



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
CAR RURAL CONNECTIVITY PROJECT
APPROVED ON JUNE 30, 2017
TO
THE CENTRAL AFRICAN REPUBLIC

TRANSPORT

WESTERN AND CENTRAL AFRICA

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ABBREVIATIONS AND ACRONYMS

AFD	Agence Française de Développement (French Development Agency)
AGETIP	Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique
CAR	Central African Republic
CEMAC	Communauté Economique et Monétaire d'Afrique centrale (Economic and Monetary Community of Central Africa)
EICRP	Emergency Infrastructure and Connectivity Recovery Project
COVID 19	Coronavirus Disease 19
ESIA	Environmental and Social Impact Assessment
PIU	Project Implementation Unit
GoCAR	Government of the Central African Republic
CMU	Country Management Unit
IDA	International Development Association
ESIA	Environmental and Social Impact Assessment
GBV	Gender-Based Violence
GRM	Grievance Redress Mechanism
ONM	Office National du Materiel
UNOPS	United Nations Office for Project Services
RN8	National Road 8 (Route nationale)
RAP	Resettlement Action Plan
RCP	Rural Connectivity Project
TTFP	Trade and Transport Facilitation Project



BASIC DATA

Product Information

Project ID P160500	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 30-Jun-2017	Current Closing Date 30-Dec-2022

Organizations

Borrower Government of Central African Republic	Responsible Agency
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Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is to improve rural road connectivity to markets and social services, and in the event of an Eligible Crisis or Emergency, to provide an immediate and effective response.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Commitment	Net Disbursed	Undisbursed
IDA-D2230	30-Jun-2017	11-Oct-2017	10-Apr-2018	30-Dec-2022	45.00	29.61	15.97

Policy Waiver(s)

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

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

PROJECT STATUS

1. The project was approved by the Board of Directors on June 30, 2017. The corresponding Financing Agreement was signed on October 11, 2017, and the Project was declared effective on April 10, 2018. The current project closing date is December 30, 2022. The Development Objectives of the project (PDO) are still relevant but will not be fully achieved due to lack of funds. However, the PDOs will be pursued through the recently approved Emergency Infrastructure and Connectivity Recovery Project (EICRP-P176450)

2. The project was designed to assist the Government of the Central African Republic (GoCAR) in its efforts to improve connectivity in the North-East and North-West regions of the CAR which have been long isolated from the rest of the country. Specifically, it was designed to connect approximately 115,000 people in the targeted rural areas, and bring significant connectivity benefits to road users, farmers, and businesses, as well as access to human capital services (schools and health centers).

3. **Restructuring:** The project was restructured once to amend the name of the agency responsible for the execution of the project¹. This change was formalized through a Level 2 restructuring approved by the Bank on October 10, 2017. This is because between board approval and scheduled signing, the Government of the GoCAR reorganized its ministries, resulting in a change of the ministry responsible for this project.

4. To enable the full achievement of rural connectivity objectives in areas targeted by the RCP, the EICRP (IDA-876-CF), was prepared and approved by the Board on June 24, 2021. Most of the activities of the RCP were transferred to the newly approved EICRP. The EICRP included additional IDA Grant resources to close the financing gap and cost overruns of RCP resulting from (i) an increase in the scope of originally planned rehabilitation works due to the aggravation of the deterioration of project roads, (ii) additional roadworks necessary to fully achieve and scale-up the connectivity objectives of the project.

5. As of June 15, 2022, RCP has disbursed US\$29.61 million equivalent. With the transfer of uncompleted project activities to the EIRCP and the reimbursement by UNOPS of US\$1.74 million corresponding to the resources of the uncompleted road works between Kaga-Bandoro and Ndélé, about US\$17.24 million need to be cancelled. The cancelled resources will go back to CAR's national IDA envelope.

6. **Component 1: Road Rehabilitation and Maintenance (IDA Financing of US\$37.3 million).** Rehabilitation and Maintenance of Rural Roads Implementation of the rehabilitation works of the 500km of track in the North-West zone (prefecture of Ouham and Ouham Pendé).

7. **Subcomponent 1.1: North-West Road maintenance and rehabilitation (500 km).** Activities of phase 1 of the RCP (Labor-intensive Road Maintenance) consisting of the spot improvement of about 515 km of rural roads have been achieved. About 33 semi-definitive bridges have been rehabilitated, and 63 basic socio-economic infrastructures (schools, health centers, drying areas) were constructed (20 infrastructures initially planned).

¹ Instead of the Ministry of Equipment, Transport, Civil Aviation and Territorial Management (Ministère de l'Équipement, des Transports, de l'Aviation Civile et du Désenclavement) or "METACD", the implementing agency was replaced by the Ministry of Public Works and Road Maintenance (Ministère des Travaux Publics et de l'Entretien Routier) or "MTPER".



8. **The activities related to phase 2, mechanized works** to rehabilitate the 500 km under this subcomponent have not been implemented under the RCP and have been transferred to the EICRP.
9. **Subcomponent 1.2: North-East Road Rehabilitation (777 km).** This subcomponent is divided into two subcomponents: (a) consolidation of the 333-kilometer-long Kaga Bandoro-Ndélé road; and (b) spot improvement of the 440-kilometer Ndélé-Birao section.
10. **Consolidation of the 333-kilometer-long Kaga Bandoro-Ndélé road.** In terms of results, the RCP achieved the construction of two work camps in Kaga Bandoro and Ndélé. Further, RCP has purchased 32 heavy machinery equipment, rolling stock, and laboratory and topography equipment. This equipment is the backbone of the road works. In addition, as part of the consolidation works of the road Kaga-Bandoro-Mbrés-Ndélé section (322 km), the following works have been carried out as of June 30, 2022: (i) Cleaning and reprofiling of the entire 322 km; (ii) grading of 322 km; (iii) graveling of 142 km; and (iv) construction of 14 culverts.
11. **Spot improvement of the 440-kilometer Ndélé-Birao section.** The technical studies are completed at 80 % while the environmental and safeguards studies have been fully completed under the financing of the French Development Agency. Reopening, and spot improvement works of the 444-kilometer have not yet started. The works have been removed from the RCP project and transferred to the EIRCP. The related cancelled funds from RCP will go back to the country's IDA envelope.
12. **United Nations Office for Project Services (UNOPS)² oversees the rehabilitation of the two roads listed above (777 km) and roadside small structures using both Labor-Intensive Public Works (LIPW) and mechanized works.** Public works equipment was purchased for the implementation of road works and transferred to the worksite in Kaga Bandoro since June 8, 2020. Unfortunately, works, which were to start in 2020, were delayed because of a combination of security issues and delayed compensation process for Project Affected Persons (PAPs).
13. **The Kaga Bandoro-Ndélé road (RN8, 333 km) works were kept as the only activity on the RCP with the aim to complete them and close the RCP.** The Kaga Bandoro-Ndélé-Birao (333km) works started in November 2020, but they were thereafter suspended due to political turmoil and violence in the country in connection with the December 2020 Presidential Elections. Works resumed by February 18, 2021. Since then, sporadic suspensions were observed because of the security situation in the area. Also, low availability of equipment (frequent breakdowns) has contributed to slowing down the pace of works. Therefore, it has not been possible to complete the works as per initial plan. Since the project will be closed on July 29, 2022, the remaining works have been transferred to EIRCP.
14. **Many challenges have hampered the implementation of the works under this project.** The security situation in the project area was the main implementation challenge. The limitations identified for the achievement of results are: (i) the insecurity situation in the project areas making staff, and consultants unsecured and preventing continuity in works and studies implementation; and (ii) insufficient synergy of the project stakeholders. Teams on the ground have operated in a volatile security context characterized by isolated rebel attacks. For long periods of time, UNOPS had to interrupt activities in the North-East due to security threats. The situation was also fluid in the Northwest where some villages were not reachable because of the increased tension between armed groups. This led to a slowdown of AGETIP activities on the High-Intensity Labor works. After a tense uprise in December 2020, following the presidential election, the security situation has substantially worsened but is now gradually improving. It is still difficult to operate in some

² UNOPS has signed a project agreement with the GoCar for the works of Ndélé-Birao, and Birao-Am Dafock roads (770 km) for a total amount of US\$22 million)



sections of the Northeast and Northwest, but the immense sensitization conducted by the project teams and the local administration has started paying off.

15. In addition to the security issues, the Coronavirus virus Infection Disease 19 (COVID19) pandemic also slowed project implementation as the consultants in charge of Environmental and technical studies had to stop their missions during the peak of the pandemic, resulting in an implementation delay of eight months.

16. **Despite the non-completion of all planned works, the Kaga Bandoro-Ndélé road is now opened to traffic after having been cut-off for more than a decade due to a deteriorated condition.** This major achievement was possible thanks to the completion of the first pavement layer which enables the circulation of traffic. As other achievements, the two-base camps in Kaga Bandoro and Ndélé are already completed. As result, one can travel from Kaga Bandoro to Ndélé in 7 to 8 hours against one week previously. The entire road section of Kaga Bandoro Ndélé (333 km) is practicable even though some small culverts have not been constructed yet.

17. **Technical studies of Kaga Bandoro-Mbrès-Ndélé and Ndélé-Birao section.** The technical studies of the section Kaga Bandoro-Ndélé have been completed but under difficult circumstances due to security issues. As for the studies of Ndélé-Birao, they were transferred to the EICRP after the failure of the consultant to complete the studies. These studies will be part of the new agreement between the Ministry of Public works and UNOPS.

18. **Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP):** The ESIA and the RAP of Kaga Bandoro have been completed, cleared by the Bank, and implemented. The studies were completed under the old safeguards policies, but they have been revised to reflect the ESF provisions. The ESIA for the Ndélé-Birao road (which crosses the Manovo-Gounda Saint Floris National Park) is financed by French Development Agency (AFD in French). The activity was transferred to the EICRP.

TABLE 1: PHYSICAL ACHIEVEMENT OF THE ROAD KAGA BANDORO-NDÉLÉ

Tasks	Unit	planned quantity	achieved	Remaining	Percentage of achievement
Re-opening	km	322	322	0	100%
First layer	km	322	288	34	89%
Second layer	km	322	248	74	77%
Last layer	km	322	142	180	44%
small bridges	pieces	114	14	100	12%

	ISR of April 26, 2021	ISR of March 11, 2022
PDO rating	Moderately Satisfactory	Moderately Unsatisfactory
Implementation progress rating	Moderately Satisfactory	Moderately Unsatisfactory
Disbursement ratio	62%	65%



Amount disbursed (US\$ million)	28.73	29.61
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TABLE 2. PROJECT PERFORMANCE OVER THE PAST YEAR

19. **During the past two years, the project implementation focused on the completion of the Kaga Bandoro-Ndélé (333 km) road section.** Progress has been moderately satisfactory until April 2021. The security situation of the region and some technical issues (equipment breakdown) have largely contributed to the slowing down of the works. Taking advantage of some sporadic improvement of security in the project area, coupled with equipment rental and technical assistance from all the stakeholders including the Bank team, UNOPS has substantially improved the pace of works during the last two months. However, these efforts are insufficient to finalize the works by RCP closing. There are no pending compensation issues.

Component 2: Project Management and Monitoring & Evaluation

20. **The activities financed by this component were the following:** (i) Capacity building for the PIU, including the hiring of new staff, technical assistance, training and operating costs of the PIU, capacity building and operating costs of the decentralized field staff in the North-West and the North-East; (ii) Supervision consultants; (iii) monitoring and evaluation costs; (iv) monitoring of the quality of works and implementation of safeguards; (v) Project Preparation Advance (PPA).; and (vi) technical assistance for the sustainability of maintenance funding and institutional reform.

21. **For the North-East Road Rehabilitation,** the Government has signed an agreement with UNOPS to implement the works. UNOPS has recruited the critical personnel and has signed an agreement with Office National du Matériel (ONM) to manage the road works from Kaga Bandoro to Ndélé. For the section Ndélé-Birao, the same organization will be put in place.

22. **North-West Road Rehabilitation.** The Government has signed an agreement with Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique (AGETIP-CAF) for the implementation of the works in the North-West. Since August 2018, AGETIP-CAF has hired a social development specialist working with the environmental specialist of the Project Implementation Unit (PIU) to monitor the implementation of the project's safeguards measures. AGETIP-CAF has completed all the planned works were validated by the client.

23. **Monitoring and evaluation.** The target values of the indicators for the activities retained under the RCP will not be fully achieved. The activities transferred to the EICRP will be monitored under the M&E framework of the EICRP.

24. **Procurement.** Procurement Performance is rated Moderately Satisfactory. Significant improvements have been noticed in the procurement process over the past two years. Most of the contracts included in the procurement plan have been signed and implemented between 2018 and 2021. There is no procurement process undergoing under RCP. All the contracts are either closed or being curtailed.



25. **Financial Management.** The financial management performance of the project is moderately *satisfactory*. Most of the recommendations of the external audit and the previous Bank supervision missions have been implemented. Financial management risk is maintained at *substantial*. The disbursement rate is estimated at 65% considering initial activities of the project. The financial amount corresponding to the activities transferred from RCP to EICRP is US\$ 15.5 million. In addition, the sum of US\$ 1.74 million, which corresponds to the uncompleted Kaga bandoro-Ndele road, has been reimbursed to the project's account by UNOPS on July 19, 2022. Therefore, the total amount of US\$ 17.24 million will be canceled through this restructuring. After the cancellation the disbursement of the project will be nearly 100%.

26. **Safeguards management performance.** As documented in previously archived Implementation Status Reports (ISRs), overall safeguards compliance is *moderately satisfactory* and there are no unresolved legal, or safeguard issues. The Environmental and Social Impact Assessment studies (ESIA) of the Kaga Bandoro-Ndélé road section and the Northwest roads in the regions of Ouham and Ouham Pendé (about 500 km) have been completed and validated by the Bank safeguards team. The studies of Ndélé-Birao have been transferred to French development Agency and are under finalization.

27. **Gender-Based Violence.** The Project, through UNOPS, has recruited an NGO, to manage the GRM and GBV in the Northeast. Within the Project Implementation Unit, environmental, social and GBV specialists have been hired. The specialists are providing technical support to UNOPS and advice to contractors. *Management of GBV/SEA cases:* 5 cases were reported, 4 of which were referred for medical and psychosocial care. Out of the 5 cases, 3 were minors and 2 were adults, all of whom were women. All cases were addressed.

28. **Grievance Redress Mechanism:** AGETIP has put in place a Grievance Redress Mechanism (GRM) in the Northwest region and has recruited a Non-Government Organization to help in its implementation. For the Northeast region, a GRM is in place. It has been managed by an NGO for some time then transferred under the management of the UNOPS safeguards team. Complaints management: 875 complaints received from the Local Complaints Management Committee (LCMC) of the Complaints Management Mechanism (CMM), of which 439 were recognized valid and forwarded to the Complaints Management Unit and were addressed.

29. **Occupational Health and Safety (OHS) incidents:** The project has reported four (4) incidents since the start of its implementation, of which one (1) was classified severe and the others as indicative. The incident classified severe was related to a shooting of the vehicle transporting a team committed for the environmental studies. An ESIRT was prepared at the time of the incident. The Government has taken appropriate measures to mitigate the security risk in the project area.

Rationale for restructuring

30. The project is being restructured to (i) enable its anticipated closure on July 29, 2022 (closing date was initially set for December 31, 2022), (ii) reflect the reduction of project's activities (see annex 1), (iii) revise the results framework to reflect the reduced scope of activities) and (iv) to cancel the sum of US\$17.24 million corresponding to the RCP activities that were transferred to the EIRCP and the reimbursement by UNOPS of US\$1.74 million corresponding to the resources of the uncompleted road works in the Northeast. The cancellation has been requested by the client on July 14, 2022, and the anticipated loan closure was discussed and agreed with the Borrower following the approval of the EICRP on June 24, 2021.

31. **The Emergency Infrastructure and Connectivity Recovery Project (P176450)** was then designed and approved by the Bank to take over uncompleted RCP activities as well as remaining activities of the Central African Economic and



Monetary Community - Transport-Transit Facilitation Project (CEMAC TTFP - P079736). As the EICRP is effective, the RCP can now be closed.

II. DESCRIPTION OF PROPOSED CHANGES

Proposed changes.

32. The following changes will be made:

- (i) revision of the closing date of the Grant (2240-CF) from December 31, 2022 to July 29, 2022;
- (ii) revision of the results framework to reflect the reduced scope of project activities;
- (iii) cancellation of SDR 12,296,187.43 (about US\$17.24 million) from the IDA grant 2240-CF. The cancelled funds will be refunded to the CAR National IDA envelope.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Disbursement Estimates	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓



Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Rural Roads Rehabilitation and Maintenance	44.00	Revised	Rural Roads Rehabilitation and Maintenance	27.80
Project Implementation, Management and Monitoring	9.10	Revised	Project Implementation, Management and Monitoring	1.63
Resettlement	0.30	Revised	Resettlement	0.18
Contingency Emergency Response	0.00	No Change	Contingency Emergency Response	0.00
TOTAL	53.40			29.61

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D2230	Effective	30-Dec-2022		29-Jul-2022	29-Nov-2022



CANCELLATIONS

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-D2230-001	Disbursing	XDR	32,600,000.00	12,296,187.43	26-Jul-2022	20,303,812.57	UNDISBURSED BALANCE AT CLOSING

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-D2230-001 Currency: XDR				
iLap Category Sequence No: 1	Current Expenditure Category: G/W/C/NCS/TA/TR/OC EXCEPT CAT 2&3			
26,224,000.00	19,610,038.93	19,610,038.93	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: STIPENDS PART 1			
3,576,000.00	462,910.82	462,910.82	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: RESETTLEMENT COMPENSATION PART 3			
200,000.00	113,060.87	113,060.87	100.00	100.00
iLap Category Sequence No: 4	Current Expenditure Category: EMERGENCY EXPENDITURES PART 4			
0.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 5	Current Expenditure Category: PPF REFINANCING			
2,600,000.00	117,801.95	117,801.95		
Total	32,600,000.00	20,303,812.57	20,303,812.57	



DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2017	0.00	0.00
2018	3,822,030.00	3,822,030.00
2019	9,195,750.00	9,195,750.00
2020	11,955,735.00	11,955,735.00
2021	10,240,830.00	1,020,830.00
2022	8,293,410.00	0.00
2023	1,492,245.00	0.00



Results framework

COUNTRY: Central African Republic

CAR Rural Connectivity Project

Project Development Objectives(s)

The Project Development Objective (PDO) is to improve rural road connectivity to markets and social services, and in the event of an Eligible Crisis or Emergency, to provide an immediate and effective response.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Improve rural road connectivity to markets and social services.								
Farmers in the project area with improved access to markets (Number)		0.00	4,000.00	20,000.00	50,000.00	70,000.00	90,000.00	90,000.00
Proportion of improved project roads under routine maintenance (Percentage)		0.00	20.00	30.00	35.00	40.00	45.00	50.00
Action: This indicator has been Revised								
Basic social services (markets, schools and health centers) with improved access in the project area (Number)		0.00	1.00	5.00	13.00	17.00	20.00	20.00
Travel time between Kaga Bandoro and Ndele (Days)		10.00	7.00	10.00	9.00	7.00	7.00	7.00
Action: This indicator has been Revised								



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Passability of the road between Kaga Bandoro and Ndélé (Months)		5.00	5.00	5.00	5.00	12.00	12.00	12.00
Action: This indicator has been Revised								

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Rural Roads Rehabilitation and Maintenance (Action: This Component has been Revised)								
Roads rehabilitated (CRI, Kilometers)		0.00	50.00	150.00	250.00	350.00	450.00	600.00
Action: This indicator has been Revised								
Person-days of employment created through the Labor Intensive Public Works (Number)		0.00	20,000.00	70,000.00	110,000.00	140,000.00	150,000.00	150,000.00
Share of person-days of employment created for women (Percentage)		0.00	33.00	33.00	33.00	33.00	33.00	33.00
Community-based maintenance organizations that are operational (Number)		0.00	0.00	10.00	50.00	120.00	200.00	200.00



Annex 1 : Cancelled funds per category

Category	Description	Initial amount (SDR)	Revised amount (SDR)
1	Goods, works, consulting services, non-consulting services, Technical Assistance, Training and Operating Costs, for the Project, except Stipends under Part 1 and Resettlement Costs under Part 3 of the Project	26,224,000	19,610,038.93
2	Stipends under Part 1 of the Project	3,576,000	462,910.82
3	Resettlement Compensation under Part 3 of the Project	200,000	113,060.87
4	Emergency Expenditures under Part 4 of the Project	0	0
5	Refund of Preparation	2,600,000	117,801.95
	Total amount of Grant	32,600,000	20,303,812.57



Annex 2 : Revised disbursement table

Category	Description	Revised amount (SDR)	
1	Goods, works, consulting services, non-consulting services, Technical Assistance, Training and Operating Costs, for the Project, except Stipends under Part 1 and Resettlement Costs under Part 3 of the Project	19,610,038.93	100%
2	Stipends under Part 1 of the Project	462,910.82	100%
3	Resettlement Compensation under Part 3 of the Project	113,060.87	100%
4	Emergency Expenditures under Part 4 of the Project	0	100%
5	Refund of Preparation	117,801.95	Amount payable pursuant Advance to Section 2.07 of the General Conditions
	Revised total amount of the Grant	20,303,812.57	100%