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Report No. 59674-CF

THE INTERNATIONAL DEVELOPMENT ASSOCIATION

THE INTERNATIONAL FINANCE CORPORATION

AND

THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

COUNTRY PARTNERSHIP STRATEGY PROGRESS REPORT

FOR

THE CENTRAL AFRICAN REPUBLIC

MAY 26TH, 2011

**Central Africa Department - Country Management Unit (AFCC1)
Africa Region**

**The International Finance Corporation
Africa Department**

The Multilateral Investment Guarantee Agency

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**DATE OF CURRENT COUNTRY PARTNERSHIP STRATEGY
JULY 31, 2009**

CURRENCY EQUIVALENTS

(Exchange Rate Effective February 16, 2011)

Currency Unit = CFA Franc

US\$1.00 = 487.34

GOVERNMENT FISCAL YEAR

January 1–December 31

ABBREVIATIONS AND ACRONYMS

AAA	Analytical and Advisory Activities
ADF	African Development Fund
AFD	French Agency for Development (<i>Agence Française de Développement</i>)
AfDB	African Development Bank
AICD	African Infrastructure Country Diagnostics
BEAC	Bank of Central African States (<i>Banque des Etats d’Afrique Centrale</i>)
CAADP	Comprehensive African Agriculture Development Program
CAB	Central African Backbone project
CAR	Central African Republic
CASA	Conflict-Affected States in Africa
CASPR	CAS Progress Report
CEMAC	Monetary and Economic Community of Central Africa (<i>Communauté Economique et Monétaire des Etats d’Afrique Centrale</i>)
CFA	African Financial Community (<i>Communauté Financière Africaine</i>)
CPJP	Convention des patriotes pour la justice et la paix
CPS	Country Partnership Strategy
CRN	Country Re-Engagement Note
CRW	IDA’s Crisis Response Window
DDR	Disarmament, Demobilization and Reintegration Program
DPO	Development Policy Operation
ECF	Extended Credit Facility
EFA/FTI	Education for All/Fast Track Initiative
EITI	Extractive Industries Transparency Initiative
EMGRG	Economic Management and Governance Reform Grant
ENERCA	National Electric Utility
EU	European Union
FCFA	CFA Franc
FLEGT	Forest Law Enforcement and Governance Trade support process
GDP	Gross Domestic Product
GoCAR	Government of CAR
GFRP	Global Food Crisis Response Program
GSM	Global System for Mobile Communications (<i>Groupe Spécial Mobile</i>)
HIPC	Highly Indebted Poor Countries Initiative
IDF	Institutional Development Fund
IFC	International Finance Corporation
IMF	International Monetary Fund
ITBN	Insecticide-Treated Bed Nets
JISN	Joint Interim Strategy Note

JSDF	Japan Social Development Fund
LICUS	Low Income Countries Under Stress initiative
MDG	Millennium Development Goals
MDRI	Multi-lateral Debt Relief Initiative
MDTF	Multi-Donor Trust Fund
MIGA	Multilateral Guarantee Agency
NGO	Non-Governmental Organization
ODA	Official Development Assistance
PARCPE	Economic Planning Capacities Rehabilitation Support Project
PBC	United Nations Peace Building Commission
PCDAGV	Community Project for the Development and Support of Vulnerable Groups
PEFA	Public Expenditure Financial Assessment
PFM	Public Financial Management
PPP	Public Private Partnership
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
SME	Small and Medium Enterprises
SPF	State and Peace-building Fund
TDRP	Transitional Demobilization and Reintegration Program
TTL	Task Team Leader
UA	Unit of Account
UN	United Nations
VCT	Voluntary Counseling and Testing
VPA	Voluntary Partnership Agreement
WB	World Bank
WBG	World Bank Group
WFP	World Food Program

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COUNTRY PARTNERSHIP STRATEGY PROGRESS REPORT FOR THE CENTRAL AFRICAN REPUBLIC

1 OVERVIEW

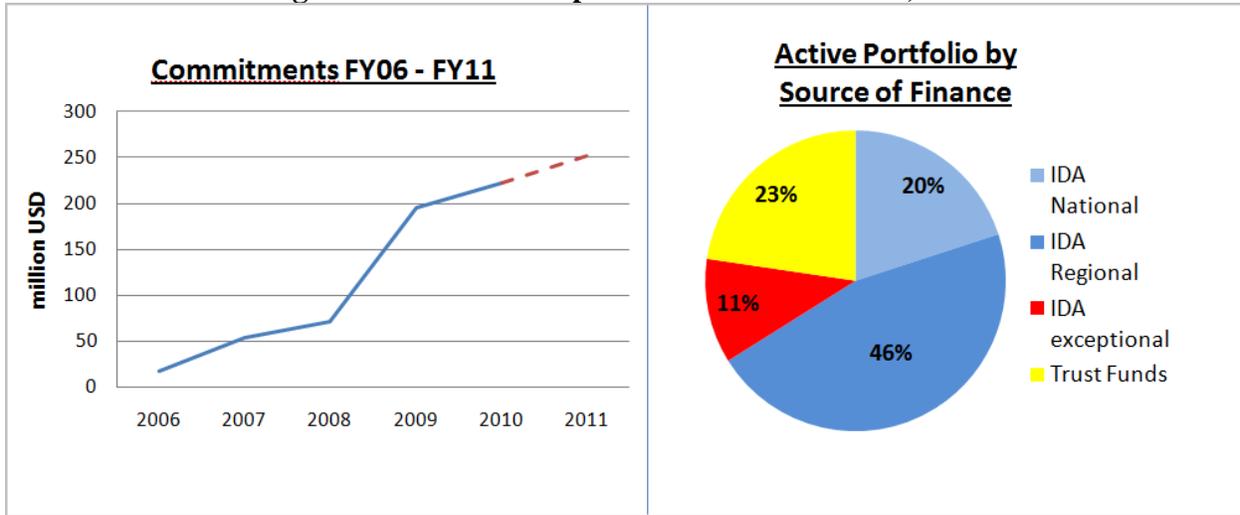
1. **This Country Partnership Strategy Progress Report (CASPR) assesses the implementation of the World Bank's FY09-12 Country Partnership Strategy (CPS) for the Central African Republic (CAR).** The CPS was prepared jointly by the World Bank Group (WBG) and the African Development Bank (AfDB) and discussed by the Board on September 3rd, 2009 (Report No. 49583-CF). The CPS builds upon the Country Re-Engagement Note of mid-2004 which marked the re-establishment of the WBG's relationship with CAR, following a period of suspension due to CAR's extended instability and accumulation of arrears, and the subsequent Joint AfDB/WBG Interim Strategy (JISN).¹ Given its emphasis on conflict, security and development, the current CPS also represents many of the key elements that are emerging from the Bank's new corporate framework for Fragile States, including focusing on partnerships and responding flexibly to emerging needs while also helping to develop institutional capacity to ensure sustainability.

2. **In line with the new Africa Regional Strategy, the CPS has emphasized partnerships to help meet huge unmet needs regarding reconstruction and development.** While the total volume of aid has increased since 2006, CAR still remains a donor orphan (its ODA per capita is US\$41 compared to US\$91 for Sierra Leone, US\$104 for Cameroon and US\$186 for Liberia). Significant collaborative efforts have been undertaken with partners such as the AfDB, the European Union (EU), the United Nations (UN) and the French Development Agency (AFD) to advance support at all levels. Examples include (i) the preparation of the CPS with the AfDB, (ii) the establishment of a Memorandum of Understanding (MOU) between the Government, the Bank, the EU and the AfDB to provide budget support, and (iii) donor coordination at the sector level to facilitate implementation including in transport, energy, community development, and urban development. The new IFC presence in the Country Office has resulted in an effective joint Bank/IFC collaboration with respect to improving the investment climate. Finally, a high level side event of the MDG summit in September 2010 also enabled the Government of CAR, the United Nations, the European Union, and the World Bank to focus international attention towards the peace building and development needs in CAR. This meeting laid the foundation for a donor Roundtable that is planned for June 2011.

3. **Frontloading resources in the early years of the CPS and leveraging the relatively small IDA 15 allocations to access alternative funding sources have spurred portfolio growth.** As reflected within the World Development Report 2011 (WDR), the CPS balances the short-term need for results with longer-term investments to help institutions emerge. As a consequence, the World Bank's commitments to CAR have grown rapidly from re-engagement in 2006 at around US\$17 million to US\$230 million in 2010 (see Figure 1 below). This amount is significantly higher than what was forecast in the CPS, and is all the more striking given CAR's total IDA 15 allocation was \$33 million. To respond quickly and flexibly to CAR's emerging challenges, varied funding sources were tapped, including regional IDA, various World Bank-administered trust and vertical funds, and from exceptional IDA including the Crisis Response Window (CRW). This strategy has allowed for the initiation of almost all of the planned lending operations and knowledge activities, with the exception of one health project scheduled for FY12. All IDA financed operations were processed under OP 8.0 (Rapid response to Crises and Emergencies) in order to quickly support the Government's response to the food, fuel and financial crises.

¹ Joint Interim Strategy Note (JISN) for FY2007-2008 (Report No.37974-CF).

Figure 1: Portfolio Composition as of December 31, 2010



2 COUNTRY CONTEXT

4. **The CAR authorities continue to focus on efforts to strengthen political stability and consolidate the peace process throughout the country.** An Inclusive Political Dialogue (IPD) organized in December 2008 in Bangui resulted in the adoption of a road map for full reconciliation. Its main recommendations included: (i) formation of a coalition government, including members of the opposition; (ii) implementation of a Disarmament, Demobilization and Rehabilitation (DDR) program; and (iii) setting up of an independent electoral commission to organize general elections in 2010. After three postponements, the presidential and legislative elections were held on January 23rd 2011 and results were certified by the Constitutional Court on February 12th, with the incumbent president declared the victor with 64 percent of the vote. A second round of legislative elections took place on March 27th 2011. Success going forward will depend upon effective internal political dialogue and an inclusive Government that represents the citizens' interests.

5. **The security situation outside the capital remains tenuous.** The Government faces continued insecurity outside of its capital, reflecting weak control over their territory and disagreements with rebel factions. The main areas of concern are the extreme north-east, where the CAR rebel group, *Convention des patriotes pour la justice et la paix* (CPJP), continues to attack the army, and the extreme south-east, where the Ugandan rebel group, the Lord's Resistance Army (LRA), continues to terrorize local communities. The withdrawal of the UN mission in Chad and the CAR, MINURCAT, effective since mid-November 2010, has further weakened the presence of security forces in remote areas of the country. The DDR process has also been slower than expected, further undermining the consolidation of peace.

6. **Since the end of conflict in 2003, economic growth has remained at an average of 2.5 percent per annum, and poverty remains pervasive.** CAR still has one of the highest poverty rates in Sub-Saharan Africa², and is unlikely to meet any of the MDG targets³. In addition to the security

² The 2009 UNDP Human Development Report ranks CAR near the bottom of its Human Development Index (179th out of 182 countries). The overall poverty headcount ratio is 62 percent, with large socioeconomic and regional variations.

³ The proportion of Central Africans living on \$1 a day has decreased slightly to 62% but it needs to be half of that in order to reach the 2015 goal, and the prevalence of underweight children under-five has increased since 2003 to nearly 30 percent, a rate nearly three times the MDG target.

situation, low public investment in physical and social infrastructure and an unfriendly business climate remain major impediments to sustained growth. In 2008, CAR was also hit by a series of shocks, including the breakdown of the major hydro-power plant, followed by the worldwide price hike for food and fuel, and the global financial crisis. These events led to an overall reduction of real GDP of 1.5 percentage points compared to the period 2006-2008. Nevertheless, preliminary estimates show a recovery in 2010 with real GDP growth of 3.3 percent and an inflation rate at 1.8 percent (down from the 9.3 percent observed in 2008).

7. **Despite this difficult context, CAR has remained committed to implementing its reform program and has made good progress in stabilizing the economy and establishing a consistent record of satisfactory macroeconomic performance.** In June 2009 CAR reached the completion point under the enhanced Highly Indebted Poor Countries Initiative (HIPC) which, together with the Multilateral Debt Relief Initiative (MDRI), provided significant debt relief (59 percent of GDP)⁴. Achievement of the HIPC completion point in June 2009 was based on consistent and sustained governance efforts: CAR was the first country to move from decision point to completion point in less than two years, meeting twenty-one completion point triggers across eight sectors. The Bank's Development Policy loans and technical assistance projects played an important role by: (i) providing space in the government budget for priority sector spending; (ii) strengthening overall public financial management and effectiveness of public spending; (iii) supporting transparency and accountability; and (iv) promoting institutional development, including enabling mechanisms for improving government efficiency. In 2006 CAR also embarked upon a three year program with the IMF. This was completed in September 2010 with all the reviews concluded – a first in its history with the Fund.

3 PROGRESS TOWARD CAS OUTCOMES

8. **The CPS is showing results.** A November 2010 Country Program and Portfolio Review assessed that four out of the eight CPS outcomes are on track, and are expected to be met by the end of the CPS period. The following section provides a broad account of progress to date, focused on results derived from the roll-out of the planned activities in each of the CPS' strategic themes.

A. Strategic Theme 1: Consolidation of Economic Governance and Institutional Capacity

9. **Considerable strides have been made in terms of improving Public Finance Management (PFM) (Outcome 1).** As a result of efforts undertaken through the Bank's Economic Management and Reform Grant (EMGRG III), the fourth in a series of Development Policy Operations (DPOs) as well as the AfDB's Economic Reform Support Program, recent reforms include the review by the Court of Accounts of the use of the 2008 budget; the establishment of a single treasury account (down from 73 accounts); and the publication on the Government website of all tax exemptions, which has led to an increase in tax revenues (from 8 percent of GDP to 8.7 percent). Civil servant salaries are now paid regularly and domestic revenues are collected through commercial banks and transferred to the central bank (BEAC). The Government has also started to apply the new procurement code, but efforts are still needed to strengthen the deployment of the investment budget using competitive bidding. These efforts have also been supported by technical assistance provided from the Bank-administered LICUS Trust Fund and the Institutional Development Fund (IDF), which have focused on strengthening capacity in PFM and public procurement (See Table 1).

⁴ Total debt reduction granted to CAR amounted to around Central African CFA 560 billion (US\$1 billion equivalent) in nominal terms.

Table 1: Strategic Theme 1 - Deliverables Summary

WBG Lending /Grants	Planned	Actual	Source
Business Climate Improvement and the Development of SMEs	2009	TBD	IFC
LICUS (EGEMAS)- Economic Management and Improved Accountability - US\$2 m	2009	Ongoing	LICUS TF
Economic Management and Governance Reform Grant (DPO III) - US\$5 m	2009	Delivered 2009	IDA 15
Economic Management and Governance Reform Grant (DPO IV) - US\$8.8 m *	2011	1 st Tranche disbursed	IDA CRW
Financial Sector – CEMAC Regional Institutions Support - US\$5m	2009	Ongoing	Regional IDA
WBG Non-Lending Support	Planned	Actual	Source
PRSP (2008-2010) Technical Assistance	2008	Delivered 2008	BB
Mining Sector Assessment	2009	Delivered 2009	LICUS TF
Diamond Sector Assessment	2010	2011	BB
Improving National Procurement Systems	2009	2009	IDF
EITI Implementation Support	2010	Ongoing	MDTF
Public Expenditure Review	2010	2012	BB
Understanding Access to Justice and Local Dispute Resolution at the Community level in the CAR and Chad	Additional	Ongoing	BNPP
TA on “ CAR Towards Sustainable Urban Management”	Additional	Ongoing	Cities Alliance

*Note: The Economic Management and Governance Reform Grant (DPO IV) was not envisaged within the CPS. The Bank was able to extend its support as a result of funds received through IDA’s Crisis Response Window.

10. **Good progress is noted with respect to transparency and accountability in natural resource management (Outcome 2).** Technical assistance from the World Bank helped CAR become ‘EITI Compliant’ in March 2011, a tremendous accomplishment for a country still emerging from crisis. Bank-financed budget support has also focused on strengthening the regulatory framework in the mining, forestry, and petroleum sectors in order to boost growth and employment. A new Mining Code was adopted by the Parliament in April 2009, and a revised forestry code has been formulated that calls for the return of a percentage of revenues to forest communities. Finally, the GoCAR recently signed a Voluntary Partnership Agreement (VPA) with the EU as part of the Forest Law Enforcement and Governance Trade support process (FLEGT) in December 2010.

11. **Establishing the institutional framework necessary to strengthen administrative planning and management capacity at central and local level is advancing, but from a very low base (Outcome 3).** For rural areas, the Community Development Project Targeting Vulnerable Groups (US\$20 million) represents the Bank’s efforts to strengthen support beyond Bangui. After some initial delays, emergency funds have begun to be deployed to 102 communes to rehabilitate basic social infrastructure. In urban areas, the Emergency Urban Infrastructure Rehabilitation and Maintenance Project has focused capacity development efforts on strengthening the institutions responsible for the delivery of urban services including monitoring and evaluation, procurement, financial management, and community participation. These efforts have also been complemented by additional technical assistance, including ‘CAR towards Sustainable Urban Management’, funded by the Cities Alliance Trust Fund. Relevant technical assistance and training has also been provided through the AfDB’s Economic Planning Capacities Rehabilitation Support Project (PARCPE).

12. **Initial efforts to improve the investment climate are showing results, but significant challenges remain (Outcome 4).** CAR’s private sector is small, hampered by insecurity, low capacity of SMEs, a weak business environment and poor infrastructure including unstable electricity. In addition, CAR was ranked 182nd out of 183 countries in the 2010 Doing Business Report. To address CAR’s

serious investment climate challenges, IFC helped establish the *Joint Committee for the Improvement of the Business Environment*, presided by the Prime Minister, and mandated to implement priority Investment Climate reforms. The Bank and the IFC also collaborated to include some private sector development related triggers within the latest DPO (EMGRG III). To date these efforts have resulted in reforms designed to reduce the cost of creating businesses (e.g., a reduction by more than half of the current business registration tax; from 150.000 to 70.000 CFA, (US\$300 to US\$140 equivalent) as well as in the cost of transferring properties (reduction by 50% of the transfer tax; from 15% to 7.50 %). The provision of political insurance through the issuance of MIGA's guarantee to S.A. Orange in 2008 also contributed to helping the company to develop a global system for mobile communications (GSM) network and to provide internet services.

B. Strategic Theme 2: Rehabilitation and Development of Basic Socio-Economic Infrastructure

13. **Good progress is being made with respect to improving infrastructure for regional economic integration from a very low base, though challenges remain on energy (Outcome 5).** In transport, the Bank provided additional financing (US\$67 million) to the ongoing CEMAC Transport and Transit Facilitation Project⁵ to fund the Boua/Garoua-boulaï road paving works on the border with Cameroon, which is the main component of the project in CAR; as well as to strengthen the road maintenance component. Despite delays, this outcome is largely on track; the proportion of road in good condition on the Douala - Bangui corridor increased from 50 percent in 2007 to 57 percent in 2010. In telecommunications, the Bank recently supported the launch of the US\$215 million Central African Backbone project (CAB) to increase the geographical reach and usage of regional broadband network services and to reduce prices to all CEMAC countries. Work is now underway to prepare the second phase of the program that will support infrastructure investments to connect the CAB network to Chad, Cameroon and CAR. The energy sector presents significant challenges. Through the Emergency Power Response Project (US\$8.0 million), the Bank, in partnership with the French Development Agency, has been working to support the national electric utility company (Enerca) to partially restore the electricity supply to its essential customers, by focusing on the rehabilitation of the Boali 1 and 2 hydropower facilities and to improve its financial and operational performance. Project efforts are advancing but the infrastructure remains in a critical state, the current generation capacity of 15 MW is insufficient to meet demand and electricity supply outside of the capital is minimal.

14. **Satisfactory progress has been made in relation to improving access to basic urban and community infrastructure (Outcome 6).** In urban areas, an IDA exceptional allocation and Crisis Response Window (CRW) resources of US\$24 million towards the Bank's Emergency Urban Infrastructure Project helped to protect 46,600 people against periodic flooding, to provide access to year-round passable roads to 290,000 people, and provide access to an operational solid waste management system to 112,000 people. In the aftermath of the floods, the Bank led an assessment that proposed a medium-term flood reduction and mitigation program. IDA is helping to implement this through an exceptional allocation of US\$5 million aimed at natural disasters. In rural zones, efforts will be supported through the Bank's Community Development Project Targeting Vulnerable Groups (see paragraph 9) as well as the planned Community Reintegration Project (FY11). The latter is designed to strengthen community capacity in northern CAR, with particular focus on those areas with a high concentration of returning ex-combatants.

⁵ This is an ongoing project financed by the AfDB, the French Development Agency and the EU.

Table 2: Strategic Theme 2 - Deliverables Summary

WBG Lending /Grants	Planned	Actual	Source
Emergency Energy project - US\$8 m	2009	Ongoing	IDA 15
Safe and Reliable Public Electricity - US\$2.5 m	2009	Ongoing	SPF
Regional fiber optic infrastructure project - US\$7.3 m	2010	Ongoing	Regional IDA
Additional Financing for Regional Trade & Transport - US\$67 m	2010	Ongoing	Regional IDA
Community development support for vulnerable groups - S\$8m	2009	Ongoing	IDA15
Community Recovery Project, Northern CAR - \$8.5 m	2011	Ongoing	TDRP and JSDF
Urban Infrastructure Project – Additional Financing - US\$24 m	2010	Ongoing	IDA 15/CRW
Food Response Project - US\$ 6.7 m	2009	Ongoing	GFRP
Emergency Agro-Pastoral Recovery Project - US\$24 m	2012	2011	IDA 15
Education Project - US\$38 m	2009	Ongoing	EFA/FTI
Health Project - US\$15 m	2012	FY12	IDA 16
WBG Non-Lending Support	Planned	Actual	Source
Power Utility Reform Study	2009	dropped	-
Strengthening capacity in the Telecommunications and IT sector	2008	Ongoing	IDF
Country Environmental Assessment	FY11	Delivered	BB
Health Sector Status Review	FY11	Pipeline	BB
Floods Assessment	Additional	Delivered	GFDRR
TA on CAR Flood Recovery and Resiliency Program	Additional	Delivered	GFDRR
TA on “ CAR Towards Sustainable Urban Management”	Additional	Ongoing	Cities Alliance
TA on solid waste management in Bangui	Additional	Ongoing	PPIAF
South-South Experience Exchange on Social Water connections between Burkina Faso and CAR	Additional	Ongoing	SEETF
Public Expenditure Review of Water and Sanitation Sector	Additional	Ongoing	WPP
Study on reconnecting isolated vulnerable rural populations in CAR into socio-economic structures	Additional	Ongoing	TFESSD

15. **Emergency assistance responded to the food crisis in 2008; efforts are under preparation to improve agriculture and livestock productivity (Outcome 7).** The World Bank and the AfDB responded to the 2008 food crisis with emergency support of US\$7 million and UA3.0 million respectively to support a school feeding program implemented by the World Food Program (WFP) and to prepare for further investments in sustainable food security. All food rations have now been distributed by WFP; 120,000 students in 397 primary schools and pre-schools benefited from two meals daily in 2008 and 2009. Work has recently commenced to advance the second and third components of the grant, namely to support activities to increase agricultural production and productivity in targeted zones through two field-based NGOs, and to undertake key agricultural studies that will monitor food security, nutrition and vulnerability, develop a livestock census methodology, and identify environmentally and socially friendly agricultural practices. These studies will inform the new Emergency Agro-Pastoral Recovery Project, which is under accelerated preparation in FY11 thanks to the granting of an exceptional IDA 15 allocation of US\$20 million.

16. **Good progress has been made in improving the access and quality of education and health services but capacity-related challenges remain (Outcome 8).** The Education For All-Fast Track Initiative Catalytic Fund (US\$37.8 million) has supported the Government to finance the first phase of its National Education Strategy and to meet its respective MDG goals by 2020. Gross primary enrollment

now stands at 84 percent, surpassing the target of 77.4 percent. The number of textbooks to be distributed has doubled and the pupil to textbook ratio of 1 to 1 is expected to be met by 2011. In health, the HIV/AIDS project has recently been extended in order to allow for the distribution of equipment to clinics and the distribution of the 250,000 bed nets. To date 100,000 have been distributed (from a zero baseline). A Health Sector Status Review (FY11) is being launched to provide the appropriate analytical underpinnings for the forthcoming IDA funded intervention in FY12.

17. Concerted efforts have been undertaken to support the CPS' four cross cutting themes.

- *State and Peacebuilding*: The World Bank and the AfDB are also supporting the consolidation of peace through development efforts at the community level. These include the IDA-funded Support to Vulnerable Groups Community Development Project and TDRP- financed Community Recovery Project in the north of the country. The Bank is closely collaborating with the United Nations system, which is supporting the Inclusive Political Dialogue and security sector reform.
- *Environment and climate change*: Work to date includes: (i) a Country Environmental Assessment, (ii) a medium-term flood reduction and mitigation program and (iii) a Readiness Preparation Proposal, including a national REDD (Reducing Emissions from Deforestation and forest Degradation) strategy that will enable CAR to participate in the GEF-supported REDD Project for the Congo Basin.
- *Capacity development*: Support has been provided to strengthen the implementation of lending operations. Examples include analytical work aimed at improving national procurement systems, implementing EITI, strengthening flood recovery and improving sustainable urban management.
- *Gender*: Several studies are underway to support the Government to update its national gender strategy; including a gender profile, supported by the AfDB, and a UNDP- supported national strategy to promote female entrepreneurs. The thematic analysis that is being undertaken as part of the PRSP 2 process will guide the Bank's support to future interventions on gender equity and economic empowerment.

4 CPS RELEVANCE, IMPLEMENTATION AND ADJUSTMENTS

A. CPS relevance

18. The country's reform agenda that is supported by the CPS program remains relevant, and will contribute to the country's development goals. The baseline PRSP (PRSP 1), on which the CPS was prepared, is built upon four pillars: (1) security, peace and conflict prevention; (2) good governance and the rule of law; (3) economic reconstruction and diversification; and (4) human development. While the reform agenda remains unchanged, PRSP 2 is expected to be directed towards more growth - enhancing structural reforms to address the new challenges emerging from the global slowdown. The four pillars are likely to be consolidated into two principal themes that also reflect the foundation and pillars of the Africa Strategy, namely: (i) consolidation of peace and security, governance, rule of law and human rights (ii) and inclusive growth and human development. Rural development is at the core of the PRSP 2 strategy. The Government plans to focus on alleviating extreme poverty, including food security, by identifying solutions with rapid results and that will translate into more sustainable growth within the agricultural communities. The monitoring and evaluation process, including the management information system, will also be improved, based upon a more participatory approach and with greater focus on the MDG targets and indicators.

19. The overall objectives as set out in the CPS remain valid and relevant. The CPS' two strategic themes remain priority areas for the Government of CAR: (i) to consolidate economic governance and institutional capacity to ensure an effective management of the country's resources and create an enabling environment for private sector development; and (ii) to rehabilitate and develop infrastructure to sustain economic growth and improve basic service delivery and the living conditions of the population. In keeping with the Africa Strategy's primary instrument of partnership, selectivity led the

World Bank and the AfDB to commit to sustain and deepen their support to areas where the Banks had comparative advantage, including public finance management, transparency and accountability in natural resource management, strengthened economic infrastructure, and human resource development.

20. **CAR is still seeking support in the priority areas as set out in the CPS.** The Government continues to signal its full agreement with the areas of support provided by the World Bank and it is expected that PRSP 2 will reconfirm the relevance of the existing priority areas of Bank intervention. Consolidation of efforts around the government's reform agenda will be critical for CAR's economic and social development. This agenda includes plans to increase priority spending in MDG-related sectors including health, education, water and sanitation, agriculture and rural development, social protection, and infrastructure. Emphasis will be placed on priority investment projects, removing key bottlenecks on the budget execution chain, enhancing government capacity to implement investments, and improving spending efficiency by strengthening the public financial management system and improving governance.

21. **The CPS' lending and knowledge instruments have proven to be appropriate given the need to respond quickly to CAR's emerging development challenges.** The CPS chose a blend of instruments that focus on achieving tangible results from rapidly disbursing interventions, complemented by robust knowledge products to strengthen public policy dialogue and to build capacity. As previously indicated, 100 percent of the IDA-funded priority sector investment loans were processed as emergency operations in order to provide just-in-time support to emerging needs. DPOs have been critical in allowing the GoCAR to sustain critical public expenditures during the global crisis. The IDA and CRW-financed operations have helped to provide the fiscal space to maintain the public expenditure program. Knowledge products have been important to strengthen public policy dialogue and to build capacity, and efforts are underway to consolidate the sector based analytical and advisory studies. For example, a PER is being prepared to advise the authorities on how to improve the growth and poverty impact of government expenditures. Its recommendations will draw upon analytical work recently undertaken including the draft Water Supply and Sanitation Sector PER report, analysis of public financial management carried out by the IMF, and the forthcoming Health Sector Assessment.

22. **Thanks to creative leveraging of the national IDA allocation, regional IDA, trust funds, and exceptional IDA allocations--another theme of the Africa Strategy--the financial envelope available to CPS implementation has been adequate to date.** Resources available to CAR may stagnate for the remainder of the CPS period, as significant alternative sources of financing beyond the country's IDA 16 allocation are not evident at this time. The team will, however, continue to selectively seek out trust fund resources that complement ongoing or planned activities, including SPF funding to maintain the Bank's critical support to public finance management, and TFESSD to complement the new community recovery program in the north of the country.

B. Implementation and adjustments

23. **CPS delivery is on track, and in many cases is progressing quicker than anticipated.** As Tables 1 and 2 demonstrate, program delivery has largely proceeded as planned, with new lending deliverables totaling US\$210 million during the CPS period. Planned Analytic and Advisory Activities are advancing well, with all activities having either been delivered or under preparation. As described above, these activities are beginning to yield tangible results both in the policy sphere and on the ground.

24. **Portfolio performance is strong.** Despite capacity constraints within the public administration, the Bank's engagement with the government has been robust. There is a strong commitment to development. This translates into an impressive degree of political will to move the reform agenda forward at the policy level, and to ensure progress that yields tangible results at the project level. It is therefore not surprising that CAR's average annual disbursement rate has stood at over 30 percent during

the CPS period. While there are three projects that are at risk, there are none in problem status. In general, the government's teams responsible for project implementation have been proactive in both identifying implementation bottlenecks and solving them in a timely manner.

25. **Going forward, the CPS will maintain its overall objectives, but will continue to respond flexibly to CAR's emerging needs.** The overall objectives as set out in the CPS remain valid and relevant. The Government also continues to signal its full agreement with the areas of support provided by the World Bank. Nevertheless, as the PRSP 2 is finalized, the CPS will continue to maintain a flexible approach with respect to its strategic direction, including, as specified in the second pillar of the Africa Strategy ("vulnerability and resilience"), the ability to respond to shocks. The Bank's focus during the remainder of the CPS will be on: i) the selective roll out of new lending in agriculture and health, ii) implementation and quality of portfolio performance, iii) and expanding support beyond Bangui to more remote areas of the country.

26. **The Fiscal Year 2011 work program deliverables are broadly on track, though there have been some slippages into FY12.** Preparation of the proposed US\$24.0 million Emergency Agro-Pastoral Recovery Project was advanced to FY11 thanks to a US\$20 million exceptional IDA allocation. The project will increase production and marketing of selected food crops and livestock products. It represents an important shift in project design in CAR, wherein the proposed project offers a medium- to long-term framework for strengthening food production and marketing on a sustainable basis, as opposed to providing just-in-time emergency support. Phase 1 (B) of the Central Africa Backbone Project is under preparation and will likely be delivered in FY11. The Health Sector Assessment has slipped to FY12 in order to allow for the completion of the Multiple Cluster Survey (MICS-4) report in May 2011. The review will document key dimensions of the sector, focusing on service delivery, finance and impact on the health status of the nation, in order to identify challenges and opportunities for policy dialogue and the new lending in FY12. The PER, the flagship AAA, has also been pushed to FY12 in order to allow additional time for the task team to undertake analysis that will underpin the report.

Table 3: FY11 and FY12 Lending and AAA plan

	Planned	Actual/Revised	Source
<u>FY11</u>	Planned	Actual/Revised	Source
Emergency Agro-Pastoral Recovery Project –US\$24m	2012	2011	IDA 15 & Exceptional IDA
Central Africa Backbone – 1B –US\$9.9m	N/A	2011/12	IDA – Regional
Technical Assistance for Public Finance Management and Governance – US\$2m	N/A	2011	SPF
Health Sector Status Review	2011	2012	BB
<u>FY12</u>			
Health Project -US\$10m forecast – front load to US\$15m	2012	2012	IDA-16
Public Expenditure Review	2011	2012	BB

27. **Fiscal Year 2012 will focus on the delivery of an important new health project,** which will support the implementation of the Government's National Health Plan (2010-2014). The operation will aim at increasing utilization and improving the quality of basic health services with a particular focus on child and maternal health. The project will support the Ministry of Health to implement a performance based financing system to deliver health services to under-served areas. This operation will be in the

range of US\$15 to US\$20 million, depending on the final IDA 16 allocation to CAR, and the extent of frontloading desired by the Government that will be based on the menu of proposed activities.

28. **The IFC will be scaling up its SME development operations and other Advisory Services activities**, funded mainly through IFC's Conflict Affected States in Africa (CASA) Program (US\$ 25 million for the four CASA countries). In addition, IFC's SME Ventures Program will be providing risk capital finance to SMEs (US\$ 2.5 million) and strengthening SME management skills (*Business Edge* training Program). In November 2009, IFC also received government support to issue a medium-to-long term CFA Franc bond in the CEMAC countries. The proceeds from the bond issuance will be invested in projects in the CEMAC region. IFC's objective is to establish its credit in the market through this issuance of the bond and follow this up with Structured Finance Transactions that will allow it to efficiently mobilize local currency financing for the private sector in collaboration with local financial institutions (i.e., ECOBANK in CAR). MIGA also remains open in CAR, offering its political risk product for investors who are keen to invest in the country, but who remain apprehensive because of political risks or governance issues.

29. **Where possible, the CPS will try to grow support beyond Bangui.** Poverty incidence in CAR varies substantially across regions, with the lowest concentration in Bangui, and the highest incidences in the most remote, rural areas of the country. Bank support is evolving, and is shifting its emphasis to these underserved, albeit difficult to access, areas. The ongoing Support to Vulnerable Groups Community Development Project, the recently launched Community Recovery Project and planned new investments in agriculture and health signal this geographic reorientation of Bank-supported activities in the field. While responding to the country's most chronic needs related to development, this transition also presents challenges to implementation and related Bank support.

30. **The portfolio quality will be important to monitor during the remainder of the CPS period.** As explained earlier, the current portfolio is performing well. On the client side, strong leadership and a commitment to development at all levels have led to impressive results under challenging circumstances. Bank task teams have been proactive in supporting the government to identify and overcome implementation obstacles, including capacity constraints, limited data availability, and unexpected cost overruns due to a lack of competition. This joint effort to ensuring development results will be critical to sustain for the remainder of the CPS period, particularly given the large increase in commitments over the past two fiscal years.

31. **The revised CPS results framework (Annex 1) reflects minor changes to reflect adjustments in the lending and analytical work programs.** Changes to the outcome indicators, as summarized in Annex 2, reflect revised project targets in relation to the Emergency Power Response Project (Outcome 5), and updated indicators in relation to the water and sanitation components of the Emergency Urban Infrastructure Project (Outcome 6).

5 RISKS

32. The risks highlighted in the FY2009-2012 CPS remain valid. The following section updates certain key risks (political, security, macroeconomic), and identifies two new risks (food security and portfolio management) that relate to the remainder of the CPS period.

33. **Political risk.** After three postponements, presidential elections were conducted on January 23rd 2011. Following the successful re-election of the incumbent president, a new government was formed and officially recognized on April 22nd 2011. The new Government will be tasked with addressing the

challenges associated with peace and security that are essential for political stability and to build upon that which has been developed during the first years following the transition. While support to the political process and associated transition are outside of the mandate of the World Bank, collaboration is underway with the Peace Building Commission to ensure that peace building reforms and investments are sufficiently addressed in the PRSP 2 and the upcoming Round Table.

34. **Security risk.** As outlined in paragraph 5, the Government continues to face insecurity in outlying areas, with ongoing rebel attacks in the North-East and South-East. While the election outcome may lead to a reduction in security risks on Bangui, the slow implementation of the DDR process continues to undermine the consolidation of peace. The President is currently overseeing a second campaign to advance the process, including the setting-up of local DDR committees and the distribution of food allowances, financed through the national budget. While the DDR program is implemented by the government and UNDP, the Bank and AfDB will continue to focus their efforts on community recovery in the north to help foster peace building at the local level and mitigate some of the security risk.

35. **Macroeconomic risk.** CAR continues to remain vulnerable to shocks. While preliminary estimates show a recovery in 2010 with real GDP growth of 3.3 percent, a prolonged impact of the global economic crisis on exports could lead to slower growth, lower revenue, and deterioration in debt indicators. Critical resources available to CAR may also stagnate from donors for the remainder of the CPS period, due to concerns relating to the uncertain political situation. Moreover, inadequate progress relating to domestic revenue mobilization could cause delays in private sector investment projects that are needed to boost CAR's economy and create jobs. Mitigating factors are CAR's recent track record in macroeconomic management, which has been strong in response to exogenous shocks. The Government's focus on growth enhancing structural reforms as part of its poverty reduction strategy, and support provided by the Bank and other donors on this, should help build macroeconomic resilience in the face of any new exogenous shocks.

36. **Food Security risk.** About 30 percent of the population of CAR is currently food insecure, and even small internal and external shocks can cause many more to face hunger. Productivity gains for small-holder farmers will become critical to any mitigation strategy for this. These productivity gains are within reach for the majority of Central African farmers, but strategic investments are needed to make this happen. The new Emergency Agro-Pastoral Recovery Project and the associated Emergency Food Response Project will provide critical mitigation support through focused efforts to sustainably increase production.

37. **Portfolio management risk.** Supervision of a relatively young and significantly larger portfolio (currently at US\$230 million in commitments) presents significant challenges. As the portfolio expands its geographic scope, supervision remains costly and difficult given the insecurity. Most TTLs are not based in the country office, and there are limited flights into the country (there is only one flight per week from Europe). Further efforts will be made to decentralize key staff to the country office, including TTLs, fiduciary and safeguards staff, and additional resources will be made for implementation support. The new Fragile States hub in Nairobi is also expected to provide a complement of expert support to the country team and office.

Annex 1: Results Matrix for CAR CPS (FY09-FY12)⁶

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
Axis 1: Consolidation of Economic Governance and Institutional Capacity (Aligned with PRSP Pillar 2: Promote Good Governance and Rule of Law)					
<p>Stabilization of public finances</p> <ul style="list-style-type: none"> ▪ Improving the security of tax revenue collection systems. ▪ Reinforcing budgetary control. <p><i>Indicator: Tax burden 9.5% in 2006 (no target)</i></p>	<ul style="list-style-type: none"> ▪ Tax level, while increasing is still very low (around 10%) ▪ Inadequate enforcement of rules and procedures within state financial bodies ▪ Absence of regulatory framework for procurement ▪ Poor financial management and planning capacity ▪ Absence of automation and computerization of procedures in state financial bodies 	<p>1. Improved public finance management and revenue mobilization</p> <p><i>Public finance management</i></p> <p>1.1 A single treasury account is in place by end 2010 (WB and AfDB)</p> <p>1.2 Percentage of investment budget using competitive procedures (Baseline: <20% by end 2008, Target: >70% from 2010 on-wards) (WB and AfDB)</p> <p><i>Revenue mobilization</i></p> <p>1.3 Exemption conventions management reviewed by Inter-ministerial Committee in charge of Tax and Customs Duty Exemptions and made public (Baseline: 0 in 2008, target: 100% from 2010 on-wards) (WB and AfDB)</p>	<p><i>Public finance management</i></p> <p>All non-donor mandated accounts in commercial banks are closed by end 2010 (WB)</p> <p>The Procurement Regulatory Agency and Directorate are fully operational by end 2010 (WB)</p> <p>Comprehensive budget execution reports using harmonized nomenclatures prepared and reviewed by external oversight bodies by end 2010 (WB and AfDB)</p> <p>Networking of the Budget Directorate and the Treasury completed by end 2010 (WB and AfDB)</p> <p>MTEF used for key sectors (health, education,</p>	<p>1.1 Achieved: In 2009, the Government closed all but three of the 70 accounts that were necessary to carry out Treasury activities with the commercial banks. Reconciliations between fiscal and cash accounts have improved substantially and are now undertaken daily.</p> <p>1.2 Partly achieved: of the 31 contracts issued in 2009, about 29% followed the new procurement procedures using competitive bidding, of these about 10% were based on single source procurement approved by the Procurement Directorate.</p> <p>1.3 Largely achieved. The CICEFD reviews the tax and customs exemption requests submitted to it by the Minister of Finance. The CICEFD's quarterly and annual reports on</p>	<p>Completed Projects:</p> <ul style="list-style-type: none"> ▪ DPO III - Economic Management and Governance Reform Grant II (EMGRG II) \$5m (FY09) (WB) ▪ Economic Reforms Support Program (ERSP) phase II for UA 9.5m FY08 (AfDB) <p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ LICUS III Project – \$2.0 m for Ec. Management and Improved Accountability (FY09) (WB) ▪ CEMAC Regional Financial Institutions Project \$5.0 m(FY09) (WB) ▪ DPO IV - \$8.8 m ((FY11) (WB) <p>Pipeline:</p> <ul style="list-style-type: none"> ▪ Economic Reforms Support Program (ERSP) phase III (PARE III) for UA 10m in 2011 (AfDB) <p>AAA:</p> <ul style="list-style-type: none"> ▪ Public Expenditure Review FY12 (\$0.25m)

⁶ For each result measurement, the name of the accountable agency is noted. In some instances, both WBG and AfDB have selected the same results measurement.

⁷ This is a subset of the CAR PRSP Objectives taken directly from the final PRSP document.

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
			<p>infrastructure and agriculture) for budgeting by end 2010 (WB and AfDB)</p> <p><i>Revenue mobilization</i> A revised National Investment Chart regulating exemptions is operational by end 2010 (WB)</p> <p>Network installed between CICEFD unit and customs systems (ASYCUDA) and tax directorate database (SYSTEMIF) by end 2011</p> <p>(WB)</p>	<p>approved and rejected exemptions are posted on government website. However, discretionary exemptions continue.</p>	<p>(WB)</p> <p>TA:</p> <ul style="list-style-type: none"> ▪ TA for PRSP Implementation (CMU request to Fragile State Initiative) FY10 (WB) ▪ TA on Strategic Communication for Development FY11(WB) <p>▪ Partners: AFD, EU</p>
<p>Stabilization of public finances</p> <ul style="list-style-type: none"> ▪ Fighting corruption. <p>Exploit Natural Resources</p> <ul style="list-style-type: none"> ▪ Actively involve the public in sustainable forestry management and maximize the benefits of forestry for poor people ▪ Improve where needed the institutional and fiscal framework surrounding mining activities ▪ Strengthen the capacity of regulatory bodies in the mining sector and increase civil society involvement 	<ul style="list-style-type: none"> ▪ Weak institutional framework and poor implementation of regulatory provisions ▪ Weak capacity of the sector's public institutions due to staff and equipment shortages ▪ Lack of involvement of local people in the management of mining resources. 	<p>2. Improved transparency and accountability in natural resource management</p> <p><i>Mining</i></p> <p>2.1 Investment permits in compliance with the new Mining Legislation (Baseline: 0 in 2008, Target: 100% from 2011 onwards) (WB)</p> <p>2.2 CAR fulfils all criteria and submits its official request for Compliant Status to for consideration by the EITI Secretariat Board (WB)</p>	<p><i>Mining</i></p> <p>New standard Mining Agreement is adopted by end 2009 (WB)</p> <p>Publication of the 2007-9 EITI revenue accounts by end 2011 (WB)</p> <p>EITI work plan executed by end 2010 (WBG)</p> <p><i>Forestry</i></p> <p>The remaining three forest concessions are awarded in compliance with the revised</p>	<p>2.1Partly achieved. Parliament adopted the new Standard Mining Agreement in April 2009. However, at least one Mining License has been issued in 2010 under the old Mining Code.</p> <p>2.2 Completed. CAR was certified as EITI compliant on March 22 1011. This was based upon its EITI reports for 2007, 2008, and 2009 covering revenues from the production of diamonds, gold and uranium, which involves all stakeholders. The report is</p>	<p>Closed Projects:</p> <ul style="list-style-type: none"> ▪ DPO III - Economic Management and Governance Reform Grant II (EMGRG II) for \$5m (FY09) (WB) <p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ LICUS III Project – \$2.0 m for Ec. Management and Improved Accountability (FY09) (WB) ▪ DPO IV - \$8.8m (FY11) (WB) <p>Pipeline Projects:</p> <ul style="list-style-type: none"> ▪ Economic Reforms Support Program (ERSP) phase III for UA 10m FY11 (AfDB)

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
<p><i>Indicators: Share of earnings from wood in tax revenue (%) (baseline, target: not available)</i> <i>Share of earnings from mining in tax revenue (%) (Baseline: 3% in 2006, 4% by end 2011)</i></p>		<p><i>Forestry</i> 2.3 Forest revenues transferred to local communities (Baseline: not recorded, Target: 35% of Stumpage fees and 25% of forest regenerating taxes by end 2010) (WB)</p> <p>2.4 CAR becomes an AFLEG member by end 2011(WB)</p>	<p>Forestry Code by end 2010 (WB)</p> <p>CAR's AFLEG action plan is implemented by end 2011 (WB)</p>	<p>expected to be disseminated worldwide.</p> <p>2.3 Achieved. 30 percent of stumpage fees and 25 percent of reforestation tax were allocated to communities in line with the revenue distribution mechanism</p> <p>2. 4. Achieved. CAR is expected to adopt by end 2010 a framework document for a national tracking system and for a system of verification of the legality of timber production in the context of the FLEGT process.</p>	<p>TA:</p> <ul style="list-style-type: none"> ▪ TA on Strategic Communication for Development FY11 (WB) ▪ TA for PRSP Implementation (CMU request to Fragile State Initiative) (WB) – (\$0.30m) ▪ EITI support (FY10) (WB) <p>AAA:</p> <ul style="list-style-type: none"> ▪ Mining Sector Assessment (\$0.03m) FY09 (WB) ▪ Country Environmental Assessment (\$0.05m) FY10 (WB) ▪ Diamond Sector Assessment (FY10) (WB) ▪ REDD Project (Reducing Emissions and Forest Degradation (WBG- GEF grant) <p>Partners: AFD, EU, UNDP</p>
<p>Improvement of the quality of public services</p> <p>Decentralization and reorganization of public administration</p> <p>Improvement of community participation</p>	<ul style="list-style-type: none"> ▪ Inefficient public administration system ▪ Dilapidated public office infrastructure ▪ Weak human and technical capacity 	<p>3. Strengthened administrative planning and management capacity at central and local levels</p> <p>3.1 Observable improvement in the implementation and monitoring of PRSP in Line Ministries (WBG and AfDB)</p>	<p>30% of targeted villages have received capacity building support by end 2010 (WB)</p> <p>20% of targeted communes have functioning and representative coordination bodies with regular meetings</p>	<p>3.1 Partly Achieved. Since August 2009, all sectoral committees have used a standard format to report their poverty activities, which facilitates evaluation of progress and any problems. However, several committees are facing capacity constraints to report on progress.</p>	<p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ Economic planning capacities rehabilitation support project (PARCPE) for Euro 1,963m (AfDB) FY06 ▪ LICUS III Project – \$2.0 m for Ec. Management and Improved Accountability (FY09) (WB) ▪ Community Development Project

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
<p><i>Indicators: Satisfaction index of public services users</i></p>		<p>3.2 40% of targeted communes have Local Development Plans developed through a participatory process by end 2011 (WB)</p>	<p>(WB)</p> <p>350 (40% of women) experts of key ministries involved in the implementation of the PRSP trained by end 2012, including (AfDB-PCDAGV)</p>	<p>3.2 Not yet achieved.</p>	<p>targeting vulnerable groups for \$8m (WB) FY09</p> <p>Pipeline Projects:</p> <ul style="list-style-type: none"> ▪ Multi-sector institutional support program for UA 2.5m in 2010 (AfDB) FY10 ▪ Secondment program (technical assistance) (AfDB) FY09 ▪ TA for PRSP Implementation (CMU request to Fragile State Initiative) (WB) ▪ TA on Strategic Communication for Development FY09-10 (WB) ▪ Water and sanitation sector institutional support project (AfDB) ▪ Community Development Project targeting vulnerable groups for UA 8m (AfDB) FY09 ▪ State and Peacebuilding Fund support to Local Governance (\$3.5 m) (WB) ▪ Fragile States Facility (\$2 m) (AfDB) <p>AAA:</p> <ul style="list-style-type: none"> ▪ Growth diagnostic study (AfDB) FY09-10 <p>Partners: EU, AFD, UNDP</p>

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
<p>Private sector and business environment</p> <ul style="list-style-type: none"> ▪ Establish a legal and institutional framework and incentive structure conducive to private enterprise ▪ Build the capacity of institutions servicing the private sector and develop business support services ▪ Strengthen partnerships between the public and private sectors <p><i>(No Indicators)</i></p>	<ul style="list-style-type: none"> ▪ Low capacity of SMEs ▪ Weak business environment (CAR is ranked 180th out of 181 in the 2009 Doing Business Report) ▪ High internal debt of the Government vis-à-vis private companies 	<p>4. Improved investment climate and more business opportunities for local SMEs</p> <p>4.1 Chamber of commerce fully functional and active (IFC)</p> <p>4.2 Time to register a business reduced (IFC)</p>	<p>Support to reforms to facilitate business registration (IFC)</p> <p>Venture capital provided to more than 50 enterprises by end 2010 (IFC)</p> <p>Financial intermediaries supported to develop products adapted to SMEs (IFC)</p>	<p>4.1 Partial progress; The chamber of office is on its way to becoming fully functional and active.</p> <p>4.2 Achieved. Car has reduced its current business registration tax from 150.000 CFA to 70.000 CFA (US\$300 to US\$140 equivalent)</p>	<p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ IFC Conflict Affected States in Africa (CASA) Program ▪ IFC Ventures Program ▪ MIGA guarantee FY08 – telecomm. Project <p>Pipeline Projects:</p> <ul style="list-style-type: none"> ▪ Trade Financing Initiative and the Emergency Liquidity Facility (AfDB) ▪ IFC Support to improvement of business climate and to the development of SMEs (FY09) <p>AAA: Growth Diagnostic Study (AfDB) (FY10)</p>
<p>Axis 2: Rehabilitation and Development of Basic Socio-Economic Infrastructure (Aligned with PRSP Pillar 3 Rebuild and Diversify the Economy and Pillar 4 Develop Human Capital)</p>					
<p>Promote the energy sector</p> <ul style="list-style-type: none"> ▪ Continue with the restructuring of the sector ▪ Diversify energy sources ▪ Improve hydrocarbon management capacity <p><i>Indicator: Proportion of population with access to electricity (Baseline: 5% in 2006, no target)</i></p>	<ul style="list-style-type: none"> ▪ Dilapidated infrastructure ▪ Frequent power outages ▪ High transmission and distribution losses ▪ Weak financial performance of the power utility due in part to low bill collection 	<p>5. Improved Infrastructure for Regional Economic Integration</p> <p><i>Energy</i></p> <p>5.1 Number of hours of load shedding decreases from 8 hours per day currently to 3 hours per day by end 2012 (WB and AfDB)</p> <p>5.2 ENERCA generates enough cash for operations and maintenance of its system in Bangui from 4.5bn CFA to 2.7bn CFA by end</p>	<p><i>Energy</i></p> <p>An additional firm generation capacity of about 3 MW is added to the system by end 2011 (WB)</p> <p>About 10,000 consumers use efficient lamps by end 2010 (Baseline: 0) (WB)</p> <p>Bill collection improves from 65% in 2008 to 80% by end 2010 (WB)</p>	<p>5.1 Not on track. For 2010, the target is 6 hours per day (not achieved). The current number of hours is 10.</p> <p>5.2 Not on track. Estimates of sales (recovered) are currently estimated at 5.6bn</p> <p>With respect to milestones, Enerca limited generation capacity was temporarily reduced by almost 2 MW, out of about 18 MW. Actions for replacement and reinforcement are underway.</p>	<p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ Emergency Energy Response Project (US\$8m) FY09 (WB) ▪ Safe and Reliable Public Electricity Project (US\$2.5m – SPF grant) FY09 (WB) ▪ Boali 2 and 3 project (UA 23m) (AfDB) <p>AAA:</p> <ul style="list-style-type: none"> ▪ PPIAF Power Utility Reform Study (\$0.5m) (WB) ▪ RIAS II (WB) FY09 ▪ ECCAS Reg. Integration

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
		2012 (WBG).	Overall electricity losses are reduced from 50% in 2008 to 40% by end 2011 (WB)		Strategy (AfDB) FY09 <ul style="list-style-type: none"> ▪ National Electrification Master Plan study and institutional support (AfDB) Partners: AFD
Develop telecommunications <ul style="list-style-type: none"> ▪ Promotion of competition ▪ Strengthen the legal framework ▪ Full coverage of the population ▪ Improve internet utilization <p><i>Indicators: Proportion of mobile phone subscribers among the urban population (11 in 2006, no target)</i></p>	<ul style="list-style-type: none"> ▪ Weak legal, regulatory and institutional framework; ▪ Dilapidated basic infrastructure ▪ Lack of a dynamic, competitive climate conducive to the development of ICT sector ▪ Poor coverage of ICT services 	<i>Telecommunications</i> 5.3 Coverage of mobile network increase from 19.3% in 2008 to 40% by end 2011 (WB)	<i>Telecommunications</i> Three operators and service providers buying capacity from the Regional Infrastructure by end 2011 (WB) Secondary legislation related to broadband developed by end 2010 (WB) Frequency spectrum management regulatory tools designed by end 2010 (WB) Deploy the Central African Backbone infrastructure in CAR to link Bangui to the neighboring countries by end 2011 (WB)	5.3 Not yet achieved – project under preparation and data not yet available	On-going Projects: <ul style="list-style-type: none"> ▪ MIGA guarantee FY08 – telecommunication project ▪ Technical study for the Central Africa backbone (WB-PPIAF) Pipeline Projects: <ul style="list-style-type: none"> ▪ Central African Backbone / Regional Fiber Optic Cable project FY10 (Total IDA \$17m – but only \$2.5m CAR country allocation (WB) ▪ Regional Fiber Optic Cable project FY11 (AfDB) ▪ RIAS II (WB) FY09 ▪ ECCAS Reg. Integration Strategy (AfDB) FY09 AAA: <ul style="list-style-type: none"> ▪ Feasibility study national fiber optic infrastructure (AfDB) ▪ Technical study for the Central African Backbone (WB – PPIAF) Partners: CEMAC, CEEAC, African Union Commission and

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
					International Telecommunications Union
<p>Develop transport infrastructure</p> <ul style="list-style-type: none"> ▪ Secure the international access to the sea ▪ Strengthen the institutional framework ▪ Mobilize existing departmental resources ▪ Seek finance for the 2008-2010 period ▪ Repair transport infrastructure <p><i>Indicator: Mileage of roads and tracks that have been repaired or maintained (km) (Baseline: 700 in 2006, no target available)</i></p>	<ul style="list-style-type: none"> ▪ Access to the international market through Douala ▪ Poor maintenance of road network ▪ Few roads that are passable during the rainy season 	<p><i>Transport</i></p> <p>5.4 Proportion of road in good condition on the Douala – Bangui corridor increases from 50% in 2007 to 70% by end 2012 (WB and AfDB)</p> <p>5.5 Average transit time in days for imports from arrival in port of Douala to Bangui decreases by 20% by end 2012 (from 10 days in 2008) (WB and AfDB)</p>	<p><i>Transport</i></p> <p>Construction of 78 km of road by end 2012 on the Douala-Bangui corridor (WB and AfDB)</p> <p>1200 kms of roads maintained by end 2010 (government as a commitment)</p> <p>800 kms of earth roads rehabilitated by end 2012 (WB and AfDB)</p> <p>Budget of the road fund increases to 4 billion CFA by end 2012 (from 2 billion CFA in 2006)</p> <p>Unpaved network under routine maintenance exceed 1,200 km by end 2012 (from 700)</p>	<p>5.4: On track; the proportion of roads in good condition on the Douala-Bangui corridor has increased from 53% to 57%.</p>	<p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ CEMAC - Regional project Transport Transit Facilitation (CMR/CHD/CAR) (FY07) (WB) ▪ Regional Project on Transport-Transit Facilitation (CMR/CHD/CAR) Additional financing for \$55 m in CAR– FY10 (WB) <p>Pipeline Projects:</p> <ul style="list-style-type: none"> ▪ Ouessou (Congo), Bangui-Ndjamena Transport project (FY12) (AfDB) <p>AAA:</p> <ul style="list-style-type: none"> ▪ RIAS II (WB) FY09 ▪ ECCAS Reg. Integration Strategy (AfDB) FY09 ▪ Feasibility study for Ouessou (Congo), Bangui-Ndjamena corridor FY09 (UA4m) (AfDB) ▪ Feasibility study for Obangui-Congo-Sangha river Transport project FY09-10 (UA 4m) (AfDB) <p>Partners: AFD, US, EU</p>

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
<p>Water treatment and sanitation</p> <ul style="list-style-type: none"> ▪ Establish an appropriate institutional and regulatory framework ▪ Nation-wide capacity building for the sector in relation to management and planning ▪ Construct and renovate supply works and adequate treatment plants ▪ Finance the sector from diverse sources which are stable and reliable <p><i>Indicators: Households with access to drinking water (Baseline: 28.2% in 2006, no target)</i></p>	<ul style="list-style-type: none"> ▪ Urban infrastructure is destroyed and in disarray ▪ Financial and institutional weakness of service providers ▪ Poor city planning 	<p>6. Improved Access to Basic Urban and Community Infrastructure (Urban, Water Supply, Sanitation, Drainage and Roads)</p> <p><i>Water</i></p> <p>6.1 Number of people in urban areas provided with access to improved water sources under the project is 38,000 in 2014 (WB)</p> <p>6.2 Access to potable water in 3 “Chefs Lieux de Prefectures” increase from 32% to 100% (AfDB)</p> <p><i>Sanitation / Solid Waste / Drainage</i></p> <p>6.3 Number of people in urban areas provided with access to a regular solid waste collection under the project increases to 390,000 by 2014.</p> <p>6.4 People with access to improved drainage in areas served by the project increases from 6000 in 2007 to 70,000 in 2014. (WB)</p> <p>6.5 Number of people in urban areas provided with access to all-season roads within a 500 meter range under the project is 420,000 in 2014 (WB)</p>	<p><i>Water</i></p> <p>10 boreholes constructed by end 2011 (WB)</p> <p><i>Replaced by:</i></p> <p>Improved community water points constructed or rehabilitated under the project</p> <p>Price of cubic meter of water in public water point decrease from FCFA 1,250 FCFA to FCFA 500 in 3 ‘Chefs-lieux de Préfectures’ (AfDB)</p> <p><i>Sanitation / Solid Waste / Drainage</i></p> <p>Solid waste collected as a percentage of solid waste produced in Bangui increase from 6% in 2007 to 40% by end 2010 (WB). (<i>Milestone to be dropped</i>)</p> <p>Seven kilometres of primary drainage constructed by end 2011 (WB)</p> <p>66 kilometers of urban roads rehabilitated in Bangui by end 2011 (WB).</p>	<p>6.1 Not achieved. However, Ten boreholes have been drilled, awaiting water towers and kiosks to be built in the coming months to provide access to water supply.</p> <p>6.2 Not yet achieved. The project has just started disbursements (AfDB)</p> <p>6.3. 112,000 additional people got access to an operational solid waste management system (compared to incremental end of project target of 227,000).</p> <p>6.4. 46,600 additional people are protected against periodic flooding (compared to incremental end of project target of 52,000);</p> <p>6.5. 290,000 additional people got access to year-round passable roads (compared to incremental end of project target of 420,000);</p> <p>43 kilometers of urban roads were rehabilitated, although some of the roads were damaged during the 2009 floods.</p>	<p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ Water and Sanitation Project (UA 7m) (AfDB) ▪ Emergency Urban Infrastructure FY07 for US\$ 18 m. (WB) ▪ Additional financing for Emergency Urban Infrastructure (FY10) (WB) ▪ Water and sanitation sector Institutional Support Project for Euro1.96m (AfDB) <p>TA:</p> <ul style="list-style-type: none"> ▪ Secondment Program/Technical Assistance for \$2m (AfDB) <p>AAA</p> <ul style="list-style-type: none"> ▪ Urbanization Master Plan study for Bangui (AfDB) <p>Partners: EU, AFD, UNDP</p>

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
<p>Improving Community Participation</p> <p>(No indicators)</p>	<ul style="list-style-type: none"> ▪ Low physical security for the population ▪ Weak capacity of state institutions ▪ Profound social and economic divisions ▪ Limited access to basic social and economic services in rural areas 	<p><i>Community Development and Services</i></p> <p>6.6 40% of financed village level projects achieve their targets in terms of increased access to social and infrastructure services by end 2012 (WB)</p> <p>6.7 Average distance in targeted villages from a health center or a water point decrease by 2/3 by end 2013 (AfDB)</p>	<p><i>Community Development and Services</i></p> <p>30% of targeted villages have received capacity building support by end 2010 (WB)</p> <p>20% of targeted communes have functioning and representative coordination bodies with regular meetings (WB)</p> <p>40% of targeted communes have Local Development Plans developed through a participatory process by end 2011 (WB)</p> <p>Rehabilitate and build 200 (AfDB) + 80 (WB) basic infrastructure/micro-projects by end 2012</p>	<p>Not yet achieved. Baseline studies undertaken by the Central African Institute for Statistics and Socio-Economic Sciences (ICASEES) have recently completed. Consultant support is now being provided during the initial phase of the data entry process.</p>	<p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ LICUS grant for Community-Driven Development and Social Sector Project (US\$2.7 million) (WB) ▪ Community Development Project (FY09) (WB) ▪ Japanese Social Development Fund (JSDF) Grant for \$1.8m (WB) <p>Pipeline Projects:</p> <ul style="list-style-type: none"> ▪ Community Development Project targeting vulnerable groups (UA8m) (AfDB) ▪ Community Recovery – Northern CAR Project (SPF grant) \$3.5 m in FY10 (WB) ▪ Transitional Demobilization & Reintegration Program (TDRP) 09 (AfDB/WB) <p>Partners: UNDP, France, European Union, Japan</p>
<p>Promote and modernize agriculture</p> <ul style="list-style-type: none"> ▪ Support rural people ▪ Build the capacity of institutions ▪ Intensify and diversify agriculture <p><i>Indicators:</i></p> <p>- Food production in tons</p>	<ul style="list-style-type: none"> ▪ Low agricultural productivity ▪ Lack of access to certain insecure areas ▪ Lack of producer access to inputs and tools 	<p>7. Improved Agriculture and Livestock Productivity</p> <p>7.1 70% of targeted farmers adopt at least one improved technology by end 2010 (WB)</p> <p>7.2 Additional 12,000</p>	<p>50,000 agricultural producers receive improved inputs (seeds and tools) by end 2010 (WB)</p> <p>2000 agricultural producers receive training by end 2010 (AfDB)</p>	<p>7.1 Partially achieved. 1800 beneficiaries have received improved seeds, or cuttings; 1500 have received tools and 1100 have received training.</p>	<p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ Emergency Food Response (\$7.0 million) FY09 (WB) ▪ Emergency Food Response for UA3.0m FY08 (AfDB) <p>Pipeline Projects:</p> <ul style="list-style-type: none"> ▪ Rural infrastructure

Selected CAR PRSP objectives & indicators⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
<p>(Baseline: 3017 in 2006, no target)</p> <p>- Production of cash crops (cotton, coffee) in tons (Baseline: 5500 in 2006, no target)</p> <p>- Number of heads of livestock (Baseline: 13841 in 2006, no target)</p>		<p>tons of food products, 1,000 tons of cotton and 1,000 tons of meat commercialized by end 2012 (AfDB)</p>	<p>250km of rural roads rehabilitated by end2012 (AfDB-PARIR)</p> <p>2 abattoirs, 2 livestock markets, 2 provincial markets, and 1 rural market built by end 2012(AfDB-PARIR)</p> <p>2 training centers, 2 laboratories and livestock food factory rehabilitated and equipped by end 2012 (AfDB-PARIR)</p> <p>300 (70% of women) agents of the Ministry of Agriculture, 50 groups (1000 members) trained by end 2015 (AfDB-PARIR)</p>		<p>rehabilitation Project (UA4 m) FY09 (AfDB)</p> <ul style="list-style-type: none"> ▪ Agriculture / rural development project for US\$10 m in FY12 (WB) <p>AAA</p> <ul style="list-style-type: none"> ▪ Food Security study FY09 (AfDB) <p>Partners: FAO, EU</p>
<p>Education</p> <ul style="list-style-type: none"> ▪ Increase the range of education on offer ▪ Increase the proportion of pupils completing primary school ▪ Increase retention rates ▪ Raise awareness and mobilize all partners <p><i>Indicators:</i></p> <ul style="list-style-type: none"> - Registration in primary education, basic level I(Baseline: 60% in 2006, Target: 73% in 2010) - Rate of completion of 	<p><i>Education</i></p> <ul style="list-style-type: none"> ▪ One child out of four have never attended school ▪ The conditions of instruction are extremely poor with degraded and inadequate number of classrooms and insufficient textbooks. ▪ Lack of trained teachers. <p><i>Health and HIV/Aids</i></p> <ul style="list-style-type: none"> ▪ Health service 	<p>8. Improved access and quality of education and health services</p> <p><i>Education</i></p> <p>8.1 Gross enrolment in primary education increase from 73.7% in 2007 to 81.7% by end 2011 (WB)</p> <p>8.2 Pupil – teacher ratio decrease from 90.5 in 2007 to 80 by end 2011 (WB)</p> <p>8.3 Pupil-reading textbook ratio decreases</p>	<p><i>Education</i></p> <p>284 primary classrooms constructed by end 2010 (WB)</p> <p>480 000 French and mathematics textbooks delivered to targeted schools by end 2010 (WB)</p> <p>300 teachers embark on 1st year of initial training at ENI and</p>	<p>Achieved</p> <p>8.1 Targets for gross enrollment in primary education have been surpassed to 84%.</p> <p>8.2. The Pupil teacher ratio is now at 81.</p> <p>8.3. The number of textbooks to be distributed has doubled; 670,000 textbooks are currently under distribution which will allow the ratio of 1:1 to</p>	<p>On-going Projects:</p> <ul style="list-style-type: none"> ▪ Multi-sectoral HIV/AIDs, Health, Education (\$17.0 million) project FY02 (WB) ▪ EFA/FTI Catalytic Fund (\$38m) (WB) <p>Pipeline Project:</p> <ul style="list-style-type: none"> ▪ Health sector project (FY12) (WB) <p>AAA:</p> <ul style="list-style-type: none"> ▪ Health Sector Finance Assessment (FY11) (WB)

Selected CAR PRSP objectives & indicators ⁷	Key Issues	CPS Outcome & Indicators	CPS Milestones	Progress to Date (in relation to CPS Outcomes)	World Bank Group/AfDB Instruments
<p><i>primary education, basic level 1 (Baseline: 30% in 2006, Target: 53% in 2015)</i> <i>- Ratio of literacy among 10 to 24 year olds (Baseline: 57.3% in 2003, No Target)</i></p> <p>Health and HIV/Aids</p> <ul style="list-style-type: none"> ▪ Regenerate and strengthen the health care system ▪ Finance scaled implementation of priority child and maternal healthcare programs ▪ Combat HIV/Aids, tuberculosis and malaria <p><i>Indicators:</i> <i>- Deliveries assisted by a medical worker (Baseline: 44% in 2006, no target)</i> <i>- Rate of use of condoms among 15-24 year olds (Baseline: 41% in 2006, no target)</i></p>	<p>provision is very poor</p> <ul style="list-style-type: none"> ▪ Under-funded and short-staffed public health institutions constrain service delivery ▪ Public health staff concentration in Bangui is excessive, leaving health posts and hospitals in the rest of the country under-staffed ▪ HIV/Aids infection rates are thought to be on the increase ▪ UNAIDS estimates HIV prevalence in CAR at about 6.3 percent among persons aged between 15 and 49 years, which is above the 3 to 5 percent rates in neighbouring countries 	<p>from 7 in 2007 to 2 by end 2011</p> <p>8.4 Pupil-math textbook ratio decreases from 6 in 2007 to 2 by end 2011</p> <p><i>Health and HIV/Aids</i></p> <p>8.5 200,000 men and women accepted VCT and received test results in targeted health centers by end 2010 compared to 0 in 2007 (WB)</p> <p>8.6 300,000 additional households using ITBNs by end 2011 (WB)</p>	<p>450 teachers at the 8 CPRs by end 2010(WB)</p> <p>More than 1500 teachers contracted by end 2010 (WB)</p> <p><i>Health and HIV/Aids</i></p> <p>20,000 blood transfusion pockets tested for HIV and other blood borne infections in targeted health centers by end 2010 (WB)</p> <p>5,000 pregnant women reached by PMTCT during the last 12 months in targeted health centers by end 2010(WB)</p>	<p>be met in relation to pupil-reading textbook ratio by 2010-2011.</p> <p>Other milestones are also on track, in particular the construction of primary classrooms, and number of teachers trained.</p> <p>8.5Health- partially achieved. 90,241 men and women have accepted VCT and received test results in targeted health centers by end 2011 (compared to 0 in 2007).</p> <p>8.6. To date 100,000 have received Insecticide-Treated Bed Nets (ITBNs).</p>	<p>Partners: The Global Fund, German cooperation, France, UNESCO, China and USAID</p>

Annex 2: Updated and Revised CAS Outcome Indicators

Original CAS Indicators	Updated and Revised Indicators
CAS Outcome 5. Improved infrastructure for Regional Economic Integration	
Energy: ENERCA increased its cash generation and expenditure on operations and maintenance from 2 billion CFA in 2008 to 2.7 billion CFA by end 2012. (WBG)	Updated: Energy: ENERCA generates enough cash for operations and maintenance of its system in Bangui from 4.5bn CFA to 2.7bn CFA by end 2012 (WBG)
CAS Outcome 6. Improved access to Basic Urban and Community Infrastructure	
<p><i>Water</i></p> <p>Number of people with access to potable water increase from 10,000 in 2007 to 110,000 by end 2011 (WB)</p> <p><i>Sanitation / Solid Waste / Drainage</i></p> <p>Number of people with access to a sustainable solid waste management system in Bangui increase from 30,000 in 2007 to 257,000 by end 2011 (WB)</p> <p>Number of people in Bangui protected against periodic flooding increases from 6,000 to 58,000 by end 2011 (WB)</p> <p>Number of people in Bangui with access to year round passable roads increases from 50,000 in 2007 to 470,000 by end 2011 (WB)</p>	<p>Updated:</p> <p>People with access to improved drainage in areas served by the project increases from 6000 in 2007 to 70,000 in 2014.</p> <p>Number of people in urban areas provided with access to improved water sources under the project is 38,800 in 2014</p> <p>Number of people in urban areas provided with access to all-season roads within a 500 meter range under the project is 420,000 in 2014</p> <p>Number of people in urban areas provided with access to regular solid waste collection under the project increases to 390,000 by 2014.</p>

Annex 3: IDA Operations Portfolio (Excluding Regional Portfolio)

As of Date 1/27/2011

Closed Projects **29**

IBRD/IDA *

Total Disbursed (Active)	38.05
of which has been repaid	0.00
Total Disbursed (Closed)	96.26
of which has been repaid	76.91
Total Disbursed (Active + Closed)	134.31
of which has been repaid	76.91
Total Undisbursed (Active)	50.37
Total Undisbursed (Closed)	0.00
Total Undisbursed (Active + Closed)	50.37

Active Projects

Project ID	Project Name	Last PSR			Fiscal Year	Original Amount in US\$ Millions			Difference Between Expected and Actual Disbursements	
		Supervision Rating		Undisb.		Orig.	Frm Rev'd			
		<u>Development Objectives</u>	<u>Implementation Progress</u>					IDA	GRANT	Cancel.
P114111	CF-Emergency Power Response Project	MS	MS	2009	8			6.9	3.8	
P120534	CF-EMGRG III DPO IV (FY11)	S	S	2011	8.8			4.5		
P113221	CF-Food Response Project	MS	MS	2009		7	0.3	2.4	2.8	0.6
P104595	CF-Emergency Urban Infrastruct ERL (F07)	S	S	2007	41.9			25.3	-1.9	0.6
P073525	CF-HIV/AIDS (FY02)	S	S	2002	17			6.5	3.1	-2.2
P111679	CF-Supp to Vulnerable Grps Community Dev	MS	MS	2009	8			7.2	2.4	
Overall Result					83.7	7	0.3	52.8	5.7	-1.0

Annex 4: Analytical and Advisory Activities

Fiscal Year	Analytic and Advisory Activities	Planned in CPS	Actual	Source
2008	PRSP TA	Planned	Delivered 2008	BB
2008	Strengthening capacity in the Telecommunications Sector	Additional	Ongoing	IDF
2009	Mining Sector Assessment	Planned	Delivered 2009	LICUS TF
2009	Improving National Procurement Systems	Planned	Ongoing	IDF
2010	Public Expenditure Review	Planned	2012	BB
2010	Diamond Sector Assessment	Planned	2010	BB
2010	EITI Support	Planned	Ongoing	MDTF
2010	Country Environmental Assessment	Planned	Delivered 2011	BB
2010	Power Utility Reform Study	Planned	Dropped	
2011	Understanding Access to Justice and Local Dispute Resolution at the Community level in the CAR and Chad	Additional	ongoing	BNPP
2010	Floods Assessment ("Recurrent Urban Flooding in Bangui, - Assessment of the current situation and measures to reduce future frequency of floods and mitigate floods impacts")	Additional	Delivered 2010	GFDDR
2011	TA on CAR Flood Recovery and Resiliency Program	Additional	Delivered 2011	GFDDR
2013	TA on " CAR Towards Sustainable Urban Management: Improving Bangui City Performance through Capacity Building and Planning Tools Development	Additional	Ongoing	Cities Alliance
2012	TA on solid waste management in Bangui	Additional	Ongoing	PPIAF
2012	South-South Experience Exchange on Social Water connections between Burkina Faso and CAR	Additional	Ongoing	SEETF
2011	Public Expenditure Review of Water and Sanitation Sector	Additional	Ongoing	WPP
2012	Study on reconnecting isolated vulnerable rural population in CAR into socio-economic structures	Additional	Ongoing	TFESSD
2011	Communications for Development	Planned	Dropped	BB
2011	PRPS Technical Assistance	Planned	Dropped	BB
2011	Health Sector Status Review	Planned	2012	BB

Annex 5: Selected Indicators of Portfolio Performance and Management
As of Date 1/27/2011

Indicator	2008	2009	2010	2011
Portfolio Assessment				
Number of Projects Under Implementation ^a	3	5	5	6
Average Implementation Period (years) ^b	2.6	2.2	3.2	3.2
Percent of Problem Projects by Number ^{a, c}	0.0	20.0	0.0	0.0
Percent of Problem Projects by Amount ^{a, c}	0.0	12.1	0.0	0.0
Percent of Projects at Risk by Number ^{a, d}	66.7	80.0	60.0	16.7
Percent of Projects at Risk by Amount ^{a, d}	81.6	86.2	39.3	8.9
Disbursement Ratio (%) ^e	15.4	48.8	30.6	13.7
Portfolio Management				
CPPR during the year (yes/no)				
Supervision Resources (total US\$)				
Average Supervision (US\$/project)				

Memorandum Item	Since FY 80	Last Five FYs
Proj Eval by OED by Number	26	2
Proj Eval by OED by Amt (US\$ millions)	498.4	83.3
% of OED Projects Rated U or HU by Number	61.5	0.0
% of OED Projects Rated U or HU by Amt	66.9	0.0

- a. As shown in the Annual Report on Portfolio Performance (except for current FY).
- b. Average age of projects in the Bank's country portfolio.
- c. Percent of projects rated U or HU on development objectives (DO) and/or implementation progress (IP).
- d. As defined under the Portfolio Improvement Program.
- e. Ratio of disbursements during the year to the undisbursed balance of the Bank's portfolio at the beginning of the year: Investment projects only.
- * All indicators are for projects active in the Portfolio, with the exception of Disbursement Ratio, which includes all active projects as well as projects which exited during the fiscal year.

Annex 6: IFC Program

	2008	2009	2010	2011*
Commitments (US\$m)				
Gross			2.84	
Net**			2.84	
Net Commitments by Sector (%)				
LOAN			100	
Total	0	0	100	0
Net Commitments by Investment Instrument (%)				
Loan			100	
Total	0	0	100	0

* As of March 31, 2011

** IFC's Own Account only

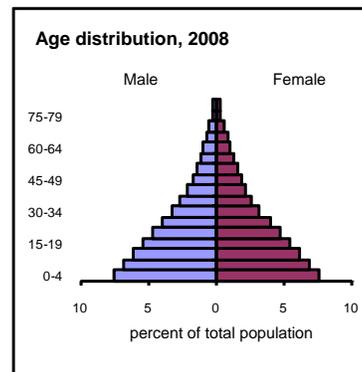
Committed and Disbursed Outstanding Investment Portfolio
As of 12/31/2010
(In USD Millions)

FY Approval	Company	Committed					Disbursed Outstanding				
		Loan	Equity	**Quasi Equity	*GT/RM	Participant	Loan	Equity	**Quasi Equity	*GT/RM	Participant
2010	Ecobank-car	3.06	0	0	0	0	0	0	0	0	0
Total Portfolio:		3.06	0	0	0	0	0	0	0	0	0

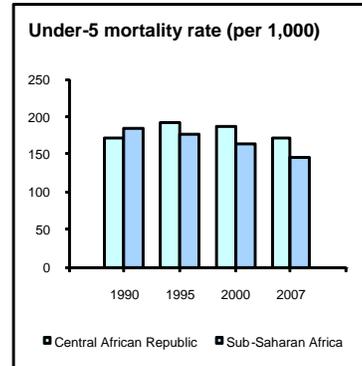
* Denotes Guarantee and Risk Management Products.

** Quasi Equity includes both loan and equity types.

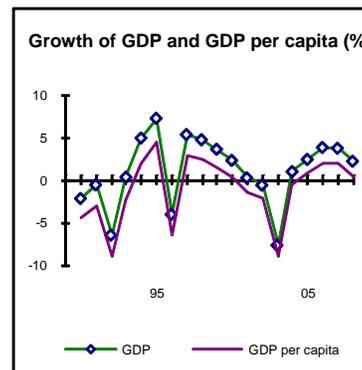
Key Development Indicators	Central African Republic	Sub-Saharan Africa	Low income
(2008)			
Population, mid-year (millions)	4.4	818	973
Surface area (thousand sq. km)	623	24,242	19,310
Population growth (%)	1.8	2.5	2.1
Urban population (% of total population)	39	36	29
GNI (Atlas method, US\$ billions)	1.8	885	510
GNI per capita (Atlas method, US\$)	410	1,082	524
GNI per capita (PPP, international \$)	730	1,991	1,407
GDP growth (%)	2.2	5.0	6.4
GDP per capita growth (%)	0.4	2.5	4.2

**(most recent estimate, 2003–2008)**

Poverty headcount ratio at \$1.25 a day (PPP, %)	62	51	..
Poverty headcount ratio at \$2.00 a day (PPP, %)	82	73	..
Life expectancy at birth (years)	45	52	59
Infant mortality (per 1,000 live births)	113	89	78
Child malnutrition (% of children under 5)	..	27	28
Adult literacy, male (% of ages 15 and older)	..	71	72
Adult literacy, female (% of ages 15 and older)	..	54	55
Gross primary enrollment, male (% of age group)	86	103	102
Gross primary enrollment, female (% of age group)	61	93	95
Access to an improved water source (% of population)	66	58	67
Access to improved sanitation facilities (% of population)	31	31	38



Net Aid Flows	1980	1990	2000	2008 ^a
<i>(US\$ millions)</i>				
Net ODA and official aid	110	249	75	176
<i>Top 3 donors (in 2007):</i>				
France	69	71	19	54
European Commission	11	33	6	30
United States	1	3	1	18
Aid (% of GNI)	13.8	17.0	8.0	10.4
Aid per capita (US\$)	47	83	19	41

**Long-Term Economic Trends**

Consumer prices (annual % change)	14.7	-0.2	3.2	2.6
GDP implicit deflator (annual % change)	18.3	2.3	3.2	6.2
Exchange rate (annual average, local per US\$)	211.3	272.3	712.0	447.8
Terms of trade index (2000 = 100)	..	110	100	92
Population, mid-year (millions)	2.3	3.0	3.9	4.4
GDP (US\$ millions)	797	1,488	959	1,988
<i>(% of GDP)</i>				
Agriculture	40.0	47.6	53.1	52.9
Industry	20.1	19.7	15.8	14.2
Manufacturing	7.2	11.3	7.0	7.6
Services	39.9	32.7	31.0	32.9
Household final consumption expenditure	93.7	85.7	80.8	94.4
General gov't final consumption expenditure	15.1	14.9	14.0	6.6
Gross capital formation	7.0	12.3	9.5	11.6
Exports of goods and services	25.2	14.8	19.8	10.8
Imports of goods and services	41.1	27.6	24.1	23.4
Gross savings	1.6	-0.4	8.2	1.4

1980–90	1990–2000	2000–08
<i>(average annual growth %)</i>		
2.6	2.5	1.7
1.4	2.0	0.5

Note: Figures in italics are for years other than those specified. 2008 data are preliminary. .. indicates data are not available.

a. Aid data are for 2007.

Development Economics, Development Data Group (DECDG).

Balance of Payments and Trade

(US\$ millions)

	2000	2008
Total merchandise exports (fob)	159	147
Total merchandise imports (cif)	162	239
Net trade in goods and services	-42	-250
Current account balance	-12	-196
as a % of GDP	-1.3	-9.9
Workers' remittances and compensation of employees (receipts)	..	..
Reserves, including gold	..	..

Central Government Finance

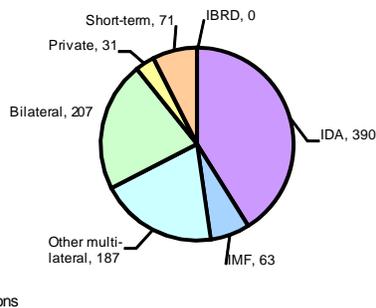
(% of GDP)

	2000	2008
Current revenue (including grants)	13.7	15.1
Tax revenue	7.8	7.9
Current expenditure	9.2	11.0
Overall surplus/deficit	-1.8	-0.4
Highest marginal tax rate (%)		
Individual	..	..
Corporate	..	..

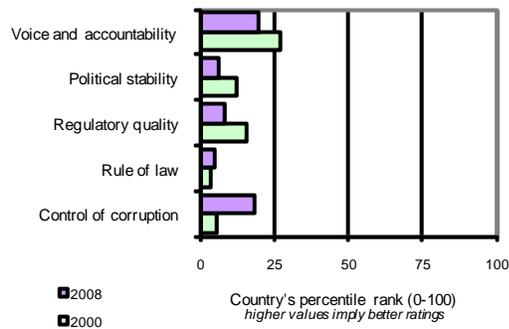
External Debt and Resource Flows

(US\$ millions)

	2000	2008
Total debt outstanding and disbursed	858	949
Total debt service	14	35
Debt relief (HIPC, MDRI)	611	..
Total debt (% of GDP)	89.4	47.8
Total debt service (% of exports)	7.3	11.7
Foreign direct investment (net inflows)	1	121
Portfolio equity (net inflows)	0	0

Composition of total external debt, 2008**Private Sector Development**

	2000	2008
Time required to start a business (days)	-	22
Cost to start a business (% of GNI per capita)	-	237.6
Time required to register property (days)	-	75
Ranked as a major constraint to business (% of managers surveyed who agreed)	2000	2008
n.a.	..	..
n.a.	..	..
Stock market capitalization (% of GDP)	..	..
Bank capital to asset ratio (%)	..	..

Governance indicators, 2000 and 2008

Source: Kaufmann-Kraay-Mastruzzi, World Bank

Technology and Infrastructure

	2000	2008
Paved roads (% of total)	2.7	..
Fixed line and mobile phone subscribers (per 100 people)	0	3
High technology exports (% of manufactured exports)	0.1	0.0

Environment

	2000	2008
Agricultural land (% of land area)	8	8
Forest area (% of land area)	36.8	36.5
Nationally protected areas (% of land area)	..	5.2
Freshwater resources per capita (cu. meters)	35,273	32,463
Freshwater withdrawal (billion cubic meters)	0.0	..
CO2 emissions per capita (mt)	0.07	0.06
GDP per unit of energy use (2005 PPP \$ per kg of oil equivalent)	..	..
Energy use per capita (kg of oil equivalent)	..	..

World Bank Group portfolio

(US\$ millions)

	2000	2008
IBRD		
Total debt outstanding and disbursed	0	0
Disbursements	0	0
Principal repayments	0	0
Interest payments	0	0
IDA		
Total debt outstanding and disbursed	391	390
Disbursements	13	2
Total debt service	9	16
IFC (fiscal year)		
Total disbursed and outstanding portfolio of which IFC own account	-	-
Disbursements for IFC own account	-	-
Portfolio sales, prepayments and repayments for IFC own account	-	-
MIGA		
Gross exposure	-	34
New guarantees	-	38

Note: Figures in italics are for years other than those specified. 2008 data are preliminary.

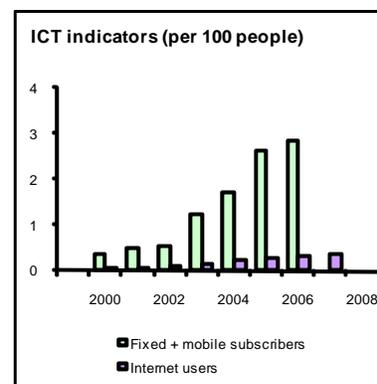
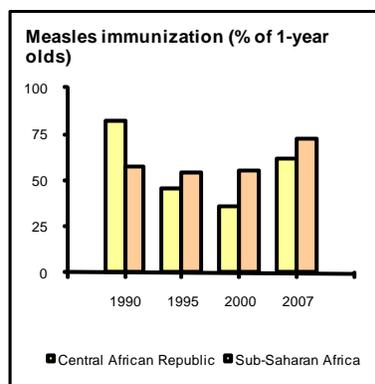
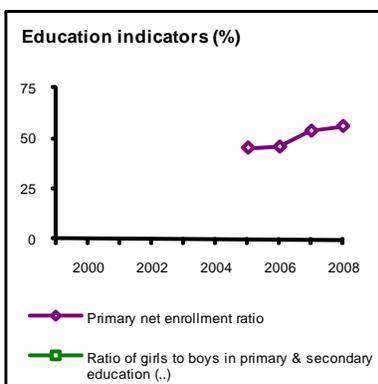
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.. indicates data are not available. - indicates observation is not applicable.

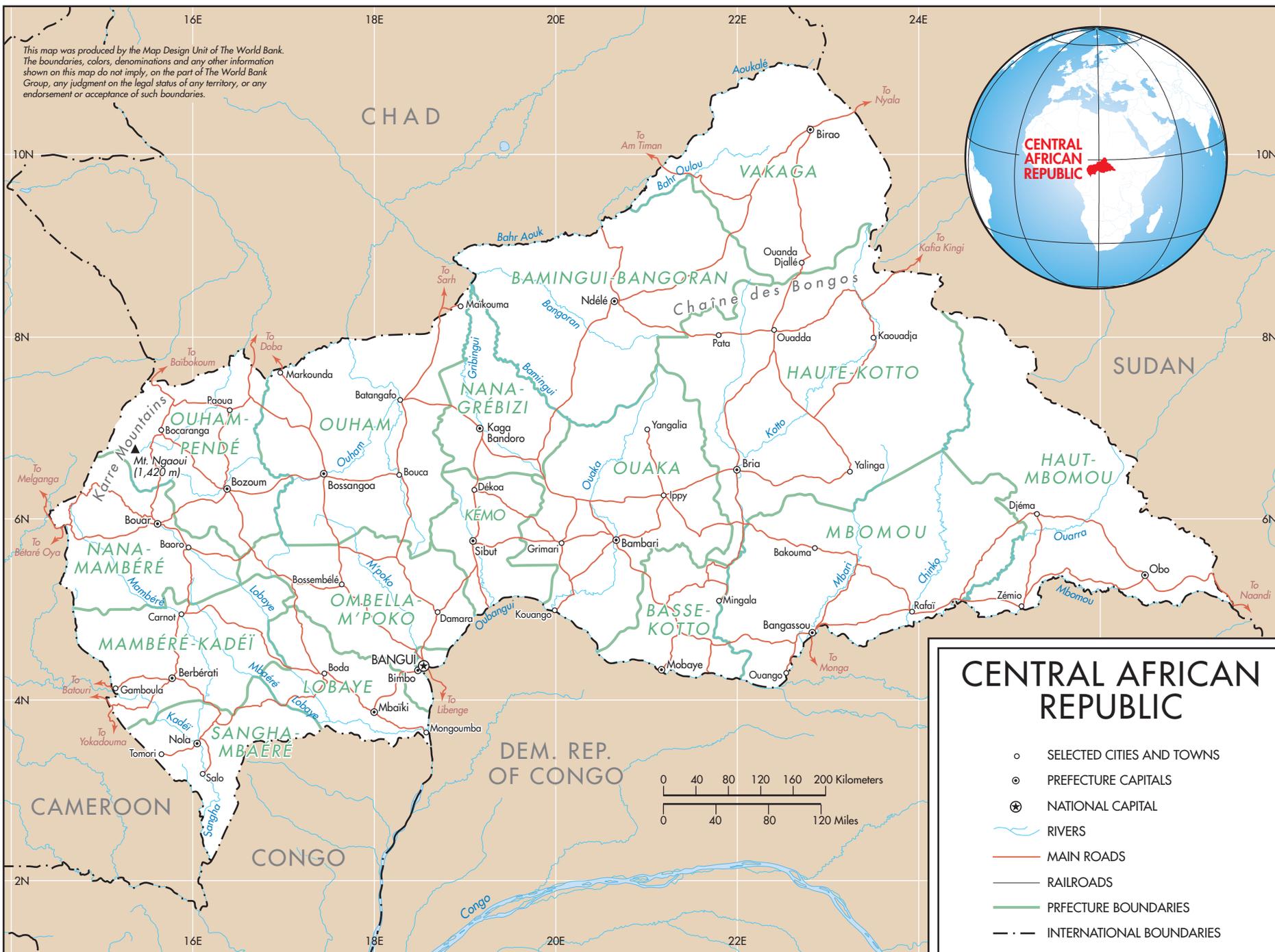
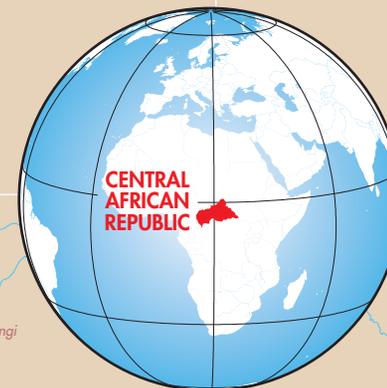
With selected targets to achieve between 1990 and 2015

(estimate closest to date shown, +/- 2 years)

	Central African Republic			
	1990	1995	2000	2008
Goal 1: halve the rates for extreme poverty and malnutrition				
Poverty headcount ratio at \$ 1.25 a day (PPP, % of population)	..	82.8	..	62.4
Poverty headcount ratio at national poverty line (% of population)	..	..	..	..
Share of income or consumption to the poorest quintile (%)	..	2.0	..	5.2
Prevalence of malnutrition (% of children under 5)	..	23.3	21.8	..
Goal 2: ensure that children are able to complete primary schooling				
Primary school enrollment (net, %)	52	..	..	56
Primary completion rate (% of relevant age group)	29	..	..	30
Secondary school enrollment (gross, %)	11	..	2	..
Youth literacy rate (% of people ages 15-24)	48	..	59	..
Goal 3: eliminate gender disparity in education and empower women				
Ratio of girls to boys in primary and secondary education (%)	60	..	..	..
Women employed in the nonagricultural sector (% of nonagricultural employment)	..	..	..	47
Proportion of seats held by women in national parliament (%)	4	4	7	11
Goal 4: reduce under-5 mortality by two-thirds				
Under-5 mortality rate (per 1,000)	171	193	186	172
Infant mortality rate (per 1,000 live births)	113	123	120	113
Measles immunization (proportion of one-year olds immunized, %)	82	46	36	62
Goal 5: reduce maternal mortality by three-fourths				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	980
Births attended by skilled health staff (% of total)	..	46	44	53
Contraceptive prevalence (% of women ages 15-49)	..	15	28	19
Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases				
Prevalence of HIV (% of population ages 15-49)	1.8	4.9	6.4	6.3
Incidence of tuberculosis (per 100,000 people)	145	209	302	345
Tuberculosis cases detected under DOTS (%)	..	62	8	71
Goal 7: halve the proportion of people without sustainable access to basic needs				
Access to an improved water source (% of population)	58	59	63	66
Access to improved sanitation facilities (% of population)	11	15	22	31
Forest area (% of total land area)	37.2	37.0	36.8	36.5
Nationally protected areas (% of total land area)	..	..	..	15.2
CO2 emissions (metric tons per capita)	0.1	0.1	0.1	0.1
GDP per unit of energy use (constant 2005 PPP \$ per kg of oil equivalent)	..	..	..	..
Goal 8: develop a global partnership for development				
Telephone mainlines (per 100 people)	0.2	0.2	0.2	0.3
Mobile phone subscribers (per 100 people)	0.0	0.0	0.1	3.5
Internet users (per 100 people)	0.0	0.0	0.1	0.4
Personal computers (per 100 people)	0.2	0.3



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CENTRAL AFRICAN REPUBLIC

- SELECTED CITIES AND TOWNS
- ⊙ PREFECTURE CAPITALS
- ⊕ NATIONAL CAPITAL
- ~ RIVERS
- MAIN ROADS
- RAILROADS
- PREFECTURE BOUNDARIES
- - - INTERNATIONAL BOUNDARIES

