



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
CEMAC - TRANSPORT-TRANSIT FACILITATION  
APPROVED ON JUNE 26, 2007  
TO  
CENTRAL AFRICAN REPUBLIC  
FEBRUARY 23, 2021

TRANSPORT GLOBAL PRACTICE

WESTERN AND CENTRAL AFRICA REGION

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**ABBREVIATIONS AND ACRONYMS**

AF	Additional Financing
CAR	Central African Republic
CEMAC	Central African Economic and Monetary Community
COVID-19	Coronavirus Disease 2019
FM	Financial Management
FY	Fiscal Year
IDA	International Development Association
GBV	Gender Based Violence
GoCAR	Government of Central African Republic
GRM	Grievance Redress Mechanism
NGO	Non-governmental Organization
PDO	Project Development Objective
PIU	Project Implementation Unit
SDR	Special Drawing Rights
TTFP	Transport and Transit Facilitation Project
US\$	United States Dollar



**BASIC DATA**

**Product Information**

Project ID P079736	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 26-Jun-2007	Current Closing Date 28-Feb-2021

**Organizations**

Borrower Ministry of Economic, Plan and Cooperation Central African Republic	Responsible Agency Ministry of Public Works Cameroon, Ministry of Infrastructure Chad
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**Project Development Objective (PDO)**

Original PDO

The objective of the Project is to facilitate regional trade among the Member States and improve the Central African Republic's, the Republic of Cameroon's and the Republic of Chad's access to world markets.

Current PDO

The objective of the Project is to facilitate regional trade among the Member States and improve the Central African Republic's, the Republic of Cameroon's, and the Republic of Chad's access to world markets.

**Summary Status of Financing (US\$, Millions)**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-51460	26-Jul-2012	02-Oct-2012	27-Dec-2012	28-Feb-2021	123.40	76.96	36.19
IDA-H7980	26-Jul-2012	02-Oct-2012	27-Dec-2012	28-Feb-2021	1.60	1.53	0
IDA-49870	23-Jun-2011	28-Oct-2011	21-Dec-2011	30-Jun-2020	66.73	42.63	12.54



IDA-46590	05-Nov-2009	29-Jan-2010	08-Apr-2010	30-Jun-2020	123.09	107.04	5.67
IDA-H5220	05-Nov-2009	11-Dec-2009	05-Feb-2010	30-Jun-2020	67.00	64.81	.73
IDA-43370	26-Jun-2007	15-Nov-2007	11-Jul-2008	30-Jun-2020	143.75	143.15	1.58
IDA-H3140	26-Jun-2007	14-Sep-2007	05-Dec-2007	31-Jan-2019	24.00	25.09	0
IDA-H3150	26-Jun-2007	29-Aug-2007	25-Jan-2008	30-Jun-2020	30.00	28.71	.40

### Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. This restructuring paper seeks approval to cancel undisbursed funds on the Central African Republic (CAR) component of the Central African Economic and Monetary Community (CEMAC) Transport and Transit Facilitation Project (TTFP) and return them to the World Bank. The request from the Government of CAR (GoCAR) to cancel part of undisbursed funds on the credit (IDA 51460) was received on February 17, 2021. It corresponds to the volume of resources which will not be disbursed in relation to the activities undertaken and which could not reasonably be committed and implemented before the project closing date (in total SDR 20,345,150.95 or about US\$ 29.4 million equivalent).

2. The CEMAC TTFP aims to enhance trade and sub-regional cooperation among Central African states by providing landlocked CAR and Chad with better access to the Port of Douala in Cameroon through the rehabilitation of the road corridors between that port and the cities of Bangui and Ndjamen, respectively. The TTFP also aimed at (i) improving the implementation of the CEMAC Customs Union (CU); and (ii) reducing physical and non-physical barriers along the Douala-N'Djamena and Douala-Bangui corridors.

3. **Rationale for the cancellation of funds.** In June 2020, the CAR component was granted an exceptional extension of its closing date based on a firm commitment of GoCAR to ensure finalization of all project's remaining activities by the end of February 2021. Unfortunately, because of the conflict situation prevailing in the project area as a result of the political turmoil of the December 2020 Presidential Elections, implementation of works under the CAR component have fully stopped since early January 2021 (cf. paragraph 10 for remaining works). Although the security has slightly improved along the corridor Bangui-Bouar in the past few days, the situation remains volatile and unpredictable. This is the reason why the GoCAR is seeking cancellation of undisbursed project funds and the return of said funds to the World Bank before project closing.

4. **Financing.** The total financing approved for the whole project (Cameroon, CAR, and Chad components) is US\$579.57 million of which US\$489.92 million is disbursed (90 percent). The CAR component was financed by a grant



H3140, in the amount of US\$24 million<sup>1</sup>. The amount committed through the initial project has been fully disbursed. The initial project was followed by three Additional Financings (AFs)<sup>2</sup> aimed at scaling up project activities (approved respectively in November 2009, June 2011, and July 2012). Three restructurings<sup>3</sup> were also processed during the project lifecycle. The CAR component of the initial financing closed on January 31, 2019, with allocated funds fully disbursed. Also, the grant H5220 for CAR component of the project was closed on June 30, 2020 and disbursed at 98 percent. The remaining financing of the CAR component (Credit IDA 5146 and Grant H798) is still active with a closing date currently set for February 28, 2021 and disbursed at 68 percent for the credit and 100 percent for the grant).

**5. Implementation Performance and PDO achievement of the project.** Both the Implementation Performance (IP) and PDO ratings for the entire project have been rated moderately unsatisfactory (MU) for the last three years. However, the level of achievement of the various activities differs from one country to another. The Chad activities are fully completed, and the component closed on June 30, 2020. The Cameroon component also closed on June 30, 2020; however, its activities were not fully completed<sup>4</sup> and an undisbursed amount of US\$78.5 million was cancelled and funds returned to the World Bank. The disbursement rate is 97 percent for the initial financing of the three country components and 74.5 percent for the cumulated financings for the three countries. The disbursement rate for the cumulated financings of CAR component is 82.29 percent (see Table 2 below).

**Table 1: Cameroon and Chad Component’s disbursement status (US\$ million)**

Country/Component	Financing	Status	Original (US\$m)	Revised (US\$m)	Cancelled (US\$m)	Disbursed (US\$m)	Undisbursed (US\$m)	Percentage
P079736, Cameroon Initial financing	IDA-43370	Closed	147.00	143.75	3.25	143.15	1.58	99
P079736, Cameroon AF1	IDA-46590	Closed	150.00	123.09	26.91	107.04	5.67	95

<sup>1</sup> The Cameroon and Chad components of the initial financing were financed by credit IDA-43370 in an amount of US\$147million and grant H3150 of US\$30 million respectively.

<sup>2</sup> The three AFs are: AF1:(i) US\$67 million for the CAR component (Grant H5220) (100 percent disbursed) and (ii) US\$150 million for Cameroon (IDA-46590) (US\$65.33 million disbursed to date); AF2 (ii) US\$112 million for Cameroon (Credit 49780) (53 percent disbursed to date) to finance the partial rehabilitation of the Mora-Dabanga-Kousseri road section which constitutes one of the most deteriorated sections on the Douala - N'Djamena corridor; and AF3: (iii) US\$123 million to CAR (GrantH7980 and Credit IDA-51460) to scale up the project for better impact by paving road section Baoro-Bouar (56 km) and maintaining road section Bouar-Fambele (58 km).

<sup>3</sup> The project was first restructured on January 29, 2016 to reallocate funds in credits/grant proceeds in each country and extend the closing date from January 31, 2016 to January 31, 2019. This extension was justified by the significant deterioration of the countries’ security situation so that key project activities could be completed. The second restructuring in 2019 extended the closing date from January 31, 2019 to June 30, 2020 to allow completion of key road improvement activities, particularly the rehabilitation of the Mora-Dabanga-Kousseri road section, under an exceptional results-based force account mechanism executed by the Cameroon Army Corps of Engineers in the Far-North of Cameroon. The third restructuring in 2020 extended the closing date of the CAR component to February 28, 2021 to allow completion of Baoro-Bouar road section, and cancelled fuds to the tune of SDR 54,522,191,78 on the Cameroon component.

<sup>4</sup> Works of Mora-Dabanga-Kousséri in the far North of Cameroon were not completed.



Cameroon AF2	IDA-49870	Closed	112.00	66.73	45.27	42.63	12.54	77
P079736, Chad initial Financing	IDA-H3150	Closed	30.00	30.00	0)	28.71	0.40	99
P125915	TF-10978	Closed	11.49	0	11.49	0	0	0

Table 2: CAR Component's disbursement status (US\$ million)

Financing	Financing	Net Commitment (US\$m)	Disbursed (US\$m)	Undisbursed (US\$m)	Percentage
Initial	IDA-H3140	24.00	25.09	0.00	105
AF1	IDA-H5220	67.00	64.81	0.73	99
AF3	IDA-51460	113.50	76.69	36.41	68
AF3	IDA-H7980	1.60	1.60	0.00	100
Total (Initial+AF1+AF3)		206.10	169.6	37.14	82.29

**6. The Implementation Performance and the PDO ratings for the CAR component are both moderately unsatisfactory (MU).** The implementation has been delayed for various reasons (security, COVID19 and contractor weak performance). Key results achieved to date for the CAR component are as follow:

- About 203 km of roads have been rehabilitated, including the Fambele-Baboua and the Bouar-Fambele road sections along the Douala-Bangui corridor and Baoro-Bouar road;
- Average time from ship readiness to unload to destination for an imported container, on the corridor Douala-Bangui has been reduced from 10 days to 8 days;
- Customs operations carried out electronically for goods in transit at the border post of Garoua Boulai represented 100 percent against 0 percent at the beginning of the project;
- The labor-intensive works program for the rehabilitation of urban roads in Bangui has been successfully implemented for an amount of US\$8 million and has generated more than 50,000 man-days of work, 31 km of urban roads rehabilitated;
- The capacity of the Ministry of Public Works, the Ministry of Transport, and the General Directorate of Customs, have been strengthened;
- The CEMAC transit regime has been endorsed but it is yet to be fully operational;
- Bilateral agreements aiming at sharing transit data were signed between the Cameroonian and CAR customs, as well as between the Cameroonian and Chadian customs;
- Percentage of road in good and fair condition increased from 53 percent to 80 percent for a target of 85 percent.

**7. Since the June 2020 restructuring (to extend its closing date to February 28, 2021), the CAR component has made significant progress in the finalization of its activities despite the impact of the COVID19 Pandemic.** Unfortunately, the recent political turmoil and social unrest associated with the December 2020 presidential elections has halted all project activities. As of December 2020, the following progress was achieved in the implementation of the last project activities: (i) Baoro-Bouar road section (56 km) was fully paved and discussions that were ongoing between the contractor and the Government augured well for an agreement on outstanding contractual issues and the finalization of all drainage and



signalization works by February 28, 2021; (ii) the Bouar bus station was completed; (iii) the completion rate of the Beloko rest area is estimated at 30 percent; and (iii) maintenance works of 380 km of roads between Bangui and Baoro reached an execution rate of 40 percent.

**8. Fiduciary performance of the CAR component.** The disbursement rate of the entire financing of CAR is about 82.29 percent as of February 15, 2021 (68 percent for credit IDA-5146, 100 percent for IDA-H7980, 100 percent for IDA H3140 and 98 percent for IDA-H5220). The project's fiduciary risk is assessed as Substantial and the performance of financial management (FM) has been evaluated Moderately Satisfactory by the World Bank team. There are no outstanding audit reports. Procurement management has improved and the Project Implementation Unit (PIU) has made significant progress in planning and implementing procurement activities with World Bank support. Therefore, the performance of procurement is rated Moderately Satisfactory.

**9. Remaining core activities to be completed.** With the unexpected suspension of works in mid-December 2020, the following works will not be completed by project closing: (i) the drainage system of Baoro-Bouar, (ii) the periodic maintenance of 58 km of roads ; (iii) the Beloko customs platform at the border with Cameroon; (iv) the axle load control station at PK30 near Bangui; and (v) the spot improvement of 140 km of roads along the Bangui-Baoro corridor (about 240 km has been already maintained under the project).

**10. Safeguards Management Performance of the CAR component.** Environmental and social impact management are both rated Moderately Satisfactory. Until suspension of works due to the security situation, road works were executed without major environmental and social safeguards issues. The Environmental and Social Management Plan (ESMP) prepared by the contractor on September 15, 2018, for the road works, has been developed and includes Occupational and Health Safety Hygiene (OHS) measures. In addition, and since the start of the COVID-19 pandemic, the contractor has been implementing specific measures to prevent the spreading of the disease. Also, during the sensitizations, emphasis was placed on prevention against HIV/AIDS and against the recruitment and/or use of child labor. Implementation of the Resettlement Action Plan (RAP) that was initially prepared and disclosed on May 11, 2012 for the Baoro-Bouar road works complies with safeguards requirements.

**11. The Grievance Redress Mechanism (GRM) is operational.** The project's GRM is in place and functioning. The PIU has recruited a local non-governmental organization (NGO) to manage the project GRM, and 8 committees have been installed in the villages along the road section Baoro-Bouar. All these committees have been provided with appropriate tools and their members have been trained to raise community awareness and eventually, they received and processed 700 complaints. All complaints received to date are expected to be closed by end February 2021, including the payment of eventual compensation when eligible.

**12. Gender-based Violence (GBV).** The project has recruited an NGO responsible for the GBV prevention and risk management activities. The NGO is active and has been producing monthly reports. No project related GBV incident has been reported by the NGO.

## II. DESCRIPTION OF PROPOSED CHANGES

**13. The only change proposed** under this restructuring paper is the cancellation of SDR 20,345,150.95, about US\$ 29.4 million equivalent from the IDA credit 51460. The funds will be returned to the World Bank. The change is summarized in the below tables. The reallocation has been triggered to materialize the cancellation of funds.



### III. SUMMARY OF CHANGES

	Changed	Not Changed
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

### IV. DETAILED CHANGE(S)





CANCELLATIONS

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-43370-001	Disbursing&Repaying	XDR	94,847,658.00	0.00		94,847,658.00	
IDA-46590-001	Disbursing&Repaying	XDR	76,349,323.00	0.00		76,349,323.00	
IDA-49870-001	Disbursing	XDR	37,980,827.00	0.00		37,980,827.00	
IDA-51460-001	Disbursing	XDR	79,600,000.00	20,345,150.95	15-Feb-2021	59,254,849.05	BORROWER'S REQUEST FOR COUNTRY REASONS
IDA-H3140-001	Fully Disbursed	XDR	16,000,000.00	0.00		16,000,000.00	
IDA-H3150-001	Disbursing	XDR	19,700,000.00	0.00		19,700,000.00	
IDA-H5220-001	Disbursing	XDR	42,800,000.00	0.00		42,800,000.00	
IDA-H7980-001	Disbursing	XDR	1,100,000.00	0.00		1,100,000.00	

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-51460-001   Currency: XDR				
iLap Category Sequence No: 1	Current Expenditure Category: GD, WK, NCS, CS, TR			
78,715,900.00	52,843,275.12	58,286,749.05	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: OPERATING COSTS			



**The World Bank**

CEMAC - Transport-Transit Facilitation (P079736)

	884,100.00	923,031.07	968,100.00	100.00	100.00
iLap Category Sequence No: 3		Current Expenditure Category: UNALLOCATED			
	0.00	0.00	0.00		
<b>Total</b>	<b>79,600,000.00</b>	<b>53,766,306.19</b>	<b>59,254,849.05</b>		