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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE

Assistance for the reconstruction, rehabilitation and development  
of the Central African Republic

Report of the Secretary-General

1. In its resolution 35/87 of 5 December 1980, the General Assembly requested the Secretary-General, *inter alia*, to organize an international programme of financial, technical and material assistance to the Central African Republic to enable it to meet its long-term and short-term needs with respect to reconstruction, rehabilitation and development and to report on the matter to the Assembly at its thirty-sixth session.
2. In pursuance of that resolution, the Secretary-General arranged for an interagency mission led by Mr. Abdulrahim A. Farah, Under-Secretary-General and Co-ordinator of the Special Economic Assistance Programmes, to visit the Central African Republic in January/February 1981 to consult with the Government. The mission's report, which is annexed hereto, provides information on the economic, financial and social situation of the country and describes its immediate needs for humanitarian assistance as well as its critical requirements for rehabilitation and development. The report also provides details of individual projects recommended for international assistance, together with estimated costs.

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\* A/36/50.

ANNEX

Report of the mission to the Central African Republic  
(26 January to 3 February 1981)

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## I. INTRODUCTION

1. The interagency mission visited the Central African Republic from 26 January to 3 February 1981. It was received by the President of the Central African Republic, His Excellency David Dacko. It held discussions with the Prime Minister, the Minister of State for Planning and Finance, the Minister for Foreign Affairs, the Minister for Rural Development, the National Director of the Bank of the Central African States and the Director-General of Health, Ministry of Health. It also consulted with senior officials in the administration. Talks were held, in addition, with members of the diplomatic corps accredited to the Central African Republic and with representatives of voluntary organizations active in the country.

2. The mission wishes to place on record its appreciation of the assistance and full co-operation it received from the Government of the Central African Republic in providing information necessary for the mission's work. The mission also acknowledges with appreciation the assistance it received from the Office of the United Nations Development Programme (UNDP) in Bangui.

## II. BACKGROUND

### A. Physical and economic characteristics

3. The Central African Republic is a land-locked country in Equatorial Africa, with an area of 620,000 square kilometres and a sparse population, officially estimated at 2.3 million on 1 January 1980. The country is bounded on the west by Cameroon, on the north by Chad, on the east by the Sudan and on the south by Zaire and the People's Republic of the Congo (see map).

4. The vegetation is equatorial forest in the southern part of the country and Sudanese savannah in the north, with large transitional areas of wooded savannah which are more suitable for animal husbandry than for crop production. The climate is of equatorial type in the south, inter-tropical in the central region and subsahelian in the extreme north.

5. The Republic is classified by the United Nations as one of the world's least developed countries and is among those most seriously affected by the present world economic crisis. According to government estimates, per capita gross national product (GNP) at constant prices has been declining in recent years, from CFAF 56,760 in 1977 to CFAF 46,100 in 1980, principally as a result of lack of investment and poor administration under the previous régime. Per capita GNP in 1980 at current prices is estimated by the Government at \$310.

6. The economy is essentially agricultural and has a large subsistence sector. There are an estimated 350,000 farms with an average farm size of 1.7 hectares. With a working population of 1.1 million, only 50,000 are directly engaged in wage labour and of these 25,000 are employed by the State.

7. Most of the country's food-stuffs are locally produced. Cassava is the predominant food crop except in the north-east, where millet is grown. Other food crops are ground-nuts, maize, yams, sesame, rice and vegetables.

8. Cattle breeding is an important and traditional activity. The cattle herd is estimated at 1,150,000 with about 800,000 located in the western zone centred on Bouar and about 350,000 in the eastern zone centred on Bambari.

9. The Republic has a diversified natural resource base, producing diamonds, coffee, cotton, timber and tobacco, and these constitute the principal exports. Palm oil and its products appear also to have potential. However, owing to a combination of factors, including lack of investment and past mismanagement, the productive potential of the country's assets is far from being realized. It is the intention of the new Government of the Republic to carry out a programme of economic rehabilitation.

10. The country is handicapped, however, by its land-locked position. Exports and imports moving between the Central African Republic and the nearest ports, located at a distance of 1,800 kilometres (Pointe-Noire) and of 1,400 kilometres (Douala), must pass over routes which are for the most part in transit countries. High transport costs make the country's exports less competitive and inflate the domestic prices of imports. The transport connexion to the Atlantic Ocean is by way of the Oubangui-Congo river to Brazzaville (1,300 kilometres) and then by railway to Pointe-Noire (510 kilometres). During the dry season, between January and April, river traffic is very limited. There is a road connexion with the port of Douala in Cameroon. Parts of this access route are currently being upgraded, with external assistance.

11. Internal transport relies almost exclusively on the road network, much of which is in need of rehabilitation and reconstruction. The long distances within the sparsely-populated country make for high transport costs and necessitate heavy investment in vehicles, road maintenance and road construction.

12. The Republic is a member of the Central African Customs Union (UDEAC) and of the Bank of Central African States (BEAC) and is a party to the Lomé Convention with the European Economic Community.

13. The Central African Republic belongs in the franc zone and the national unit of currency is the Communauté Financière Africaine franc (CFAF). Conversions of cost estimates for projects recommended in the present report have been made at the rate of 230 CFAF = \$US 1.00.

#### B. Political background

14. The Central African Republic was created a Republic on 1 December 1958. The country attained independence on 13 August 1960. On 31 December 1965, Jean Bedel Bokassa came to power in a coup d'état and remained in office until September 1979, when he was overthrown. He was succeeded as Head of State by

His Excellency David Dacko. In a series of ordinances, the new Government has taken steps to re-establish democratic institutions in the country.

15. A new Constitution has now been approved by the Government and ratified by the people of the country in a referendum.

16. Under the Constitution, the executive branch is to be headed by a President, who will be elected for six years by universal suffrage. The legislative power rests with one chamber, the National Assembly, whose members are elected for five years.

17. Elections for the Presidency are to be held before 1 April 1981 and elections of representatives to the National Assembly will take place subsequently, but before 1 July 1981.

#### C. Refugees

18. The mission was informed that the Office of the United Nations High Commissioner for Refugees (UNHCR) was providing assistance to approximately 6,500 refugees in the Central African Republic. Most of these were reported to be from Chad. The need for such assistance is expected to continue through 1981. However, the wide dispersal of the refugee population throughout the country compounds the problem of ensuring adequate delivery of assistance.

19. For the refugees in the area of the capital, Bangui, the Government intends to make available a State-owned property which already has some facilities. However, additional facilities, such as schools and dispensaries, are required.

20. Since the Government was in touch with UNHCR on the question of assistance to refugees, no request for assistance was made to the mission.

### III. ECONOMY AND FINANCES 1/

21. Since the new Government of the Central African Republic assumed office under President Dacko in September 1979, it has been engaged in attempting to restore financial balance to the country, both internal and external. It intends to negotiate with the country's creditors an over-all policy of debt repayment which will, it is hoped, include agreement on rescheduling. Within the framework of a two-year recovery plan, the Government has taken first steps towards revitalizing the productive sectors of the economy and rehabilitating the physical and social infrastructures. To achieve these goals, the Government has requested specialized expertise from the relevant international organizations.

#### A. Budget

22. The national budget of the Republic has been characterized by deficits in every year since 1967. Moreover, with expenditures rising considerably faster than revenues, the annual deficit has grown substantially. By 1979, the budget deficit represented almost 40 per cent of government revenue (see table 1).

23. In 1979, the deficit would have amounted to CFAF 7.9 billion (about \$US 37 million) 2/ but for grants amounting to CFAF 5.9 billion (about \$US 27.6 million). In 1980, the deficit would have amounted to CFAF 9.9 billion (about \$US 46 million) but for grants amounting to CFAF 7.2 billion (about \$34 million).

24. In support of its efforts to redress the serious budgetary imbalance, the Government has requested the assistance of the International Monetary Fund (IMF) in carrying out a reform of the fiscal system so as to improve the collection of revenues, reduce the extent of tax evasion and abuse, and establish control mechanisms. Sources of government revenues are shown in table 2.

25. The Government is also carefully reviewing its expenditure and has already instituted some measures, including the reorganization of some state enterprises. It will be noted from table 3 that about two thirds of the current budget is accounted for by salaries. The Government recognizes the need for austerity measures. Among those already introduced are a freeze on the salaries and recruitment of public servants. Promotions and increases in statutory expenditures are to be postponed.

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1/ All of the economic and financial data shown in this section were provided by the Government of the Central African Republic.

2/ In this section, currency conversions of data relating to 1979 and 1980 are made at the rate of CFAF 210 = \$US 1.00.

Table 1  
Government budget, 1970 and 1978-1980

	<u>1970</u> (In millions of CFAF)	<u>1978</u> (In billions of CFAF)	<u>1979</u> (In millions of CFAF)	<u>1980*</u>
I. <u>Budgetary revenue and grants</u>	<u>9 869.8</u>	<u>18.8</u>	<u>25 991.1</u>	<u>27 831.5</u>
1. Revenue	9 313.6	17.8	20 141.5	20 627.0
2. Grants	556.2	1.0	5 849.6	7 204.5
II. <u>Budgetary expenditures</u>	<u>11 185.9</u>	<u>24.9</u>	<u>27 875.3</u>	<u>30 483.0</u>
1. Current expenditure	10 530.9	22.7	27 443.3	29 407.1
2. Capital expenditure	655.0	2.2	432.0	1 075.9
III. <u>Total budgetary deficit</u>	<u>-1 316.1</u>	<u>-6.1</u>	<u>-1 884.2</u>	<u>-2 651.5</u>
IV. <u>Operation of decentralized institutions</u>	<u>-21.7</u>	<u>-</u>	<u>-150.5</u>	<u>-47.4</u>
V. <u>Total financing requirements</u>	<u>-1 337.8</u>	<u>-6.1</u>	<u>-2 034.7</u>	<u>-2 698.9</u>
VI. <u>Total financing</u>	<u>1 337.8</u>	<u>6.1</u>	<u>2 034.7</u>	<u>2 698.9</u>
<u>Domestic financing</u>	<u>842.9</u>	<u>5.5</u>	<u>696.8</u>	<u>2 729.3</u>
<u>External financing</u>	<u>457.1</u>	<u>0.6</u>	<u>1 657.1</u>	<u>274.1</u>
International aid institutions	121.5	-	-	-
Foreign Governments	335.6	-	1 393.1	294.1
Various	-	-	264.0	-20.0
<u>Errors and omissions</u>	<u>37.8</u>	<u>-</u>	<u>-319.2</u>	<u>-304.5</u>

\* Government projection.



Table 2  
 Budget receipts and grants, 1979 and 1980\*

	<u>1979</u> (In millions of CFAF)	Per cent distribution	<u>1980*</u> (In millions of CFAF)	Per cent distribution
I. Budget receipts and grants	<u>25 991.1</u>		<u>27 831.5</u>	
II. Budget receipts	<u>20 141.5</u>		<u>20 627.0</u>	
III. Fiscal receipts	<u>19 341.5</u>	<u>100.00</u>	<u>20 160.0</u>	<u>100.00</u>
Direct taxes and land taxes	4 708.2	24.3	4 150.0	20.6
Taxes on goods and services	5 220.4	27.0	4 620.0	22.9
Duties on taxes on external trade	8 817.8	45.6	10 400.0	51.6
IV. Non-fiscal receipts	<u>800.0</u>		<u>467.0</u>	
V. Grants	<u>5 849.6</u>		<u>7 204.5</u>	
UDEAC Solidarity Fund	950.0		350.0	
Bilateral budgetary assistance	4 899.6		5 726.8	
Various	-		1 127.7 <u>a/</u>	

Table 3  
 Budget expenditures, by type, 1979 and 1980

	<u>1979</u> (In millions of CFAF)	<u>1980*</u>
Salaries	17 161.4	19 702.8
Materials and furnishings	2 539.5	6 177.7
Public debt service	2 004.6	1 404.5
Other payments and transfers	2 079.5	2 122.1
Unliquidated obligations	3 658.0	-
Total current expenditures	27 443.3	29 407.1
Capital expenditures	432.0	1 075.9
Total	27 875.3	30 483.0

\* Government projection.

a/ Including financing under the STABEX scheme of the European Economic Community.

26. The Government is finding it difficult and, in some instances, impossible to provide the funds to meet the local costs of donor-assisted projects. It hopes that donor countries and agencies will waive requirements for government-financed counterpart costs.

27. Also with a view to relieving budgetary pressures, donors are asked to give consideration to the financing, in whole or in part, of the recurrent costs of assisted projects, at least for an initial period after their completion. Assistance of this kind would help to ensure for the country realization of the benefits which the projects were designed to produce.

#### B. The public debt

28. The Government informed the mission that, at the end of 1978, the external debt of the Central African Republic amounted to CFAF 52 billion (about \$US 247 million), representing about 50 per cent of gross domestic product. The domestic debt at the same date amounted to CFAF 10 billion.

29. At the end of 1979, the amount due on debt servicing and repayment was CFAF 22 billion (about \$105 million), of which CFAF 15 billion (about \$71 million) represented payments due on external debt.

30. The new Government has requested the assistance of the World Bank in making an inventory of the public debt. The World Bank has also been requested to assist the Government in setting up a system of recording and monitoring all future public debt contracts and payments.

31. In co-operation with the World Bank, the Government is planning a meeting with creditors in Paris in May/June 1981 to discuss possible solutions to the situation. The Government hopes that these will include assistance in the form of waiving or rescheduling of its debt obligations.

32. Meanwhile, the Republic's acute indebtedness is having adverse effects on the economic development of the country. It tends to discourage potential investors in the country and thus retards the development of new industries. Moreover, the high level of bank indebtedness incurred by many local enterprises precludes them from borrowing further from the banking system for expansion or new investment.

33. In view of the large budget deficit and the heavy burden of public debt, it is hoped that donors, in providing project assistance, will do so on a grant basis wherever possible or, at least, on very concessional terms.

#### C. Balance of payments

34. The growing dependence of the Central African Republic on inflows of capital from abroad is reflected in the balance of payments (see table 4). In each year

Table 4  
 Balance of payments, 1976-1980, and projections for 1981  
 (In billions of CFAF)

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980 b/</u>	<u>1981 c/</u>
Exports f.o.b.	19.3	28.6	27.8	26.0	23.6	25.4
Coffee	4.3	10.8	8.0	6.9	5.0	
Diamonds	3.4	5.5	8.3	8.1	8.0	
Cotton	5.0	4.8	2.9	2.4	2.2	
Tobacco	1.3	1.9	1.7	1.1	1.1	
Wood	4.3	4.6	5.5	5.9	5.8	
Various	1.0	1.0	1.4	1.6	1.5	
Imports f.o.b.	-18.1	-25.5	-26.9	-28.5	-42.6	-45.9
of which unrecorded trade	(-4.0)	(-5.3)	(-6.1)	(-6.6)	(-10.0)	
<u>Commercial balance</u>	1.2	3.1	0.9	-2.5	-19.0	-20.5
Services (net) of which:	-9.7	-16.0	-16.7	-19.1	-21.9	-25.9
Freight and insurance (net)	-4.9	-7.7	-7.2	-8.3	-10.0	
Other transport	-1.6	-1.8	-1.7	-1.7	-2.0	
Balance of goods and services	-8.5	-12.9	-15.8	-21.6	-40.9	-46.4
Private transfers	-1.0	-0.2	-1.0	-2.0	-2.5	
<u>Current balance</u>	-9.5	-13.1	-16.8	-23.6	-43.4	-49.2
Public transfers	10.8	8.7	11.0	18.5	26.2	
Non-monetary sector capital	4.5	1.7	3.5	7.3	14.6	
Private	0.5	0.2	2.0	8.8	5.0	
Public	4.0	1.5	1.5	-1.5	9.6	
Monetary sector capital	-2.0	3.2	-0.9	-0.7	-3.0	
Allocation of SDRs	--	--	--	0.5	0.5	
Errors and Omissions	-0.1	-0.3	-0.7	-0.4	--	
<u>Over-all balance</u>	3.7	0.2	-2.5	1.6	-5.1	
Reserves and related items <u>a/</u>	-3.7	-1.2	0.8	-5.0	2.6	
Exceptional financing (arrears)	--	1.0	1.7	3.4	2.5	

a/ A minus sign denotes an increase.

b/ Estimates.

c/ Government projection.

since 1976, the current account in the external balance has been in deficit to an increasing extent. The deficits have been met for the most part by inflows of foreign capital.

35. Beginning in 1978, the total value of exports from the Republic started to decline. By 1980, earnings from the export of coffee and cotton were at less than half the level of 1977. The value of diamond exports fell off somewhat in 1979 and again in 1980.

36. Meanwhile, the total value of imports has been rising. Furthermore, as will be noted from table 4, freight and insurance represent a substantial debit item in the current account. The marked increase in the value of imports in 1980 as compared with 1979 stems in part from the increased volume of imports which has been necessitated by the Government's investment programme for the years 1980 and 1981.

37. The Government estimates that the deficit on visible trade will increase in 1980 to CFAF 19.0 billion, while the deficit on the balance of goods and services will rise to CFAF 40.9 billion. The deficit on current account will total CFAF 43.4 billion.

38. According to government projections, these deficits will be further increased in 1981 when the deficit on current account is expected to total CFAF 49.2 billion.

39. Inflows of capital have contributed to bringing the over-all external account into or close to balance in recent years. The flows have included public transfers, direct private investments and public and private loans, long-term and short-term.

40. Although the over-all account was in surplus in 1979, government estimates indicate that the account will move into deficit in 1980.

41. In view of the persistent and substantial trade deficit and the expected deficit in the country's over-all external account in 1980, and taking into consideration the exceptionally heavy burden being borne by this land-locked country in the form of transport costs, donors may wish to ease the burden of imports by providing, at least over the next few difficult, transitional years, commodity assistance to replace some items of import. Such assistance could be in the form of items of equipment or food staples, such as wheat flour, edible oils or sugar, which are at present imported.

42. In the longer term, the Government hopes to improve the trade balance by increasing production of the main export items, improving transport facilities and expanding the country's export base.

43. It would be of considerable help in alleviating the pressure on the balance of payments if creditors could adopt measures to lighten the burden of the country's external debt repayments and servicing.

#### D. Production

44. During the years of the Bokassa régime, some of the main pillars of the economy of the Central African Republic went into decline.

45. The Government has estimated that the country's real annual rate of growth in the period 1967-1980 was 2.6 per cent, slightly above the population growth rate of 2.5 per cent. In the period 1967-1977 the rate of economic growth was relatively high with an annual rate of 4.8 per cent, but in the years 1977-1980 there was a marked economic slowdown.

46. The production of some of the main export crops has shown a dramatic decline. The production of cotton seed fell from 54,000 tons in 1971 to 28,000 tons in 1977 and barely reached 32,000 tons in 1978. The output of coffee for export fell from 13,000 tons in 1966 to 10,000 tons in 1978.

47. The controlled output of diamonds fell from 538,000 carats in 1965 to 284,000 carats in 1978 - a fall of 47 per cent in 13 years.

48. Although accounting for a relatively small proportion of gross domestic product, industrial production had, under the impetus of some pilot schemes, grown steadily up until 1973. Thereafter, the sector declined rapidly. The contribution of industrial production to GDP fell from 14 per cent in 1965 to 11 per cent in 1980. The Government has attributed the decline to a growing lack of confidence on the part of investors as well as to the rapid fall in the purchasing power of the population.

#### E. Plan for Economic and Social Recovery, 1980-1981

49. In March 1980, the Government adopted a Plan for Economic and Social Recovery for 1980 and 1981. The Plan has three main objectives:

(a) The restabilizing of public finances through the introduction of budgetary austerity and other measures;

(b) The reorganization of the productive sectors of the economy, including the reorganization of State enterprises and the creation of a number of mixed economy enterprises;

(c) The identification and implementation of projects oriented towards the investments which will most directly contribute to economic recovery. The three priority areas are: (i) the rehabilitation of road, river and air transport and telecommunications; (ii) the development of the potential in agricultural production and livestock breeding; and (iii) the development of a health and education programme for the population of the country.

50. The Plan aimed at investment expenditures of CFAF 17,449 million (about \$83 million) in 1980 and CFAF 27,688 million (about \$132 million) in 1981. About

80 per cent of the planned expenditures for the two-year period were for projects to strengthen the country's infrastructure, especially roads, and for the development of agriculture and livestock husbandry.

51. The total of financing realized for the 1980 investment programme amounted to CFAF 9,164 million or about 52 per cent of planned expenditure. Of this amount, 48.1 per cent was provided by multilateral assistance, 38.7 per cent by bilateral donors and 13.2 per cent came from sources within the country.

52. Under its programme of rural development, the Government is aiming to revive production of cotton and coffee through the implementation of integrated programmes of development centring on each commodity. Furthermore, private management and financing have been introduced into what had been purely State enterprises handling these commodities. The Government plans to ensure, however, that parallel with this development, local personnel will be trained to take over more and more of the managerial functions.

53. Integrated programmes have also been introduced to promote the health care and breeding of livestock.

54. The Government is also aiming to revive industrial production. Although the country is handicapped by its remoteness from the sea, the smallness of the domestic market and the high cost of imported raw materials, the Government believes opportunities for manufacturing activity exist, especially in the processing of its raw materials. Among the manufacturing processes which the Government believes could be economically viable is the production of textiles, clothes, cigarettes, soap, shoes and honey.

#### F. Investment Code

55. The conditions and guarantees relating to private investment have been revised by the Government and issued as Presidential Decree No. 80/039 of 2 May 1980.

56. The Investment Code seeks to regularize conditions under which private investors function and to create, through fiscal and tax advantages a climate of stability, incentives for the private investor in the Republic.

#### G. Donors' Conference, June 1980

57. In order to mobilize external assistance for the funding of its immediate and longer term programmes of recovery and development, the Government organized a conference of donors which was held at Bangui from 23 to 28 June 1980. Thirty-four projects and programmes in the areas of transport and communications, rural development and education and health at a total cost of CFAF 80 billion (about \$400 million) were presented to donors. Of this amount, CFAF 31 billion had been budgeted for 1980-1981 and the remainder for subsequent periods. A sum

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of CFAF 6.5 billion having already been acquired by the Government for the 1980-1981 period, the immediate needs presented to donors as essential for economic recovery amounted to CFAF 25 billion (about \$125 million). Copies of the project documents can be obtained from the Government.

58. The Government informed the mission that, of the projects submitted at the Conference in June 1980, about 20 per cent were under discussion with donors.

#### H. Human resources

59. The Government of the Central African Republic recognizes that, parallel with the measures which it is taking to restore and revitalize the economy, it must also take steps to ensure a supply of suitably trained manpower, adequate and appropriate to the country's future needs.

60. The Government has already taken action with a view to meeting the short-term and medium-term needs for trained personnel. It has submitted a request to the World Bank to provide advisory assistance in carrying out the first steps of a planned reform of the public administration. It is hoped that this request will be approved and the assistance forthcoming by mid-1981.

61. The Government has also requested the assistance of relevant United Nations agencies, including the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organisation (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), in defining sectoral short-term and medium-term needs as a basis for undertaking measures of educational reform.

#### IV. SECTORAL REVIEW AND ASSISTANCE REQUIREMENTS

62. In consultation with the Government, the mission has identified a number of projects which were presented to the Donors' Round Table Conference in June 1980 but which have not been financed. To these were added a number of additional projects requiring international assistance. The mission selected the most urgent needs and classified them under three categories: immediate humanitarian needs; short-term rehabilitation and reconstruction requirements to bring back the economy to its 1970 level; and medium-term and long-term development needs. The assistance requirements in each category are summarized for each sector (see tables 5-10). Table 11 summarizes sectoral needs under each category.

##### A. Agricultural, forestry and livestock sectors

###### 1. Overview

63. These sectors involve roughly 80 per cent of the population and contribute over 30 per cent to the gross national product and over 50 per cent to exports (1978). Although the country has good potential for agricultural development, the sector has suffered from a long period of neglect. As a result of insufficient investment, deterioration of the road network, inadequate extension services, absence of price incentives and the disruption of the market in the period 1971-1979 the situation has become critical. The output of staple crops, at an average rate of growth of 1.6 per cent, has not kept pace with the expansion of population (2.5 per cent annually), resulting in some malnutrition, food shortages in some places, and high food prices in the urban centres. The production of the two main export crops has either stagnated (coffee) or decreased (cotton) in recent years.

64. Although the savannahs of the eastern and western parts of the Central African Republic are suitable for extensive cattle raising, livestock development is hampered by two difficulties - disease and overgrazing. Tropical diseases and parasites affect the animals. In the past, a trypanosomiasis-resistant breed of cattle had been introduced and in 1969 they numbered approximately 15,000. Unfortunately, only 60 per cent of the number remain at present because of lack of Government veterinary control and the disappearance of extension services. In the West, the problem is over-grazing and the absence of control of stock movements from Cameroon and Chad. Marketing facilities for meat are almost non-existent and meat consumption remains at a very low level, due to high prices. Improvements are urgently required to restore animal health, to strengthen extension services and to raise the income of the population living on cattle. The constraints are primarily budget resources, availability of transport, and physical access to the areas involved.

65. About 40 per cent of the exploitable forest is being worked at present by 10 firms, private and mixed. There is scope for growth but road conditions are a bottle-neck. Further, the Government is losing revenue because it does not have sufficient means to control production.



## 2. Action of the Government

66. The Government aims to restore agriculture, forestry and livestock production to the 1970 levels as quickly as possible. It has formulated an integrated rural development programme and has started implementing it with external assistance. This programme encompasses the majority of the rural population and focuses on associating the growing of food crops alongside the cultivation of cotton and coffee and the breeding of livestock, according to the regions. Furthermore, the Government is reorganizing the agencies dealing with export crops. It has also given assurances that all resources accruing to the marketing/stabilization board for coffee or cotton will in future go to the farmers and not to the budget. As for forestry, the current system of exploitation is being reviewed with the assistance of the World Bank with a view to finding ways to give a new impetus to the sector and increase public and private incomes.

## 3. Assistance requirements

67. The mission, in consultation with the Government, has selected 12 projects centred around food and export crops, animal health and disease control, quick improvement of diet and income, training and extension services, and an integrated rural development programme for the disaster-stricken area of Birao Province. The mission agrees with the Government on the importance of a programme of rehabilitation of feeder roads. It believes that such an effort is a prerequisite for the delivery of inputs to the farmers and for marketing production. Funds have therefore been proposed for that purpose under immediate humanitarian assistance.

68. The Government did not present to the mission any project document concerning credit institutions for farmers. The mission was informed, however, of the difficulties facing the existing banks which are without resources to provide short-term credits to cotton and coffee farmers. The mission recommends that the feasibility of setting up such an agricultural credit institution be looked into by the Government in co-operation with an appropriate international organization, e.g. the World Bank, the International Fund for Agricultural Development (IFAD) or the Food and Agriculture Organization of the United Nations (FAO). Loans to farmers channelled through such an institution (with an initial capital of some \$20 million) would certainly provide an immediate booster to agricultural activities.

### Food and export crops

69. The integrated development programme in food crops and primarily cotton areas consists of four projects pertaining to four provinces: Guham-Puede, Guham, Gribingui/Kemo and Guaka/Kotto where cotton traditionally provides the major activity and income. The projects aim at modernization of the production of both cotton and food crops by upgrading the technical competence of farmers through additional extension services, by increasing agricultural inputs (fertilizers, insecticides, improved seeds) and by improving progressively the equipment at the

disposal of the farmers. The SOCADA (Central African Society for Agricultural Development), an autonomous corporation with private and public funding, is responsible for the management of the projects, including the training components and the primary processing of production. The programme includes the rehabilitation of feeder roads as a first priority to give access to the areas concerned and the maintenance of those roads.

Project A1. Total cost: \$55.90 million (inputs, 40 per cent (fertilizers-pesticides); buildings and equipment, 26 per cent; technical co-operation, 19 per cent; recurrent expenditure, 15 per cent)

70. The integrated development programme in the coffee area (the southern part of the forest area) concerns some 35,000 family-run coffee farms. Action would be taken to increase acreage and to improve the plantation yield and income: covering training, the development of extension services, improvement of farming techniques, phytosanitary protection and the marketing of agricultural products. The production of coffee has varied in the past between 8,000 and 13,000 metric tons. The target is to reach 20,000 tons of coffee within five or six years and to boost the production of food crops to a level superior to the rate of demographic expansion. An agency (ADECAF) is entrusted with the management of the programme, which also includes rehabilitation and maintenance of feeder roads.

Project A2. Total cost: \$23.10 million (Recurrent expenditures, 53 per cent; technical co-operation, 27 per cent; investment (buildings, vehicles, equipment), 20 per cent)

71. The third integrated development programme involves roughly 1,150,000 Zebu cattle concentrated in the western and central zones of the country where sleeping sickness (trypanosomiasis) is endemic. Pilot projects are now under way with the assistance of the European Development Fund, the World Bank, IFAD and the African Development Bank. The integrated programme is intended to increase the income of cattle breeders, to reduce meat imports and to train draught animals for agriculture. Associated with this programme is a project for the West zone which will rehabilitate the feeder roads.

Project A3. Total cost: \$4 million

Project A4. Total cost: \$1.65 million (Technical co-operation, 40 per cent; recurrent costs, 40 per cent; buildings and equipment, 10 per cent; vehicles, 10 per cent)

#### Animal health and disease control

72. Rescue of trypano-resistant cattle. Besides the Zebu herd mentioned in the preceding paragraph, the farming population owns some 10,000 bulls spread throughout the country and generally immune to sleeping sickness. They were introduced from West Africa in the early 1960s. The herd, unfortunately, is decreasing at the rate of 5 per cent a year. This project is designed to halt the current trend by rescuing the selected breed and placing them with new tenants in four districts where supervision by the Agricultural Services will be available.

Project A5. Total cost: \$1.50 million (Technical co-operation, 40 per cent; recurrent cost, 40 per cent; infrastructure and equipment, 20 per cent; vehicles, 10 per cent)

73. Urgent cattle disease control. In connexion with events in Chad during the last two years, coupled with the drought in the Sahel, cattle herds have migrated into the Central African Republic from neighbouring Cameroon, the Sudan and Chad. These herds are not subject to any sanitary controls and are invariably affected by disease, some of them not previously known in the Central African Republic. The Agricultural Services do not have the equipment nor the funds to establish an urgently needed effective protection system (control teams at the main points of entry, quarantine stations, vaccines and storage facilities). International assistance is required to provide four-wheel drive vehicles, equipment, vaccines and medicines to carry out control measures.

Project A6. Total cost: \$0.25 million (Vehicles, 80 per cent; small equipment and vaccines, 20 per cent)

74. Cattle watering points in dry areas. This project concerns the northern parts of the country where water is short for most of the year. The object is to study the possibility of digging wells or establishing small earth dams not only for watering cattle but also for limited forms of agriculture. Under the supervision of the Ministry of Agriculture, small teams of trained people would be employed to create such watering points with the active participation of local people. Requirements include transport, tools and implements and construction supplies.

Project A7. Total cost: \$0.5 million (Small equipment)

#### Diet and income improvement

75. Bee-keeping development. The Government is very optimistic about prospects for this project which, although small, offers good development potential. Bee-keeping is a traditional practice in rural areas, with a production of some 7,000 to 8,000 tons of honey and some 450 tons of beeswax. The goal of the project is to improve the traditional technique of bee-keeping and to organize the marketing of honey and beeswax. The result is expected to be a rapid increase in income for about 50,000 villagers, possibly organized in co-operatives. There would also be a gain in export earnings. For its implementation, the project would involve the rehabilitation of the Landja bee-keeping station and the provision of a relatively small quantity of equipment.

Project A8. Total cost: \$0.85 million (Technical co-operation, 20 per cent; recurrent costs, 70 per cent; building and equipment, 10 per cent)

76. Chicken and pig breeding . The Central African Republic imports about 30 per cent of its beef requirements, despite rising prices. Poultry and pigs would not only offer a more economical alternative but would also provide a valuable supplement to the diet of the general population. The Landja Agriculture

Station could be adapted for this purpose. Its buildings and equipment would be rehabilitated to ensure sanitary control and provide extension services to train breeders. The project calls for assistance in the initial investment to launch the operation which is expected, in a relatively short period of time, to become financially self-sustaining.

Project A9. Total cost: \$1.5 million (Building equipment, 50 per cent; vehicles, 50 per cent)

#### Training and extension services

77. Rehabilitation of agricultural colleges. The three agricultural colleges (at the secondary level) are in extremely poor condition. There is an urgent need to provide these colleges with better and extended facilities, to replenish their libraries and to replace obsolete equipment used for teaching, practical exercises, experimental farms and laboratory work.

Project A10. Total cost: \$1.0 million (Building, 50 per cent; equipment, 50 per cent)

78. Strengthening of extension services. The project calls for international assistance to provide each of the 16 districts with one landrover and two lorries for the extension services to be undertaken in the initial phase. Without effective extension services the recovery of the agricultural sector would be severely handicapped.

Project A11. Total cost: \$1 million (Vehicles)

79. Disaster-stricken areas (Bira Province). The Government has declared the province "a disaster-stricken area" and has set up a plan for continuing assistance, reconstruction and long-term integrated development. The first element of such a plan is to evaluate the situation, assess the most urgent needs and prepare detailed development proposals for inclusion in the next national development plan. The mission strongly supports the idea of an evaluation mission which should be sent as soon as possible. Attention should be paid in the first instance to satisfying the critical humanitarian needs of the population. A second phase of the plan would address itself to improving access to the province throughout the year. In 1980 international food aid had to be flown into the province because of road conditions. At present this province can only be reached by surface transport for five months in the year. The bulk of the investment foreseen in the plan would come somewhat later on, after appropriate studies have been completed. Such investment would endeavour to develop food self-sufficiency, promote the improvement of social and educational services, and also combat increasing desertification.

Project A12. Total cost: \$7.75 million (Technical co-operation, \$0.25 million; equipment, \$0.5 million) (Balance of \$7 million to be defined at a later stage)

Table 5

Needs in the agricultural and livestock sector  
 (In millions of United States dollars)

	A	B	C	Total
	Immediate humanitarian needs	Urgent rehabilitation and reconstruction needs	Medium and long-term development needs	
<u>Food and export crops</u>				
A1. Integrated development programme in food crops and primarily cotton areas	3	13.70	39.20	55.90
(Includes feeder road) component of:	(3)	(4.20)	(5.20)	(12.40)
A2. Integrated development programme in food crops and primarily coffee areas	1.50	9.05	12.55	23.10
(Includes feeder road) component of:	(1.50)	(2.50)	(6.0)	(10.0)
A3. Integrated development programme in cattle-raising area Guaka-lower Kotto	-	2.65	1.35	4.0
A4. Feeder roads in the West (cattle area)	0.5	0.50	0.65	1.65
<u>Animal health and disease control</u>				
A5. Rescue of trypano-resistant cattle	-	0.75	0.75	1.50
A6. Urgent disease control	-	0.25	-	0.25
A7. Cattle-watering points in dry areas	-	0.50	-	0.50
<u>Diet and income improvement of rural and urban population</u>				
A8. Bee-keeping development	-	0.85	-	0.85
A9. Chicken and pig breeding-Bangui	-	1.00	0.50	1.50
				/...

Table 5 (continued)

	A	B	C	Total
<u>Training and extension services</u>				
A10. Rehabilitation of agricultural colleges	-	1.00	-	1.00
A11. Extension services strengthening	-	1.00	-	1.00
<u>Disaster-stricken area</u>				
A12. Integrated development programme for the Birao Province	0.25	0.50	7.00	7.75
Total, agricultural sector	5.25	31.75	62.00	99.00

B. Infrastructure, transport and telecommunications

1. Overview

80. Apart from the modern Bangui airport, the Republic's international transport depends on two main routes:

(a) The Bubangui river, to the river port of Brazzaville (Congo) from where goods are carried by rail to the seaport of Pointe-Noire, about 1,815 kms. from Bangui. This waterway can be used only six to seven months a year, the level of the river permitting;

(b) The alternative outlet is the road to the port of Douala (Cameroon) about 1,400 kms. from Bangui. The existing roads are in very poor condition and difficult to use during the rainy season. Transport costs are very high.

81. The internal road network is made up of some 5,000 kms. of "national" roads, 3,880 kms. of "regional" roads and over 12,000 kms. of local rural roads, the latter entrusted to the Ministry of Rural Development. Only 425 kms. are asphalted, the remainder being earth or laterite roads. The Government has inherited a road system in grave danger of complete collapse, due to absence of maintenance of roads, bridges and ferries over the last 10 years.

82. The telecommunication projects are designed to enable the Republic to communicate with neighbouring countries as well as the rest of the world. The equipment of the radio broadcasting system is largely obsolete, about four fifths of it needing urgent repair or replacement. Radio reaches only a small part of the population, within a radius of 150 kms. of Bangui - a situation which hampers

administrative and political integration and does not permit effective education or mobilization of the rural areas for development and rehabilitation endeavours. The telephone system has deteriorated to such a point that the service is practically non-existent. The equipment is outdated, and there are very few technicians to take care of its maintenance.

## 2. Action of the Government

83. In January 1980, the present Government took action to restore normal traffic on the Oubangui river. A new company (SOCTRAF) was set up in association with foreign partners to bring in fresh funds and management experience. The fleet of river vessels has been repaired and adapted to container traffic, while a four-year programme of improvement of port facilities is being implemented. Compared with the first 10 months of 1979, the comparable period of 1980 shows a traffic increase of 19 per cent, i.e. 187,597 tons (import and export) in 1980 versus 157,999 in 1979.

84. The rehabilitation of the road system has been hampered by lack of funds, insufficient maintenance equipment and an acute shortage of spare parts and gasoline. However, the Ministry of Public Works has managed, with external aid, to regravell the minimum of roads indispensable for the collection of cotton and other agricultural products. Special efforts are under way on the Central African segment of the Transafrican Road (Kenya-Nigeria) which is the main east-west artery of the country. The Government acknowledges the importance of maintenance: the Mechanical Equipment Department is being reorganized, training will be strengthened and a special fund has been set up within the national budget and with specific tax earmarking (over \$3.4 million in 1981) to make sure that roads, once reconstructed, will be properly maintained.

## 3. Assistance requirements

### (a) Roads

85. Improvement of some 4,000 kms. of feeder roads in the rural areas, out of a total of 12,000, is considered by the Government as extremely urgent. The roads are included in the programmes of the agricultural sector, and it is hoped that the villagers directly concerned will participate in the effort. As for the primary and secondary roads, four segments have been selected (two of them as part of the urgent rehabilitation programme) because of their outstanding economic interest, especially for connecting Bangui and the cotton and coffee areas or for completing the lifeline to the Cameroon (see map appended).

<u>Project T1.</u>	<u>Total cost:</u>	\$1.8 million
<u>Project T2.</u>	<u>Total cost:</u>	\$0.6 million
<u>Project T3.</u>	<u>Total cost:</u>	\$7.4 million
<u>Project T4.</u>	<u>Total cost:</u>	\$2.1 million

(Technical co-operation, 12 per cent; equipment, 65 per cent; recurrent costs, 23 per cent)

(b) Telecommunications

36. Three projects are recommended. The first, for the broadcasting system, consists in supplying a broadcasting station and related equipment powerful enough to cover the whole territory. The second aims at organizing and equipping in the villages, even in the most remote areas, collective radio listening centres for the education of all groups of the population in all aspects of the reconstruction and development of the economy. The third project deals with the rehabilitation and extension of the telephone system in Bangui.

Project T5. Total cost: \$2.8 million (Building, 20 per cent; equipment, 70 per cent; recurrent costs, 10 per cent)

Project T6. Total cost: \$1.0 million (Equipment, 90 per cent; maintenance, 10 per cent)

Project T7. Total cost: \$1.0 million (Equipment)

Table 6

Needs in the infrastructure, transport, telecommunication sector  
 (In millions of United States dollars)

<u>Roads</u>	A	B	C	Total
T1. Kembé-Bangasson (145 kms.)	-	1.8		1.8
T2. Bossembele-Bozoum (87 kms.)	-	0.6		0.6
T3. Damaara-Bouca (213 kms.)	-		7.4	7.4
T4. Sibut-Sido (323 kms.)	-		2.1	2.1
<u>Telecommunications</u>				
T5. Radio station	-		2.8	2.8
T6. Collective radio listening	-		1.0	1.0
T7. Telephone - Bangui	-	1.0		1.0
Total, Transport sector	-	3.4	7.3	10.7



## C. Mines and energy

### 1. Overview

87. Diamond mining constitutes an important economic activity. The main producing area is the south-west. Private individual diggers, working in small teams, contribute the bulk of the production; private expatriate companies account for less than 10 per cent. There is a diamond-cutting shop but most of the diamonds are exported uncut. The diamond export trade is the country's major export earner, representing about one third of total exports of the country. According to official statistics, the production of diamonds decreased from 600,000 carats in 1968 to 284,000 in 1978, although over this period the average price per carat has risen sharply. Budget revenues deriving from exploitation rights and export taxes tripled between 1975 and 1978. However, the mission was informed that a significant part of the production is smuggled out of the country - the Government estimates that unregistered exports represent 50 per cent of the total output, depriving the Government of some \$4.3 million of revenues annually.

### 2. Energy

88. Only nine provincial towns, not interconnected, are provided with electricity produced by small thermal units, most of them in poor condition. Bangui is supplied by the only hydroelectric plant in the country (Boali I and II) and by six thermal units located in the city itself. The installed capacity in Bangui, 4.5 megawatts, is unable to cope with demand. The distribution system needs urgent repair. Both production and distribution are the responsibility of ENERCA, a State-owned corporation. The hydroelectric energy potential of the country has yet to be evaluated.

### 3. Assistance requirements

89. Among the various projects submitted, the mission wishes to draw particular attention to the three listed below:

(a) The project is to establish, within the University, a Laboratory for Mineral and Geology Research. This would bridge an obvious gap in a country which appears to have additional mineral potential. The project is oriented towards concrete objectives which could rapidly yield new development activities. Trained national staff for the laboratory is available but assistance is required to provide the proposed unit with the necessary building and equipment.

Project M1. Total cost: \$0.2 million (Building, 50 per cent; equipment, 35 per cent; vehicles, 15 per cent)

(b) The two other projects deal with electricity:

(i) One involves the construction of small thermal units and distribution networks in eight provincial towns: Bangassou, Bria, Sibut, Mobaye,

Dekoua, Kaga-Bandoro, Kouango and Boda. Since hospitals, schools and other public institutions are often without electricity, the project will also serve to meet these humanitarian needs.

Project M2. Total cost: \$2.5 million (Electric equipment)

- (ii) The other project is a feasibility study for the creation of a "compensation dam" which will regulate and increase the production of the hydroelectric plant at Boali, especially during the dry season. The investment will enable the increasing demand for electricity in Bangui to be met.

Project M3. Total cost: \$0.5 million (Study)

Table 7

Needs in the mines and energy sectors  
 (In millions of United States dollars)

	A	B	C	Total
M1. Laboratory for Mineral and Geology Research		0.2		0.2
M2. Electrification of eight regional centres		0.5	2.0	2.5
M3. Compensation dam (study)			0.5	0.5
		<u>0.7</u>	<u>2.5</u>	<u>3.2</u>

D. Education and training

1. Overview

90. Primary enrolment (6-14 years of age) was 238,600 in 1977-1978, about 50 per cent of the student age group. In spite of a recent increase in the number of teachers (from 2,696 in 1971-1972 to 3,696 in 1977-1978), the average primary school class has over 65 pupils. Forty-five per cent of the teachers have been poorly trained, the number of classrooms is insufficient and teaching materials are inadequate. The demand for primary education, which is free, cannot be met from the Government budget, either in terms of capital or current expenditures.

91. In 1977-1978, secondary school enrolment was 23,000 in general education and 1,400 in vocational education for the short cycle (four years). There is a

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severe shortage of school facilities, equipment and trained national teachers. For the long cycle (seven years) the lycées dispose of 240 classes for 17,960 students, which means an average of 75 per class. This has contributed to a high drop-out rate. The National University consists of four faculties and three technical institutes. Originally planned for 400 students, the student population has now reached 1,500. Traditionally, the Government has been the principal employer of the educated youth. However, in view of the large budget deficit, such a practice can no longer be continued. The rehabilitation and reconstruction of the economy will require that more emphasis be placed on technical and vocational training at the intermediate level, particularly to meet the needs of rural development, including maintenance of equipment, vehicles and machinery.

## 2. Action by the Government

92. With the assistance of UNESCO and the World Bank, the Government has given consideration to the reform, in the long run, of the education system, involving adapting the primary schools programmes to local conditions and making more extensive use of the broadcasting system to promote adult literacy, improving the productivity of the secondary schools, expanding technical training to meet qualitative and quantitative requirements of the labour market, and diversifying vocational training. Such a programme presupposes a special effort in teacher training at all levels through appropriate institutions. In the short term, the Government intends to focus on the most directly productive actions, such as improving the ratio of teachers/pupils, reducing the drop-out rate, offsetting geographical imbalances between cities and rural areas, rehabilitating classrooms and workshops, and recycling as many teachers as possible. For vocational training, a new structure is being set up, the National Inter-Professional Organization (ONIFOP) for training and refresher courses, which, in close co-operation with the private sector, will sponsor an Inter-Professional Training Centre.

## 3. Assistance requirements

93. The three projects described below have been selected in the category of urgent rehabilitation and reconstruction needs and three in the category of medium/long-term development. The mission considers as urgent needs:

(a) Rehabilitation of existing schools. With the participation to the greatest possible extent, of the population itself, existing schools should be rehabilitated. The needs are not only for buildings but also for furniture and equipment. Out of the 2,700 classrooms for primary education, 1,100 are temporary constructions which require extensive repair every year. The remainder, permanent or semi-permanent structures, have not been properly maintained during the last decade. In all classrooms, there is an acute shortage of desks, benches, blackboards, books and manuals. Textbooks are often shared by three or four pupils.

Project E1. Total cost: \$3.6 million (Building, 70 per cent; equipment, 30 per cent)

(b) Assistance to the Production Unit of the National Pedagogic Institute. The Unit, a technical arm of the Ministry of Education, is responsible for the conception, elaboration and production, locally, of didactic material adapted to the cultural and socio-economic realities of the country. Books, manuals and teaching aids are severely lacking: only 3 per cent of pupils in the primary schools are estimated to have a book at their disposal. Imported materials represent a drain on foreign exchange and are often unsatisfactory. The printing and production of such materials within the country itself would increase their supply and reduce costs by half. The needs to be met by this project consist essentially of photo and printing equipment.

Project E2. Total cost: \$0.9 million (Equipment)

(c) Development of the Technical High School. This high school, the only technical training institute in Central African Republic, was built at Bangui in 1945 to teach middle and upper-level technicians. With an enrolment of 1,044 (Lycée) and 320 (College), it provides training at the medium level, in secretarial work and accounts, general mechanics, electricity, motor mechanics, carpentry and building trades. At the higher level teaching is provided for managers, electro-technicians and civil engineers. Because of neglect over the years, the physical state of the buildings is poor, and the equipment is obsolete or beyond repair. The project aims at rehabilitating the buildings, refitting the machine tools and the workshops, acquiring small tools, technical books and supplies with a view to diversifying the technical fields covered and to adapting training to country manpower needs in the current phase of reconstruction. The project will have a nation-wide impact on the economy and its recovery.

Project E3. Total cost: \$0.9 million (Building, 30 per cent; equipment, 70 per cent)

94. The mission also supports three other projects, in the category of medium and long-term development:

(a) Building of new schools. Taking into account the demographic expansion as well as the necessity of a more balanced geographic distribution, at least 3,000 new classrooms will be needed within the next five years to reduce class congestion. The authorities intend to enlist the co-operation of the villagers, but external assistance will be required since the national budget is unable to meet the costs.

Project E4. Total cost: \$6.5 million (Building, 90 per cent; equipment, 10 per cent)

(b) Construction of a teachers' training centre. The Government estimates that at least an additional 1,000 teachers will be required to enable an adequate standard of primary education to be achieved throughout the country. At present

three training centres, all located in Bangui but with poor working conditions, have a total capacity of 522. These centres do not meet the overall needs. The Ministry of Education has prepared plans for three new centres to be established in the provinces. At least one of the three centres should be established without delay so as to offset part of the teachers' deficit and to provide appropriate facilities for a systematic retraining of teachers now on duty.

Project E5. Total cost: \$2.5 million (Building, 80 per cent; equipment, 20 per cent)

(c) Centre for inter-professional training, ONIFOP. This Centre trains workers for the productive sectors, where there is an acute shortage of skilled labour, especially in food industries, textiles, agro-forestry, domestic and industrial refrigeration. Assistance is required to restore the buildings which are in a state of bad repair, improve on the facilities and re-equip the specialized workshops, all of which are grossly inadequate.

Project E6. Total cost: \$2.4 million (Building, 70 per cent; equipment, 30 per cent)

Table 8

Needs in the education and training sector  
 (In millions of United States dollars)

	A	B	C	Total
E1. Rehabilitation of existing schools		3.6		3.6
E2. Assistance to the Production Unit of the National Pedagogic Institute		0.9		0.9
E3. Technical High School		0.9		0.9
E4. Building of new schools			6.5	6.5
E5. Construction of Teachers' Training Centre			2.5	2.5
E6. Centre for Inter-Professional Training			2.4	2.4
		<hr/>	<hr/>	<hr/>
Total		5.4	11.4	16.8
		<hr/>	<hr/>	<hr/>

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## E. Health

### 1. Overview

95. The objective of the Government consists in restoring as soon as possible the normal functioning of health services. This will involve rehabilitating the existing infrastructure, laying emphasis on primary care, and training medical and para-medical staff. The mission considers the situation in the sector to be close to catastrophic. The network of hospitals, medical centres and rural dispensaries which, according to reports, were relatively satisfactory 10 years ago, is on the verge of complete paralysis. Many buildings have become derelict through lack of maintenance. Fourteen medical centres out of 53 have been forced to close, as well as 15 sub-centres out of 84. Twenty-nine dispensaries out of 204 are also non-operational. The others lack minimum facilities. The mission visited the provincial rural hospital at Mbaiki and found that there were no mattresses or blankets, inadequate surgical and hospital equipment, no water, electricity or food and practically no drugs or medicines. The buildings were in urgent need of repair and the standard of hygiene was deplorable. The mission was informed that the hospital was better than many others in the country. With the exception of Bangui General Hospital, patients have to be fed by their families and in most cases have to buy their own medicines.

96. Officials in the Ministry of Health as well as the Programme Co-ordinator of the World Health Organization (WHO) stressed the gravity of the health situation. The Central African Republic suffers from an extraordinary high rate of infant mortality - 192 per 1,000. Children and adults are affected by gastroenteritis, lung diseases, malaria, measles and water-borne diseases. The absence of clean drinking water, especially in the rural areas, is responsible for the great number of water-borne diseases.

### 2. Action by the Government

97. The basic difficulty is the lack of funds. The hospitals are not in a position to buy drugs, medical aids or food for their patients. The Government has had to rely on international assistance in kind and in personnel. In some cases the Government has not been able to take up offers of assistance because of conditions requiring it to make a counterpart contribution.

98. With the help of international organizations, vaccination campaigns have been initiated, especially with a view to protecting mothers, children and other vulnerable groups. The campaigns, however, have been only partially successful due to inadequate storage facilities, lack of refrigeration, poor condition of access roads to rural areas, inadequate transport, and distribution problems. With the assistance of the United Nations Children's Fund (UNICEF) an important programme to provide drinking water in rural areas has been initiated but more needs to be done if this situation is to be contained and dealt with effectively.

### 3. Assistance requirements

99. In view of the serious situation of the health sector, the mission is of the view that there is ample opportunity and great justification for international assistance in dealing with the country's health problems. The following projects are recommended for international assistance:

(a) Hospital food aid. This project, which must be categorized as humanitarian assistance, is described in chapter V (Food assistance requirements).

(b) Assistance to primary health care in rural areas and medical supplies

(i) This represents a crash programme for providing hospitals and health centres throughout the country with basic medicines, vaccines, medical instruments and equipment, etc., for the improvement and extension of preventive care to vulnerable groups, particularly to mothers and children. A detailed listing of the Government's requirements may be obtained from the Government, WHO, UNICEF or the Office for Special Political Questions.

(ii) The mission's attention was drawn to the problem of storing vaccines which need refrigeration and for the safe-keeping of other medical items. The Government will examine the possibility of converting at least one room in each rural health centre for storage purposes. Although many centres possess refrigerators, they lack funds to purchase kerosene.

Project H2. Total cost: \$3.90 million (Drugs and medicines, 80 per cent; small medical equipment, 20 per cent)

(c) Rehabilitation and extension of general and district hospitals. Fifteen hospitals are involved, five for the district level and 10 at the regional level. All are located outside of Bangui. The hospitals care for roughly 80 per cent of the population and provide a total of 750 beds distributed between general medical services (curative medicine) and surgical services. As a result of past neglect, the quality of the buildings and equipment, hence the quality of the services rendered to patients, is unsatisfactory, with unsanitary and overcrowded living conditions. The assistance required, partly as urgent rehabilitation and partly as medium-term development, aims at the renovation of the buildings (especially repair of the roofs and repairing or installation of electricity and plumbing). In some cases, new surgical units will have to be constructed.

Project H3. Total cost: \$9.1 million (Buildings)

(d) Drinking water supply. Very few urban areas benefit from the drinking water distribution system managed by the "Société Nationale des Eaux" and not everyone has access to such water, which is relatively expensive. In the rural areas, practically all of the 8,000 villages (70 per cent of the population) face difficult problems in terms of potable water: everywhere the quality, and sometimes the quantity available, is less than satisfactory. This situation is responsible

for many diseases affecting the population. The present project aims at strengthening the national agency and establishing, in a first phase, some 380 "water points" providing drinking water. It also provides for setting up, with the participation of the local population, a system of maintenance.

Project H4. Total cost: \$3 million (Technical co-operation, 25 per cent; equipment, 75 per cent)

(e) Control of tropical diseases. Three diseases require particular attention:

- (i) Blindness of various origins affects roughly 1 per cent of the population and strikes especially at children and teenagers. It is estimated by the Ministry of Health that about one third of the cases can be cured by simple surgical operation, provided the diagnosis is established early enough in the development of the disease. The social and economic costs of blindness are high and amply justify an effort for the systematic check-up of children as part of preventive treatment. Equipment and medical supplies are needed.
- (ii) Malaria is the third biggest cause of infant mortality in the Central African Republic and its eradication is an urgent and primary objective. In the first stage the plan is to reduce mortality by expanding chemoprophylaxy to all children up to 12 years and by employing insecticides in the most populated areas of the country. The international community could usefully assist by providing equipment and insecticides.
- (iii) Help is also needed in an effort to curtail the prevalence of schistosomiasis, which is rapidly gaining ground in the Central African Republic. The preventive programme set up by the Government is based on WHO recommendations and is confined to a specific group, particularly vulnerable children between the ages of 6 and 12. The project requires transport, medicines and equipment, as well as the services of one or two consultants.

Project H5. Total cost: \$0.9 million (Technical co-operation, 25 per cent; drugs and vaccines, 35 per cent; equipment 40 per cent)

(f) The Government is concerned by the extraordinarily high rate of infant mortality in the country. Improving on the situation represents a first priority in the framework of a general policy in favour of mother and child care. The problem is compounded by the lack of a precise analysis of the causes of that mortality. It is proposed that a survey be carried out in Bangui and in selected rural areas. This will offer the possibility of looking into the causes and of deriving from the observations collected a better strategy to reduce infant mortality.

Project H6. Total cost: \$0.6 million (Technical co-operation, 45 per cent; vehicles, 55 per cent)



Table 9

Needs in the health sector  
 (In millions of United States dollars)

	A	B	C	Total
H1. Hospital food aid	0.09			0.09
H2. Assistance to primary health care in rural areas	3.90			3.90
H3. Rehabilitation and extension of general and district hospitals		7.1	2.0	9.1
H4. Drinking water supply	1.0	2.0		3.0
H5. Control of tropical diseases			0.9	0.9
H6. Survey of infant mortality		0.6		0.6
Total	<u>4.99</u>	<u>9.7</u>	<u>2.9</u>	<u>17.59</u>

F. Social affairs

1. Overview

100. The mission fully shares the views of the Government on the importance to be attached to a community development approach, in both rural and urban areas. Within such an approach, special attention will be paid to the integration of women in development and to the problems of youth; this is consistent with the policy expressed by the President of the Republic in October 1979 and confirmed in the Development Plan, 1980-1981.

2. Action of the Government

101. Experience has already been gained through a project in community development. At the central level, within the Ministry of Health, a new Unit has been set up for "Human Promotion". Some 130 villages have established community development schemes, integrating economic and social activities. UNICEF has assisted them by providing some equipment. Plans have been prepared to create 11 centres in Bangui and in the provinces to train people in community development matters, as part of an integrated rural development programme.

3. Assistance requirements

102. There is scope for substantial assistance by the international community in this field. The mission supports the two following projects which are of special interest to the country:

(a) Assistance to community development. The Government is in a position to call upon young volunteers to help in the "animation" of the villages and in organizing community activities. However, it lacks the funds to purchase the minimum of equipment and vehicles indispensable for the launching of such activities. Assistance is also required to train, by way of seminars or workshops, the needed community leaders. It is hoped that the international community will provide the necessary equipment as well as some fellowships and thereby contribute to a self-help scheme.

Project S1. Total cost: \$0.5 million (Technical co-operation, 30 per cent; equipment, 70 per cent)

(b) Centre for the handicapped. A census of handicapped persons carried out by the Organization for Handicapped People (ONAPHA), established in 1980, found that there were more than 6,300 handicapped persons in Bangui and its suburbs alone. The present project aims at the creation of a centre for the rehabilitation and technical training of some 200 handicapped persons each year. Through such activities as handicrafts, gardening and poultry breeding, the centre could become self-supporting in a short time. Similar centres could also be created, at a later stage, in other parts of the country where the problem is as acute as it is in Bangui. The mission very much hopes that, in this International Year of Disabled Persons, the international community will respond to this humanitarian need by financing the construction of the centre.

Project S2. Total cost: \$0.5 million (Building, 60 per cent; technical co-operation, 20 per cent; equipment, 20 per cent)

Table 10

Needs in the social affairs sector  
 (In millions of United States dollars)

	A	B	C	Total
S1. Assistance to community development		0.5		0.5
S2. Centre for the handicapped	0.5			0.5
Total	<u>0.5</u>	<u>0.5</u>		<u>1.0</u>

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Table 11

Recapitulation of needs - all sectors  
(In millions of United States dollars)

	A	B	C	Total
Agriculture and livestock	5.25	31.75	62.00	99.00
Infrastructure, transport, telecommunications		3.40	7.30	70.70
Mines, energy		0.70	2.50	3.20
Education and training		5.40	11.40	16.80
Health	4.99	9.70	2.90	17.59
Social affairs	0.50	0.50		1.0
World Food Programme logistics	0.50			0.50
Total	<u>11.24</u>	<u>51.45</u>	<u>86.10</u>	<u>148.79</u>

## V. FOOD ASSISTANCE REQUIREMENTS

103. The Government informed the mission that because of the large external trade deficit and the grave budgetary crisis, the country requires international assistance, either in cash or in kind, to meet its needs of imported food staples as well as to provide food to vulnerable groups in hospitals, schools, kindergartens and mother and child care centres. The mission strongly supports the Government's request for assistance in all these areas.

104. Although the population is able to grow sufficient manioc, sorghum and other cereals to meet its needs, the average person suffers from severe nutritional deficiencies as a result of an unbalanced diet. This is particularly the case with vulnerable groups.

105. In addition to the assistance provided under the World Food Programme (WFP) development assistance scheme (4,782.5 tons have already been distributed in the framework of ongoing projects), the European Development Fund has been the only other significant contributor of food. In order to assist the Government with internal transport and handling costs, WFP has approved a budget of \$US 174,964.

### A. Assistance to vulnerable groups

106. Donations of food are required for vulnerable groups within the country in support of the following humanitarian programmes: (a) pre-school feeding; (b) feeding schemes in "collective promotion" schools; (c) food assistance to mother and child health centres; and (d) hospital feeding.

107. The World Food Programme has already initiated a programme of assistance to vulnerable groups in the Central African Republic, namely pre-school feeding for 10,800 beneficiaries, school feeding for 13,400 students and hospital feeding for 1,600 patients. The Ministry of Public Health indicated to the mission a need for additional supplementary food aid (114.3 tons) for the hospitals due to the lack of funds to make local purchases of necessary food items. The food would be distributed to 650 patients in the hospital in the capital and to 560 patients in regional hospitals. A consolidated feeding project (presently under formulation) would include food assistance to "collective promotion" schools, kindergartens and mother and child health centres.

108. Because of difficulties in organization, communications and accessibility, the food assistance programme presently in force has been confined to the capital and the principal rural centres. Undoubtedly, new needs will be identified and additional requests for food assistance formulated following the rehabilitation and reconstruction of roads and communications in the outlying areas.

109. The execution of ongoing WFP projects has been severely hampered by inadequate transport and storage facilities. The Government informed the mission that, in view

of the country's very critical financial situation, it is unfortunately not in a position to fulfil its obligations for the execution of WFP food distribution. In order to prevent the distribution programme from coming to a standstill, the following logistical support is urgently required: (a) provision of three 10 to 12-ton trucks and funds for maintenance and running costs; (b) construction of three regional storage warehouses each of 200 to 250-ton capacity, to be located in the three up-country distribution centres at Bouar, Botangafo and Bambari; maintenance of the central warehouse and construction/repair of 20 regional warehouses (the lack of storage capacity has been a major obstacle to the implementation of the programme); (c) reinforcement of the staff of WFP, including recruitment of United Nations volunteers; and (d) funds for programme management and purchase of kitchen equipment. These needs have been brought to the attention of WFP. The mission strongly recommends that the international community should provide the necessary operational funds (estimated at \$US 500,000) so that the programme can be effective in reaching beneficiaries.

B. Assistance to training, agricultural production, community development and food-for-work activities

110. Assistance in kind is also required to provide food during training sessions in agricultural production centres, and for activities in the field of community development and for "food-for-work" programmes.

111. The World Food Programme has already implemented a food assistance programme covering (a) training programmes for community development workers and farmers; (b) food-for-work activities; and (c) agricultural training and rural development activities. The proposed consolidated feeding project, referred to in paragraph 107, would include food assistance to community development centres, integrated rural development activities as well as community development works (such as the construction of 300 wells and a number of roads). The mission recommends that the Government should submit the request, taking into account the logistical problems, as indicated in paragraph 109.

112. The exceptional conditions prevailing in the country necessitate a food aid programme for vulnerable groups: the Government, as soon as it is able to overcome the present financial crisis, will make the necessary efforts to reassume its responsibility for these groups, so that the scope of food aid to "food-for-work", integrated rural development and training activities might be enlarged.

C. Emergency food aid

113. To meet the situation created by the presence of an increasing number of refugees from Chad, the mission recommends that the Government submit a request for the rehabilitation and settlement of the refugees as soon as possible. Emergency food aid for 6,100 refugees from Chad (of 6 months' duration, with a value of \$257,000) has already been approved by the Director-General of FAO.

114. In view of the consecutive droughts in the prefecture of the Vakaga, (north-eastern part of the country), the present estimate of emergency food needs for 2,000 people for the coming two years is about 465 tons. The Government has submitted a request for an FAO/WFP mission to assess the situation more fully.

D. Balance-of-payments support

115. Based upon statistics for 1979 and 1980, imports of wheat flour, edible oils and sugar, together with transport costs, amount annually to over \$5 million. It would be of substantial assistance to the country if these food needs could be met, either wholly or in part, by donors over the next few years as a contribution towards reducing the large external trade deficit.

E. Summary of food assistance requirements

116. The following table summarizes the requirements for a programme of food assistance:

	<u>\$US (estimates)</u> <u>f.o.b. values</u>
1. Additional food assistance for hospitals	90,000 <u>a/</u>
2. Food assistance, Vakaga	250,000 <u>a/</u>
3. Operational funds	500,000
4. Consolidated feeding project	under formulation
5. Settlement of refugees from Chad	N.A.
6. Balance-of-payments support	5,000,000 per annum
7. Logistical support: trucks, storage space etc.	N.A.

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a/ In order to cover transport and insurance costs, an average of 55 per cent should be added to these estimates.

## VI. ASSISTANCE PROVIDED BY THE UNITED NATIONS SYSTEM

117. A technical co-operation programme between the United Nations system and the Central African Republic has been in operation since the country attained independence.

### Agriculture, livestock, fisheries and wildlife

118. FAO is executing, with financing from the United Nations Development Programme (UNDP) amounting to approximately \$2.5 million, a large-scale programme of agronomic research and production of selected food crop and vegetable seeds.

119. Under its regular budget, FAO has contributed \$425,000 towards two projects aimed at creating and operating a laboratory for soil analysis and at reducing foodcrop losses.

120. With UNDP financing of approximately \$800,000, FAO is executing a project which has led to the eradication of cattle pluripneumonia and to the identification of other animal diseases. With a United Nations Capital Development Fund (UNCDF) grant of \$460,000, FAO launched a livestock health care project. The project is continuing on a large scale with World Bank and other external donors' financing, amounting in all to \$14 million.

121. The UNDP has been financing, over a period of several years, fish culture development activities. A large fisheries project will start in April 1981, with contributions as follows: UNDP, \$2.3 million; UNCDF, \$1.1 million; UNICEF, \$300,000; Government of the Netherlands, \$385,000; Peace Corps, 15 volunteers.

122. A FAO-executed project of \$750,000 in the field of wildlife management is at present being financed by UNDP.

### Education and vocational training

123. The United Nations Educational, Scientific and Cultural Organization (UNESCO) is providing technical assistance to the Institut Pédagogique National through a UNDP-financed project of \$1.2 million. A UNCDF grant of \$990,000 will help to expand facilities for the primary education level.

124. The International Labour Organisation (ILO) is providing assistance to the Centre Interprofessionnel de Formation et de Perfectionnement (CIFF). The project provides a direct link between training and employment and involves close co-operation between Government, employers and labour.

### Industry

125. The United Nations Industrial Development Organization (UNIDO) is executing a programme of technical assistance financed by UNDP (\$332,000) which includes the provision of the services of an expert attached to the Ministry of Commerce and Industry.

### Health

126. A WHO Co-ordinator assists the Ministry of Health in planning activities. In co-operation with the United Nations Fund for Population Activities (UNFPA) and UNICEF, WHO is also undertaking activities in the field of maternal and child care. WHO and UNICEF participate in the training of medical and paramedical personnel.

127. Immunization campaigns against tuberculosis and tetanus for pregnant women are being undertaken with the assistance of the French Aid and Co-operation Fund (FAC) and UNICEF.

128. UNICEF will finance a programme of assistance in a variety of areas including health, amounting to approximately \$4.2 million.

### Population

129. UNFPA has financed the following three main projects:

(a) Population census: To undertake the first general population census of the country. Contribution: \$1,100,000.

(b) Civil registration: To establish the necessary data base for all civil registration matters. Contribution: \$442,000.

(c) Demographic sample survey: To collect demographic data at regional and subregional levels. Contribution: \$148,000.

### Humanitarian assistance

130. The World Food Programme provides food for the most vulnerable groups of people in the country. The Programme also makes available food to the Government to help in its rehabilitation and reconstruction efforts. The total value of the food assistance provided amounts to \$6.5 million. A further \$174,000 is provided as in-country transport subsidies. WFP has also supplied a 7-ton lorry for the transportation of the food products.

131. An exceptional and emergency request for 385 tons of food products to 6,100 refugees from Chad for six months has been approved by WFP.

### Social and economic planning

132. Through the Department of Technical Co-operation for Development of the Secretariat and with UNDP financing of \$1.1 million, a technical assistance programme to the Ministry of Planning is being implemented.

### Infrastructure

133. The UNDP financed a pre-feasibility road study Sibut-Bambari amounting to



\$400,000. The study has been completed and is being submitted for external financing.

134. The International Civil Aviation Organization (ICAO) has undertaken a programme for the training of nationals and the reorganization of technical services in the field of civil aviation costing approximately \$500,000 financed by UNDP.

United Nations Volunteers programme

135. The United Nations Volunteers programme provides technical assistance in the fields of agriculture, fisheries, livestock and education. The Minister of State for Planning and Finance informed the mission that the Government required additional volunteers, particularly those with building, mechanical or other technical skills.

## VII. SUMMARY OF CONCLUSIONS

### A. Financial crisis

136. The country is in acute state of financial imbalance, with a very substantial budget deficit (close to CFAF 10 billion (\$47.6 million) in 1980 before inclusion of grants), a large public debt estimated at over \$200 million, and a large deficit on the balance of goods and services in external trade. At the same time, there is a critical need for capital investment in virtually all sectors of the economy if the country is to be rehabilitated socially and economically.

137. The mission therefore recommends the following types of assistance to help the Government to cope with the critical financial situation:

(a) Budgetary assistance in cash or in kind, at least until results can be realized from the Government's programmes of budgetary austerity and fiscal reform.

(b) The waiving of counterpart costs involved in donor-assisted projects. It has unfortunately been the case that because of the country's inability to finance local costs, it has not been possible to implement fully some donor-assisted projects.

(c) The financing, wholly or in part, of the recurrent costs of donor-assisted projects at least for an initial period after their completion. Without assistance of this kind, it may not be possible in all cases for the country to realize the benefits which the projects were designed to produce.

(d) The provision of project assistance on a grant basis wherever possible or at least on very concessional terms.

(e) Moratoria on public debt wherever possible.

(f) Food assistance to help the country meet its needs of imported food staples, as well as to provide food to special groups within the country, including vulnerable groups in hospitals, schools, kindergartens, and mother and child care centres and an estimated 6,500 refugees from Chad in the country. Food aid is also required to support activities in the areas of agricultural production and community development and food-for-work programmes. Assistance in the form of such food staples as wheat flour, edible oils and sugar could save the country some millions of dollars annually in commercial imports during this difficult period.

(g) Commodity assistance to replace other essential items imported, such as tools, equipment and parts.

B. Humanitarian and rehabilitation needs

138. In consultation with the Government, the mission drew up a list of projects necessary to meet some of the Central African Republic's urgent humanitarian needs and help in the rehabilitation and reconstruction of vital sectors of the economy. These are described in section IV of the present report. The recommended programme has been classified under three headings: immediate humanitarian aid; urgent rehabilitation and reconstruction projects; and medium and long-term development projects. Tables 5 to 10 list the individual projects, by sector and category, and provide cost estimates. Table 11 summarizes the recommended programme, by sector and category.

139. To meet immediate humanitarian needs, \$11.24 million are required. In addition, food assistance is needed for vulnerable groups in the country as well as to assist in training, agricultural production and food-for-work activities, as well as to provide emergency food aid and reduce the burden of imports. Logistical support for the distribution of the food is urgently needed.

140. To meet the country's urgent rehabilitation and reconstruction needs, a programme of assistance amounting to \$51.45 million is recommended. About 60 per cent of this total is allocated to the development of agriculture and livestock.

141. For the medium and long-term development of the country, a programme of assistance amounting to \$86.1 million is recommended.

142. The Government of the Central African Republic has estimated that, even with the assistance which it has requested from the international community, it will take at least five to seven years of hard, well-planned work to restore the economy to its 1970 level.

143. A summary of the recommended programme, by sector, is given below:

Rural development (agriculture, forestry, livestock)

The recommended programme of assistance includes projects for the development of food and export crops, animal health and disease control, diet and income improvement, training and extension of services, and an integrated rural development programme for the disaster-stricken Birao province. These projects should result in an improvement of nutrition standards, rising income for a majority of the population and a rapid increase in exports. The rehabilitation and construction of rural roads has been singled out as of paramount importance for the recovery of the agricultural sector.

### Transport and telecommunications

The Central African Republic is land-locked "internally and externally". Four road segments are included in the programme recommended for external assistance. They are economically important since they either connect Bangui to the main cotton and coffee areas or represent the lifeline to the United Republic of Cameroon. The telecommunications projects are indispensable tools for education (broadcasting system) and for business (Bangui telephone).

### Mining and industry

The projects in this sector aim at:

(a) Rehabilitating the Office for Mineral and Geology Research, which could play an important role in developing new economic activities;

(b) Developing energy production and distribution in eight provincial towns and carrying out a feasibility study for the construction of a new hydro-electric dam.

### Education

The educational infrastructure has been long neglected and there is urgent need for rehabilitation of most primary schools. There is also an urgent need for producing locally the manuals and teaching aids which are lacking, and for refitting the obsolete equipment of the Technical High School. In the medium term, new schools should be added, more teachers should be trained in a new training centre and more workers should acquire or develop appropriate skills to meet the demand of the economy. These projects, if assisted by the international community, could contribute significantly to raising the level of education.

### Health

The recommended programme stresses the humanitarian needs for medical supplies, hospital food aid and primary health care in rural areas. All three projects are devised to help relieve human suffering, while four other projects aim at rehabilitating hospitals, controlling tropical diseases, providing clean drinking water and surveying the problems of infant mortality.

### Social affairs

Two projects are recommended. These will provide assistance to a centre for the handicapped - a humanitarian undertaking - and to community development activities which are expected to enhance the contribution of the population to the country's development.

APPENDIX

Map of the Central African Republic

