AFRICAN DEVELOPMENT BANK

AFRICAN DEVELOPMENT FUND

CENTRAL AFRICA

REGIONAL INTEGRATION STRATEGY PAPER (RISP)

2011-2015

REGIONAL DEPARTMENT CENTER
(ORCE)
NEPAD, REGIONAL INTEGRATION AND TRADE DEPARTMENT
(ONRI)

February 2011

TABLE OF CONTENTS

LIST OF BOXES, TABLES AND ANNEXES		**ii**
ACRONYMS AND ABBREVIATIONS		**iii**
EXECUTIVE SUMMARY		**v**
I.	**INTRODUCTION**	**1**
II.	**CONTINENTAL INITIATIVES AND REGIONAL INTEGRATION IN CENTRAL AFRICA**	**1**
2.1	Regional Integration Programme in Central Africa	1
2.2	Other Continental Initiatives Vital to the Region	2
III.	**CENTRAL AFRICAN REGIONAL CONTEXT AND PROSPECTS**	**3**
3.1	Overall Context	3
3.2	Strategic Objectives of the Region	9
3.3	Major Challenges and Opportunities	9
3.4	Regional and National Responses and Initiatives	11
3.5	Recent Developments Concerning Aid Coordination and Harmonizationand the Bank's Position in Central Africa	12
IV.	**BANK GROUP STRATEGY FOR CENTRAL AFRICA**	**13**
4.1	Rationale for Bank Group Involvement	13
4.2	Strategic Pillars, Outputs and Targets	14
4.3	Allocation and Financing	17
4.4	Monitoring and Evaluation	18
4.5	Dialogue Issues with Countries and the Region	18
4.6	Potential Risks and Mitigative Measures	19
V.	**MANAGEMENT AND IMPLEMENTATION**	**20**
VI.	**CONCLUSION AND RECOMMENDATION**	**20**

- This report was coordinated by Messr. J. M. Gharbi, Regional Director ORCE and A. BERNOUSSI, Lead Economist (ORCE). The Bank team consisted of: B.S. BARRY, CPO (MAFO), R. KANE Chief Economist (CMFO), G. V. MOUGANI, Principal Economist (ONRI.2), L. MBONG MBONG, Senior Statistician (ESTA.1), M. MUPOTOLA, Division Manager (ONRI.2), E.I. MOHAMEDOU, Chief Regional Integration and Trade Officer (ONRI.2) and F. SYLLA, Senior Country -Economist (ORCE).
- The Bank team benefited from the contribution of the following consultants: R. BENBAHMED, K. DIOMANDE and M. EMAGNA. The report also benefited from the contributions of Mr Abdul KANE, Economic Affairs Officer (ECA/SRO-CA), Carlos Bonfim, Director of Trade & Customs (ECCAS).
- The report was updated to reflect (i) the recommendations of the Operations Committee of the Boards during the session of 20 January 2011 which reviewed the document at their meeting of 2 Dec. 2009, (ii) the recommendations of the Operations Committee of the Boards during the session of 20 January 2011; and (iii) the latest socio-economic developments in the region.
- Mrs. M. KANGA, Regional Director ORCE and Mr A. RUGAMBA, Director, ONRI are responsible for this report.
- **Any questions relating to this report should be referred to Mrs. M. KANGA Ext. 2251. BERNOUSSI Ext. 2705 or SYLLA, Ext. 2162**

LIST OF TABLES AND ANNEXES

Tables in the text

Table 1: Exports within Africa in % of African total, by Region in 2009 6
Table 2: 'Doing Business' Ranking 7

Annexes

Annex 1: Indicative List of Projects Identified for 2011-2015 I
Annex 2: Multinational projects selection process II
Annex 3: Central Africa RISP (2010-2014) Results-based Framework III
Annex 4: Bank Multinational Operations (as at 31 January 2011) VIII
Annex 5: The Congo Basin, global public good IX
Annex 6: Diagram and Graphs IX
Diagram 1: Relations Between the RECs (ECCAS, COMESA and SADC) IX
Graph 1: State Contributions to ECCAS in CFA millions IX
Graph 2: Macro-economic Indicators (1999-2010) IX
Graph 3: Share of oil sector in real GDP in ECCAS in 2007 and 2009 IX
Graph 4: Populations' access to public utilities (2007/2008) IX
Annex 7: Involvement of the Key TFPs X
Annex 8: Comparative Socio-economic Indicators XI
Annex 9: Comparative Economic Data XII
Table 9.1 Real GDP Annual Growth Rate (1999-2009) (%) XII
Table 9.2 Inflation Rate (annual variation in consumer price index) (1999-2009) (%) XII
Table 9.3 Overall Budget Balance (% GDP) (1999-2009) XII
Table 9.4 Current Account Balance (% GDP) (1999-2009) XIII
Table 9.5 Per Capita GDP (in current USD) (1999-2009) XIII
Table 9.6 African and World Exports (%) XIII
Table 9.7 African and World Exports (USD billion) XIII
Table 9.8 Aggregate CPIA Score (2005-2007) XIV
Annex 10: ECCAS Region Status in Terms of the Millennium Development Goals XIV
Annex 11: Map of Road Corridors in Africa XV
Annex 12: Map of Power Interconnections in Africa XVI
Annex 13: Consistency between CSPs and the Central African RISP XVII
Annex XI: Summary of Multinational Operations Portfolio Review for Central Africa as at 30 June 2010 XVIII

ACRONYMS AND ABBREVIATIONS

AACB : Association of African Central Banks
ADB : African Development Bank
ADF : African Development Fund
ADIE : International Agency for the Development of Environmental Information
AfT : Aid for Trade
AICD : Africa Infrastructure Country Diagnostic
AMCP : African Monetary Co-operation Programme
AMF : African Monetary Fund
AMU : Arab Maghreb Union
APOC : African Programme on Onchocerciasis Control
APPA : African Petroleum Producers Association
ASF : African Solidarity Fund
ATO : African Timber Organization
AU : African Union
AWF : African Water Facility
BDEAC : Development Bank of Central African States
BEAC : Bank of Central African States
BVMAC : Central African Regional Stock Exchange
CAPP : Central African Power Pool
CB : Congo Basin
CBFF : Congo Basin Forest Fund
CBFP : Congo Basin Forest Partnership
CDF : Community Development Fund
CEFDHAC : Conference on the Ecosystems of the Dense Rainforests of Central. Africa
CEMAC : Central African Economic and Monetary Community
CEPGL : Economic Community of the Great Lakes Countries
CGP : Country Governance Profile
CIC : Community Integration Contribution
CICOS : International Commission for the Congo-Oubangui-Sangha Basin
CIMA : Inter-African Conference on Insurance Markets
COBAC : Central African Banking Commission
COMESA : Common Market for Eastern and Southern Africa
COMIFAC : Central African Forest Commission
COPAX : Council for Peace and Security in Central Africa
COSCAP : Cooperative Development of Operational Safety and Continuing Airworthiness
COSUMAF : Central African Financial Market Supervisory Commission
CRNEPAD/AC : Regional Coordination for Implementation and Monitoring of NEPAD in Central Africa
CSMTAC : Sub-regional Telecommunications Maintenance Centre
CU : Customs Union
CWRMC : Centre for Water Resources Management and Coordination
DDP : Development Data Platform
DFID : United Kingdom Department for International Development
DSX : Douala Stock Exchange
EAC : East African Community
ECA : UN Economic Commission for Africa
ECA/SRB-CA : ECA Subregional Office for Central Africa
ECCAS : Economic Community of Central African States
ECF : Extended Credit Facility (IMF)
ECOWAS : Economic Community of West African States
EDF : European Development Fund
EGL : Association for the Study of Electrification of the Great Lakes (EGL)
FCPF : Forest Carbon Partnership Facility
FDI : Foreign Direct Investment

FODEC	:	Community Development Fund
FOMAC	:	Central African Multinational Force
FSF	:	Fragile States Facility
FSRDA	:	Special Regional Fund for Agricultural Development
FTA	:	Free Trade Area
GETRACO	:	Transboundary Water Management in the Congo Basin
GIS	:	Geographic Information System
GWP	:	Global Water Partnership
GWP-CA	:	Global Water Partnership for Central Africa
ICT	:	Information and Communication Technologies
IGAD	:	Intergovernmental Authority on Development in Eastern Africa
INBO	:	International Network of Basin Organizations
IPPF-NEPAD	:	NEPAD Infrastructure Project Preparation Facility
ISSEA	:	Sub-regional Institute of Statistics and Applied Economics (Yaounde)
IWRM	:	Integrated Water Resources Management Organization
LCBC	:	Lake Chad Basin Commission
LIC	:	Low Income Countries
MARAC	:	Central African Early Warning Mechanism
MDC	:	Multi-donor Committee
MIP	:	Minimum Integration Programme (AU)
MRV	:	Measure, Reporting and Verification
MTS	:	MediumTerm Strategy of the African Development Bank Group
NBI	:	Nile Basin Initiative
NELSAP	:	Nile Equatorial Lakes Subsidiary Action Programme (Interconnection of Electricity Grids of the Nile Equatorial Lakes Countries)
OCFA	:	Organization for Wildlife Conservation in Central Africa
OITC	:	Transport and ICT Department
ONEC	:	Energy, Environment and Climate Change Department
ONRI	:	NEPAD, Regional Integration and Trade Department
ORCE	:	Regional Centre Operations Department
OREA	:	Operations Department Regional East
ORSB	:	Operations Department Regional South 2
ORWB	:	Operations Department Regional West 2
OSGE	:	Economic Reform and Governance Department
PAGIRE	:	Action Plan for Integrated Water Resources Management
PBA	:	Performance-Based Allocation
PDCT-AC	:	Central African Consensual Transport Master Plan
PRASAC	:	Regional Pole of Applied Research for the Development of Central African Savannahs
RAPAC	:	Network of Protected Areas in Central Africa
RASCOM	:	Regional African Satellite Communication Organization
REC	:	Regional Economic Community
REDD	:	Reducing Emissions from Deforestation and Forest Degradation
REP	:	Regional Economic Programme
RFSP	:	Regional Food Security Program
RIM	:	Regional Infrastructure Memorandum
RIS	:	Bank’s Regional Integration Strategy
RMC	:	Regional Member Countries
RSFW	:	Regional Solidarity Fund for Water
SADC	:	Southern African Development Community
STAP	:	Short-Term Action Plan
UDEAC	:	Central African Customs and Economic Union
UEAC	:	Central African Economic Union
UMAC	:	Monetary Union of Central Africa
WAEMU	:	West African Economic and Monetary
WIS	:	Water Information System
WTO	:	World Trade Organization

EXECUTIVE SUMMARY

1. **According to the Bank Group's Medium Term Strategy (2008-2012) and Regional Integration Strategy (2009-2012),** a Regional Integration Strategy Paper (RISP) will be prepared for each of the continent's four regions (West, Centre, North, South and East). Accordingly, the current RISP concerns Central Africa which comprises the ten ECCAS countries: Angola, Burundi, Cameroon, Central African Republic (CAR), Congo, Democratic Republic of Congo (DRC), Gabon, Equatorial Guinea (REG), Sao Tome and Principe (STP) and Chad.

2. **Central Africa is mainly characterized by** the Congo Basin (CB) which is home to the world's second forest and water reserve - one of the lungs of the planet; and a considerable but largely untapped mineral and agricultural potential. This is the least integrated region of the continent. The Bank's ECCAS regional strategy takes into consideration these key features.

3. **Economically, Central Africa performed relatively well over the last ten years**, with an average growth rate of about 6.2% during the 1999-2009 period, with 7.3% on average in the six oil-producing countries (Angola, Cameroon, Congo, Gabon, Equatorial Guinea and Chad) and 4.7% in other countries. Economic growth in the region, which is above the African average (4.8%), was generally marked by higher exports of crude oil and mining products making it possible to finance non-oil activities. Accordingly, the region's economy remains vulnerable to external shocks, mainly on account of its heavy dependence on oil production.

4. **From the political standpoint, the attainment of mutual understanding and concord between nations, in the spirit of the African Union, is the biggest challenge to regional integration in Central Africa.** In addition, this region is made up of fragile states, landlocked countries, forested countries and sparsely populated MICs. This set-up highlights the relevance of the regional integration process in Central Africa. Weak basic infrastructure compared with the continent's other regions is also one of the challenges of this region. Specifically, the inadequate interconnection of national transport networks between Central African countries is an obstacle to economic and physical integration and the development of countries in the region. Similarly, electricity and water supply difficulties impede the emergence of a dynamic and competitive private sector.

5. **Conversely, the region has advantages that distinguish it from the rest of the continent**. Central Africa's pivotal and strategic position makes it a potentially preferred transit zone between regions of the continent. The region abounds with huge highly valued oil, mineral and mining resources. Recently, proven oil reserves in the region are estimated at 31.3 billion barrels, representing 28% of the continent's total reserves. Central Africa has a huge agriculture, forestry and hydroelectric power potential. Climatic conditions and the availability of quality arable land favour agricultural development. Finally, the region has the continent's largest hydro-electric potential. Actually, the immense water network density accounts for 60% of Africa's hydropower potential.

6. **To meet the integration challenges and draw on their enormous potential, ECCAS member countries in 2007 adopted a strategic integration plan dubbed the Vision (2025),** which principally seeks to transform the region into a haven of peace, solidarity, balanced development and free movement of persons, goods and services. This strategy is consistent with **CEMAC's Regional Economic Programme (REP) (2009-2015)** whose objective is to build a competitive regional environment to attract substantial private investment to growth sectors.

7. **To support the region in implementing its strategic objectives and in keeping with the Paris Declaration and the Accra High Level Forum held in September 2008, aid coordination is gradually taking root**. The Bank Group, the World Bank (WB), the European Union (EU), France, Germany, United Kingdom and the United Nations (UN) specialized agencies are the main TFP financing Central Africa's regional integration process. The Bank supports Central Africa's regional integration through infrastructure, social, agricultural and capacity building operations.

8. **Lessons drawn from implementing the Bank's multinational operations in Central Africa show that to improve the performance of the regional portfolio**, it is necessary to: (i) continue building the capacity of RECs for greater ownership of multinational projects, (ii) enhance coordination with other partners in order to adopt joint funding programmes, and (iii) enhance selectivity for a better development impact in the region.

9. **This RISP aims to promote regional integration, which is the core mandate of the AU and the Bank Group. The specific objective of the strategy is to reduce poverty through the development of regional infrastructure and institutional and human capacity building within ECCAS**. The 2011-2015 RISP for Central Africa will build on two pillars**: (i) regional infrastructure development, and (ii) institutional and human capacity building**. The two RISP pillars will translate into regional operations identified in ECCAS/CEMAC sector programmes - including PDCT-AC and CAPP.

10. The option to focus on infrastructure and the capacity building of regional integration institutions in Central Africa is based on two fundamental elements underpinning the strategic approach proposed in this RISP:

- ***(i)*** **Inadequate infrastructure is the leading obstacle to stronger growth in Central Africa.** As the least integrated region with the least infrastructure in the continent, infrastructure development is crucial to leverage its immense potential and enhance its integration**. However, infrastructure development should factor in the preservation of the Congo Basin which is vital for humanity.** Accordingly, all activities, operations and projects must also incorporate actions to safeguard this common good for humanity and accord with the Bank Group's Climate Risk Management and Adaptation Strategy (CRMA - 2009).
- ***(ii)*** **Building the capacity of regional institutions is essential, particularly to coordinate the management of infrastructure to be undertaken under this strategy and the regional integration agenda.** Institutional building of the region's RECs will effectively consolidate the projects ownership process at both regional and Member State levels.

11. **The choice of operations under the two RISP pillars was founded on domains critical to the physical and economic integration of countries in the region as defined by ECCAS Member States**. The first selection criterion is reinforced on the Bank's selection criteria, namely: (i) quality at entry and preparation for effective implementation, (ii) co-financing with other development partners, including the private sector, (iii) expected development outcomes and impacts on regional integration, (iv) the need to significantly reduce the externalities of socioeconomic activities on the Congo Basin (v) enhancement of the ownership process and regional coordination of economic and sectoral policies, and (vi) consolidation of the Bank's previous achievements in the region.

12. **To ensure improved capacity and congruent interdependence between pillars of the strategy, each project selected under the first pillar will entail capacity building support activities for the structures tasked with its implementation.** Moreover, the choice of operations under the two pillars took into account consistency between the national strategies of ECCAS member countries and the RISP.

13. **The overall objective of pillar I is to promote economic integration, growth and poverty reduction in Central Africa through regional infrastructure development**. In terms of outcomes under this pillar, the Bank's interventions are expected by 2015 to help enhance intra-regional trade, improve the population’s access to transport, electricity, telecommunication services and consolidate growth in the non-oil private sector by helping to develop the region’s agricultural and mineral potential.

14. **The overall objective of Pillar II is to build the institutional and human capacity of RECs to enable them (i) facilitate implementation and take ownership of the operations proposed in this strategy, and (ii) efficiently manage the regional integration agenda.** In terms of outcomes under this pillar, the Bank's interventions are expected to help build human and technical capacity to facilitate the implementation of regional infrastructure plans and programmes, integration policy and programme formulation, environmental management and development of the non-oil private sector as well as the harmonization of the Common External Tarriffs of ECCAS’s FTA and CEMAC’s CU.

15. **As concerns the private sector**, the strengthening of regional infrastructure earmarked under **Pillar I** of this strategy will enable it, *in fine*, to cut operational costs and expand the regional market. Some actions under **Pillar II** will help to mitigate institutional constraints facing the private sector in the region. These actions add to those aimed at improving the business climate and governance set out in Country Strategy Papers (CSP).

16. **For activities other than loans and grants, the Bank intends to undertake studies and actions to strengthen the expected outcomes of the pillars of this strategy and help inform dialogue on regional integration enhancement policies.** These activities will include an assessment of the region’s economic potential as well as the identification of private sector investment opportunities, the study on the missing links of the PDCT-AC programme, one or two studies on countries of the region and a study on river navigation.

17. **Regarding its funding, the 2011-2015 RISP will be implemented over two ADF cycles. The operations schedule is indicative and will be reviewed taking into account the availability of resources and mid-term evaluation of the strategy’s implementation.** In addition, the Bank may, in agreement with the countries, combine grants and loans in appropriate proportions to ensure financing for multinational operations. Similarly, the Bank will adopt an approach that seeks greater participation from countries of the region with financial resources. Finally, the Bank will also seek cofinancing from key development partners as well as the private sector.

18. **Potential risks and mitigation measures:** The first risk is related to the possible resurgence of conflicts in the region, which could delay the achievement of regional integration goals. This risk is, however, partial on account of the reaffirmed political will to implement COPAX, consolidate peace and enhance economic integration in the region. The second risk relates to **membership of some countries of the region in other RECs that might put a strain on their financial, administrative, institutional and technical capacity.** This risk could be mitigated by the outcomes of proceedings undertaken by COPIL tasked with the rationalization of RECs. The third risk relates to **the poor performance of the Bank’s multinational portfolio in the region.** This risk is mitigated by the Bank's ongoing activities to support ECCAS in building its organizational and human capacity. The fourth

risk relates to the **enduring effects of the financial crisis and particularly the more recent European debt crisis on the regional economy.** The relative stability of oil prices and the willingness of States to pursue a prudent fiscal management are the factors likely to mitigate this external risk.

19. Conclusions: In keeping with Central Africa's strategic vision, the interventions proposed in this RISP aim to contribute to balanced development in the region through: (i) the development of regional infrastructure that will allow for the sensitive nature of the Congo Basin's ecosystem, and (ii) institutional and human capacity building for greater ownership of the regional integration agenda by RECs in the region.

20. Recommendation: It is recommended that the Boards of Directors approve the strategy proposed in this RISP for Central Africa covering the 2011-2015 period.

CENTRAL AFRICA

REGIONAL INTEGRATION STRATEGY PAPER (RISP)

2011-2015

I. INTRODUCTION

1.1 The integration vision for an African Economic Community through five geographic regions was recommended by the Abuja Treaty (1991)[1]. To streamline the existing multiple blocs in these regions, the African Union identified eight Regional Economic Communities (RECs) in its rationalization drive. The integration vision seeks to attain collective autonomy and contribute to raising the living standards of the population through the expansion of African markets and increased trade between Africa and the world.

1.2 In accordance with its Charter, the Bank Group joined the continent's regional integration push at the outset of its operations. It has continued to strengthen its intra-African and regional integration missions by adopting in particular *a Medium Term Strategy (2008-2012,) and* a *regional integration strategy* in 2009 *which provides* for developing by 2010 a *Regional Integration Strategy Paper* (RISP) for each region of the continent.

1.3 To this effect, Central Africa's regional integration strategy concerns the ten ECCAS countries[2]: Angola, Burundi, Cameroon, Central African Republic (CAR), Congo, Democratic Republic of Congo (DRC), Gabon, Equatorial Guinea (REG), Sao Tome and Principe (STP) and Chad.

1.4 Two major realities characterize this region: (i) the Congo Basin (CB), which is home to the world's second forest and water reserve (Annex 5) and (ii) a huge but largely untapped mining, mineral and agricultural potential. Moreover, the region stands out on the continent as one with the least infrastructure network, particularly transport and energy, which impacts negatively on production capacities and regional trade as well as on social conditions and welfare (high poverty rates, health scourges – low rate of achievement of MDGs). The region has six post-conflict[3] countries, an underdeveloped private sector with an unattractive business environment, the coexistence of two RECs, ECCAS and CEMAC. Besides, this region is made up of fragile states, landlocked countries, forested countries and sparsely populated MICs. This is Africa's least integrated region but which abounds with considerable potential. This regional strategy of the Bank will take these important facts into account.

In addition to this (I) introduction, the report has five other chapters as follows: (II) Continental Initiatives and Regional Integration in Central Africa; (III) Central African Context and Prospects; (IV) Bank Group Strategy for Central Africa; (V) RISP Management and Implementation; and (VI) Conclusion and Recommendation.

II. CONTINENTAL INITIATIVES AND REGIONAL INTEGRATION IN CENTRAL AFRICA

2.1 Regional Integration Programme Measures in Central Africa

2.1.1. The regional integration agenda is part of the vision and convergence strategy of the African Union (AU): The AU Strategic Plan for 2009-2012 identifies priority action areas consistent with the medium-term programmes of the AU, RECs and Member States. For

[1] In 2006, the African Union settled on eight RECs: SADC, ECCAS, ECOWAS, AMU, CEN-SAD, COMESA, IGAD and CEPGL

[2] ECCAS covers a surface area of 6,641,000 km² (22% of Africa), and its population was estimated at 134 million in 2009 (13.3% of the continent's population), a density of 20.2 inhabitants/km².

3 Angola, Burundi, Central African Republic, Congo, Democratic Republic of Congo and Chad

Central Africa, the priority activities to be implemented between 2009 and 2012 focus, especially, on the effective implementation of a number of decisions[4]. These decisions are an essential part of the objectives previously defined by the ECCAS founding treaties, visions, sectoral programmes and the Regional Economic Programme (REP) of the Economic and Monetary Community of Central Africa (CEMAC)[5] (see.3.2). Delays observed within these institutions and the dispersion of resources constituted a strong argument for their rationalization. This necessity translated into the establishment of a Steering Committee with the support of African partners (ADB, AU, ECA).

2.1.2. As a continental and global organization on account of the importance of the Congo Basin, the Central Africa Forest Commission (COMIFAC) is the leading agency responsible for the conservation and sustainable management of the basin's forest ecosystems and savannahs. It has, since 2005, developed a *Convergence Plan* which builds on ten strategic thrusts[6]. COMIFAC receives support from several sources, including the *Congo Basin Ecosystems Conservation Support Programme* (PACEBCo - financed by the Bank and ECCAS in 2009).

2.1.3. *With regard to transport infrastructure development*, the region's strategy is based on PDCT/NEPAD/CA[7] which includes the 14 priority projects of NEPAD's Short Term Action Plan (Annex I-H). Within this framework, road transport facilitation programmes were initiated between Cameroon and Nigeria, Cameroon and Congo, and Cameroon, CAR and Chad. The road networks being built under these programmes will bridge the important missing links in the West-East Lagos-Mombasa and the North-South Tripoli-Cape Town Trans-African corridors (Annex 11). Implementation of this plan has been delayed due to weak institutional capacity in Central Africa, inadequate mobilization of financial resources, given the high costs of infrastructure across, in most cases, sensitive ecological areas.

2.1.4. With respect to *energy infrastructure*, PACT/NEPAD's priorities focus on the development of a regional energy market, managed by the *Central Africa Power Pool (CAPP)*. Studies are underway for the development of electrical grids between countries of the region and the rest of Africa, particularly from the Inga dam (DRC), a major factor of integration between Africa's major regions (Annex 12). Furthermore and in a bid to develop the region's water resources, *a regional water policy* was adopted in 2009.

2.2 Other continental initiatives vital to the region

2.2.1**. ECCAS is the focal point for NEPAD regional coordination in Central Africa** (CRNEPAD-AC), given that CEMAC and the Development Bank of Central African States (BDEAC) are members of this institution. Central Africa also contributes, within the NEPAD framework, to various continental initiatives relating, in particular, to telecommunications, air transport, agriculture and food security.

---

[4] i) Protocol on free movement and right of establishment of nationals of ECCAS countries, (ii) facilitation of customs procedures, (iii) establishment of compensatory mechanism, (iv) adoption of a common CET for CEMAC/ECCAS (v) Accelerating the implementation of PACT/NEPAD/AC transport projects, (vi) elimination of tariff and nontariff barriers, (vii) Adoption of agricultural and industrial policies, (viii) development of a harmonized investment code, (viii) conflict prevention /management, and (ix) capacity building

[5] Six countries are members of CEMAC: Cameroon, Central African Republic (CAR), Congo, Gabon, Equatorial Guinea and Chad

[6](i) Harmonization of forest and fiscal policies, (ii) Knowledge of the resource, (iii) Ecosystem management and reforestation, (iv) Conservation of biological diversity, (v) sustainable use of forest resources, (vi) Development of alternative activities and poverty reduction, (vii) Capacity building, stakeholder participation, information, training, (viii) Research and Development (ix) Development of financing mechanisms, (x) Cooperation and partnerships.

[7] The PDCT-AC (Central African Consensual Transport Master Plan), adopted in January 2004, covers all modes of transport (road, rail, air, sea and inland waterways).

III. CENTRAL AFRICAN REGIONAL CONTEXT AND PROSPECTS

3.1 Overall Context

3.1.1 Overlapping of various regional economic agreements: Central African countries maintain economic and political ties with other African RECs and regional organizations. Angola is a member of SADC; Burundi a member of COMESA and EAC; DRC a member of SADC and COMESA; Burundi and the DRC are members of CEGPL; CAR and Chad are members of CEN-SAD; Cameroon, Congo, Gabon, Chad and Equatorial Guinea are members of CEMAC (see Diagram 1- Annex 6). Membership of several RECs does not undermine the willingness of these countries to participate in Central Africa's regional integration. Membership in several RECs could even foster the integration of the above countries and regions if the right conditions for policy rationalization and harmonization are in place and if the dynamism and geography of a country could add up to enhance links between two RECs. For the moment, however, membership in several RECs creates constraints for the countries concerned, notably in terms of difficulties in honouring their financial obligations to the various RECs and simultaneous membership in more than one customs union (CU).

3.1.2 Spatial Context, Biodiversity and Climate Change

- **The Central African territory occupies a strategic position**. It is a pivotal region, the only one sharing boundaries with all regions of the continent: West (ECOWAS and CEN-SAD), Northern (AMU and CEN-SAD), Eastern (EAC, COMESA, IGAD and CEN-SAD) and Southern (SADC) Africa. The region thus ensures the physical continuity of African spatial integration.

- Central Africa harbours great economic development potential, owing especially to oil from the Gulf of Guinea, vast metal and mineral deposits, enormous water resources in the Congo-Oubangui-Sangha basin and the Great Lakes and the second largest tropical forest area considered the second lung of the planet. As such, **financial valuation for the absorption of 500 million tonnes of carbon dioxide, for the good of all mankind, and in compensation for emissions of this gas from other parts of the world would be quite legitimate**. Accordingly, any investment especially in infrastructure should seek to preserve the region's ecosystem and biodiversity. Moreover, dense **inland waterways** with huge potential are underutilized and should be developed. They could supplement or substitute road transport in some areas with multimodal alternatives, akin to similar areas in Asia (Mekong Basin) and Latin America (Amazon Basin).

- **Policymakers have also recognised the need to coordinate their policies, in view of climate change and threats to biodiversity conservation across the Basin Congo**. The extensive vegetation cover in the region led to the adoption of several initiatives in terms of deforestation and climate change control. Thus technical and financial partners (TFP) agreed to strengthen their coordination efforts and dialogue initiatives within the Congo Basin Forest Partnership (PFBC) and to support ECCAS, CEMAC, and COMIFAC and regional partner institutions to implement activities under the Convergence Plan. In 2007, the general environmental and natural resource management policy was adopted and its implementation entrusted to ECCAS. In 2008, a special Congo Basin Forest Fund (CBFF) was established and is hosted by the Bank. Thereafter, the Bank Boards approved a Congo Basin biodiversity conservation project. In October 2009, Central Africa's Heads of State adopted a joint resolution on Reducing Emissions from Deforestation and Forest Degradation, conservation, sustainable forest management and increasing forest carbon stocks (REDD+)[8]. All these initiatives help to reduce the likely threats to the carbon monoxide absorption conservation potential.

- **The Lake Chad Basin is also a distinctive feature of the region.** The countries bordering this Lake coordinate their policies within the framework of the Lake Chad Basin Commission (LCBC) to preserve the biodiversity in the entire Basin. In reality, the drying up of Lake Chad, which is an important source of water in the region for the riparian countries, is creating a major environmental and climate change problem at the regional level. Chad, which is home to a major part of the lake, is carrying out dredging and basin preservation actions to curb the drying process, with support from development partners including the Bank Group.

3.1.3 Political Context

- **Political stability in the region is improving but remains fragile**. With the restoration of peace and political stability, post-conflict countries can focus on implementing economic and social reforms. Thus, the results obtained since 2004 are significant, particularly for countries that have managed to finance their economy on oil resources and thus achieve sound economic growth outside the oil sector. However, some hotbeds of tension and insecurity persist in Kivu in the DRC, in eastern Chad and north-eastern CAR, undermining efforts by these countries. Peace and security are a major concern to Central Africa. To address these insecurity problems, the States set up the Central African Peace and Security Council (COPAX)[9].

- **Weaknesses persist with regard to governance**. In national poverty reduction strategy papers, governance is a priority for the ten countries in the region. Within this framework, the Bank is providing support towards strengthening governance through CSPs underway in each country (Annex 13). Furthermore, with six countries[10] in the region signing up to the Extractive Industries Transparency Initiative (EITI), the management of mineral and oil resources could improve over time. Governance within regional institutions seemed to have been boosted particularly with the on-going reforms within, ECCAS and CEMAC. It should be noted that the irregular payments of contributions to ECCAS including by some countries without financial difficulties, could be interpreted as a response to weak institutional governance (see Graph 1- Annex 6). However, within the framework of the Community Integration Contribution agreement (CIC/ECCAS), this situation has changed positively. Thus, contributions from member states rose from CFAF 7.6 billion in 2008 to CFAF 11.6 billion in 2009, representing an increase of 52.6% in one fiscal year only.

Special Consideration

- **Another feature of the region is STP's total insularity**. This country is active in ECCAS circles and to consolidate its integration, regional regional bodies are reflecting on the possibility of initiating regional operations beneficial to STP, especially in relation to air transport (COSCAP and future Air CEMAC), deep-water port infrastructure and maritime relations. STP is also planning its transformation into a platform for providing regional services.

[8] REDD Reducing Emissions from Deforestation, Forest Degradation is a climate change mitigation mechanism; REDD + since its recognition in Copenhagen (2009).

[9] The mechanism includes a mutual assistance pact, a mutual legal and judicial assistance agreement, a peace and security council with two operational instruments: CRAM and FOMAC

[10] Chad (application to join), Burundi and Angola (not candidates for EITI). Equatorial Guinea (rejection of its candidacy on 16/04/2010: inadequate guarantees). The other six countries are members of EITI.

3.1.4 Economic context

- **Central Africa's economy has performed relatively well over the past ten years.** During 1999-2009, the region registered an average growth rate of 6.2%, with an average of 7.3% in the six oil-producing countries (Angola, Cameroon, Congo, Gabon, Equatorial Guinea and Chad) and 4.7% in the other countries. Regional economic growth, which is higher than the continental average (4.8%), is characterized by: (i) increased export of crude oil and mining products allowing for the financing of non-oil activities; and (ii) stronger growth in nonoil activities. Nevertheless, growth fluctuations observed can be ascribed to the volatility of oil prices, in particular.

- **The growth of ECCAS member countries was affected by the crisis**. In 2009, in the wake of the international financial crisis, the region's economic situation deteriorated sharply. The region's real GDP growth rate dropped to 1.3% (1.7% in the oil economies and 3% in the other countries), the worst performance recorded during the last decade. This trend can be blamed essentially on the decline in oil production in oil-producing countries and the recessive impact of the global financial crisis which caused a decline in demand from European countries, declining capital flows (drop in ODA and FDI), reduced remittances from migrants, the negative impact of the franc CFA exchange rate on CEMAC countries and a decline in tourism revenue. However, it should be mentioned that the rebound in world commodities demand may result in an improved economic prospect for ECCAS with an estimated GDP growth rate of 5.4% and 6.0% in 2010 and 2011, respectively.

Macroeconomic Performance and Management

- **Although macroeconomic trends are encouraging, they remain fragile owing to the poor diversification of national economies and their vulnerability to external shocks** (Annex 9). On average, the *inflation rate* within ECCAS plunged from 85.3% in 2000 to 9.6% in 2009. In CEMAC countries, this rate was contained at 3.3% on average during the same period (Graph 2- Annex 2). Such performance is primarily attributable to the tightening of budget and monetary policies within the CEMAC area. In non-CEMAC countries, macroeconomic stabilization efforts implemented over several years helped to curb inflation, although the inflation rate remained relatively high.[11] In *public finance*, the non-oil primary balance within ECCAS stood at -22.3% of GDP in 2008, owing to the overdependence of regional states on oil sector revenue. More efforts are needed to streamline the public finance situation, especially the transparent management of oil revenue under the EITI. On average, the *current account balance* for 2000-2009 was contained at +1.3% of GDP within ECCAS and -3% in the CEMAC area. This performance is partly ascribable to the efforts made in reform programmes (public expenditure control), and especially to high commodity prices (especially oil) right up to mid-2008. There has been a considerable reduction in external debt owing to rising oil revenue which helped to pay off some of the debt, particularly in Angola and Equatorial Guinea, and attainment of the completion point by some countries[12]. Indeed, for the region, the *debt stock* amounted to 24% of GDP in 2009 against 138% in 2000. Similarly, debt service as a percentage of goods and services export dropped from 28.4% in 2000 to 11% in 2009.

---

[11] Inflation trends : Angola: from 268.4% in 2000 to 14.2% in 2009; DRC: from 550% in 2000 to 24.3% in 2009.

[12] Countries that have achieve the Completion Point of the HIPC Initiative: Cameroon (2006), Burundi (2009), CAR (2009), Congo (2010) and DRC (2010)

- **As regards multilateral surveillance, there is no formal mechanism for macroeconomic policy convergence within ECCAS.** In CEMAC, however, there is a multilateral surveillance mechanism which monitors macroeconomic framework reforms.

Growth Engines

- **Oil is one of the main engine of growth in the region.** The regional GDP sectoral structure is dominated by oil (45% in 2008) and the six oil-producing countries generated more than 70% of regional GDP in 2008 (see Graph 3- Annex 6). In the face of this situation, countries of the region have, in their national poverty reduction strategies, taken cognizance of the need to diversify their economies. Whereas, on the whole, the results are mixed, there are encouraging efforts noted in Angola, Cameroon and Gabon. Diversification measures consist of improving the business environment for the private sector.

Financial Integration

- **The financial sector in Central Africa is still insufficiently diversified and largely dominated by the banking sector with an underdeveloped regional payment system.** Banking and financial portfolios are not properly diversified. The sector continues to grow mainly along national lines. These shortcomings hamper the financing of economic diversification. Regional exchanges also record limited activities. Financial institutions in the region include the Central Africa Stock Exchanges (BVMAC) Libreville, the Douala Stock Exchange (DSX) and the Luanda Stock Exchange. There are efforts at rationalization in this area, notably through the establishment of the Central African Financial Markets Supervisory Commission (COSUMAF) that regulates, supervises and controls the Regional Market. In January 2010, COSUMAF was mandated by the Heads of States to bring together the two CEMAC Stock Exchanges. For CEMAC countries, the Central African Banking Commission (COBAC) is responsible for the regulation, supervision and control of financial and credit institutions. For other countries (Angola, Burundi, DRC and STP), such functions are carried out by national central banks. Mechanisms for cooperation and the exchange of financial information between COBAC and national regulators in other ECCAS countries are gradually being established, particularly within the framework of the Association of African Central Banks (AACB).

Trade

- **Central Africa's share in world trade and the volume of intra-community trade remains low.** The region's share in world exports remains low compared to other regions of the continent. On average, its exports accounted for 0.2% of world exports in 1999-2008 compared to 0.6% for West Africa, 1.2% for Southern and East Africa and 1.3% for North Africa. Central African global exports remain dominated by a limited number of products (oil and other commodities). Central African intra-community trade is only a small proportion of the region's total trade (see Table 1). They

Table 1 : Intra-African trade as percentage of African total per region in 2009

	ECCAS	CEMAC	AMU	COMESA	ECOWAS	WAEMU	SADC	Africa
ECCAS	**1,2**	**0,9**	**0,5**	**2,3**	**1,7**	**0,8**	**5**	**9,4**
CEMAC		**0,8**	**0,4**	**0,2**	**1,4**	**0,6**	**0,4**	**3,2**
AMU			9,4	6	1,5	1,1	0,6	15,4
COMESA				14,9	0,6	0,3	14,1	30,7
ECOWAS					19	10,3	5,1	27,9
WAEMU						4,9	0,7	**12,9**
SADC							28,1	30,1
Africa								**100**

Sources: ADB statistics Department ; IMF database increased from an average 1.1% of total exports in 2001 to 1.2% in 2009. The low intra-community trade partly reflects the export-related difficulties attributable essentially to the lack of infrastructure and the limited diversification of national economies.

- **Non-tariff barriers are a major obstacle to regional trade.** Such barriers include red tape (overtaxing of goods, random checkpoints along corridors); highway robbers; and the poor state of major highways. Landlocked and island countries and regions are most affected by these difficulties. This situation increases factor costs, hampers the emergence of a dynamic private sector and stifles the competitiveness of the region. The gradual dismantling of non-tariff barriers, especially through implementation of the PDCT-AC, should ultimately foster regional trade.

- **The region's trade policy is aimed at boosting inter-country trade by harmonizing the ECCAS and CEMAC trade areas.** The ECCAS countries set up a Free Trade Area (FTA) in 2004 which was to culminate in a Customs Union (CU) and a Common External Tariff (CET) by 2008. To date, the process has been delayed. Given Burundi's membership in the the EAC Customs Union and Angola's extensive trade relations with SADC (Namibia, South Africa), it would be worthwhile to establish privileged trade links between CEMAC countries and other countries that are not members of the CEMAC customs union. Apart from the paucity of adequate infrastructure, the main factors behind the underdevelopment of intra-community trade are the membership of some countries of in other regional groupings, and the delay in establishing a harmonized CET between ECCAS and CEMAC. ECCAS and CEMAC also plan to work on the standardization of special exemptions granted under certain special regimes (mining, forestry, oil and other codes). The harmonization is indispensable for the creation of a vast regional common market.

3.1.5 Business Environment and Competitiveness

- **Difficulty in the emergence of a private sector.** The poor competitiveness of businesses in Central Africa is incidental to the problems inherent in their establishment: it takes on average 11 administrative procedures and up to 61 days to start a business in Central Africa. These procedures add up to 20 in REG and only 8 in Angola and 10 in Gabon; and the time required to start a business is 149 days in the DRC and only 38 in Gabon. These obstacles are relate to lack of savings, the reluctance of banks to finance SMEs/SMIs, harassment by tax authorities and lack of transport, energy and telecommunications infrastructure. With regard to the *Doing Business* ranking, both in Africa and globally, Central African countries lag behind from the business environment standpoint (see Table 2 – classification within ECCAS).

Table 2 : World Doing Business ranking of Central African Countries

Country	2009	2010
Angola	170 (4th)	169 (2nd)
Cameroon	167 (2nd)	171 (4th)
REG	169 (3rd)	170 (3rd)
Gabon	151(1st)	158 (1st)
Congo	179 (7th)	179 (7th)
Chad	176 (5th)	178 (6th)
DRC	182 (9th)	182 (9th)
Burundi	177 (6th)	176(5th)
STP	180 (8th)	180 (8th)
CAR	183(10th)	183(10th)
ECCAS	173	175

Source : Doing Business 2009-2010

- **Initiatives were taken at the community and national level to improve the business environment**. The countries of the region drew up an investment charter in 1999, which provides a general framework for private sector investments in the areas of licensing, guarantees, legal protection against State seizure and freedom of repatriation of profits, in keeping with the applicable regulations. Delays in operationalizing the Regional Investment Charter are, for the most part, ascribable to the instability and conflicts that beset this region during the past decade. Actions are underway at ECCAS level to align this charter with national investment codes. Furthermore, the harmonization of national laws governing business, within the framework of the Organization for the Harmonization of Business Law in Africa (OHADA), is currently underway in most countries of the region. Moreover, ECCAS, with support from the European Union, plans to introduce a regional private sector development programme (PSDP) in Central Africa by end 2010.

3.1.6 Social Context

- **On the social front, nearly 45% of Central Africa's population live on less than one dollar a day.** The poverty level in the region is slightly higher than the African average. About 1.5 million people enter the labour market each year in a context of high unemployment (more than 20% in 2008, and probably 30% in urban areas). In 2008, more than 80% of the labour force was employed in the agricultural and informal sectors where labour productivity is very low. With regard to the Human Development Index (HDI), the region recorded a score of 0.417 (the 1999-2008 average), which is low compared to that of Sub-Saharan Africa (0.48). Considering the above, it is projected that despite encouraging efforts, most of the Millennium Development Goals (MDGs) will not be attained in the region by 2015 (see Annex 10).

- **Central Africa is faced with the rapid spread of HIV/AIDS.** In 2007, the prevalence rate among the sexually-active population of the region was 4.6%, compared to 1.3% in developing countries. This rate varies from country to country (5.5% in Angola and 14.8% in CAR). Malaria, the other pandemic, raised the region's infant mortality rate to $93.7^{0}/_{00}$, compared to $85.3^{0}/_{00}$ in Africa in 2007. Mortality related to both pandemics has significantly affected the region's life expectancy (51.4 years compared to 65.4 years in developing countries and 54.2 years in Africa in 2007).

- **As concerns the poverty reduction strategy**, ECCAS has no regional poverty reduction strategy likely to help harmonize national papers in the domain and to reaffirm the regional dimension of the poverty strategy. In fact, the limits of national poverty reduction strategies are becoming increasingly clear in light of the magnitude of the externalities inherent in the "transnationality" of certain challenges. The regional poverty approach should translate into a regional strategy allowing for better programming. This should include specific objectives, verifiable and measurable indicators making it possible to ascertain progress towards achieving the MDGs. This strategy should also help to operationalize the ECCAS 2025 vision as well as the CEMAC REP.

- **With regard to gender, some forms of discrimination against women still exist.** Although the constitutions of member States do not contain discriminatory provisions against women, girls and women in most of the countries continue to suffer discrimination and prejudice, some of which is cultural. This was observed particularly during the long civil wars and crises in several Central African countries where girls and women were abused. To address this situation, various actions are being implemented in favour of women, especially in national gender policies and programmes. ECCAS is currently standardizing such policies and programmes with a view to preparing a regional gender strategy.

3.1.7 Environmental Context

- **Apart from the environmental issues related to the preservation of ecosystems in Central Africa (see § 3.1.2), oil pollution is a particular threat**. The latter, by virtue of its crossborder nature, originating from the producers of the Gulf of Guinea[13], imperils the

[13] Angola, Congo, Gabon, Equatorial Guinea, Cameroon (Kribi), Chad, STP (soon), Nigeria (Niger Delta) and Côte d'Ivoire

region's marine waters and ecosystems. As a result, it is a threat to agricultural production and fisheries, and the health of the populations. In some areas along the borders of Congo and Angola (Cabinda Province), agricultural production has been affected by oil pollution. Interregional consultations should be initiated (ECCAS, ECOWAS and SADC) to develop strategies to prevent and curb oil pollution.

3.2 Strategic Objectives of the Region

- **As a regional economic community, Central Africa has prepared its medium and long-term socio-economic development strategies.** These strategies reflect the region's determination to collectively draft policies for the physical and economic integration of the countries, which should ultimately lead to the rationalization of ECCAS and CEMAC. Strategies have been developed by each of the two institutions. **In the ECCAS 2025 Vision**, which seeks to transform the region into a haven of peace, solidarity and balanced development where each citizen could move freely, three priority strategic thrusts on which the region will focus its actions by 2015 were adopted in 2007: (i) peace, security and stability (COPAX); (ii) infrastructure, including transport (PDCT-AC), energy (CAPP), water and ICTs; and (iii) the environment including management of the Congo Basin's ecosystems (COMIFAC). Furthermore, the three priority thrusts were supplemented by: (i) reinforcement of the Customs Union; and (ii) implementation of the Regional Food Security Programme (PRSA) adopted in 2004. **In the CEMAC Regional Economic Programme (REP) 2009-2015 based on the vision (2025)** is geared towards building a competitive regional environment in an attempt to attract substantial private investments in growth areas. Three thrusts were adopted in this regard: (i) governance and macroeconomic stability; (ii) the creation of a common market; and (iii) the consolidation of physical infrastructure and support services.

- **The Visions of CEMAC and ECCAS are mutually consistent and complementary.They are both geared towards rationalizing the two RECs**. They are based on sector programmes and plans in five key areas: (i) capacity building, especially for the management bodies of ECCAS and CEMAC; (ii) regional transport infrastructure development through PDCT-AC[14] (iii) the promotion of preferential agreements within ECCAS and the establishment of a common market in CEMAC; (iv) free movement of people and goods; (v) management of the Congo Basin through the COMIFAC Convergence Programme, environmental protection and natural resource management. In addition, the CEMAC programme encompasses regional integration aspects related to macro-economic policy convergence and multilateral surveillance, as well as regional financial sector integration.

3.3 Major Challenges and Opportunities

3.3.1 Challenges and Constraints/Weaknesses

- **From the political standpoint, the attainment of mutual understanding and concord between nations, in the spirit of the African Union, is the biggest challenge to regional integration in Central Africa.** Right up to the early 1990s, there was much discord between countries of the region. This situation contributed to undermining border security to the point that the States ended up signing non-aggression and mutual assistance agreements. Although the situation has greatly improved today owing to efforts made by ECCAS through COPAX, much still remains to be done to improve relations between countries of the region.

[14] PDCT-AC has integrated CEMAC's Road Network Integration Programme (PRRI)

- **The slow implementation of the community vision is also illustrated by the insufficient institutional capacity of ECCAS and CEMAC** to coordinate and ensure the smooth implementation of regional economic, sectoral and trade policies. This situation contributes to delaying the effective economic integration of ECCAS's FTA and CEMAC's CU. Capacity building is thus required for these institutions to design and ensure the smooth implementation of regional integration policies.

- **Compared to other regions of the Continent, Central Africa has limited basic infrastructure[15].** The sectors in which the region lags behind the rest of the continent are roads, drinking water, sanitation and information and communication technologies. In the energy sector, despite a non-negligible power generation potential (166 gigawatts), the Central African energy sector is the least developed in the continent. In addition, access to electricity remains precarious and falls far short of Africa's level: the energy consumption is 12.5 kWh per inhabitant against 17.3 for the continent (Graph 4- Annex 6). Regarding ICTs, there are 10.2 Internet access lines, 21.6 mobile telephone lines and 3.6 landlines for 1000 inhabitants against 61.8, 37.6 and 32.4 respectively for the continent.

The limited interconnection of national transport and communication networks between Central African countries is a major obstacle to the physical and economic integration of the region's countries. Land transport is predominant: 80% of people and goods in the region are transported by land. However, asphalted roads represent less than 20% of the whole regional road network which covers 150,000 km. Only 30% of the entire PDCT-AC consensual road network is alphalted.

- **Moreover, railway systems in Central Africa** are not connected and railway lines are currently obsolete and underused. Regarding *air transport*, while Central Africa is the region with the most liberalized sector, it is plagued by lack of connectivity between countries due to the collapse of several airlines in the region, the obsolescence of aircraft, low competition and limited airport infrastructure.

- **In terms of maritime transport, the limited capacity of the region's port services contributes to increase freight costs.** The major ports in Central Africa are ill-equipped to handle the burgeoning maritime container transport. The waiting period could take up to 80% of the total delivery period for merchandise in Central, compared to 20% in East Asia. This situation, coupled with the limited transport facilitaties, has contributed in substantially raising maritime transport costs. Given the complexity of port reforms, the private sector – which is already engaged in port management - will continue to play a key role in improving the quality of port services through enhanced public/private partnerships.

3.3.2 Assets, Strengths and Opportunities

- **At the institutional level, the consolidation of ECCAS-CEMAC collaboration under the tripartite cooperation agreement, which includes the ECA, is a major asset for regional integration in Central Africa.** Other actions are underway, particularly on the standardization of external tariffs. The steering committee set up to rationalize ECCAS and CEMAC (COPIL) offers other prospects for collaboration with regard to the integration frameworks of the two RECs to achieve synergy in their actions. In this regard, an action plan, including a schedule covering the 2011-2023 period, has been developed. The Bank is involved in this process through the Cameroon Field Office, CMFO.

[15] This is the conclusion of the "Africa Infrastructure Country Diagnostic (AICD)" study conducted by the World Bank in partnership with the Bank Group and other Technical and Financial Partners in 2009/2010.

- **The strategic position of Central Africa could in the future makes it a favoured transit zone between the other regions of the continent.** It is the only region bordering all other regions of the continent. This strategic position potentiates Central Africa as the trade crossroads of the continent and a privileged transit zone along trans-African corridors. In this regard, the construction of surface infrastructure (roads and railways) between countries of the region will boost trade and enhance physical and economic integration within and outside the region.

- **ICTs are also an asset that compensates for traditional communication difficulties**. They have helped to boost growth in Central Africa. During the 1995-2005 period, improvements in infrastructure in general contributed to growth in Central Africa, to the tune of 1.1% per inhabitant and per year. The bulk of this contribution stemmed from the introduction of mobile telephony. The ICT penetration level (38% in 2008) should nevertheless be improved (63% expected in 2018) by acting to reduce network access costs [16].

- **The region abounds in oil and mineral resources.** Recently, the region's proven oil reserves were estimated at 31.3 billion barrels, representing 28% of total continental reserves. Over the last few years, annual average crude oil production was 2.8 million barrels a day or 140 million tons per annum, of which 57% came from Angola. Some countries such as Burundi and the DRC also have gas reserves. Angola, Gabon, Equatorial Guinea, CAR and the DRC have a rich variety of minerals and ores, especially diamonds, uranium, gold, copper, iron, cobalt, manganese, coltan, etc.

- **Central Africa has a huge agricultural, forestry and hydroelectric potential.** Favourable climatic conditions (rainfall and good arable land) are factors conducive to farming.[17] The region's rivers have a significant navigation, fishery and drinking water potential**.** The Congo Basin has 12,000 km of navigable waterways out of almost 4 million km^2. While it may take a longer time, inland transport is relatively cheaper (USD 0.05/ton/km compared to USD 0.15 by road or rail). It is necessary to modernize and extend this mode of transport to other rivers in the region. In addition, the fishery potential of the Congo Basin still has to be developed.

- **The region has a huge hydro-electricity potential**. The high density of the river network generates a hydroelectric potential representing 60% of the potential of the entire African continent. Major initiatives are underway to develop this resource in order to close the region's electrification gap and reduce dependence on other regions of the continent. The Inga project, which is among the priority projects of the NEPAD/Central Africa infrastructure programme, comprises two phases: phase I will cover the rehabilitation of Inga I and II facilities in order to restore their nominal generation capacity of 1,775 megawatts. Phase II (Inga III or Grand Inga) should focus on putting in place an installed power generation capacity of 40,000 megawatts with prospects for connection to countries such as Nigeria, South Africa and Egypt (Annex 12).

3.4 Regional and National Responses and Initiatives

3.4.1 **Regional bodies have, with the support of TFPs, taken concrete measures to tackle the challenges facing the region.** Such measures include: (i) the implementation of PDCT-AC through execution of the transport facilitation project in the CEMAC zone (2007); the study on the Kinshasa-Brazzaville bridge project (2008); the study on Congo-Sangha

[16] In Africa, according to the International Telecommunication Union, 7 out of 10 connections transit through Europe or the United States,
[17] However, countries with a small land area and high population pressure (Burundi and STP) do not have enough arable land.

inland navigation (Congo-CAR-DRC) (2011); and (ii) implementation of CAPP with the conduct of the ECCAS interconnection study (2003) and the Inga study (2008); (iii) implementation of the COMIFAC Sub-regional Convergence Plan with the support of a Congo Basin Biodiversity Conservation Project (2009); and (iv) the support of other ECCAS sectoral programmes and CEMAC's REP.

3.5 Recent Developments Concerning Aid Coordination and Harmonization and the Bank's Position in Central Africa

3.5.1 Aid coordination is gradually taking root at the national and regional level within the framework of the Paris Declaration and the Accra High-Level Forum held in September 2008. In most Central African countries, there are official development assistance (ODA) coordination mechanisms based on common objectives, at global and sectoral level (NEPAD, PDCT-AC, CAPP, FEF, COMIFAC-CBSF, LCBC), modelled on Multi-Donor Committees (MDC).

3.5.2 The Bank Group, the World Bank, the European Union, France, Germany, United Kingdom and United Nations specialized agencies are the main donors financing regional integration in Central Africa. The net ODA per capita granted to the region amounted to USD 32.2 on average during the last decade, compared to USD 28.8 for sub-Saharan Africa. Some aspects of assistance are handled specifically by a particular donor. The World Bank and France, for example, provides technical assistance to the CEMAC Commission. For its part, the EU is the main donor for the security and peace-building component of ECCAS (support to the Central African Early Warning Mechanism MARAC and FOMAC). Apart from this component, the EU is involved in funding road infrastructure, forest protection and consolidation of the free trade area (FTA). France mainly assists Central Africa with the review of OHADA guidelines and financial support and technical assistance to BDEAC and to CEMAC's REP. German Cooperation mainly supports the consolidation of governance and the implementation of EITI in the CEMAC zone as well as CICOS. The United Nations specialized agencies are involved in peace-building and humanitarian assistance, in addition to supporting the rationalization of Central African regional organizations in collaboration with the African Union (AU) (Annex 7).

3.5.3 At the regional level, the Bank provides regional integration support to Central Africa through infrastructure, social, agricultural and capacity building operations. As of 31 January 2011, Central Africa's active multinational portfolio comprised 25 operations for a total net commitment of UA 610 million (Annex 4). These operations finance projects in transport (79%), public utilities (3%), social sector (4%) agriculture (13%), and multisector (1%). The average age of operations in the Central African multinational portfolio is 3 years[18]. Risky commitments amount to UA 31.7 million, representing 5% of the portfolio. The disbursement rate of multinational portfolio is 16%. Several reasons account for this low rate. First, most of the operations are relatively new and have, therefore, not recorded any disbursements. Second, the aged operations experienced delays in the implementation of their activities due to: (i) the sometimes excessive number of conditions precedent to first disbursement to be fulfilled; (ii) lack of close project monitoring; (iii) inadequate ownership by participating States of programmes managed by RECs (iv) bottlenecks in the processing and transmission of files to the Bank; (v) weak institutional and technical capacity of the RECs, and (vi) the conflict situation in some countries until recently.

[18] See ABD/BD/WP/2010/140-ADF/BD/WP/2010/81 (countries covered by ORCE)

3.5.4 Lessons drawn from the implementation of multinational operations show that to improve regional portfolio performance, it is necessary to: (i) further build the capacity of RECs for greater ownership of multinational projects, (ii) strengthen coordination with other partners for the adoption of joint funding programmes, and (iii) enhance selectivity for a better development impact for the region (see Annex 14).

IV. BANK GROUP STRATEGY FOR CENTRAL AFRICA

4.1 Rationale for Bank Group Involvement

4.1.1 Guided by the development strategies of the African Union and NEPAD, the Bank drafted a regional strategy (RIS) and a medium-term strategy which lay emphasis on the consolidation of regional integration and the development of transnational infrastructure on the continent. The 2011-2015 RISP will be the instrument for implementing the Bank's vision of enhancing regional integration in Central Africa.

4.1.2 The RISP 2011-2015 is the first of its kind for Central Africa. The Bank's interventions through multinational operations in this region are relatively recent. Consequently, it is too early to assess their economic and social impact. The Bank's interventions in the area of infrastructure and capacity-building in Central Africa have nevertheless yielded significant results. These will be consolidated under RISP 2011-2015 and the lessons learnt from their implementation will be put to good use. Building on the analysis in this paper, the choice to focus on infrastructure and capacity building for regional integration institutions in Central Africa is based on two fundamental elements that underpin the strategic approach proposed in this RISP:

(1) **Inadequate infrastructure is the greatest obstacle to stronger growth.** As the least integrated region with the least infrastructure in the continent, infrastructure development is crucial to developing its immense potential and enhancing its integration**.** Infrastructure development is a key requirement to address the structural obstacles causing this region to lag behind in particular: (i) inadequate productive capacity, (ii) insufficient intra-and inter-regional trade, (iii) limited diversification of economies, (iv) inadequate circulation of people and goods, (v) landlocked nature of several countries and the ensuing lack of interconnection between the capitals, and finally, (vi) inadequate progress in the implementation of PDCT and PACT. **However, infrastructure development should factor in the preservation of the Congo Basin which is vital for humanity** (see 1.4 and 3.1.2)**.** Accordingly, all activities, operations and projects must also incorporate actions to safeguard this common good for humanity and accord with the Bank Group's Climate Risk Management and Adaptation Strategy (CRMA - 2009).

(2) **Building the capacity of regional institutions is essential, particularly to facilitate the design and management of infrastructure to be undertaken under this strategy, but also for driving the regional integration process.** Institutional building of the region's RECs will effectively consolidate the projects ownership process at both regional and Member State levels. Indeed, it is currently very clear that RECs are not yet fully equipped to meet the challenges facing the region. In this regard, capacity building should enable RECs to: (i) successfully implement the activities adopted in this RISP, (ii) accomplish the integration agenda in terms of sectorial policies, tax harmonization and standards, private sector development etc; and (iii) have the capacity to design and supervise actions to elicit ownership of multinational operations for recipient countries[19].

4.1.3 The RISP was prepared through participatory consultation. At the Bank, RISP preparation was conducted by the Regional Centre Operations Department (ORCE) in collaboration with: (i) ONRI, OSGE departments and CBFF; (ii) the regional departments covering Angola, Burundi and STP; and (iii) the Bank's regional and country offices in Central Africa. At the external level, the participatory process included the key regional institutions in Central Africa, the authorities of Regional Member Countries (RMCs), the private sector (chambers of commerce, industry and agriculture, and employer associations), national and regional civil society organizations and NGOs, and development partners of the countries hosting the regional institutions visited (Bangui, Brazzaville, Libreville, Yaounde). The community institutions visited include ECCAS General Secretariat, COMIFAC, CEMAC Commission, BEAC and ECA/SRB-CA.

4.2. Strategic Pillars, Outputs and Targets

4.2.1. This RISP aims to promote regional integration, which is the core mandate of the AU and the Bank Group. The specific objective of the strategy is to reduce poverty through regional infrastructure development and human and institutional capacity building within ECCAS. These objectives will build on two pillars: **(i)** regional infrastructure development; and **(ii)** regional institutional and human capacity building.

4.2.2. The choice of operations under the two RISP pillars is based on the areas of high priority to the physical and economic integration of countries in the region as defined by ECCAS Member States. These two pillars will translate into regional operations identified in the ECCAS/CEMAC and COMIFAC sectoral programmes – in particular PDCT-AC and CAPP. The first criterion of choice is rooted in the Bank's selection criteria, namely: (i) quality at entry, (ii) co-financing with other development partners, including the private sector, (iii) expected development outcomes and impacts on regional integration, (iv) the need to significantly reduce the externalities of socioeconomic activities on the Congo Basin (v) enhancement of the ownership process and regional coordination of economic and sectoral policies, and (vi) consolidation of the Bank's previous achievements in the region (Annexes 2 and 4) .

4.2.3. To ensure mutual reinforcement between the pillars of the strategy, each project selected under the first pillar will entail support activities for building the capacity of structures tasked with its implementation. This aspect will strengthen the actions planned under the second pillar. Moreover, the choice of operations under the two pillars took into account consistency between the national strategies of ECCAS member countries and the Central African regional strategy (Annex 13).

Pillar I: Regional Infrastructure Development

4.2.4. The general objective of this pillar is to promote economic integration, growth and poverty reduction in Central Africa through regional infrastructure development. The specific objective of this pillar is to interconnect the countries of the region through roads, electricity grid interconnections and telecommunications networks. The main areas concerned are transport, energy and telecommunications infrastructure. Given the sensitivity of ecosystems in Central Africa, these activities will be accompanied by environment

[19] Inadequate ownership of multinational operations was highlighted by the regional operations portfolio review as a major reason behind the poor performance of such operations

restoration and regeneration infrastructure (choice of routes, compensatory afforestation, etc..) consistent with carbon stock maintenance and efforts to avoid degradation of the carbon dioxide absorption potential. Furthermore, the Bank already supports programmes under PDCT-AC and CAPP which need to be consolidated.

4.2.5. The Bank will continue to support ***the transport sector***. Pending operationalization of the Programme for Infrastructure Development in Africa (PIDA)[20], the Bank already intervenes in the construction of the highways mentioned in paragraph 3.4.1 above. It also intends to finance the study on the Gabon-Congo Road Project within the framework of Gabon's National Road Programme. The proposed Bank strategy for the region aims to consolidate these interventions through regional operations that are consistent with the PDCT-AC, whose main objective is to interconnect Central African countries. Projects to be executed in the transport sector are: (i) Doussala-Dolisie Road Project (Gabon-Congo), (ii) The Kribi-Campo-Bata Road Project (Cameroon-Equatorial Guinea), (iii) Rail-road bridge between Brazzaville and Kinshasa (iv) Oubangui-Sangha-Congo Multimodal Inland Navigation Project (Congo-DRC-CAR) and construction of the Ouesso-Bangui-N'Djamena Road (Chad-Congo-CAR) and (v) Phase 2 of the Congo-Cameroon Road Construction Project (Ouesso - Sangmelima).

4.2.6. With respect to the ***energy and telecommunications*** sectors, the Bank already supports Central Africa's CAPP through an interconnection study of ECCAS countries, the Inga study, the fiber optic network installation study and the RASCOM satellite telecommunications project. In 2009, the Bank conducted a study[21] on an action plan for infrastructure development and regional integration in Burundi with focus on energy interconnection of this country with the DRC (RUSIZI). For these domains, the projects identified are: (i) Phase I of the Central African Backbone Project; (ii) the Boali 3 interconnection project between the CAR and the DRC; (iii) interconnection of the Chad-Cameroon power grid; (iv) interconnection of Cameroon-Gabon-Equatorial Guinea power grid; (v) the RUSIZI III project to boost the production capacity of regional hydropower plants RUSIZI I and II; and (vi) Inga III/-Grand Inga project (regional and intra-regional power pool).

4.2.7. With respect to Pillar 1 outcomes by 2015, the Bank's operations will help to boost intra-regional trade; improve the population's access to transport, electricity and telecommunications services and consolidate non-oil private sector growth by helping to develop the region's agricultural and mineral potential. In addition, this strategy is expected to turn out other outcomes, notably a 40% improvement in energy needs, a mobile phone penetration rate of at least 50% and a growth rate of at least 5% of the non-hydrocarbon GDP.

Pillar II: Regional Institutional and Human Capacity Building

4.2.8. The main objective of this pillar is institutional and human capacity-building for RECs to enable the latter to fully play their cordination role and own the operations proposed in this strategy as well as manage the regional integration agenda.

---

20 This programme (July 2010) is designed to merge all continental infrastructure initiatives: 'NEPAD Short-Term Action Plan', 'NEPAD Medium to Long Term Strategic Framework' (MLTSF), and the AU Infrastructure Master Plan Initiative into a single consistent programme for all the continent bringing out policy guidelines and investment priorities in key areas between 2011 and 2030

21 The study on Burundi provides for a comprehensive assessment of investment opportunities in the area of infrastructure (electricity, transport and communications) in Burundi and the central and eastern regions of the continent.

4.2.9. The Bank already supports ECCAS's regional integration strategy. This support allowed for preparation of a new ECCAS organization chart which is currently being implemented. Furthermore, the Bank supports sustainable environmental management in the region through the Congo Basin Forest Fund. The interventions selected will consolidate those already in progress and will help to enhance synergy with the actions of other partners in this area. These projects are consistent with the Bank's 2008-2012 medium-term regional integration strategy. Selection and funding for these projects, as in pillar I, followed relevant criteria established by the Bank and the lessons learned by the ADB Group from similar operations.

4.2.10. Under pillar II, the Bank identified an institutional capacity building programme for ECCAS, CEMAC and COMIFAC. The support programme includes: (i) capacity building support for ECCAS, CEMAC and COMIFAC to coordinate and facilitate the design, preparation and implementation of regional projects and programmes as well as their monitoring and evaluation; (ii) support for the rationalization of Central African RECs; (iii) support towards improving the business environment through the harmonization and dissemination of community standards, notably in banking and finance as well as investment laws; (iv) support for the development of regional statistics, more specifically support to the ECCAS statistics unit; (v) support for transport facilitation programmes and simplification of customs procedures[22], and (vi) assistance in raising awareness on the importance of preserving biodiversity. In addition to this overall programme, the two pillars interlock in that the operations of Pillar 1 will also include capacity building activities as described in paragraph 4.2.3.

4.2.11. With respect to the outcomes of Pillar 2, **the Bank's interventions will build human and technical capacity** for implementation of regional infrastructure plans and programmes, preparation of the integration policy and programme, environmental management and non-oil private sector development as well as harmonization of the CET of of ECCAS's FTA and that of CEMAC's CU. The deliverables from implementation of the Bank's strategy are: (i) increased ownership of regional projects by RECs and Member States, (ii) advanced rationalization of RECs, in particular, harmonization of the CET of ECCAS and CEMAC, (iii) strengthening the sustainable management of the Congo Basin and its incorporation in investment projects, and (iv) greater harmonization of community standards in the area of finance and investment legislation.

4.2.12. Regarding the private sector, it should be noted that poor infrastructure is a major obstacle to private initiative in Central Africa. Strengthening regional infrastructure planned under Pillar I of this strategy will ultimately benefit the private sector by reducing its operating costs and expanding the regional market. Under Pillar II, planned activities will help to mitigate the institutional constraints facing the private sector in the region. This support will add to the actions aimed at improving the business climate and governance as set out in the Country Strategy Papers (CSPs). In addition, the Bank's support could be implemented in synergy with the private sector component of the ECCAS Central African Economic Integration Programme (PACIE) supported by the EU, the aim of which is to improve the business climate.

4.2.13. Moreover, with respect to the sustainable management of natural resources and environment, and in keeping with the CRMA strategy, the Bank will assist in knowledge management at the regional level, for instance the *"Clim-Dev Africa*" programme. Given the

[22] Activities taken into account in the Bank's Aid for Trade (AfT).

Bank's involvement in regional infrastructure development, and the importance of environmental issues in this area, it will also step up its advocacy for the implementation of best practices pertaining to environmental protection and investments friendly to forest preservation. In this regard, and given its experience, the Bank has proposed to manage the African Green Fund. ECCAS countries could receive support from this fund.

4.2.14. These efforts will also help to strengthen actions underway in the Congo and Lake Chad basins biodiversity conservation projects, and with respect to capacity building for the Congo-Oubangui-Sangha International Commission (CICOS) within the framework of AWF and Transboundary Water Management Project in the Congo Basin (GETRACO).

Activities other than loans/grants

4.2.15. In a bid to strengthen the pillars of this strategy, the Bank, in collaboration with other partners, will explore the possibility of conducting (i) a study on the missing links of the PDCT-AC programme, (ii) one landmark study on one or two countries of the region in collaboration with ECA/SRO-CA and (iii) an assessment of the region's economic potential while identifying investment opportunities for the private sector. These studies will help inform policy dialogue on strengthening regional integration.

4.2.16. The Bank plans to support various regional initiatives in Central Africa, namely: (i) conducting a study on river navigation, a necessary supplement to PDCT-TA, in order to develop the region's high potential as mentioned in 3.1.2, and (ii) support for the organization of training seminars in member countries, in collaboration with RECs in the region for the implementation, management and monitoring of regional infrastructure projects with a view to improving performance of the region's multinational portfolio.

Cross-cutting Issues

4.2.17. In addition to country strategies, the Bank's regional strategy for Central Africa will take into consideration gender and good governance promotion issues. Gender issues have both a national and regional dimension. Hence, gender concerns will be developed and addressed during the design and implementation of specific national and regional projects. The promotion of good governance, as mentioned earlier, remains a major challenge for countries in the region. It is a priority area of Bank operations within the framework of country strategies[23] (Annex 13).

4.3 Allocation and Financing

4.3.1 Under ADF 11 (2008-2010), the Bank's plenipotentiaries reiterated their commitment to regional integration by raising the special allocation for multinational projects to 17.5% of the total budget, compared to 15% for ADF 10 and 10% for ADF 9. The ADF 12 allocation for multinational operations has risen to about 20% of the overall budget. The 2011-2015 RISP will be implemented over two ADF cycles: the three years of the ADF 12 and the first two years of ADF 13. Scheduling of operations in this RISP is indicative and will be reviewed taking into account resource availability and evaluation of the implementation of the strategy.

4.3.2 Since the region comprises countries eligible for the concessional lending window (ADF) six of which receive grants from the Fragile States Facility and countries borrowing from the non-concessional window (ADB), the Bank could, in agreement with the countries, possibly combine grants and loans in appropriate proportions to finance multinational

[23] Governance is a priority focus area in the national poverty reduction strategies of the ten countries of the region.

operations. Besides, the Bank will adopt an approach that entails seeking greater participation from countries of the region which, for the most part, have substantial financial resources from oil revenue. The Bank will also seek cofinancing with major development partners (European Union, World Bank, French Development Agency, Arab Funds, OPEC Fund, China, Japan, India, German Cooperation – GTZ and Belgian Technical Cooperation). This drive for co-financing will also target the private sector, within the framework of public-private partnership.

4.4 Monitoring and Evaluation

4.4.1 The logical framework of the strategy, based on the results of ongoing operations and those proposed, will serve as a monitoring/evaluation mechanism for RISP 2011-2015 (Annex 3)**.** The strategy is essentially results-based, although ECCAS and the other community institutions are ill-equipped to ensure effective monitoring. In spite of these inadequacies, the ECCAS Secretariat will ensure the coordination and monitoring of this strategy. Technical assistance provided to ECCAS within the framework of the RISP will also help to build its monitoring capacity. In addition, as concerns infrastructure and other investment projects, coordination will be established between the ECCAS General Secretariat and national structures of the countries involved in such projects. A similar approach will be adopted with respect to assistance to other community organisations such as CEMAC, COMIFAC and CICOS. Moreover, operations will be designed in a way to promote information-sharing between ECCAS, CEMAC and the other community institutions. The goal is to enable ECCAS in particular to pool all information on multinational projects which fall within its purview. Furthermore, the Bank's competent services, its Regional Offices in Gabon (GAFO), Cameroon (CMFO) and DRC (CDFO), as well as other Bank Offices in Chad (TDFO) and Angola (AOFO) will ensure the necessary monitoring of the activities of ECCAS, other community institutions and the region's RMCs. This monitoring will also build on the regional integration database and the Africa Infrastructure Country Diagnostic (AICD) which will, thanks to infrastructure statistics, help to measure the progress made in this domain. Furthermore, close coordination with other donors, notably the BWIs and the EU, will help to improve monitoring efficiency. The Bank will also build on the ECA/SRB-CA/CEEAC/CEMAC tripartite coordination framework to strengthen monitoring and consistency in implementing RISP 2011-2015 and on the outcome of proceedings of the Steering Committee for the rationalization of REC-CA. The mid-term review of RISP planned for 2013 will take into account the entire mechanism to assess the results achieved at this stage and schedule activities for the remaining period until 2015, especially, contingent on the financial resources available and evaluation of the strategy's implementation.

4.5 Dialogue Issues with Countries and the Region

4.5.1 The Bank held participatory dialogue with regional integration institutions in Libreville under ECCAS supervision to present and validate the strategic thrusts proposed in the RISP. The institutions responsible for regional integration subscribed to the RISP strategic guidelines, the relevance of the two pillars of the strategy and the operations proposed. However, with respect to collaboration between the Bank and Central Africa, they underscored the need to also provide for: (i) capacity-building for natural disaster prevention at regional level; (ii) support for regional energy policy and strategy development; and (iii) a Bank operation under the Special Regional Agricultural Development Fund (FSRDA). These concerns could be dealt with through continuous dialogue between the Bank, the countries and the regional authorities. Addressing these concerns will hinge on available resources and the involvement of other donors that the Bank could help to bring on board.

4.5.2 The Bank will engage in dialogue with the region's countries and authorities to improve multinational portfolio performance. The Bank already regularly monitors the implementation of ongoing multinational operations with the countries and regional agencies responsible for executing these operations. Dialogue with respect to RISP will focus on: (i) providing training for multinational project monitoring teams within regional institutions; (ii) streamlining multinational project implementation conditions; and (iii) consultation with regional institutions to adopt a readiness filter to ensure that the key elements guaranteeing multinational project implementation readiness are in place at the time of project appraisal.

4.5.3 In the dialogue with ECCAS, the Bank will explore the possibility of supporting this institution to develop a Regional Poverty Reduction Strategy Paper for Central Africa (RPSRP-CA). This paper should constitute a regional response to the fight against poverty and allow for better coordination and programming of the region's strategy plans. It would help to make regional integration a real poverty reduction mechanism in the sub region. Based on the ECCAS Vision 2025, RPRSP-CA could also provide an integrated reference framework for strengthening national strategies and regional programmes in the various sectors.

4.6 Potential Risks and Mitigative Measures

4.6.1 The first risk relates to the potential resurgence of conflicts in the region, which could delay the achievement of regional integration objectives. The geopolitical importance of Central Africa, given its oil and mineral resources, constitutes a major conflict risk factor within and between countries. However, this risk is mitigated taking into consideration the reaffirmed political will of Heads of State and Government to implement COPAX, consolidate peace and strengthen economic integration in the region.

4.6.2 The second risk is associated with membership of the region's countries in other RECs. This situation could weigh heavily on their financial, administrative, institutional and technical capacity. This risk – though partly mitigated by ongoing AU efforts to rationalize RECs, with Bank participation – is real and should be particularly monitored with political authorities and given special consideration in implementing the strategy. The outcome of proceedings of COPIL charged with the rationalization of RECs will translate into policy measures to harmonize medium-term actions and programmes, and merge the two institutions in the long term.

4.6.3 The third risk relates to poor performance of the Bank's multinational portfolio in the region. This risk, which could inhibit the performance of future Bank operations, is mitigated by the Bank's ongoing actions to support ECCAS in strengthening the organizational and human capacity of the community's Secretariat. These actions will be continued and extended to CEMAC, under this strategy, to build the capacity of the region's authorities for multinational project preparation, ownership, implementation facilitation and monitoring/evaluation.

4.6.4 The fourth risk relates to the continuing effects of the financial crisis and, in particular, the more recent European debt crisis, on the region's economy. This risk, which could reduce the level of financing for the economy and thus slow down growth, is however mitigated by the excess liquidity within the region's banking system which gives banks much room for manœuvre. It is also mitigated by the stability of oil prices.

V. RISP MANAGEMENT AND IMPLEMENTATION

At the Bank, RISP management and implementation will be conducted by ORCE in collaboration with OITC, ONEC, ONRI, ORSB, OREA, ORWB and the Bank's field offices in Central Africa. At the external level, the Bank will coordinate with ECCAS, COMIFAC, CEMAC and other technical and financial partners (TFP) for RISP implementation. Close coordination will be maintained with the African Union Commission, the ECCAS General Secretariat, the COMIFAC General Secretariat, the CEMAC Commission and the major development partners, notably the BWIs and the EU, in order to enhance the effective monitoring of the strategy.

VI. CONCLUSION AND RECOMMENDATION

The new strategic context for consolidating RECs in Africa, as well as NEPAD implementation and the ADB-AUC-ECA strategic partnership are all arguments in favour of support for Central African regional integration. The strategy proposed in this paper takes into account the sensitivity of the Congo Basin ecosystem, and the region's considerable but yet untapped agricultural, mineral and mining potential. To that end, the Bank will back the efforts of Central African countries, at the regional level, to: (i) develop regional infrastructure; and (ii) build regional institutional and human capacity. In light of the foregoing, it is recommended that the Boards of Directors approve the strategy proposed for Central Africa in this RISP for the 2011-2015 period.

ANNEX 1: INDICATIVE LIST OF PROJECTS IDENTIFIED FOR 2011-2015 PERIOD

YEARS	2011	2012	2013	2014	2015	Beneficiary Region /Country
INSTITUTIONAL CAPACITY BUILDING						
1. Support to the rationalization of RECs in Central Africa and ECCAS capacity building		**15**				COPIL REC ; ECCAS, COMIFAC ; CEMAC
TRANSPORT						
2. Doussala (Gabon) - Dolisie (Congo) Road project		**105**				Gabon-Congo
3. Kribi-Campo (Cameroun)-Bata (RGE) Road project		**70**				Cameroon-REG
4. Rail road bridge project between Kinshasa (DRC) and Brazzaville (Congo)			**70**			Congo-DRC
5. Multimodal Project: Oubangui-Congo-Sangha River Navigation Project and Construction of the Ouesso (Congo), Bangui (CAR) - N'Djamena (Chad) Road			**100**			CICOS member countries/ Congo, CAR, DRC, Chad
6. Congo – Cameroon Phase 2 (Ouesso – Sangmelima) Road Project			**80**			Congo, Cameroon
ENERGY AND TELECOMMUNICATIONS						
7. Central African Backbone Phase 1 Project		**30**				Cameroon, CAR, Chad
8. Boali 3 Interconnection Project between the CAR and DRC	**60**					CAR, DRC
9. Chad-Cameroon Electricity Grid		**60**				Chad , Cameroon
10. Cameroon-Gabon-REG Electricity Grid			**100**			Cameroon , Gabon and REG
11. RUSIZI III Hydroelectricity Development Project				**50**		Burundi, DRC, Rwanda
12. Inga III/Grand Inga (2) Project					**100**	Angola, Burundi, DRC, STP, CEMAC countries and others
INDICATIVE TOTAL OF RISP 2010-2015 OPERATIONS	**60**	**280**	**350**	**50**	**100**	

(*) This list of projects is indicative. It will be implemented depending on the resources available within the framework of ADF 12 and ADF 13 and co-financing possibilities

ANNEX 2

MULTINATIONAL PROJECTS SELECTION PROCESS

During ADF-12 consultations the Plenipotentiaries recommended that the project prioritization and selection process be carried out in two stages:

STAGE ONE : RISP

Following extensive consultations, five-year RISP, which contain a list of recommended operations for Bank Group support, are developed. This list of projects will take into account:

- compliance of operations with the Bank Group's institutional priorities and regional integration strategy;
- compliance of operations with the priorities of the African Union, NEPAD, RECs and RMCs;
- the contribution of operations to regional integration, and
- ownership by countries and participating bodies.

STAGE TWO: SCORECARD

A. Indicators relating to participating countries

- Performance Regional Operations (ROs) Portfolio in which the countries had participated in the past (based on the annual portfolio performance score);
- Degree of country commitment to regional integration (that is, trade and trade policies, respect for economic convergence criteria, compliance with investment protocols, implementation of regional programmes, implementation of capacity building measures, existence of regional structures able to implement the regional agenda).

B. Project-related indicators

- Expected development outcomes and impacts of each operation (contribution to economic growth, regional integration, regional infrastructure, trade facilitation, competitiveness, management of shared natural resources and policy harmonization, and the expected impacts on climate change); and
- Quality at entry and readiness of the project (advanced state of readiness, existence of a memorandum of understanding between the beneficiary countries, capacity of the agency implementing the project, commitment of relevant RECs and collaboration with and co-financing by other development partners).

Source: Regional Operations Selection and Prioritization Framework, October 2010 (Draft).

ANNEX 3: CENTRAL AFRICA RISP (2011-2015) RESULTS-BASED FRAMEWORK

Region's development objectives (ECCAS Vision and CEMAC's REP	Problems hampering the attainment of the region's development objectives (sector problems)	FINAL OUTCOMES (expected at the end of RISP period in 2015)	Final outputs (expected at the end of RISP period in 2015)	MID-TERM OUTCOMES (expected at mid-term of RISP by 2013)	Mid-term outputs (expected at mid-term of RISP by 2013)	Indicative programme of new operations that may be implemented during the RISP period (2011-2015) and ongoing projects
Pillar I: REGIONAL INFRASTRUCTURE DEVELOPMENT						
Promote economic integration, growth and poverty reduction in Central Africa through regional infrastructure development in compliance with the requirements of maintaining a sustainable ecosystem in the Congo Basin, the first lung of the planet and global public good	- The asphalt road network and the rail network are among the poorest in Africa - Very sensitive Congo Basin ecosystem - River and lake navigation are not developed - Poor air traffic safety in the zone - The remoteness of rural areas does not allow for growth in the rural sector where most of the population live.	Intraregional trade is facilitated and increased and non-oil private sector growth is boosted: (i) the share of intra-regional trade in the region's total trade increases from 2% in 2009 to 4% in 2015. (ii) the non-oil sector economic growth rate is raised to at least 5% in 2015. Environment restoration and regeneration structures attendant to the execution of infrastructure (road, rail) are put in place.	- 50% of Doussala (Gabon) - Dolisie (Congo) Road Project is implemented - 50% of the Kribi-Campo-Bata road project (Cameroon-REG) is implemented - 25% of the Kinshasa-Brazzaville Rail-Road Bridge Project is implemented - 25% of the Multimodal Project: Oubangui-Congo-Sangha River Navigation Project and Ouesso (Congo), Bangui (CAR) - N'Djamena (Chad) road construction is implemented - 25% of Phase 2 of Congo-Cameroon Road Project (Ouesso-Sangmelima) is implemented. - Improved air safety and regulation is effective in Central Africa - The Ketta (Congo) – Djoum (Cameroon) Road is built. - The 230 linear metre long two-lane bridge over the	Operations planned for the period 2011-2012 are in the execution phase.- All operations are planned and designed in compliance with requirements for maintaining a sustainable ecosystem in the Congo Basin An air traffic regulatory agency in Central Africa is implemented within the COSCAP framework.	- The Ouesso (Congo), Bangui – Ndjamena Road Study and the Oubangui-Congo-Sangha River Navigation Study are conducted; - Studies on the construction of a number of missing links in the PDCT-AC programme as well as the roads linking country capitals are conducted.	Proposed operations: Doussala (Gabon) - Dolisie (Congo) Road Project (2012) - Kribi-Campo-Bata road project (Cameroon-REG) (2012) Kinshasa-Brazzaville Rail-Road Bridge Project (2013) - Multimodal Project: Oubangui-Congo-Sangha River Navigation Project and Ouesso (Congo), Bangui (CAR) - N'Djamena (Chad) road construction (2013). Ouesso (Congo), Bangui – Ndjamena Road Project (2013) Ongoing operations: Air Safety Control Capacity Building Programme (COSCAP) (approved on 27 April 2005 ; UA 4.6 million) Ketta (Congo) – Djoum (Cameroon) Road Project approved on 25 September 2009 Transport facilitation on the Cameroon-Nigeria corridor (approved on 25 November 2008; ADF-11, UA 150 million).

Region's development objectives (ECCAS Vision and CEMAC's REP	Problems hampering the attainment of the region's development objectives (sector problems)	FINAL OUTCOMES (expected at the end of RISP period in 2015)	Final outputs (expected at the end of RISP period in 2015)	MID-TERM OUTCOMES (expected at mid-term of RISP by 2013)	Mid-term outputs (expected at mid-term of RISP by 2013)	Indicative programme of new operations that may be implemented during the RISP period (2011-2015) and ongoing projects
			Logone River at the border between Chad and Cameroon is built. - 154 km of road sections between Bouar (CAR) and Garoua-Boulai (Cameroon) are developed and asphalted. - 150 km of roads connected to the Garoua-Boulai main road are developed. - 3 one-stop control points on the Cameroon/Chad and Cameroon/CAR borders are built and equipped. - The Kinshasa (RDC) and Luanda (Angola) road network is rehabilitated.			Ongoing operations (cont'd) Chad Transport Facilitation Programme (approved on 5 July 2007; UA 19 million) CAR Transport Facilitation Programme (approved on 5 July 2007 ; UA 27.8 million) Cameroon Transport Facilitation Programme (approved on 5 July 2007 ; UA 48 million) CEMAC Transport Facilitation Programme (approved on 5 July 2007 ; UA 14 million) Study on the Congo-Sangha inland navigation (Congo-DRC) approved in December 2010 amounting to UA 8 million.
	Low level of electricity grid interconnection between the countries Obsolete electrical power infrastructure results in power loss of about 30%, against a 10% to 15% standard in Africa Exorbitant electricity costs - Low internet interconnection	The population's access to electricity and telecommunications is improved by setting-up interconnection networks between countries (i) 40% improvement in energy needs as compared to 2009; (ii) mobile telephone	- Fibre-optic interconnection between Cameroon, Chad and CAR is in place - Electricity grid interconnection between CAR and DRC successfully launched - Construction of the 48.3-megawatt hydroelectricity power station (RUSIZI III) between Burundi and DRC is well advanced. - Feasibility studies carried out and funding sources	Improved electricity grid interconnection between Central African countries	- The Cameroon-Gabon-REG and the Chad-Cameroon electrical interconnection study are conducted. - Inga site studies are conducted	**<u>Proposed operations</u>:** - Fibre-Optic Interconnection Project (Central African Backbone Phase 1) (2012). - Boali 3 interconnection project between the CAR and DRC (2011). - Chad-Cameroon electricity grid project (2012) - Cameroon-Gabon-REG electricity interconnection grid (2013) - 48.3-megawatts hydroelectric

Region's development objectives (ECCAS Vision and CEMAC's REP	Problems hampering the attainment of the region's development objectives (sector problems)	FINAL OUTCOMES (expected at the end of RISP period in 2015)	Final outputs (expected at the end of RISP period in 2015)	MID-TERM OUTCOMES (expected at mid-term of RISP by 2013)	Mid-term outputs (expected at mid-term of RISP by 2013)	Indicative programme of new operations that may be implemented during the RISP period (2011-2015) and ongoing projects
		penetration increased by 50% as compared to 2009 (iii) At least 5% annual growth of nonoil GDP	identified for Inga III. Environment restoration and regeneration infrastructure attendant to any infrastructure built (power line, roads, dams, etc.) is executed.			power plant Project (RUSIZI III) between Burundi and DRC (2014) - Inga III / Grand Inga Project (regional and intraregional power pool) (2015) **<u>Ongoing operations</u>** : - Fibre optic interconnection study (approved in 2008, UA 0.31 million) - RASCOM Project (approved in 2007, UA 31.9 million) - NELSAP Electricity Interconnection Project (approved on 27 November 2008; UA 100 million).

Region's development objectives (ECCAS Vision and CEMAC's REP	Problems hampering the attainment of the region's development objectives (sector problems)	FINAL OUTCOMES (expected at the end of RISP period in 2015)	Final outputs (expected at the end of RISP period in 2015)	MID-TERM OUTCOMES (expected at mid-term of RISP by 2013)	Mid-term outputs (expected at mid-term of RISP by 2013)	Indicative programme of new operations that may be implemented during the RISP period (2011-2015) and ongoing projects
Pillar II: REGIONAL INSTITUTIONAL AND HUMAN CAPACITY BUILDING						
Institutional and human capacity building for RECs so that they can coordinate the design, implement and monitor the operations under this strategy as well as manage the regional integration agenda	- Weak institutional and human capacity of the ECCAS General Secretariat and CEMAC Commission, in particular, in the design and implementation of regional programmes and projects, as well as harmonization and dissemination of community standards - Inadequate co-operation between CEMAC and ECCAS affecting the conduct of the regional integration agenda. - Difficulty in free movement and transport facilitation (Lack of harmonization of customs standards...) - Lack of harmonization of banking and financial standards - Difficulty to operationalize the regional investment charter	- RECS are able to coordinate the design, implement and monitor the operations regional projects and programmes. - ECCAS statistics unit is operational - Significant progress in the implementation of the ECCAS FTA with that of CEMAC - Advanced harmonization of sectoral policies Foreign direct investments have increased significantly within ECASS compared to 2009	- Skills and capacity to coordinate the management of RECs regional projects and programmes are built --------------------------------------- - Advanced harmonization of ECCAS's CET with that of CEMAC. ------------------------------------ - Periodic production of regional statistics is ensured --------------------------------------- Business environment is improved and foreign direct investment increased within ECCAS	The skills profile for the management of regional projects and programmes developed Regional private sector profile developed -------------------------- Implementation of agreements of the schedule of CEMAC-ECCAS CET developed ------------------------- - Advanced coordination of efforts to harmonize statistics standards -------------------------- Development of harmonized customs, banking and financial standards	Skills profile used in ECCAS and agencies responsible for regional integration -------------------------------------- Harmonized CET is in a advanced state of implementation ------------------------------------- Production of intra-regional trade statistics ------------------------------------ Advanced harmonization of customs, banking and financial standards	**<u>Proposed operations:</u>** ***Programme to build the institutional capacity of ECCAS, CEMAC and COMIFAC in correlation with Pillar 1:*** (I) support for capacity building of ECCAS, CEMAC and COMIFAC for the design, preparation and facilitation of implementation of regional projects and programmes; (ii) support for the rationalization of RECs in Central Africa; (iii) support business environment improvement through harmonization and dissemination of standards, notably in the banking, financial and investment laws; (iv) support for transport facilitation programmes and simplification of customs procedures; (v) support for awareness on biodiversity preservation issues **<u>Ongoing operations</u>**: - ECCAS Capacity Building Project (approved on 17 November 2004; UA 2.59 million) - Programme on RCM statistical capacity building for MDG
	- Weak capacity of	Regional policies	ECCAS capacity in	Management of the	A Platform for action to preserve	

Region's development objectives (ECCAS Vision and CEMAC's REP	Problems hampering the attainment of the region's development objectives (sector problems)	FINAL OUTCOMES (expected at the end of RISP period in 2015)	Final outputs (expected at the end of RISP period in 2015)	MID-TERM OUTCOMES (expected at mid-term of RISP by 2013)	Mid-term outputs (expected at mid-term of RISP by 2013)	Indicative programme of new operations that may be implemented during the RISP period (2011-2015) and ongoing projects
	ECCAS, COMIFAC and related agencies to carry out their missions. - Lack of consideration of Congo Basin forest constraints and requirements in developing regional policies and programmes	and programmes take into account the constraints and requirements of the Congo and Lake Chad Basins	environmental management and Congo Basin preservation is built. - COMIFAC and its satellite institutions (CEFDHAC ADIE RAPAC, ATO), ECCAS, CEMAC, Member States include prioritization of the sector in regional and national development programmes, particularly taking into account the Congo Basin ecosystem requirements in infrastructure investments. Integrated management of water resources is improved for the Congo and Lake Chad Basins ------------------------------------ - At least three countries in the Congo Basin have access to the global carbon market.	Environment Policy and Congo Basin preservation by ECCAS and COMIFAC and its related agencies is improved Integrated management of the Congo Basin water resources is improved --------------------- Countries are well advanced in the carbon market access process-	Congo Basin ecosystems and against climate change is implemented, coordinated and monitored Catalogue of best practices in environmental protection and execution of forest preservation investments --------------------------------- Organization of the carbon market is underway	monitoring and result measurement (approved on 27 November 2008; UA 17.85 million) for all of Africa and UA 2.1 million for national statistices institutes of ADF countries of ECCAS - AFRITAC Centre Phase II (approved on 20 December 2006; UA 2.98 million). - Congo Basin forest Fund (see Annex (I) – 1: 15.1 million Euro grant approved Congo Basin Ecosystems Conservation Support Programme (PACEBO) amounting to UA 37.3 million Capacity building for CICOS and GETRACO under the African Water Facility

ANNEX 4: BANK GROUP MULTINATIONAL OPERATIONS AS AT 31 JANUARY 2011 (UA million / Countries covered by ORCE)

	Project Name	Source of financing	Approval date	Signature date	Effectiveness date	Closing date	Amount approved	Undisbursed amount	Total disbursed	% Disb.	% sect.
	AGRICULTURAL SECTOS						**78,75**	**73,58**	**5,17**	**6,6%**	**12,91%**
1	CHAD - COTTON SECTOR SUPPORT PROJECT	ADF Grant	29.11.2006	08.02.2007	29.04.2008	31.12.2013	5,00	4,57	0,43	8,6%	
2	Congo Basin Biodiversity Conservation Project	ADF Grant	11.03.2009	03.04.2009	03.04.2009	31.12.2014	32,00	29,67	2,33	7,3%	
3	Lake Chad Protection and Sustainable Development Programme	ADF Grant	11.12.2008	19.12.2008	19.12.2008	31.12.2015	30,00	29,46	0,54	1,8%	
4	Lake Tanganyika Sustainable Development Programme	ADF Grant	17.11.2004	01.02.2005	01.02.2005	31.01.2012	4,96	3,95	1,01	20,4%	
		ADF Loan	17.11.2004	01.02.2005	24.11.2006	31.01.2012	6,79	5,93	0,86	12,7%	
	TRANSPORT AND ICT SECTOR						**484,66**	**399,54**	**85,12**	**17,6%**	**79,44%**
5	Kinshasa (DRC) and Brazzaville (Congo) Bridge Study	ADF Grant	03.12.2008	13.05.2009	13.05.2009	30.06.2011	5,00	5,00	0,00	0,0%	
6	BAMENDA-MAMFE-EKOK-MFUM-ABAKALIKI- ROAD	ADF Loan	25.11.2008	13.05.2009	13.05.2009	31.12.2015	204,80	177,01	27,79	13,6%	
7	COSCAP WCA PROGRAMME (STRENGTHENING THE	ADF Grant	27.04.2005	19.05.2005	19.05.2005	30.06.2011	4,60	2,83	1,77	38,5%	
8	CAMEROON - TRANSPORT FACILITATION	ADF Loan	05.07.2007	22.02.2008	06.10.2008	31.12.2012	48,00	26,40	21,60	45,0%	
9	CAR- TRANSPORT FACILITATION	ADF Grant	05.07.2007	29.02.2008	29.02.2008	31.12.2012	27,80	23,19	4,61	16,6%	
10	CEMAC - TRANSPORT FACILITATION	ADF Grant	05.07.2007	29.02.2008	29.02.2008	31.12.2012	14,00	13,33	0,67	4,8%	
11	CHAD - TRANSPORT FACILITATION	ADF Grant	05.07.2007	05.03.2008	05.03.2008	31.12.2012	19,00	15,07	3,93	20,7%	
12	Ketta-Djoum Road	ADF Loan	25.09.2009	11.01.2010	29.03.2010	31.12.2018	59,27	59,27	0,00	0,0%	
	Route Ketta-Djoum	ADF Grant	25.09.2009	11.01.2010	11.01.2010	31.12.2018	61,90	61,90	0,00	0,0%	
13	Central Africa Backbone	IFPP	12.08.2008	08.12.2008	08.12.2008	31.12.2011	0,31	0,31	0,00	0,0%	
14	RASCOM SATELLITE TELECOMMUNICATION	ADB Loan	24.07.2007	17.12/2007	17/12/2007	24.07.2013	31,98	7,23	24,75	77,4%	
15	Feasibility study Road Ouesso-Bangui-N'Djamena and fluvial navigation on Congo, Oubangui and Sangha	don FAD	01.12.2010				8,00	8,00	0,00	0,0%	
	PUBLIC UTILITIES SECTOR						**16,16**	**11,47**	**4,69**	**40,9%**	**2,65%**
16	ECCAS Countries Electricity Interconnection Study	ADF Grant	21.07.2003	25.09.2003	25.09.2003	31.12.2010	2,50	0,75	1,75	70,0%	
17	INGA and Related Interconnections Study	ADF Grant	30.04.2008	07.08.2008	07.08.2008	31.12.2011	9,51	9,51	0,00	0,0%	
18	CONGO BASIN WATER INFORMATION	AWF	17.05.2007	01.06.2007	30.07.2007	30.11.2011	0,40	0,08	0,32	80,0%	
19	Lake Chad Water Charter	AWF	30.05.2007	06.07.2007	31.07.2007	30.03.2011	0,78	0,00	0,78	100,0%	
20	Regional Water Policy	AWF	02.09.2009	04.02.2010	22.10.2010	31.03.2012	1,24	0,64	0,60	48,4%	
21	CONGO BASIN STRATEGIC ACTION PLAN	AWF	30.05.2007	01.06.2007	30.07.2007	30.06.2011	1,73	0,49	1,24	71,7%	
	SOCIAL sector						**25,00**	**11,59**	**13,41**	**53,6%**	**4,10%**
22	APOC (PHASE III)	ADF Grant	15.07.2008	04.12.2008	04.12.2008	31.12.2016	15,00	6,17	8,83	58,9%	
23	SUPPORT TO THE LAKE CHAD BASIN INITIATIVE	ADF Grant	26.10.2005	18.11.2005	18.11.2005	31.12.2011	10,00	5,42	4,58	45,8%	
	MULTISECTOR						**5,52**	**0,25**	**5,27**	**95,5%**	**0,90%**
24	ECCAS Capacity Building Project	ADF Grant	17.11.2004	14.01.2005	14.01.2005	31.12.2010	2,59	0,25	2,34	90,3%	
25	Regional Technical Assistance Centres AFRITAC	ADF Grant	20.12.2006	14.04.2008	14.04.2008	30.06.2010	2,93	0,00	2,93	100,0%	
	OVERALL TOTAL						**610,09**	**496,43**	**113,66**	**18,6%**	**100%**
	TOTAL PRIVATE OPERATIONS						**31,98**	**7,23**	**24,75**	**77,4%**	**5%**
	TOTAL ADF LOANS						**318,86**	**262,68**	**50,25**	**15,8%**	**52%**
	TOTAL ADF GRANTS						**255,10**	**225,31**	**35,72**	**14,0%**	**42%**
	TOTAL AWF						**4,15**	**1,21**	**2,94**	**70,8%**	**1%**
	TOTAL PUBLIC LOANS						**318,86**	**262,68**	**50,25**	**15,8%**	**52%**

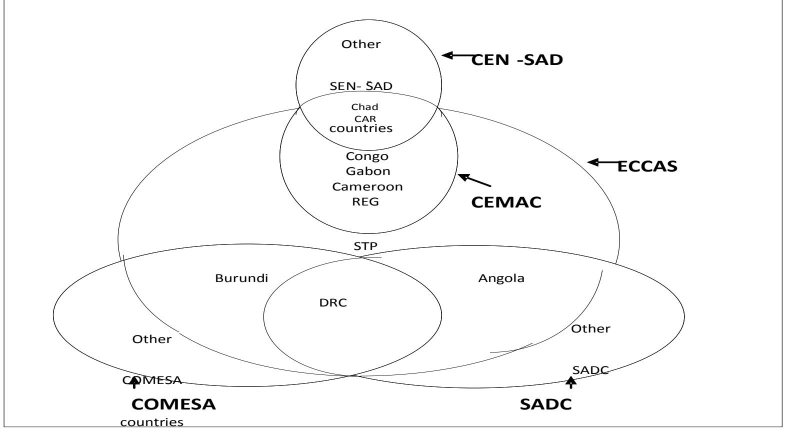
ANNEX 5: The Congo Basin, global public good

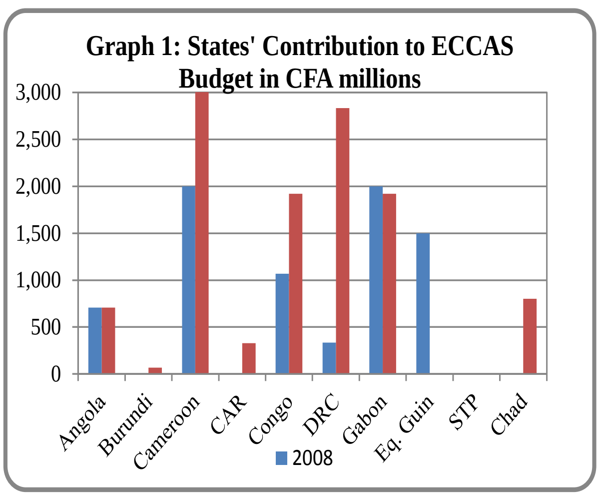
Key figures: 100 million inhabitants, 204 million hectares of rainforest, 20 million hectares of swamp forests, 12 million m³/year of timber produced, 400 mammal species, 1,300 species of birds, 336 species of amphibians, 400 reptile species, 20 000 known plant species including about 8,000 which are endemic. The Basin accounts for close to 500 million tons of carbon dioxide per year making it the second lung of the planet with a low deforestation rate of around 0.16%. Protecting the basin is vital to climate change for the good of all humanity.

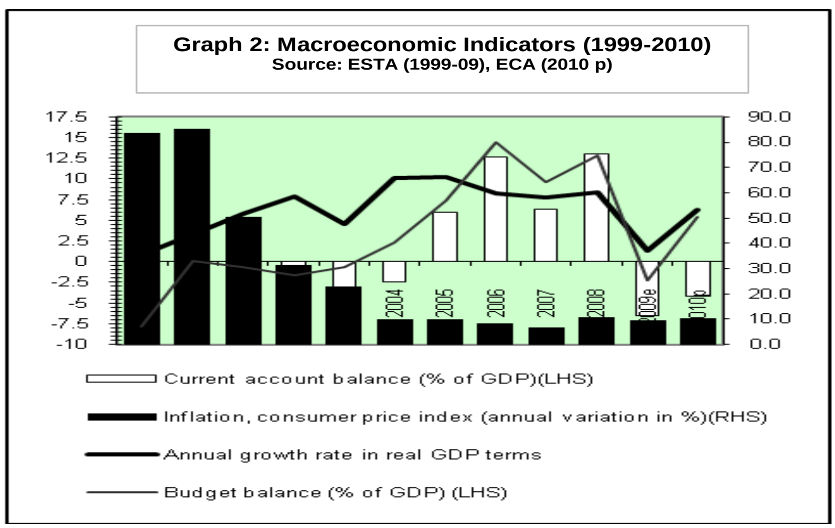
Important source of income: In addition to its status as global public good on account of its ecological function in the world, the Congo Basin, including its forests, gives the Central African country a number of economic and social benefits. Its forests are a substantial source of income and foreign currency and play a significant role in the region's socio-economic development. The forestry sector provides about 20% of employment and ranks second in terms of exploitation of oil, minerals and ores in several ECCAS Member States

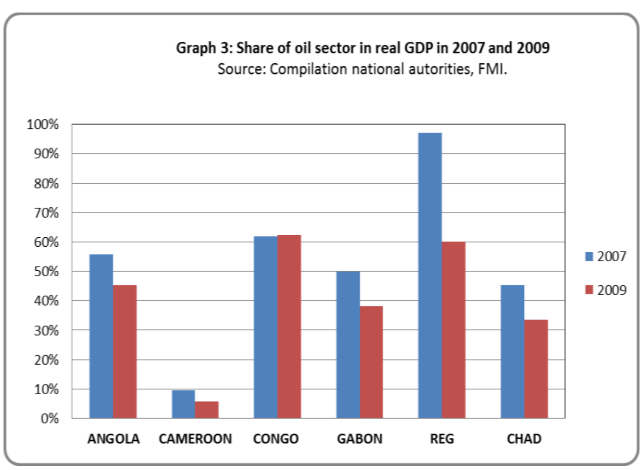
ANNEX 6: DIAGRAM AND GRAPHS

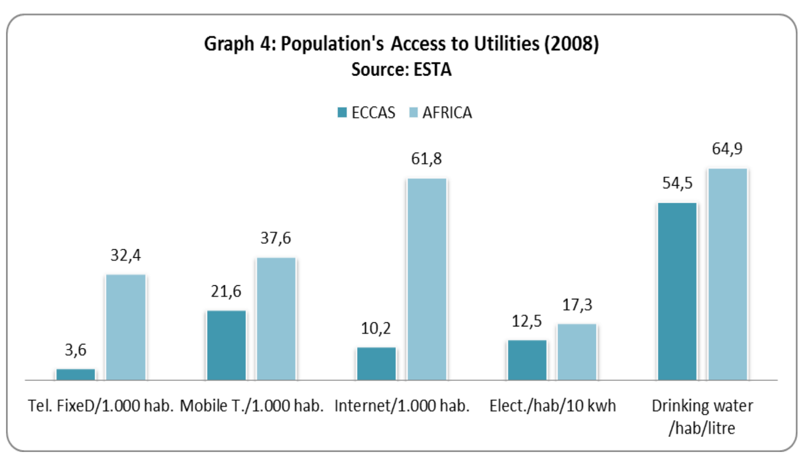
Diagram 1: Relations between the RECS (ECCAS, COMESA & SADC)











ANNEX 7: INVOLVEMENT OF THE KEY TFPs

World Bank (WB). WB operations in Central Africa are focused on the following areas: infrastructure and transport facilitation at the CEMAC region, energy (Inga Project), information and communication technonologies (fiber optic network project), institutional support to regional organizations and banks, demobilization of ex-combatants, environment (Congo Basin management) and capacity-building for BDEAC.

European Union (EU). Under the 9th EDF, the EU lends technical assistance to CEMAC and ECCAS in the following areas: economic and trade convergence; negotiation of EPAs; reinforcement of customs services; improvement of the regional transit chain; creation of a common market; institution of an early warning mechanism, conflict prevention and political mediation mechanism; natural resource management; and natural disaster control. These operations will continue under the 10th EDF. In September 2009, ECCAS and CEMAC signed a funding agreement with the European Commission for a Regional Indicative Programme (RIP) amounting to 165 million Euros under the 10th European Development Fund (EDF). The objective of this programme is the implementation of development projects including trans-border roads and railways and telecommunications infrastructure. The RIP also makes provision for a budget of 97 million Euros devoted to the trade and economic integration attendant to the Economic Partnership Agreement (EPA). In addition, 30 million Euros of the programme will fund resource management projects, while 15 million will be devoted to political integration projects, peace building and security. The EC also supports CICOS through the activities of the "Regional Implementation Centre" of the Central African Monitoring of Environment for Sustainable Development (AMESD) implemented by the African Union Commission and funded by the European Union (9th European Development Fund) to the tune of 21 million Euros (for the five sub-Saharan regions, namely CEMAC, ECOWAS, IGAD, IOC and SADC). The EU also supports various capacity-building programmes in higher education, science and technology and the development of regional research and skills development centres. With respect to the private sector, the European Investment Bank (EIB) intends to support BDEAC to refinance loans to private enterprises in the CEMAC area in the form of a Risk Sharing Finance Facility and the setting-up of business incubators.

France. Supports CEMAC in the areas of macroeconomic convergence and multilateral surveillance and in implementing the Regional Economic Program (REP of CEMAC). It also supports ECCAS in peace and security and provides logistic support. In addition, it contributes to capacity-building for BDEAC.

German Cooperation. It supports CEMAC and its member States within the framework of governance enhancement in the commodities sector and transparency in extractive industries. It supports CICOS within the integrated water resources management (IWRM) framework

African Capacity Building Foundation (ACBF). It provides institutional support to ECCAS in the areas of new information and communication technologies, trade and customs, agriculture and education.
It also supports CEMAC in the area of trade policy and multilateral trade negotiations.

International Centre for Trade (ICT). Supports ECCAS in the area of institutional capacity-building for trade and the private sector.

ANNEX 8: COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	ECCAS	Africa	Developing Countries	Developed Countries
Baseline indicators					
Area ('000 Km²)		6 641	30 307	80 976	54 658
Total population (in millions)	2007	128	963.7	5448.2	1223.0
Urban population (% of total)	2007	39.2	39.8	43.5	74.2
Population density (per Km²)	2007	19.2	31.8	65.7	23.0
Gross national income (GNI) per capita (US$)	2006	628	1 071	2 000	36 487
Participation of the total labor force (%)	2005	42.0	42.3	45.6	54.6
Labour Force Participation-Female (%)	2005	43.5	41.1	39.7	44.9
Gender-Related Development Index Value	2005	0.427	0.486	0.694	0.911
Population living on less than US$1 a day	2001-06	44.8	34.3	…	…
Demographic indicators					
Total population growth rate (%)	2007	2.4	2.3	1.4	0.3
Urban population growth rate (%)	2007	4.0	3.5	2.6	0.5
Population aged less than 15 (%)	2007	42.8	41.0	30.2	16.7
Population > 65 years (%)	2007	3.3	3.5	5.6	16.4
Dependency rate (%)	2007	86.2	80.1	56.0	47.7
Sex ration (men per 100 women)	2007	98.0	99.3	103.2	94.3
Female population aged 15-49 (%)	2007	23.7	24.2	24.5	31.4
Life expectancy at birth – total (years)	2007	51.4	54.2	65.4	76.5
Life expectancy at birth – women (years)	2007	52.6	55.3	67.2	80.2
Crude birth rate (per 1000)	2007	39.2	36.1	22.4	11.1
Crude mortality rate (per 1000)	2007	14.8	13.2	8.3	10.4
Infant mortality rate (per 1000)	2007	93.7	85.3	57.3	7.4
Under-5 mortality rate (per 1000)	2007	152.9	130.2	80.8	8.9
Total fertility rate (per woman)	2007	5	5	3	2
Maternal mortality rate (per 100000)	2007	782.9	723.6	450.0	8.0
Women using contraceptives (%)	2001-07	23.1	26.6	61.0	75.0
Health and nutrition indicators					
Number of physicians (per 100000)	2005	19.9	39.6	78.0	287.0
Number of nurses (per 100000 inhabitants)	2005	135.5	120.4	98.0	782.0
Births attended by skilled health staff (%)	2006	59.7	50.4	59.0	99.0
Access to drinking water (% of population)	2004	61.3	62.3	80.0	100.0
Access to Health Services (% of Population)	2004	63.7	61.7	80.0	100.0
Access to healthcare facilities (% of population)*	2004	35.3	45.8	50.0	100.0
Percentage of Adults (aged 15-49) Living with HIV/AIDS	2005	4.6	4.7	1.3	0.3
Incidence of tuberculosis (per 100000)	2005	242.3	300.7	275.0	18.0
Children vaccinated against tuberculosis (%)	2006	77.9	83.7	85.0	93.0
Children vaccinated against measles (%)	2006	58.4	75.4	78.0	93.2
Underweight children aged under 5 (%)	2003	31.1	28.6	27.0	0.1
Daily calorie intake per capita	2004	2 126	2 436	2 675	3 285
Public expenditure on health per capita (as % of GDP)	2004	2.3	2.4	1.8	6.3
Education indicators					
Gross Enrolment Ratio (%) Primary School -Total	2003-07	98.5	96.4	91.0	102.3
Primary School -Female	2003-07	91.3	92.1	105.0	102.0
Secondary School - Total	2003-07	33.6	44.5	88.0	99.5
Secondary School -Female	2003-07	29.2	41.8	45.8	100.8
Female teachers in primary schools (% of total)	2003-07	36.7	47.5	51.0	82.0
Adult literacy - Total (%)	2003-07	29.6	33.3	26.6	1.2
Adult literacy - Men (%)	2003-07	20.3	25.6	19.0	0.8
Adult literacy - Women (%)	2003-07	36.0	40.8	34.2	1.6
Education expenditure as a % of GDP	2003-07	3.6	4.7	3.9	5.9
Environmental indicators					
Arable land as % of total surface area	2005-07	7.9	6.0	9.9	11.6
Annual Rate of Deforestation (%)	2000-07	1.3	0.7	0.4	-0.2
Annual reforestation rate (%)	2000-07	14.4	10.9	…	…
CO2 emissions per capita (metric tons)	2005-07	0.6	1.0	1.9	12.3

Source: Compiled by the Statistics Division from ADB database. WB Live Database UNAIDS; and United Nations Population Division WHO, UNICEF, WRI, UNDP, National reports

ANNEX 9: COMPARATIVE ECONOMIC DATA

(Source: Development Data Platform (DDP), ADB)

Table 9.1 Real GDP Annual Growth Rate (1999-2009)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1999-09
	Actual data										est.	Average
Angola	3.2	12.0	3.1	14.5	3.3	11.2	20.6	18.6	12.5	14.0	0.0	10.3
Burundi	-1.0	-0.9	2.1	4.5	-1.2	4.4	0.9	5.5	3.6	3.4	3.0	2.2
Cameroon	4.1	-3.9	4.5	4.0	4.0	3.7	2.3	3.2	3.4	3.3	2.4	2.8
CAR	3.6	1.9	2.7	0.3	-4.6	3.5	3.0	4.3	4.2	2.0	2.3	2.1
Chad	-0.5	-0.5	11.5	8.5	14.3	33.7	7.9	0.2	0.1	-0.2	1.7	7.0
DRC	-4.3	-6.2	-2.1	3.5	5.8	6.6	7.9	5.6	6.3	6.1	2.7	2.9
Congo	-2.7	7.6	3.8	4.6	0.8	3.5	7.8	6.2	-1.6	5.6	9.5	4.1
REG	23.2	8.2	67.8	20.4	14.4	32.7	8.8	1.3	21.4	12.0	-4.1	18.7
Gabon	-8.9	-1.9	2.1	-0.3	2.5	1.4	3.0	1.2	5.6	2.4	0.7	0.7
STP	2.5	70.6	3.1	11.6	5.4	6.6	5.7	6.7	6.0	5.8	4.0	11.6
AFRICA	3.3	4.3	4.2	5.4	5.0	5.6	5.7	5.9	5.9	5.4	2.0	4.8
COMESA	4.7	4.9	4.0	3.6	3.3	5.6	6.5	8.0	8.1	7.5	3.4	5.4
ECCAS	**0.8**	**3.3**	**5.8**	**7.9**	**4.5**	**10.1**	**10.2**	**8.3**	**7.8**	**8.4**	**1.3**	**6.2**
ECOWAS	2.6	3.9	6.5	13.3	7.1	5.4	5.7	5.1	5.3	5.6	3.2	5.8
SADC	2.6	5.6	3.0	4.4	3.8	5.8	6.4	6.8	6.1	5.0	-0.9	4.4

Table 9.2 Inflation Rate (annual variation in consumer price index) (1999-2009)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1999-09
	Actual data										est.	Average
Angola		268.4	116.1	105.6	76.7	31.0	18.5	12.2	12.2	12.5	14.2	66.7
Burundi	3.4	24.3	9.3	-1.3	10.7	8.3	13.2	2.7	8.3	24.4	12.5	10.5
Cameroon	2.9	0.9	2.8	2.8	0.6	0.3	2.0	5.1	1.5	5.2	2.6	2.4
CAR	-1.6	3.2	3.8	2.3	4.2	-2.1	2.9	6.6	1.3	8.4	3.3	3.0
Chad	-8.0	3.8	12.4	5.2	-1.8	-5.3	7.9	8.0	-9.0	8.4	4.0	2.3
DRC		550.0	357.3	25.3	12.8	4.0	21.4	13.2	16.7	27.6	24.3	105.3
Congo	3.1	0.4	0.8	3.1	1.5	3.8	2.5	4.7	2.6	5.9	4.0	2.9
REG	0.6	4.6	8.8	7.6	7.3	4.2	5.7	4.4	2.8	5.3	5.1	5.1
Gabon	-0.7	0.5	2.1	0.2	2.1	0.4	-0.2	4.0	5.0	5.3	1.9	1.9
STP	16.3	11.0	9.2	10.1	9.8	13.3	17.2	23.1	18.5	26.1	17.1	15.6
AFRICA		9.1	8.4	7.2	7.3	7.0	7.2	6.1	7.1	10.6	8.6	7.9
COMESA		20.4	13.2	9.8	10.7	12.6	9.9	8.2	11.1	14.1	13.1	12.3
ECCAS	**83.7**	**85.3**	**50.5**	**31.5**	**22.9**	**9.9**	**9.9**	**8.5**	**6.8**	**10.6**	**9.6**	**29.9**
ECOWAS		6.4	14.4	9.7	11.1	10.9	14.3	7.4	5.3	10.7	9.0	9.9
SADC		23.6	17.1	16.3	11.5	5.6	6.4	6.7	8.3	11.8	8.8	11.6

Table 9.3 Overall Budget Balance (% GDP) (1999-2009)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1999-09
	Actual data										est.	Average
Angola	-23.7	-7.0	-6.1	-7.1	-7.0	1.1	8.5	10.9	11.6	13.5	-9.8	-1.4
Burundi	-6.6	-2.3	-3.8	-8.6	-6.4	-5.6	-2.3	-3.3	-10.9	-19.5	23.3	-4.2
Cameroon	-2.8	4.4	1.3	2.2	1.8	3.3	3.6	33.0	4.4	6.1	3.0	5.5
CAR	-0.5	-1.8	-0.9	-1.2	-3.3	-2.2	-4.5	8.9	1.5	0.4	0.9	-0.2
Chad	-6.0	-6.8	-4.9	-6.0	-4.4	-2.3	-1.1	2.0	6.8	12.4	6.0	-0.4
DRC	-5.0	-6.0	-1.7	-2.0	-4.2	-4.1	-3.1	-0.7	-0.3	-5.8	-9.0	-3.8
Congo	-5.9	1.1	-0.7	-8.1	0.4	3.6	15.6	17.0	16.3	25.3	18.0	7.5
REG	1.6	8.6	16.3	12.9	13.0	11.6	21.2	26.2	18.2	25.6	15.1	15.5
Gabon	1.2	11.7	3.2	3.5	7.4	7.6	11.0	9.2	8.6	11.6	3.9	7.2
STP	-28.2	-27.3	-12.9	-9.9	-10.5	-15.8	37.1	-13.7	120.4	14.6	12.6	6.0
AFRICA	-2.5	0.2	-2.3	-2.5	-1.9	0.0	2.7	4.9	2.1	3.4	-3.7	0.0
COMESA	-4.3	-3.7	-4.4	-5.2	-6.2	-4.5	-3.8	-1.5	-1.5	-0.7	-6.1	-3.8
ECCAS	**-7.8**	**0.1**	**-0.6**	**-1.6**	**-0.7**	**2.4**	**7.4**	**14.5**	**9.6**	**12.9**	**-2.3**	**3.1**
ECOWAS	-4.4	2.1	-4.1	-3.3	-1.2	3.8	5.1	6.5	-0.5	0.1	-6.9	-0.2
SADC	-3.2	-2.1	-1.7	-2.6	-3.1	-1.7	-0.1	2.5	2.4	2.3	-5.1	-1.1

Table 9.4 Current Account Balance (% GDP) (1999-2009)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1999-09
	Actual data										est.	Average
Angola	-27.1	8.0	-16.0	-1.3	-5.2	3.5	16.8	25.8	11.9	14.1	-13.8	1.5
Burundi	-5.0	-6.8	-5.3	-0.7	-4.1	-5.5	-1.7	-14.9	-15.2	-13.6	-16.1	-8.1
Cameroon	-3.7	3.1	-3.9	-4.2	-7.8	-6.5	-3.4	0.6	0.7	2.8	2.2	-1.8
CAR	-1.5	-1.1	-1.6	-1.5	-2.2	-1.7	-6.6	-3.0	-6.1	-8.0	-6.5	-3.6
Chad	-10.8	-15.4	-33.7	-58.2	-49.6	-17.1	2.4	-7.6	-6.8	7.5	-1.8	-17.4
DRC	-2.6	-4.0	-4.0	-1.6	1.0	-2.4	-10.4	-2.4	-1.8	0.3	-7.5	-3.2
Congo	-10.1	7.9	-5.6	0.6	-3.2	2.0	11.2	12.8	4.5	7.1	3.3	2.8
REG	-29.5	-16.5	-48.9	-13.5	-41.9	-26.3	-10.4	-2.1	1.0	37.6	11.1	-12.7
Gabon	8.4	19.8	10.4	6.9	9.5	12.9	14.6	18.7	13.1	17.3	3.3	12.3
STP	-15.7	-17.5	-22.7	-17.0	-14.5	-16.8	-10.3	-28.8	-29.9	-28.8	-31.2	-21.2
AFRICA	-1.9	2.5	0.3	-1.4	0.4	1.2	3.5	4.8	2.4	3.4	-4.2	1.0
COMESA	-4.1	-2.0	-3.4	-2.4	-0.9	-0.2	0.1	1.3	-0.3	0.1	-6.3	-1.6
ECCAS	**-7.8**	**4.7**	**-8.7**	**-4.4**	**-7.7**	**-2.4**	**6.0**	**12.6**	**6.3**	**13.2**	**-6.5**	**0.5**
ECOWAS	-7.4	3.0	-3.8	-8.1	-4.3	1.3	2.6	4.5	-0.1	0.5	-9.5	-1.9
SADC	-2.2	-0.4	-1.1	-0.5	-1.3	-2.6	-2.1	-1.4	-3.6	-2.9	-9.2	-2.5

Table 9.5 Per Capita GDP (in current USD) (1999-2009)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1999-09
	Actual data										est.	Average
Angola	583	694	608	751	892	1227	1843	2643	3372	5665	4840	2102
Burundi	127	110	100	93	86	95	108	120	119	142	149	113
Cameroon	677	586	594	655	801	906	930	985	1105	1301	1249	890
CAR	287	256	254	268	288	315	329	354	402	496	476	339
Chad	188	165	196	220	291	456	584	610	660	562	454	399
DRC	87	85	99	103	102	114	122	145	167	197	180	127
Congo	790	1061	901	951	1073	1392	1780	2219	2154	4152	3431	1810
REG	1438	2227	3115	3728	4931	7902	11692	13652	16666	28991	17165	10137
Gabon	3870	4110	3739	3831	4605	5349	6325	6844	8038	11032	7937	5971
STP	341	547	536	625	664	718	752	808	922	1101	1158	743
AFRICA	707	726	679	672	786	934	1071	1204	1370	1600	1447	1018
COMESA	472	495	461	448	436	493	585	696	834	1072	1019	637
ECCAS	**334**	**346**	**338**	**377**	**441**	**556**	**700**	**860**	**1020**	**1526**	**1271**	**706**
ECOWAS	351	351	339	407	468	561	656	781	876	1077	903	615
SADC	875	876	787	748	1015	1250	1408	1528	1692	1787	1704	1243

Table 9.6: African and World Exports (%)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	1999-2008
Africa	2.7%	3.0%	2.9%	2.8%	3.1%	3.2%	3.6%	3.7%	3.7%	4.4%	3.3%
Central	**0.2%**	**0.2%**	**0.2%**	**0.2%**	**0.2%**	**0.2%**	**0.3%**	**0.3%**	**0.3%**	**0.4%**	**0.2%**
West	0.5%	0.6%	0.5%	0.5%	0.6%	0.6%	0.7%	0.7%	0.7%	0.8%	0.6%
East and Southern	1.1%	1.1%	1.1%	1.1%	1.1%	1.2%	1.3%	1.3%	1.4%	1.5%	1.2%
North	1.0%	1.2%	1.1%	1.1%	1.1%	1.2%	1.4%	1.4%	1.4%	1.8%	1.3%
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 9.7: African and World Exports (USD billion)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	1999-2008
Africa	152	191	178	182	228	293	374	445	516	705	326
Central	**9**	**11**	**11**	**12**	**15**	**21**	**28**	**33**	**38**	**57**	**23**
West	26	36	33	33	45	57	73	87	93	122	61
East and Southern	60	68	66	69	84	107	131	156	189	245	117
North	57	75	69	68	85	108	143	169	196	282	125
World /1	5643	6365	6132	6425	7472	9111	10419	12065	13767	16001	9340

/1 Source: International Financial Statistics (IFS), IMF.

Table 9.8 Aggregate CPIA Score (2005-2007) /1

					2005	2006	2007	2008		2005-08
Angola					2.7	2.725	2.783	3.3		2.9
Burundi					3.1	3.108	3.117	3.144		3.1
Cameroon					3.5	3.45	3.317	3.667		3.5
CAR					2.5	2.467	2.525	2.889		2.6
Chad					3	3.008	2.892	3.2		3.0
DRC					2.9	2.883	2.908	2.844		2.9
Congo					2.8	2.833	2.7	3.144		2.9
REG					2.7	2.708	2.792	3.156		2.8
Gabon					3.3	3.258	3.242	3.4		3.3
STP					3.1	3.05	3.175	3.378		3.2
AFRICA					…	3.299	3.35	3.566		3.4
COMESA					…	3.184	3.255	3.443		3.3
ECCAS					**2.9**	**2.949**	**2.945**	**3.212**		**3.0**
ECOWAS					…	3.328	3.409	3.644		3.5
SADC					…	3.541	3.599	3.75		3.6

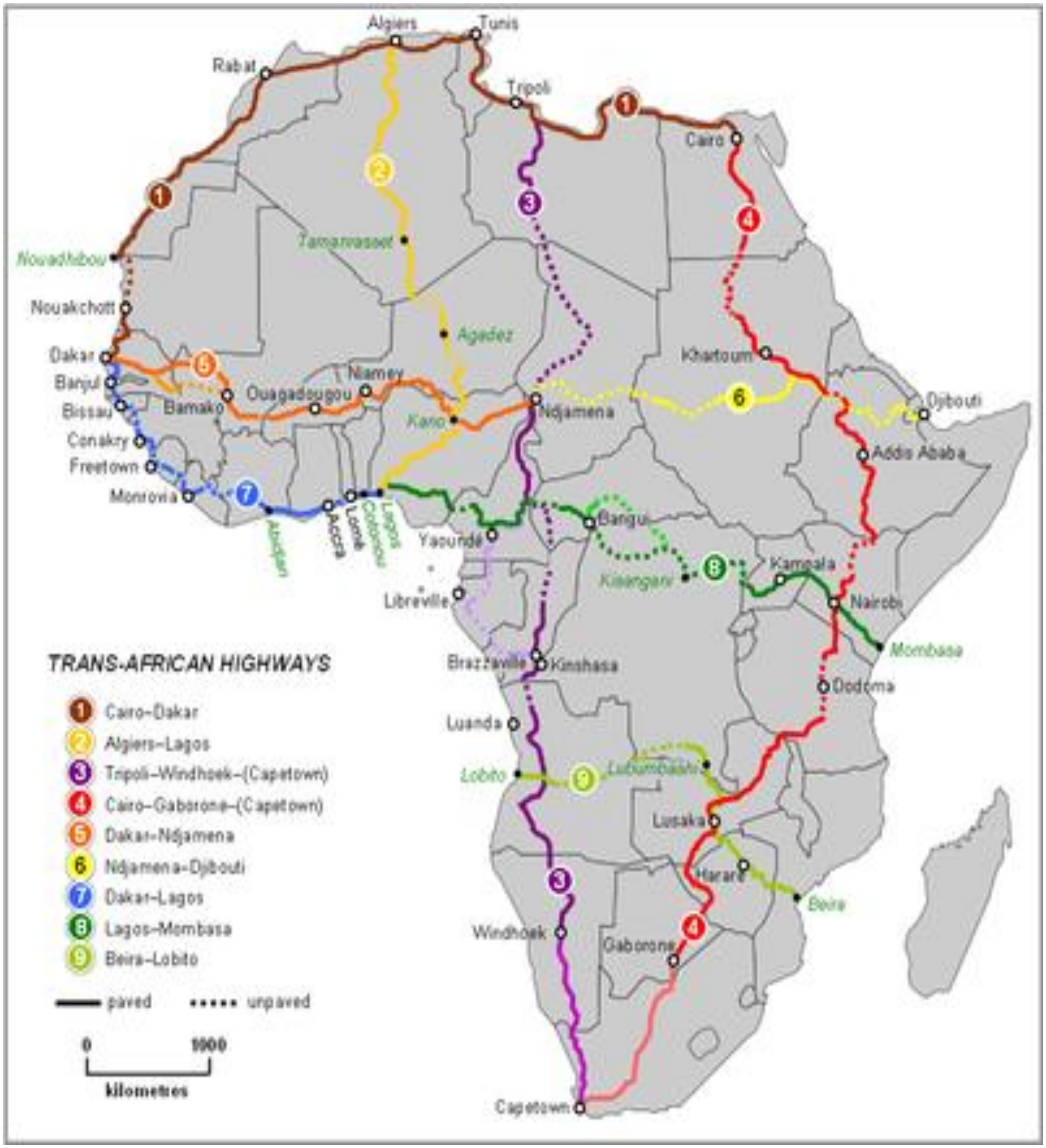
/1 Scale of 1 to 6: 1=very poor, 2=poor, 3=average, 4=fairly good, 5=good, 6=very good

ANNEX 10: ECCAS REGION STATUS IN TERMS OF THE MILLENNIUM DEVELOPMENT GOALS

GOALS	TARGETS	RESULT/ACHIEVEMENT OF MDGs (2007 evaluation)
Goal 1: Eradicate extreme poverty and hunger	**Target 1**: Reduce by half the proportion of people living on less than a dollar a day by 2015 **Target 2**: Reduce by half the proportion of people who suffer from hunger in 2015 *The proportion of people living on less than a dollar a day in 2006 was 44.8% (More than 57 million people)*	It is unlikely that this goal will be attained by 2015.
Goal 2: Achieve universal primary education	**Target 3**: Ensure that all boys and girls complete a full course of primary schooling in 2015 Gross enrolment ratio-primary school (%) 98.5 Enrolment rate-primary school-girls (%) 91.3 Youth (aged 15-24) literacy rate (%) 60.0	These goals could be achieved by 2015.
Goal 3: Promote gender equality and empower women	**Target 4:** Eliminate gender disparity in primary and secondary education *Gross enrolment ratio-secondary school (%) 33.6* *Enrolment rate-secondary school-girls (%) 29.2* *Female/male (aged 15-24) literacy rate (%) 84.0*	This goal could be achieved by 2015.
Goal 4: Reduce child mortality	**Target** 5: Reduce by two thirds the mortality rate among children under five *Mortality rate among children under five (per thousand) 152.0* *Infant mortality rate per 1000 live births 93.7* *Child immunization against measles (%) 58.4* *Child immunization against tuberculosis (%) 77.9*	It is unlikely that this goal will be attained by 2015.
Goal 5: Improve maternal health	**Target 6:** Reduce by three quarters the maternal mortality ratio by 2015 *Maternal mortality rate (per100 000 live births) 782.9* *Births attended by trained health personnel (%) 59.7*	It is unlikely that this goal will be attained by 2015.
Goal 6: Combat HIV/AIDS, malaria and other diseases	The 4.6% prevalence rate masks significant disparities between countries (from a minimum of 2% in Burundi to a maximum of 6.3% in CAR). Countries should make sustained efforts because this is a priority goal.	It is unlikely that this goal will be attained by 2015.
Goal 7: Ensure environmental sustainability	**Target 7**: Integrate the principles of sustainable development into joint country policies and reverse current loss of environmental resources in the northern and southern parts of the region (water and wind erosion, increased desertification). **Target 8**: Reduce by half the proportion of people without sustainable access to safe drinking water **Target 9**: Achieve significant improvement in lives of one million slum dwellers, by 2020 There are regional agreements in the areas of sustainable development, environment, forest management and desertification control. They are the expression of country policies. Efforts have been made in this regard, but they need to be strengthened. There are serious constraints in the face of endogenous factors within the dominant bioclimatic system. Effort should be focused on the effects of human activity whose environmental impact should be reduced.	It is unlikely that this goal will be attained by 2015.

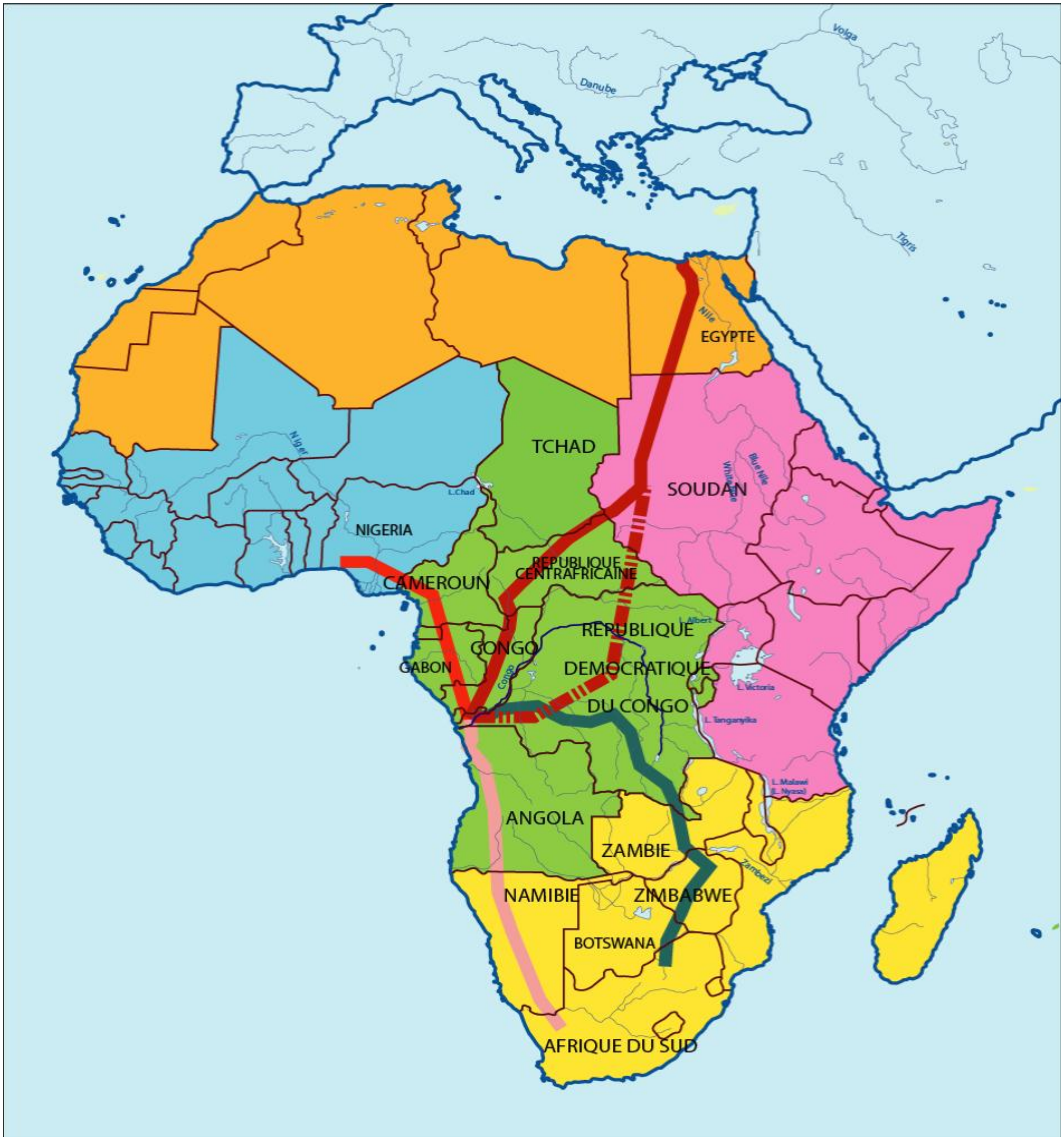
NB: The above data was compiled from DDP Database, ADB Statistics Department and data published by the World Bank. At the time of preparing this report, MDG data was available up to 2007.

ANNEX 11: MAP OF ROAD CORRIDORS IN AFRICA



Source: NEPAD, Regional Integration and Trade Department (ONRI), African Development Bank

ANNEX 12 : MAP OF POWER INTERCONNECTIONS IN AFRICA



<u>Source</u>: ECCAS General Secretariat

West Africa Line
West Southern Africa Line
East Southern Africa Line
Central Africa Line
Central Africa – North Africa Line

ANNEX 13: CONSISTENCY BETWWEN CSP AND RISP-CA PILLARS

Country	CSP Pillars	RISP Pillar 1 Pillar 2	
		Infrastructure development	Capacity building
Angola (2010-2014)	**Pillar 1: Stimulus to the Competitiveness of the Angolan Economy and Private Sector Development** (1.1. *Public Investment Program; 1.2. Public Private Partnerships; 1.3. Entrepreneurship and SMEs; 1.4. Industries and related services)*		
	Pillar 2: Economic Infrastructure (2.1. *Finance Infrastructure Development; 2.2. Infrastructure Maintenance)*		
Burundi (2008-2011)	**Pillar 1: Support to effective government by improving economic governance and the functioning of key public sector institutions.**		
	Pillar 2: Increase employment opportunities through developing infrastructure and targeted interventions in the agricultural sector.		
Cameroon (2010-2014)	**Pillar 1: Strengthening of governance with a view to improving central government's strategic management** (1.1. Land Survey Register Modernization Project (UA 7M); 1.2. Programme to Support the Strengthening of Competitiveness and Strategic Management Capacity Building (UA 35M)		
	Pillar 2: Infrastructure development *(2.1.* Lom-Pangar Hydro-Power Development Project (UA 60M); 2.2. Road Programme (Improvement of the Kumba-Bachuo Akagbe and -Tibanti-Ngaoundéré Road) (UA 70M); 2.3. Rural and Community Infrastructure Improvement Programme (UA 50M); 2.4. Yaoundé Sanitation Programme 2 (UA 30M); 2.5. Rural DWSS Programme (RWSSI) (UA 30M); 2.6. Project for the Rehabilitation and Strengthening of Electricity Infrastructure and Rural Electrification (UA26.5M).		
Central African Republic (2009-12)	**Pillar 1: Strengthening economic governance and institutional capacity:** 1.1. Improved management of public finances; 1.2. Transparent and rational natural resources management; 1.3. Development programmes planning and execution capacity strengthened at national and local levels; 1.4. an environment conducive to investment and more opportunities for small and medium sized enterprises (SMEs)		
	Pillar 2: Rehabilitation and development of socioeconomic infrastructure 2.1. Economic regional integration infrastructure strengthened 2.2. Improved access to basic urban and community infrastructure; 2.3. Greater agriculture and livestock productivity, and 2.4. Enhanced public access to educational services and quality health care.		
Congo	**Pillar 1 : Infrastructure development to support growth and improve the living environment** (..)		
	Pillar 2: Promotion of macroeconomic stability and growth (…).		
Congo DRC (2008-2012)	**Pillar 1: Support for good governance** (1.1. Promote accountability and broaden social inclusion and equity; 1.2. Transparency ; 1.3. Improved management of the civil service; 1.4. business environment)		
	Pillar 2 : Promotion of pro-poor growth (2.1. Road network 2.2. Water supply and sanitation, 2.3. Electricity 2.4. Strengthening basic infrastructure in the agricultural sector)		
Gabon (2006-2010) (CSP 2011-2015 in progress)	**Pillar 1: Strengthening Governance:** (1.1. Project to improve the quality of public higher education and vocational training services (UA 102M), 1.2. Updating of studies for the Libreville watershed management (UA 1.7 M) 1.3. Survey on employment and unemployment on RIP grand funding (UA 0.45 M) 1.4. Public finance management institutional capacity building Project (20 million UA) whose review process was suspended at the request of the authorities)		
	Pillar 2 : Infrastructure Improvement (2.1. Project relating to Phase 2 of the Road Programme (UA 140 M)		
Equatorial Guinea	**Pillar 1 – Capacity building (1.1.** Improvement of human capital; 1.2. Strengthening of multi-sector capacities).		
	Pillar 2: Creating conditions for economic diversification (2.1. Infrastructure development; 2.2. Development of growth-oriented sectors		
& Principe	**Pillar 1 : Public Administration Capacity Building (UA 2.5M)** : 1.1. Improvement of macroeconomic management, 1.2. Improvement of the strategic planning system		
	Pillar 2 : Support to Food Security (UA 5M) : 2.1. Development of basic economic infrastructure in the rural areas.		
Chad (2010-2014)	**Pillar I: Promote good governance in the public sector**: 1.1. Enhance transparency and accountability in public financial management; 1.2. Improve the private sector business environment 1.3. Boost economic diversification by improving rural infrastructure to increase outputs and ensure better management and sustainable development of agro-pastoral and transhumance resources.		
	Pillar II: Develop basic infrastructure: 2.1. Strengthen the national and transnational road network to open up the country internally and externally for local production and regional integration; 2.2. Improve access to basic services through the development of community water, electricity and telecommunication facilities.		

ANNEX 14: SUMMARY OF MULTINATIONAL OPERATIONS PORTFOLIO REVIEW FOR CENTRAL AFRICA (as at 30 June 2010)

A. Portfolio performance evaluation

1. Based on the five criteria selected by the Bank to evaluate performance, the average score obtained is 1.74. Overall portfolio performance is therefore unsatisfactory. Generally, this score is justified by the late fulfilment of conditions precedent to first disbursement, the late submission of audit reports and poor knowledge of Bank procurement rules and procedures, often leading to the rejection of disbursement requests that cannot be processed by field offices.

B. Main problems identified

2. The review of ongoing multinational operations helped to identify problems specific to each operation and generic issues, and helped to draw lessons that will be taken into account in the design of future projects. Apart from problems common to national and international projects (late fulfilment of conditions precedent to first disbursement, late payment of counterpart funds, slow procurement procedures), multinational projects face such specific problems as: (i) late processing of contract award and disbursement dossiers; (ii) lack of close project monitoring; (iii) poor ownership by participating States of programmes managed by RECs; (iv) slow processing and transmission of dossiers between PIUs and the Bank; and (v) weak institutional and technical capacity of RECs.

C. Lessons to be drawn for future RISPs and portfolio reviews

3. The first Regional Integration Strategy Paper (RISP) for the 2011-2015 period, which concerns the Centre Region, is being prepared. This report is the first performance review of the Centre Region's multi-national projects portfolio. Regarding the RISP being prepared and future ones, the Bank should: (i) Continue to build the capacity of RECs for better programme implementation and development of sustainable resource mobilization mechanisms; (ii) Strengthen coordination with other partners to adopt joint financing programmes; (iii) Continue to build the capacity of RECs to better execute programmes and design sustainable resource mobilization mechanisms; (iv) Strengthen selectiveness for better impact on the development of the Region; (v) Strengthen dialogue with countries for better ownership of multinational projects (vi) Upgrade the quality of supervision missions and ensure respect of the ratio of at least two supervision missions per year; (vii) Strengthen the monitoring of action plan implementation to improve the performance of the multinational projects portfolio; and (viii) Strengthen dialogue with RECs to sensitize them on the need to enhance project coordination.