

**PROJECT INFORMATION DOCUMENT (PID)
IDENTIFICATION/CONCEPT STAGE**

Report No.: PIDC36439

Project Name	Local connectivity emergency project
Region	AFRICA
Country	Central African Republic
Sector(s)	Sub-national government administration (10%), Rural and Inter-Urban Roads and Highways (90%)
Theme(s)	Conflict prevention and post-conflict reconstruction (100%)
Lending Instrument	Lending Instrument
Project ID	P157923
Borrower Name	CENTRAL AFRICAN REPUBLIC
Implementing Agency	Cellule de Coordination du Projet de Facilitation du Transport et du Transit
Environment Category	B - Partial Assessment
Date PID Prepared	17-Nov-2015
Estimated Date of Approval	31-Mar-2016
Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Central African Republic (CAR) is a mid-sized (623 thousand square km) sparsely populated (4.6 million) landlocked country in Central Africa. It is one of the poorest country in the world with a Gross National Income (GNI) per capita of US\$471 in 2012 and ranked 196th out 198th in the 2014 UN Human Development Index (HDI). Its economy has been characterized by low-growth and decreasing economic opportunity as most investment has shifted from export-oriented agricultural production (such as cotton and coffee) to rent seeking activities on extractive industries including timber, diamonds and gold.

The World Bank/IFC Doing Business Report 2015 ranked CAR as the third worst place for doing business in the world. With regard to public resources, net Official Development Assistance (ODA) flows to CAR are among the lowest compared to other fragile states in Africa (US\$61 per capita in 2011 compared to US\$188 for Liberia and US\$87 for Democratic Republic of Congo). Also, the ‘stop-and-go’ nature of foreign aid has had an adverse impact on public finances, and such aid (except for humanitarian relief) has largely been confined to stable areas, reinforcing the geographical divide.

Since early 2013, the country has experienced a massive political-security conflagration, creating an unprecedented humanitarian crisis, which unraveled the country’s social fabric, displaced over twenty five percent of the country’s population, and resulted in a significant economic downturn.

The crisis has prompted a large-scale international response, including peacekeeping intervention from African Union (AU), France, European Union (EU) and now, United Nations (UN) forces as well as concomitant emergency relief by UN agencies and non-governmental organizations (NGOs). Meanwhile, the Economic Community of Central African States (ECCAS) is leading a political initiative that has included the installation of a transitional government leading to anticipated national elections by end 2015.

As the politico-security crisis deepened, the country descended into localized violence based on ethnic-religious lines. The need to reinforce peacekeeping led to the 2014 UN Security Resolution 2149, which authorized the deployment of a 12,000-men strong UN peacekeeping force (known as MINUSCA) to replace the Africa Union peacekeeping mission (formerly known as MISCA) in September 2014. In March 2015, the 700-men strong European peacekeeping force (formerly known as EUFOR) ended its mission. Furthermore, France has significantly reduced its peacekeeping force (known as Sangaris) from about 2,000 to about 500 troops, which is now only present in Bangui. Recent violence trends have shown that there is a growing resentment, especially in the urban population, against international military presence and intervention.

The transitional government engaged in a national dialogue process aimed at social and political reconciliation, which culminated in the 2015 May National Forum in Bangui. The Bangui Forum laid the groundwork for national elections which were scheduled to take place in October 2015. However, due to fresh outbreaks of violence especially in and around Bangui, low voter registration, technical challenges, and a gap in the financing required to stage the elections, led to the postponement of presidential and parliamentary elections. It is now expected that the elections will be held on December 13, 2015, unless there is a further postponement in the election dates.

Sectoral and Institutional Context

Surface transport infrastructure. CAR faces a number of major transport infrastructure challenges which range from a very under-developed surface transport network, poor maintenance and dilapidated state of the existing road transport infrastructure. Road transport with a modal share of well over 90% is the dominant form of transport in CAR and the economy is completely dependent on the efficient movement of goods on the corridor from Douala to Bangui. Key obstacles to efficient transit include long delays in the port of Douala, cumbersome transit and customs procedures, multiple legal and illegal check points, and other Non-Tariff Barriers (NTBs). Moreover, violence and increased illegal check points by armed groups on all major road corridors in CAR have a significant negative impact on domestic trade, including the disruption of trade between agricultural production and urban poles of consumption. Finally, CAR's road network is in very poor condition due to a chronic lack of adequate maintenance for the last 20 years or so. This means that to ensure basic connectivity to all parts of the country, improved maintenance funding is critical since at present the Road Fund (RF) presently can only cover 5% of the total maintenance needs.

Governance and state delivery of basic services. The consequence of the 'slow-growth-poor-governance equilibrium trap' over the past two decades has been an absent 'state-society' contract, with little presence of the state beyond Bangui, other than in an armed or predatory form. This means that basic social service provision has been extremely poor, and peripheral regions have been increasingly marginalized, prompting intermittent armed rebellion.

The prolonged absence of a basic state presence in many regions of the country, combined with considerable governance deficits in virtually all sectors, means that the effective re-establishment of state control will take time. Rebuilding legitimate, capable, and accountable institutions would therefore benefit from incremental but visible changes (job creation and delivery of basic services), whereby trust can progressively be re-established between the state and its citizens. In a context of high socio-economic needs and low confidence in the state, development interventions must first focus on immediate tangible results for the population and avoid exacerbating on-going tensions. A major challenge facing the Government is to design policies that can help to: (a) show that all citizens, in any region, are equal and fairly treated; (b) restore confidence between the state and citizens as the former redeploys in the provinces; and (c) improve infrastructure and boost the local economy.

To re-establish a stronger state presence throughout the country, the Government of CAR (GoCAR) is about to redeploy territorial administration with World Bank, UN and EU support. The World Bank through the Emergency Public Services Response Project (EPSRP) (US\$30 million) is focusing on financing recurrent costs for eligible civil servants of the non-security sectors in addition to technical assistance on Public Finance Management (PFM). UN and EU support concentrates on facilitating the actual deployment of territorial administration outside Bangui, including incentives package, equipment, local infrastructure and training on inclusive local governance. In addition, the UN project includes support the support to the redeployment of local security forces as well as Community Driven Development (CDD) activities with citizens' engagement on development planning and grants at municipal level.

The World Bank is also currently successfully engaged at the local level through the LONDO Project, providing temporary employment through Labor Intensive Works (LIW) throughout the territory. Organizing LIW provided the opportunity not only to redeploy a State administration not related to security and to contribute to the reviving of the local economy, but also to engage with local stakeholders and communities on other matters related to the crisis.

The proposed project would substantially contribute to the State and peace building efforts by ensuring basic transport connectivity between poorly connected areas in districts situated in the lagging regions (North-East). This should contribute to: (a) revitalize local economy by providing temporary employment at local level; (b) facilitate the movement of goods and domestic trade; and (c) more inclusive local governance by engaging local stakeholders and communities on the targeted road improvement and maintenance.

The proposed project - designed to support social and economic recovery as well as facilitating peacebuilding - is being processed under Operational Policy (OP) 2.30 (Development Cooperation and Conflict), OP 8.00 (Rapid Response to Crises and Emergencies), and paragraph 12 (Situations of Urgent Need of Assistance) of OP 10.00 (Investment Project Financing). This means the proposed project benefits from condensed procedures, deferral of environmental and social requirements, and streamlined fiduciary procedures. In the case of CAR, OP 7.30 (dealings with De Facto Governments) was triggered on March 25, 2013 and remains in effect. The provisions of Paragraph 5 (New Operations) of OP 7.30 have been reviewed and weighed against the policy's five criteria. The Region's assessment is that, twenty-one months after the beginning of the second Transition, major developments have occurred that justify the resumption of new project financing: (a) This grant should not expose the World Bank to any additional legal or political risks associated with the country's financial obligations and obligations to carry out the project, as demonstrated by

the successful execution of the World Bank's Emergency Response Plan.

(b) The Government is back in effective control of the country, thanks to the support of the MINUSCA. It also enjoys a reasonable degree of stability and public acceptance as demonstrated by the recent exercise of decentralized consultations that has led to the national forum for reconciliation, as well as the redeployment of the prefects in all provinces.

(c) The Government recognizes the country's past obligations, in particular those to the Bank. Past Governments have generally recognized the obligations incurred by the de facto governments that have preceded them.

(d) The Government has been recognized by all countries, particularly neighboring ones from the Economic Community of Central African States. Both the United Nations (UN) and the African Union are providing strong political backing. The International Contact Group met in Brazzaville on March 16, 2015 and confirmed its support to the Transition Authorities.

(e) The position of other international organizations toward the Government is overwhelmingly supportive and virtually all of them have resumed technical and financial assistance to the country.

Relationship to CAS/CPS/CPF

The proposed project will directly contribute to the Country Engagement (CEN) Note short-term stabilization objective (Phase 1) by restoring basic transport connectivity to populations living in the lagging regions to urban centers. The CEN identifies the immediate priority of: (a) breaking out of the repeated cycles of violence; (b) beginning to build confidence in the transition process, (c) restoring some basic functions of the state; and (d) underpin reconciliation by providing some early tangible outcomes in support to livelihoods and basic social service provision.

II. Project Development Objective(s)

Proposed Development Objective(s)

The Proposed PDO is to reconnect the rural population of the Northeast part of CAR to urban centers, social services, and local markets by rehabilitating the Ndélé – Ouadda road corridor.

Re-connecting the isolated Eastern Region of CAR with the rest of the country by re-opening a key intra-regional road will contribute to the following higher-level objectives: (a) the long term prevention of the de facto partition of the country; (b) the re-establishment of territorial management and security by the central government; and (c) the re-establishment of basic road asset management in the areas of intervention in partnership with communities supported by other World Bank interventions in the area. Ultimately, these should contribute to the reconciliation and stabilization efforts by providing concrete services and a space for state-citizens constructive interactions.

Key Results

The achievements of the Project will be measured through the following indicators:

- Number of direct beneficiaries (including women) defined as “Number of direct beneficiaries (including women) provided with an all-season access to the Ndélé-Ouadda road within a 2 km range under the Project”;
- Number of kilometers of road maintained/rehabilitated under the Project;
- Increased average daily traffic by category and sub-category (Intermediate Means of Transport – IMT – not motorized; IMT motorized; buses; trucks; etc.).

III. Preliminary Description

Concept Description

The proposed pilot project design, components and activities are as follows:

Road connectivity works. This component covers the financing of the planned spot improvement type of road works, design studies and basic supervision of the works. The proposed project will focus on re-opening the Ouadda - Pata - Ndélé road corridor (about 230 km) by focusing on the spot improvement of about 65 km of non-contiguous stretches along the corridor to re-establish a basic all weather level of service. The planned spot improvement type of works, will require the capacity to work autonomously in a difficult environment, which means that a frontier type of construction approach, such as using force account, may need to be used to reinstate territorial connectivity. Based on the LONDO Project activities carried out in Ndélé, this component may also include Labor Intensive Works (LIW), thus contribute to jobs creation and support to vulnerable communities. The type of works involved is not gender-discriminatory. The project is expected to incrementally attract women. Should women's participation remain low, the beneficiary selection mechanism would allow enough flexibility to ensure more women are included.

At present, the area covered by the proposed pilot is not benefitting from any donor-funded program despite its strategic relevance and potential humanitarian impact if connectivity is re-established.

Community participation and capacity building. This component will ensure the proposed project promotes inclusive local governance. More specifically, the component will carry rapid development assessment at the level of communities and municipalities, where the road goes through. This assessment will involve local authorities (district and municipal territorial administration, traditional leaders) to gather necessary data for successful implementation such as: (a) spot improvement identification; (b) de facto and de jure local governance arrangements; (c) security; (d) social dynamics and cohesion; and (e) local economy and logistics data relevant to the planned road works. The rapid assessment will solve the issue of lack of information of the situation in the ground outside Bangui, and ensure successful implementation of the project.

Furthermore, the component will support inclusive engagement with the local stakeholders by: (a) facilitating open and inclusive selection of beneficiary for the LIW and social communication around the progress; (b) facilitating the re-establishment of basic road maintenance responsibilities and financing at the local level, including local administrative, traditional and community leaders, private firms implemented in the area if any, and central administration; and (c) using the LONDO Grievance Redress Mechanism (GRM) implemented by the Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique (AGETIP-CAF) .

Finally, the proposed project will use the experience from the LONDO Project which tested district level rapid assessment, is piloting community maintenance, and has already implemented LIW in the Ndélé area. The proposed project will also learn from the experience of the "4ème parallèle" road, which is privately maintained by logging companies, and replicate and adapt if there are firms active in the areas.

Project Management. This component covers activities related to the implementation of the project activities in a very challenging logistical and operational context. As such, the Project will strengthen the UN/WBG coordinated effort for FCS, which is a WBG corporate priority. The Team is already in contact with the WBG's FCS CCSA (GCFDR) in order to explore further collaboration with the UN Department of Peacekeeping Operations (DPKO).

In addition, the proposed project activities will complement existing WBG projects, namely the: (a) Emergency Public Services Response Project; (b) Emergency Urban Infrastructure Project; (c) LONDO Project; and (d) the CEMAC TTFP.

IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11	x		
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	4.9	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
State and Peace Building Fund			4.9

VI. Contact point

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