This is reassuring and instills a greater level of confidence that the household survey results provide a reliable representation of the country.

#### State of the nation

Stark disparities exist between Bangui and the rest of the country in the availability of infrastructure (table A4.2). Water infrastructure is limited, with only one out of every three communes reporting either distribution by the national water company (SODECA) or the availability of water pumps in the chef-lieu (seat of the municipality) of the commune. Coverage in Bangui is high, but in other regions, 17-60 percent of communes have access to clean water infrastructure. Electricity infrastructure is functional in Bangui, in a few communes in the neighboring Ombella M'Poko prefecture, and in one commune each in the Lobaye and Basse-Kotto prefectures. Although the electric company ENERCA is reported to have operated previously in six other prefectures, services are currently not available. With the telecommunications infrastructure concentrated mainly in Bangui and surrounding areas, nationwide dissemination of news and exchange of information is severely constrained. Based on the survey of local authorities, the mobile phone network only covers about 40 percent of communes (chef-lieu), and the national radio and television stations and Internet are available in even fewer communes.

Access to basic social services is very limited (figure A4.1). Even in the 10 largest localities (villages or quartiers) in every commune, half have a functional primary school, and one in five has a health clinic. The situation is barely better in the larger communes with 1,500 or more people. These largest localities account for 16 percent of all localities in the CAR and comprised about 34 percent of the population in 2003. One can safely assume that access to social services is considerably worse in smaller localities (not reflected in the figure).

According to local authorities, a lack of facilities and a shortage of qualified personnel are the biggest problems (table A4.3). Local officials indicate that the provision of health services is hindered by a lack of health facilities and a shortage of doctors and nurses. For primary schools, the main challenges cited are the lack of functioning schools, unqualified teachers, and insecurity. The number of public schools has decreased compared to the pre-crisis year, in particular in the Yadé, Kagas, and Haut-Oubangui regions. Forty percent of communes indicate that the biggest issue for public primary schools (in the chef-lieu) is an insufficient number of teachers or teachers who are not qualified. Another 24 percent indicate the lack of functioning schools as the biggest problem, and 14 percent cite insecurity. For secondary

TABLE A4.1: HEAD OF HOUSEHOLD AND POPULATION PROFILE (%)

		Weighted		Unweighted	
	Characteristic	Head of household	Population	Head of household	Population
Area of	Urban	38	37	25	26
residence	Rural	62	63	75	74
Gender	Male	82	50	83	50
Gender	Female	19	50	17	50
	Younger than 25	11	69	11	69
	Between 25 and 34	26	13	26	13
Age	Between 35 and 44	26	9	27	9
	Between 45 and 54	22	6	21	6
	55 years and older	14	4	15	4
	None	23	43	22	44
	Primary or just literate	44	43	50	45
Education	Secondary	28	13	26	11
	Higher	6	2	3	1
	Agriculture, livestock, fishing	67	35	77	40
	Industry, construction, mining, artisan	5	2	4	2
	Commerce	12	5	7	4
Occupation (primary)	Transport	8	2	7	1
(primary)	Student	3	23	2	23
	Unemployed/inactive	4	12	2	10
	Other	1	21	1	21
	Single	27	48	24	46
	Married	10	7	9	7
Marital status	Free union	52	38	56	40
	Separated/divorced	5	3	4	3
	Widowed	7	4	7	4
	Banda	24	25	24	26
	Sara/Kaba	6	7	7	7
	Mboum	7	6	7	7
Ethnicity	Gbaya	30	29	33	32
	Mandja	9	9	9	9
	Ngbaka-Bantou	6	7	5	6
	Yakoma-Sango	8	7	5	4
	Zande-Nzakara	5	5	5	5
	Haoussa/Peulh	2	2	1	2
	Other or foreigner	4	4	3	3

Note: Survey population is based on the household roster.

TABLE A4.2: WATER, ENERGY, AND TELECOMMUNICATIONS INFRASTRUCTURE BY REGION

	Availability in the principal town of the commune (% of communes)						
Region (prefectures)	Clean water (SODECA or pump)	Electricity (ENERCA)	Mobile phone coverage	International radio reception	National radio reception	National television reception	Internet connection
Bangui	88	100	100	100	100	100	100
Plateau (Ombella- M'Poko, Lobaye)	36	18	55	95	50	9	14
Equateur (Nana- Mambere, Mambere- Kadei, Sangha- Mambere)	24	0*	50	97	6	0	15
Yadé (Ouham, Ouham- Pende)	28	0*	35	74	2	0	7
Kagas (Ouaka, Kemo, Nana-Gribizi)	60	0*	33	83	3	0	3
Fertit (Bamingui- Bangoran, Vakaga, Haute-Kotto)	50	0	33	92	25	0	25
Haut-Oubangui (Basse- Kotto, Mbomou, Haut- Mbomou)	17	3*	37	97	0	0	17
CAR	36	12	43	89	15	6	16

a. Infrastructure exists in an additional 6–7 percent of communes within the region but is not currently functioning; overall, only 57 percent is functioning.

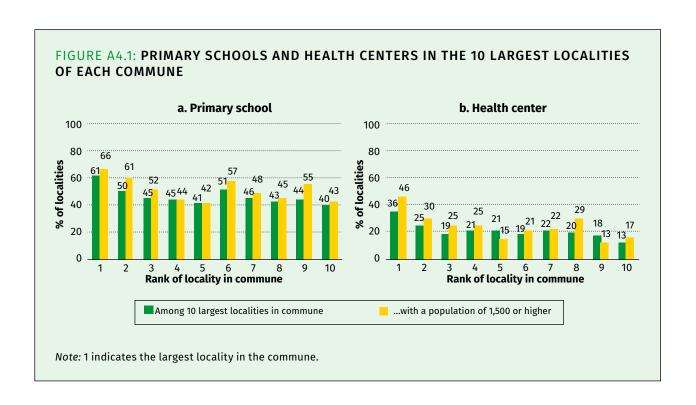


TABLE A4.3: CONSTRAINTS IN HEALTH AND EDUCATION (% OF COMMUNES)

Constraint	Bangui	Rest of country	CAR		
Health care (most important issue)					
Lack of functioning health facilities	43	30	31		
Lack of physicians	14	23	22		
Lack of nurses	0	22	21		
Other	43	25	26		
Total	100	100	100		
Primary education	(most important issu	e)			
Lack of functioning schools	43	23	24		
Lack of teachers	0	24	23		
Teachers are not qualified	14	17	17		
Insecurity	14	14	14		
Physical conditions (buildings)	0	6	6		
Other	29	16	17		
Total	100	100	100		
Secondary education	on (most important iss	ue)			
Lack of functioning schools	29	47	46		
Lack of teachers	0	11	11		
Insecurity	14	10	11		
Physical conditions (buildings)	14	9	9		
Teachers are not qualified	14	6	7		
Other	29	16	17		
Total	100	100	100		

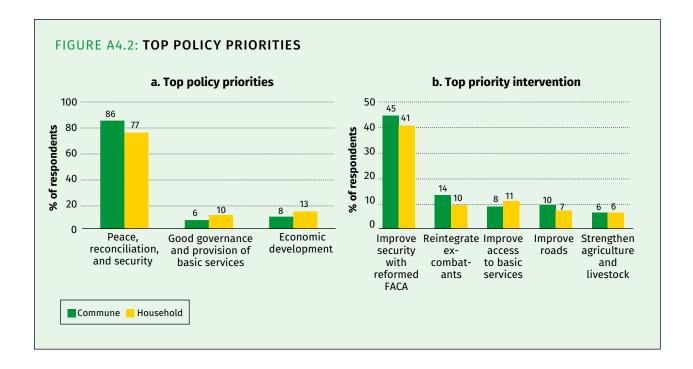
*Note*: These results represent the perspectives of the local authorities in the communes.

schools, similar challenges are cited, with the lack of functioning schools cited as the greatest constraint.

With respect to access to justice, four prefectures (Ouham, Kemo, Nana-Gribizi, Mbomou) report not having a functioning court to settle legal disputes. At the time of the survey, a total of 24 courts were reported, but 6 were not functioning.

#### **Priorities for development**

There is broad consensus among both local authorities and citizens that the highest priority for the country is achieving peace, reconciliation, and security (figure A4.2). This is followed by good governance and the provision of basic services, and then economic development. With respect to specific policy interventions, the top five interventions prioritized (among all



options) by survey respondents are the following, in order of importance: (1) improve security through a reformed FACA operating across the territory, (2) reintegrate ex-combatants, (3) improve access to basic services (health, education, water), (4) improve road infrastructure, and (5) strengthen agricultural and livestock production.

Respondents were also asked about the top priority within each of the three categories (table A4.4). With respect to peace, reconciliation, and security, overwhelming support exists for restoring security across the country through reformed defense forces (FACA), consistent with the results above. A distant second is the reintegration of ex-combatants. As for good governance and provision of basic services, redeploying administration throughout the country was cited most, in particular by residents of Bangui. On the other hand, improving access to basic services is a high priority among residents living in other parts of the country where access to health and education services are extremely limited. When it comes to economic development, job creation is a high priority among residents of Bangui; while strengthening the agriculture and livestock sectors and building roads are priorities for residents living in other areas, in particular in the more isolated Eastern regions of Haut-Oubangui and Fertit.

#### Perceptions of security and household welfare

Security remains a pressing concern among respondents despite recent improvements (figure A4.3). In August, the security situation was viewed as stable or improving (relative to July) in 80 percent of the communes, with the greatest improvements sensed in Bangui and the Equateur and Plateau regions. In other areas, local perceptions were mixed. Ethnic and religious tensions appear to have eased over the past six months in most areas, particularly in Bangui. However, the Ouham and Kemo prefectures are the exceptions, with nearly half of the respondents reporting a worsening situation. Furthermore, respondents express confidence in the FACA, the gendarmerie, and the police. There is little support for the rebel groups that are still active across the territory, except in the Vakaga prefecture, where 80 percent of the households surveyed trust the armed groups.

TABLE A4.4: PRIORITIES IDENTIFIED WITHIN EACH CATEGORY (% OF HOUSEHOLDS)

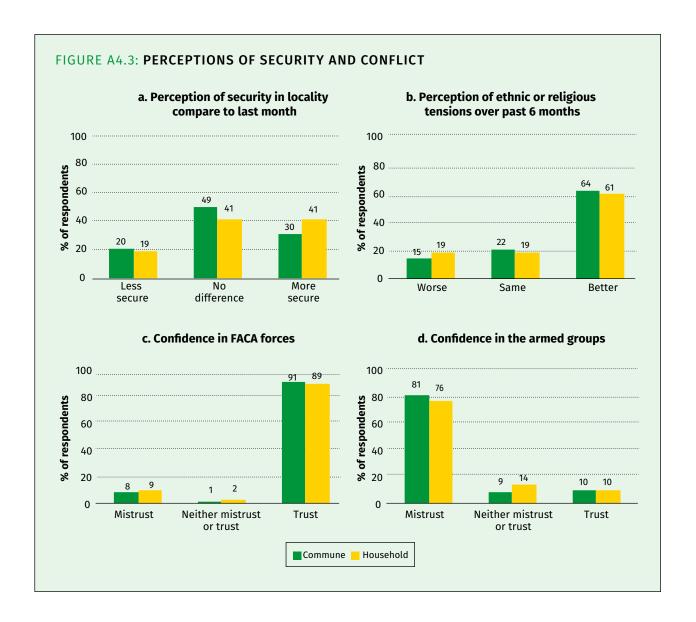
Priority	Bangui	Other urban	Rural	CAR	
Peace, reconciliation, and security (highest priority within group)					
Restore security across CAR through reformed defense forces (FACA)	52.6	56.4	59	57.4	
Reintegrate ex-combatants	15.8	11.3	13.2	13.2	
Restore security across the CAR through reformed security forces (police and gendarmerie)	1.3	11.3	9.2	8.4	
Support reduction of violence	5.3	6.3	7.5	6.9	
Set a policy for national reconciliation and social cohesion	6.6	6.3	5	5.5	
Good governance and provision of basic services (highes	t priority wi	thin group)			
Redeploy administration across the country	32.9	26.4	24.6	26.3	
Provide basic services to the population, in particular health	11.8	19.5	25.2	21.8	
Provide basic services to the population, in particular education	13.2	17.7	18.7	17.6	
Provide basic services to the population, in particular water	7.9	14.8	11.5	11.6	
Ensure food security	3.9	10	8.6	8.2	
Economic development (Highest priority within group)					
Strengthen and develop agriculture and livestock sectors	22.7	32.6	36.5	33.4	
Build roads	12	32.9	36.9	32	
Create jobs	36	13.7	11.5	15.9	
Strengthen and develop extractive industries	4	4.5	5.4	5	
Develop professional training programs	5.3	4.5	2.4	3.3	

Note: The questionnaire asked respondents to choose the highest priority intervention within each category. Only the top five responses are shown. The results are weighted to adjust Bangui, other urban, and rural shares.

Household perceptions of living conditions and opportunities indicate high expectations for economic recovery and welfare improvements (figure A4.4). Over the course of the last six months, most households feel that their standard of living is about the same or worse. However, looking ahead, the majority of households are optimistic that their standard of living and employment opportunities will improve in the coming year. Both urban and rural residents express this optimism. Across prefectures, residents of Vakaga and Haut-Mbomou are the most doubtful, while those in Mbomou, Ombella-M'Poko, and Nana-Mambere are the most upbeat about the future.

#### **Building a monitoring system**

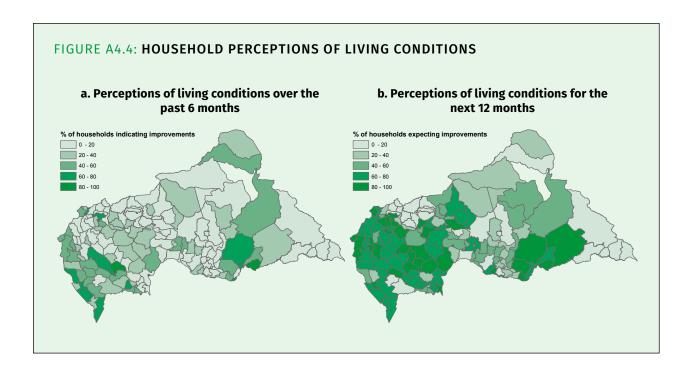
The National Communes and Households Survey, thanks to its nationwide coverage and demonstrated ability to collect information rapidly and cost-effectively, can serve as the core for a new monitoring system. By repeating this survey regularly, it can feed into a system that assesses progress toward RPBA objectives and presents an objective feedback loop for the state and citizens.



Using a select set of indicators from the survey, a dashboard can be created to present information on tangible development outcomes (e.g., number of functional schools, coverage of the mobile phone network, availability of transport) as well as report on citizen perceptions (e.g., security, trust, whether life is improving). The dashboard can integrate complementary information from other sources (e.g., prices, displaced people, quality of roads) to offer a more complete picture of the state of the nation.

When these indicators are measured regularly over the course of the RCPCA, they can demonstrate trends over time with respect to implementation. It is suggested that the survey be repeated at least once every six months to track changes. As a complement to the dashboard, progress made could be reflected in a national implementation report published on an annual basis. Such a report would highlight the achievements and challenges of implementation and could also include information gathered through focus groups.

Monitoring alone serves little purpose if the information collected is not analyzed in a timely manner, put into context, and interpreted in ways that facilitate decision making. Without explicit targets, timelines, and a sex- and age-disaggregated data collection methodology,



commitments are not actionable and progress not measurable. A small team of two or three dedicated analysts, with an independent statute, that operates under the guidance of RCPCA partners and the authorities could ensure that relevant lessons are drawn from the available information. The team would report on specific topics, produced at the request of its principals. It would work closely with ICASEES, which is responsible for implementation of the National Communes and Households Survey, and help identify areas and issues on which additional information should be collected.

Results need to be communicated to different stakeholders to ensure that monitoring processes are meaningful and support better development outcomes. As such, an analysis and communications strategy should be an integral part of the monitoring framework. In addition, to facilitate transparency and build confidence, the dashboard and its underlying data should be made publicly available, including through a web portal.

#### Methodology

The survey design for the National Communes and Households Survey was tailored to the current context in the CAR—i.e., a high level of insecurity, the need to collect data in a short period of time, and tight budget constraints. A commune survey covering all 179 communes in the country was a central element of the design. As a supplement, a household survey component was added to obtain citizen perspectives. Given that armed groups continue to be active across the territory, the safety of the survey teams was a critical consideration. The practical and cost-effective solution for the household survey component was to limit the additional travel required of enumerators in the field. Although the ideal sampling methodology could not be used, the household socioeconomic characteristics of respondents are in line with other national surveys. The combination of the commune and household surveys provides a good representation of the country and is a valuable source of information in filling data gaps and monitoring progress.

The field work for the National Communes and Households Survey was conducted by 22 survey teams over a three-week period from August 3-24, 2016. Interviews were conducted primarily in French for the commune survey and in Sangho for the household survey, and paper questionnaires were used for both. Enumerators participated in a week-long training session and piloted both the commune and household survey questionnaires in Bangui and two communes in the Ombella-M'Poko prefecture.

#### **COMMUNE SURVEY**

As all 179 communes in the country were covered, no selection procedures were required for this component. In the principal town (chef-lieu) of each commune, survey teams interviewed representatives from the local government (mairie) and other community leaders for the commune survey. Considering that respondents would have more accurate information on their immediate environment, the questionnaire focused primarily on the situation in the chef-lieu of the commune to improve the reliability of the data collected.

#### **HOUSEHOLD SURVEY**

The planned total sample size was 1,790 households. In each commune, 10 households were selected to be interviewed: 5 households from a randomly selected neighborhood of the chef-lieu, and 5 households from a randomly selected village located 20–40 kilometers from the chef-lieu.

Selection of the localities (village or quartier) and households. The list of localities in the commune from the 2003 census was first updated through consultations with local authorities. The names of villages located 20-40 kilometers from the chef-lieu were written on pieces of paper, and one was randomly drawn by a local official. This process was used to select one of the neighborhoods in the chef-lieu. In each of the selected localities, a simple listing of households was completed, up to a maximum of 100 households. Using this list, five households were then randomly selected for interviews.

Urban and rural designations of localities are based on the 2003 census. Weights were used in analyzing the household survey data to adjust for the population shares in Bangui, other urban, and rural areas based on the census data (16, 22, and 62 percent, respectively). Each household within these strata has an equal weight. Recognizing the limitations of the sampling design and the outdated sample frame, more complex weighting schemes were not utilized.

