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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE:
SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

Assistance to the Central African Republic

Report of the Secretary-General

1. In its resolution 38/211 of 20 December 1983, the General Assembly requested the Secretary-General to keep the situation in the Central African Republic under constant review. The Secretary-General was further requested to report on the progress made in the economic situation of the Central African Republic and in organizing and implementing the special programme of economic assistance for that country in time for the matter to be considered by the General Assembly at its thirty-ninth session.
2. In pursuance of the resolution, the Secretary-General, in consultation with the Government of the Central African Republic, arranged for a review mission to visit the country in June 1984. The report of the mission, which is annexed hereto, reviews the economic situation in the Central African Republic, taking into account recent economic performance and problems, describes the status of the special programme of economic assistance in terms of both resource mobilization and project implementation, and analyses current needs for external resources.
3. In paragraph 6 of resolution 38/211, the General Assembly renewed its appeal to appropriate organs, organizations and programmes of the United Nations system to assist in the development of the Central African Republic. Their activities in this regard will be included in a separate report of the Secretary-General to the thirty-ninth session of the General Assembly covering all countries for which a special programme of economic assistance has been organized.

* A/39/150.

ANNEX

Report of the mission to the Central African Republic

(9-16 June 1984)

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I. INTRODUCTION

1. At its thirty-eighth session, the General Assembly considered the report of the Secretary-General on assistance to the Central African Republic (A/37/131) and in resolution 38/211 of 20 December 1983, while expressing its appreciation to those Member States and international organizations which have contributed assistance to the Central African Republic, the General Assembly appealed again to Member States, the appropriate organs, organizations and programmes of the United Nations system, regional and interregional organizations and other intergovernmental and non-governmental organizations, as well as international financial institutions, to assist in the development of the Central African Republic through bilateral and multilateral channels, as appropriate.

2. In the same resolution, the Secretary-General was requested to report on the progress made in the economic situation of the Central African Republic and in organizing and implementing the special programme of economic assistance for that country in time for the matter to be considered by the General Assembly at its thirty-ninth session.

3. The Secretary-General, in consultation with the Government of the Central African Republic, arranged for a review mission to visit the Central African Republic from 9 to 16 June 1984.

4. Preparatory work for the mission was carried out by the Ministry of Planning of the Central African Republic and the Resident Co-ordinator of the United Nations System's Operational Activities for Development/Resident Representative of the United Nations Development Programme (UNDP).

5. The mission worked closely with the staff of the Ministry of Planning and, in particular, with the High Commissioner of that Ministry, who is responsible for monitoring the implementation of the special programme of economic assistance, as well as for the staff of the Ministry of Finance and the following technical ministries: Rural Development, Public Works and Urbanization, Public Health and Social Affairs, Transport and Aviation, and National Education. The mission also held discussions with the Minister of Foreign Affairs and Co-operation. Consultations were also held with the local representatives of the donor community.

6. The mission would like to express its appreciation for the assistance and full co-operation it received in the conduct of its review from the Government of the Central African Republic, the local representatives of the donor community, the Office of the United Nations Development Programme (UNDP) and the representatives of various United Nations agencies operating in the country.

II. REVIEW OF THE ECONOMIC SITUATION

A. General

7. The Central African Republic is a land-locked country surrounded by Cameroon on the west, Chad on the north, the Sudan on the east and by Zaire and the Congo on the south. It covers an area of 620,000 square kilometres, with an estimated population of 2.3 million. The Central African Republic has been classified as a least developed country by the United Nations.

8. Transportation to the outside world poses serious problems. Exports and imports are carried over a distance of 1,400 kilometres by land to or from the Port of Douala in the Cameroon, or by the River Oubangui-Congo over a distance of 1,300 kilometres to or from Brazzaville and onwards by rail for a further distance of 510 kilometres to or from the sea port of Pointe-Noire.

9. The difficulties of transportation by road are aggravated by heavy rains during the almost six-month rainy season which lasts from May/June to November. The roads are not constructed to withstand heavy rainfall and therefore become flooded and often impassable. During the dry season, from December to about April/May, transportation by river is complicated by the shallowness of the rivers, which renders traffic by barge difficult, if not impracticable. The cost of road construction and maintenance, combined with the cost of the purchase, maintenance and repairs of vehicles, imposes a severe financial burden on the already weak economy of the country.

10. Agriculture is the mainstay of the economy. The country's main exports are coffee, cotton, timber, tobacco and diamonds. There is a potential export market for oleaginous crops (i.e. palm products). Most of the country's food requirements are produced locally (i.e. cassava, yams, maize, rice, ground-nuts, millet, vegetables, sesame) and cattle breeding is sufficient for domestic needs.

B. The impact of drought

11. The Central African Republic suffered from a catastrophic drought that lasted from November 1982 to the end of May 1983 and had adverse effects on all the sectors of the economy. As regards agricultural production of manioc, the main staple food declined significantly, with consequent implications for the welfare of large numbers of the population. The coffee crop was also seriously affected. Losses were sustained in the cultivation of rice and the catch of fish from rivers and fish-ponds. Outbreaks of rinderpest in the neighbouring countries infected the country's stock of cattle and the Government had to organize an extensive vaccination campaign. In addition, the dryness of the vegetation and lack of rainfall brought about numerous bush fires that destroyed many plantations as well as extensive areas of high forest. A mission carried out in 1983 by the Office for Special Relief Operations of the Food and Agriculture Organization of the United Nations (FAO/OSRO) reported that as a result of drought, bush fires and pests, there was considerable loss of crops, particularly affecting small farmers. The mission concluded that full recovery of agricultural production could not be

achieved before mid-1984. Accordingly, the Central African Republic has been included on the list of countries in need of exceptional international assistance drawn up by FAO's World Food Programme (FAO/WFP).

12. The industrial sector suffered from shortages of electricity and water. Trade and transport were seriously affected by the interruption of river navigation. Infantile diseases increased significantly as a result of the shortage of clean drinking-water. The general slow-down in economic activity resulted in loss of fiscal revenues and declining output contributed to worsening budgetary and balance-of-payments deficits.

C. Government policy

13. Notwithstanding these difficulties, the Government has since 1981 been endeavouring to establish conditions for improving the economic situation of the country and for restoring the confidence of the international financial community in the development potential of the country. A short-term socio-economic recovery programme was designed to rehabilitate the country's productive and administrative systems through a package of austerity measures aimed at reducing government bureaucracy, providing incentives for private sector development and formulating and implementing an integrated rural development strategy. The strategy aimed at diversifying and substantially increasing food and cash-crop production, as well as effectively integrating the rural population into the country's socio-economic development process.

14. That recovery programme was followed by a three-year rehabilitation action plan covering the period 1983-1985, with measures designed primarily to improve:

(a) Agro-pastoral development with regard to food and cash crops, forestry, livestock, fisheries and hunting of wildlife;

(b) Rural infrastructure, in particular transport (including the construction of secondary and agricultural feeder roads), sanitation systems and water supply at the village level, social services, the education system and public health and nutrition.

15. Several projects are under way for the achievement of these objectives, most of them with external assistance from both bilateral and multilateral sources.

16. The 1982-83 drought has, however, set back several of the production and development targets. It is estimated, for instance, that it would take the average coffee farmer about four years to make up the losses sustained as a result of the drought.

D. National accounts

17. Gross domestic product (GDP) in current prices increased from 213,731 million CFA francs in 1982 to 236,235 million in 1983 (a 10.6 per cent increase). A further increase of 12 per cent was expected in 1984 and an 11 per cent increase

for 1985. However, in constant prices, the economy experienced a very modest growth of 1.8 per cent in 1981, 2.2 per cent in 1982 and a decline of 2.4 per cent in 1983, mainly as a result of the drought. Given an estimated annual population growth rate of about 23 per cent, per capita GDP has declined over this period. It is estimated that the economy recovered substantially in 1984 and recorded a growth of 2.9 per cent.

Table 1

Gross domestic product

(At 1978 prices, million of CFA francs) a/

| | 1981 | 1982 | 1983 | 1984 <u>b/</u> | 1985 <u>c/</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Agriculture, forest, fisheries, hunting | 51 001 | 52 342 | 49 283 | 50 106 | 52 926 |
| Mining | 13 591 | 12 028 | 11 412 | 11 531 | 11 531 |
| Manufacturing industries | 9 690 | 9 716 | 9 386 | 9 879 | 9 790 |
| Water, electricity | 895 | 940 | 903 | 977 | 997 |
| Public works, buildings | 3 654 | 3 897 | 4 553 | 5 056 | 5 172 |
| Commerce | 19 865 | 20 098 | 19 488 | 20 422 | 21 041 |
| Transport, telecommunications | 4 890 | 5 083 | 4 873 | 5 034 | 5 209 |
| Public services | 22 068 | 22 940 | 23 772 | 23 527 | 23 565 |
| Services | 5 998 | 6 254 | 6 068 | 6 820 | 7 020 |
| Customs duties, etc. | <u>7 313</u> | <u>8 667</u> | <u>8 771</u> | <u>9 157</u> | <u>8 974</u> |
| Total | <u>138 965</u> | <u>141 965</u> | <u>138 508</u> | <u>142 509</u> | <u>146 225</u> |
| Growth rate (percentage) | <u>1.8</u> | <u>2.2</u> | <u>-2.4</u> | <u>2.9</u> | <u>2.9</u> |

Source: Planning Commission.

a/ Exchange rate: 1981 (Dec.).....283 = US\$ 1.00
1982 (Dec.).....343
1983 (Dec.).....413
1984 (June).....420

b/ Estimates.

c/ Projections.

E. Agriculture

18. The agricultural sector accounts for approximately one third of the GDP. It is estimated that as a result of the drought, 1983/84 production of staple crops declined significantly, due almost entirely to a reduction of nearly 25 per cent in manioc production. This has had a serious negative impact on the rural population. With regard to export crops, a good cotton harvest compensated to some extent for the losses sustained in the coffee areas affected by the drought. Nevertheless, according to statistical forecasts, the net effect will be to decrease earnings by over 40 per cent in 1984.

Table 2

Agricultural production

(Millions of tonnes)

| Crop | 1980/81 | 1981/82 | 1982/83 | 1983/84 <u>a/</u> |
|-----------------------|---------|---------|---------|-------------------|
| <u>Staple crops</u> | | | | |
| Manioc | 257.5 | 272.5 | 272.1 | 208.0 |
| Ground-nuts | 123.5 | 124.6 | 126.6 | 130.0 |
| Maize | 40.9 | 46.1 | 48.2 | 33.5 |
| Sorghum | 46.1 | 54.7 | 57.0 | 57.0 |
| Sesame | 11.3 | 11.1 | 10.9 | 11.0 |
| Rice | 13.0 | 11.8 | 12.2 | 12.0 |
| Potatoes | 0.5 | 0.5 | 0.5 | 0.5 |
| Vegetables and fruits | 100.0 | 100.0 | 100.0 | 100.0 |
| Palm products | 1.0 | 1.0 | 1.0 | 1.0 |
| <u>Export crops</u> | | | | |
| Cotton | 22.6 | 17.3 | 28.5 | 32.0 |
| Coffee | 16.8 | 17.0 | 17.1 | 10.0 |
| Tobacco | 1.2 | 1.2 | 1.2 | 0.5 |
| Rubber | 0.4 | 0.3 | 0.2 | 0.1 |

Source: Planning Commission.

a/ Estimates.

F. Public finance

19. One of the most serious problems facing the country is the need to reduce the budgetary deficit. The Government is making a serious effort to improve the collection of revenues and to restrain recurrent expenditures, with the aim of eliminating the deficit by 1986. In 1983, revenues were able to fund 92 per cent of recurrent expenditures and 84 per cent of total expenditures.

Table 3**Budgetary revenue and expenditure a/****(Billions of CFA francs)**

| | 1983 | 1984 |
|---------------------------------------|--------------------|--------------------|
| <u>Total budgetary revenue</u> | <u>36.2</u> | <u>38.3</u> |
| Fiscal revenue | 30.9 | 35.2 |
| Non-fiscal revenue | 5.3 | 3.1 |
| <u>Total expenditure</u> | <u>43.2</u> | <u>41.4</u> |
| Recurrent expenditure | <u>39.4</u> | <u>37.6</u> |
| Capital expenditure | <u>3.8</u> | <u>3.8</u> |
| Deficit | <u>-7.0</u> | <u>-3.1</u> |

a/ Estimates.

20. On the expenditure side, the number of public employees was reduced by 1,000 in 1983. Salaries of public employees have been maintained at a constant level since 1982. Government has taken measures to liquidate several public enterprises that have had constant deficits over recent years, and to turn over to the private sector several activities which were previously under public sector management.

21. With regard to revenue, efforts are being made to improve collection. It is estimated that in 1983 at least 750 million CFA francs were lost because of weaknesses in revenue collection and fiscal management. In addition, there are difficulties in controlling the commercialization of diamonds. It is estimated that approximately 50 per cent of diamond production is smuggled out of the country.

G. Balance of payments

22. The balance of payments is characterized by a deficit in the trade balance, large net service payments primarily related to transportation and significant public transfers. In 1983, the overall deficit was 3.4 billion CFA francs, down 50 per cent from the previous year. This reflects an almost 19 per cent increase in principal exports (diamonds, coffee, timber and cotton). In spite of the drought, it is forecast that exports will continue to expand in 1984, in particular diamond and cotton exports, and that the overall deficit will be between 3.0 and 3.2 billion CFA.

23. With the assistance of the International Monetary Fund (IMF), the Government has adopted several measures aimed at improving the balance-of-payments situation.

Table 4

Balance of payments

(Billions of CFA francs)

| | 1981 | 1982 | 1983 | 1984 <u>a/</u> |
|-------------------------|-------------|-------------|-------------|----------------|
| Exports | 34.5 | 36.7 | 43.6 | 48.3 |
| Imports | -42.4 | -49.2 | -52.1 | -55.5 |
| Trade balance | -7.9 | -12.5 | -8.5 | -7.2 |
| Services (net) | -11.6 | -25.9 | -29.8 | -29.1 |
| Private transfers (net) | -3.8 | -5.6 | -5.8 | -6.0 |
| Public transfers (net) | 22.3 | 28.7 | 26.5 | 27.3 |
| Private capital (net) | 1.7 | 5.6 | 3.8 | 4.0 |
| Public capital (net) | 1.2 | 3.3 | 5.2 | 7.8 |
| Other capital | -0.3 | 2.1 | -1.8 | 0.0 |
| Special drawing rights | 0.5 | - | 2.6 | 0.0 |
| Errors and omissions | -3.4 | -2.5 | 4.4 | 0.0 |
| Overall balance | <u>-1.3</u> | <u>-6.8</u> | <u>-3.4</u> | <u>-3.2</u> |

a/ Forecast.

H. Debt situation

24. The country is faced with a serious problem of debt and debt service obligations. The total of public and publicly generated external debt which amounted to 63 billion CFA in 1982 increased to 90.8 billion CFA by the end of 1983. Debt service increased from 5.5 billion CFA to 6 billion CFA in 1983 and is expected to reach 7.8 billion CFA in 1984. This represented 15 per cent of export earnings in 1982, 13.8 per cent in 1983 and 16 per cent in 1984.

/...

25. Because of its economic difficulties, the country was faced in 1983 with debt repayment arrears amounting to over 5 billion CFA. This matter has been the subject of bilateral negotiations in the context of the Paris Club. Some of the arrears have been written off (mainly by France and the Federal Republic of Germany) and others rescheduled (15 per cent of outstanding arrears to be paid off by 1985 with the balance scheduled over the subsequent 5 years).

26. Despite its serious efforts to meet its debt obligations, the Government believes that further debt rescheduling will be necessary in 1984.

III. REVIEW OF THE SPECIAL PROGRAMME OF ECONOMIC ASSISTANCE

A. General

27. The first United Nations mission to the Central African Republic, organized in response to General Assembly resolution 35/87 of 5 December 1980, identified 37 projects for the special programme of economic assistance, as indicated below.

Table 5

Special programme of economic assistance for the
Central African Republic (1981)

(Thousands of dollars)

| | |
|--|-----------------------|
| Agriculture and livestock (12 projects) | 99 000 |
| Infrastructure, transport and telecommunications (7 projects) | 10 700 |
| Mines and energy (3 projects) | 3 200 |
| Education and training (6 projects) | 16 800 |
| Health (6 projects) | 17 590 |
| Social affairs (2 projects) | 1 000 |
| World Food Programme logistics | 500 |
| Total | <u>148 790</u> |

28. Information on the implementation of the programme, is contained in the Secretary-General's reports (see A/36/183, A/37/131 and A/38/216) submitted to the General Assembly following review missions organized by the Secretary-General in response to the relevant General Assembly resolutions (see resolutions 35/87, 36/206 and 37/145).

29. In June 1982, the Government reported that of the 37 projects in the programme, 14 projects had been fully funded at a total estimated cost of \$119,167, covering agriculture, livestock, education, transport and communications, and energy; 6 projects estimated at \$40,190,000, covering health and social services,

energy and agro-based industries, had received partial funding; 2 major food-aid projects were receiving support from the World Food Programme (WFP) and various other donors; 2 projects relating to feeder roads in the west cattle area (A-4) and cattle watering points in dry areas (A-7) were merged into integrated rural development programmes; 2 projects, relating to urgent disease control (A-6) and building of new schools (E-4), were withdrawn by the Government; and 11 projects estimated at \$69,823,529, covering agriculture, livestock, health and social services, minerals and telecommunications, had not received any funding.

30. As indicated in the following table, since 1982 the situation has improved significantly. By June 1984, out of the 17 projects which were awaiting external assistance in 1982, 6 had been fully funded; 5 partially funded; 2 had good funding prospects; 2 had not received any financing; and 2 projects had been withdrawn by the Government.

Table 6

Financial and implementation status of the projects in the 1982 special programme
of economic assistance requiring external assistance

(Thousands of dollars)

| Sector/project | Total | | Funding Acquired | Source a/ Source b/ | Status |
|--|--------|-----------|--|--|--|
| | 1982 | Rev. 1984 | | | |
| <u>Rural development</u> | | | | | |
| A-1 Integrated programme in food crops in primary cotton-growing areas | 48 800 | 37 000 | 5 800) 3 900) 8 500) 37 000 3 400) 10 400) 5 000) | ERC (grant) FAC (grant) CCCF (soft loan) BADEA (soft loan) IBRD (IDA) (soft loan) SOCADA (Government) | First phase under implementation (1983-87) |
| A-5 Rescue of trypano-resistant cattle | 1 500 | n.a. | 72 | BDEAC | Ongoing feasibility study |
| A-10 Rehabilitation of three agricultural colleges | 1 000 | 2 000 | 575 | IBRD | One agricultural college rehabilitated (cost estimated) within framework of integrated livestock project |
| A-11 Strengthening of extension services | 1 000 | | 1 000 | FAC | Completed |
| A-12 Integrated development for Birao, Vakaga Province | 7 750 | n.a. b/ | 70) 267) 75 c/ | FAO/OSRO UNEP/OTF ERC | Completed Approved Submitted to ERC |
| <u>Health, education and social services</u> | | | | | |
| E-6 National Centre for Inter-professional Training | 2 400 | | 1 200) 1 615) 210) | UNDP UNDP Government | Ongoing project |
| H-2 Assistance to primary health-care centres in rural areas and procurement of medical supplies | n.a. | | 700) 481) 1 181 n.a.) | UNDP UNICEF FAC | 1982/84 |
| H-3 Rehabilitation of district hospitals | 9 100 | 2 500 | 560) 313) 280) | FAC UNICEF FAC/APVP | Five general hospitals renovated and equipped by FAC |
| H-4 Provision of drinking-water supply in rural areas | 3 000 | 3 643 | 2 793) 250) 3 643 600) | UNICEF UNDP UNICEF | Starts implementation mid-84 |
| H-5 Control of tropical diseases | 900 | 900 | - | - | Awaiting financing |
| H-6 Infant mortality survey | 200 | 248 | 47) 112) 248 89) | UNFPA UNICEP Government | Ongoing |

Table 6 (continued)

| Sector/project | Total | | Funding Acquired | Source a/ | Status |
|---|--------|-----------|---|---|--|
| | 1982 | Rev. 1984 | | | |
| S-1 Assistance for community development | 30 000 | 6 000 d/ | 900) 1 330) 15) 40) 20) 250) 150) 1 300) 313) 280) | UNDP UNDP UNICEF CIDA AFVP PAC/AFVP UNICEF WFP UNICEF PAC/AFVP | Implementation of main activities starts mid-84 Additional \$1.4 million requested to complement resources already acquired |
| S-2 Centre for the handicapped | 500 | 375 | - | - | Awaiting financing |
| Mines and energy | | | | | |
| M-1 Establishment of a mineral and geological research facility | 200 | 2 100 | n.a. | FRG | Feasibility study financed by the Federal Republic of Germany |
| M-2 Electrification of eight secondary centres | | | | | Withdrawn (change of priority) |
| Telecommunications | | | | | |
| T-5 Construction of a broadcasting station and provision of equipment | 2 800 | | 2 500 | China | Withdrawn |
| T-6 Centres of collective reception | | | | | |

a/ EEC - European Economic Community
PAC - Fund for Aid and Co-operation (French)
CCCE - Caisse Centrale de Co-operation Economique (French)
BADEA - Arab Bank for Economic Development in Africa
IBRD - World Bank
SOCADA - Central African Company for Agricultural Development
BDEAC - Development Bank for Central African States
PAO/OSRO - PAO Office for Special Relief Operations
UNEP/OPF - United Nations Emergency Operations Trust Fund
UNDP - United Nations Development Programme
UNICEF - United Nations Children's Fund
UNFPA - United Nations Fund for Population Activities
UNCDF - United Nations Capital Development Fund
CIDA - Canadian International Development Agency
AFVP - Association of Volunteers for Progress (NGO)
WFP - World Food Programme

b/ Feasibility study to be carried out by PAO during second semester 1984.

c/ Under negotiation.

d/ Revised amount for implementation of the first phase of the project.

B. Progress in the implementation of the special programme of economic assistance

31. Progress achieved in the implementation of the 17 projects listed above is summarized below.

1. Rural development

A-1 Integrated programme in food crops in primary cotton-growing areas (renamed "Rural development of the cotton areas")

32. The original project has been reformulated and is now renamed "Rural development of the cotton areas". Its objective is to increase the production of staple foods as well as the production of cotton. The project has a large component of infrastructure construction, including wells and feeder roads. Upon completion, it is estimated that approximately 40 per cent of the 190,000 farms located in the cotton zone will benefit directly from the project.

33. External assistance for this four-year project, amounting to \$32 million, is being provided by a group of donors under the leadership of the World Bank. The implementation of the project started in 1983 and is progressing satisfactorily. Upon the completion of present operations, the Government intends to extend the project to other cotton-growing areas.

A-5 Rescue of trypano-resistant cattle

34. The Development Bank for Central African States (BDEAC) has provided financial assistance of \$72,000 for the feasibility study required for this project. It is expected that the results of the study will be available shortly. Should they prove to be positive, the cost of implementation is estimated at \$1.5 million.

A-10 Rehabilitation of three agricultural colleges

35. The Agricultural College of Bouar, which specializes in livestock and animal husbandry, has been rehabilitated through a large-scale rural integrated development project for livestock (the "Western livestock project") funded by the World Bank. The rehabilitation of the Agricultural School of Grimari and the Training Centre of Wakombo designed to provide a secondary-level education in agricultural science is still urgently needed as both schools are in extremely poor condition. Physical facilities require renovation, libraries need to be replenished and obsolete equipment replaced. An additional \$1.5 million is required for this project.

A-11 Strengthening of extension services

36. The project to provide each of the 16 districts with two lorries and one landrover for extension services has been completed with assistance from the French Fund for Aid and Co-operation (FAC).

A-12 Integrated development for Birao, Vakaga province

37. The total amount requested for this project was \$7,750,000, of which \$750,000 was needed for short-term humanitarian assistance and \$7 million for the implementation of a long-term development programme.

38. Table 6 indicates a secured financing of \$337,000. However, this does not reflect the value of food aid delivered to Birao under food emergency programmes supported by the World Food Programme (WFP) and the European Economic Community (EEC). Of the \$337,000 provided, \$70,000 was contributed by the FAO Office for Special Relief Operations (FAO/OSRO) for the purchase of small fishing equipment, pesticides and fertilizers, and \$267,000 was provided for a rural water project by the United Nations Development Programme (UNDP) from funds made available from the liquidation of the United Nations Emergency Operations Trust Fund. Under this project, existing wells that had dried up during the drought will be deepened and new wells drilled.

39. The Government has also submitted to an interested donor a small-scale multi-purpose project for the rehabilitation of the Vakaga region. The amount requested, \$75,000, would be complemented by contributions in kind from the Government and local people to the value of \$85,000. The project aims at rehabilitating feeder roads and wells and the construction of infrastructures for livestock and agricultural production, to be carried out by labour-intensive techniques. The project will also provide medicines for the human and livestock population in the region.

40. These are only interim measures, which do not solve the basic problems of Birao province. This region, which is subjected to recurrent drought, is also isolated from the rest of the country during the seven-month rainy season due to the lack of an all-weather road. The Government is very anxious to improve the situation and has requested FAO to send a technical assistance mission to prepare an integrated long-term development plan for Birao province as well as for the adjacent Bamingui-Bangoran province. The FAO mission is scheduled to arrive in the Central African Republic during the second half of 1984.

41. The Government indicated that the terms of reference of the FAO mission would include the drawing up of a strategy for: (a) alleviating hardship caused by the climatic conditions of the region, and (b) introducing activities designed to improve the ecological character of the province, such as multiplication of drought-tolerant seed varieties, deepening of wells and construction of small earth dams for the watering of livestock, development of small irrigation schemes and establishment of regional facilities for storage of cereals. Possible areas for concentration of economic development activities for the region include fish-farming and livestock production, for which feasibility studies are necessary. Finally, it is proposed that any rehabilitation and medium-term development plan should include the construction of an all-weather road to connect the two northern provinces of Vakaga and Bamingui-Bangoran to the national road network, so as to provide effective communication linkage southwards with the rest of the country.

2. Health, education and social affairs

E-6 National Centre for Inter-professional Training (ONIFOP)

42. The National Centre for Inter-professional Training (ONIFOP) was established in July 1980. Its objective is to train workers for the productive sectors where there is an acute shortage of skilled labour. It was first assisted by an International Labour Organisation (ILO) project funded by UNDP at a cost of over \$1,200,000.

43. An additional project is now being financed by UNDP, with ILO as the executing agency, to establish a programme for managerial training and a unit for management consultations within the Centre.

44. The total assistance provided by UNDP to the Centre is over \$2,800,000, and the project can be considered as having been fully funded.

H-2 Assistance to primary health-care centres in rural areas and procurement of medical supplies

45. The 1982 mission reported on the continued acute shortage of medicines, drugs and medical aids in the hospitals and rural dispensaries, as well as the absence of refrigeration facilities for the storage of vaccines. The United Nations Children's Fund (UNICEF) has provided \$210,000 for the procurement of a cold chain and its operating costs, as well as for the purchase of vaccines. UNICEF has also provided \$300,000 for two years to purchase medicines for 61 mother and child health-care centres. UNDP has also provided an amount of \$700,000 to support these centres.

46. Under its regular programme of assistance, France has for several years earmarked an annual amount of 300 million CFA francs for the purchase of basic medicines.

47. Although some marked improvements have taken place as a result of assistance provided by UNICEF, UNDP and bilateral donors, more assistance is required to meet the needs of the population.

H-3 Rehabilitation of district hospitals

48. In addition to the main hospital located in Bangui, there are five "general" hospitals at the regional level and ten district hospitals. The five general hospitals are designed for slightly more sophisticated and specialized functions than those at the district level.

49. Financial assistance of \$560,000 has been provided by France for the rehabilitation of the five general hospitals. Assistance is still required for the rehabilitation of the district hospitals.

50. The Government has formulated a detailed project proposal for the rehabilitation of the ten district hospitals at an estimated cost of \$2.5 million.

This amount is intended to provide resources for the rehabilitation and expansion of the district hospitals and to purchase some urgently needed equipment. The expansion work required includes the installation of a radiology service, a maternity section of 15 beds and a pediatric section of 30 beds for each of the district hospitals.

H-4 Provision of drinking-water supply in rural areas

51. According to the Government and the representatives of the World Health Organization (WHO) in Bangui, the quality of drinking-water in the Central African Republic does not meet accepted health standards. This situation is responsible for many diseases affecting the population, such as amebiasis and schistosomiasis. The aim of the project is to strengthen the national agency for water supply and to establish, as a first phase, some 380 water points for drinking-water. The total cost of this project was estimated at \$3 million in 1981. In 1982, the Government established a National Committee for Water and Sanitation (CNEA). In the following year, the National Committee, with the support of the United States Agency for International Development (USAID) and UNDP, prepared a strategy and published a short- and medium-term plan of action. Within this context, UNICEF in 1983 secured financing of \$2,793,000 from Italy for a project to establish water points in the provinces of Ouham and Kemo-Gribingui. It is expected that 250 wells will be drilled and equipped with manual pumps to provide approximately 75,000 persons with safe drinking-water as well as to equip and protect 50 springs against contamination. The project also provides resources for education in sanitation and construction of latrines.

52. The project will be operational by mid-1984 and will also receive assistance from an ongoing UNDP hydrology project designed to determine the aquifers and the location of the drillings. Some assistance has already been provided by a UNICEF project through which a drilling rig was made available.

53. The total cost of the project for the period 1984-87 is estimated at \$3.6 million. It is considered that the project is now fully funded. Problems of water remain paramount, however, and the Government intends to develop the drinking-water supply programme further to cover other areas of the country.

H-5 Control of tropical diseases

54. In 1982, three types of disease were identified as requiring particular attention: blindness, malaria and schistosomiasis. A fourth type, congenital syphilis, was added at the request of the Government during the visit of the 1984 review mission.

(a) Blindness of various origins affects roughly 1 per cent of the population and strikes especially at children and teenagers. It is believed that this rate could be reduced significantly if the personnel of hospitals and rural health centres were properly trained to identify the causes and were provided with the appropriate medicines for treatment at the initial stages of the disease. The cost of the project, covering a three-year period, is estimated at \$140,000 for the procurement of medication only. Appropriate technical assistance is already available from other ongoing projects.

(b) Malaria is the third biggest cause of infant mortality in the country. At the present stage, eradication seems impossible. However, it is considered that suitable prophylaxis should be made available to all children up to 12 years of age. An amount of \$470,000 was requested for such assistance for a three-year period.

(c) Schistosomiasis is becoming more prevalent in the Central African Republic. It is proposed to locate the pilot project in a neighbourhood of Bangui, where the incidence of schistosomiasis is high, and in a rural locality. An amount of \$190,000 is required for the pilot project. This is needed essentially for medicines and insecticides, since the pilot project is expected to use the services of experts and materials made available by other ongoing projects.

(d) Congenital syphilis has been added to the list of tropical diseases for which assistance is required. This disease has now become widespread in some regions of the Central African Republic. The lack of resources prevents the cases that are diagnosed during pre-natal consultations from being cured. The project, estimated at \$100,000 for three years, will provide for the systematic treatment of all women who are examined routinely at the maternity centres.

55. None of the above-mentioned four sub-projects has received any international assistance. The low cost estimates reflect the fact that some existing resources will be made available for their implementation. The considerable social benefits that would result from their implementation more than justify the small additional investment required.

H-6 Infant mortality survey

56. The Government is concerned at the high rate of infant mortality in the country, the causes of which are still not known and will require serious and extensive investigation.

57. With financial assistance of \$159,000, of which \$47,000 is provided by the United Nations Fund for Population Activities (UNFPA) and \$112,000 by UNICEF, studies are now being undertaken in Bangui and selected rural areas with a view to studying the causes of the high rate of infant mortality, determining the rate of mortality and preparing a strategy to reduce the present rate of infant mortality. The project, which is completely funded, started in 1983 and is expected to continue until 1986.

S-1 Assistance for community development

58. The original project proposal has since been expanded and financing totalling \$2,305,000 secured through the following sources: United Nations Capital Development Fund (UNCDF) \$900,000; UNDP \$1,330,000; Canada \$40,000; and the French Fund for Aid and Co-operation (FAC) jointly with the French Association of Volunteers for Progress (AVFP) \$20,000 and UNICEF \$15,000. Project implementation is scheduled to commence in 1984. Additional financing to the amount of approximately \$2.3 million is available to support other activities which are complementary to the main project. FAC and AVFP have allocated \$530,000,

UNICEF \$463,000 and the World Food Programme (WFP) \$1,300,000 (food-for-work programme). The total amount of resources now available for community development activities in rural areas is therefore estimated at close to \$4.6 million.

59. The Government is seeking an additional \$910,000 to supplement the resources already available. In this regard, funding to the amount of \$800,000 is being considered by a prospective donor for financing a training programme for national personnel. This component is considered essential for the proper implementation of the main UNDP/UNCDF project.

60. In line with this major thrust in the rural areas, the community development service is also working out a similar approach for development in urban areas. The resources required to start this activity are estimated at \$700,000.

61. For the short- and medium-term requirements, assistance to the amount of approximately \$1.6 million is needed in order to implement a meaningful community development programme. It is envisaged that following the successful implementation of these projects, including the training of community development officers, the methodology would be refined and the programme expanded to cover the whole country.

S-2 Centre for the handicapped

62. Assistance was provided by the International Labour Organisation (ILO) for the formulation of this project, but no external aid has been secured for its implementation. A revised project has been prepared by the Government, with an estimated budget of \$375,000, of which \$140,000 is for a revolving fund and the balance for building construction purposes. The Government believes that such a centre could become self-supporting within a short time by selling goods produced by the centre.

3. Mines and energy sector

M-1 Establishment of a mineral and geological research facility

63. The Federal Republic of Germany has provided financial assistance to complete the feasibility study for this project. The Government is now proposing that the project be implemented (see new project MM-1, para. 107).

M-2 Electrification of eight secondary centres

64. Although some action had been initiated in the implementation of this project by the electrification of two centres, that of the remaining centres was subsequently suspended and the project withdrawn by the Government. The Government has accorded a higher priority to the construction of a complementary dam on the M'Bali River designed to regularize and increase the production of electricity for the city of Bangui.

4. Telecommunications sector

T-5 Construction of a broadcasting station and provision of equipment

65. This project, which involves the installation of a broadcasting system designed to cover the entire country, is being implemented at a cost of \$2.5 million provided by the People's Republic of China.

T-6 Centres of collective reception

66. This project has been withdrawn at the request of the Government.

C. Selected high-priority projects

67. The Government has embarked upon the preparation of the global and sectoral strategies, priority programmes and projects for incorporation into the five-year national development plan for 1986-1990. The Government is also in the process of organizing a round-table conference of donors in 1985, with the assistance of UNDP. It is expected that the conference, which is to precede the launching of the national development plan, will give the Government an opportunity to discuss the contents of the plan with prospective donors. It will also enable the Government to obtain some advance indication as to the probable sources of external aid and the size of contributions that could be anticipated for the implementation of the projects contained in the national development plan.

68. Pending the formulation of the five-year national development plan, the Government hopes to arrange for an informal meeting of interested donors to be convened in Bangui in 1984 to consider co-financing arrangements for the implementation of six major projects of the highest priority which need to be executed at the earliest possible opportunity in view of their strategic importance to the national development objectives.

69. Some interest has been expressed in respect of each of the projects but, in view of the magnitude of the financing required, additional resources will need to be mobilized to supplement those expected from prospective donors who have already indicated interest in specific projects. In addition, negotiations and agreements will need to be satisfactorily concluded with regard to joint or parallel financing arrangements.

70. The Government has requested the inclusion of the six projects in the special programme of economic assistance with a view to attracting the attention of the international community to their high-priority rating and to enlisting external assistance for their implementation. The following is a brief description of each of the priority projects.

1. Construction of a complementary dam on the M'Bali River and extension of the Boali power plants

71. Electricity consumed in Bangui is produced by two hydroelectric plants located in Boali with a capacity of 8.75 and 10 megawatts respectively. The plants are supplemented by a thermal plant of 8 megawatts installed in Bangui. During the low-water season, the capacity of the hydroelectric plants falls to about 8.5 megawatts. During the 1982 drought, the level of water available for electricity production fell so low that the capacity of the plants was reduced to 3.5 megawatts and on some days, the production was completely cut off. This precarious situation is further compounded when future electricity needs of Bangui are considered. In effect, due to the proposed installation of a textile factory (UCATEX) and the normal forecast demands of Bangui for domestic and industrial users of electricity, the existing installed capacity will be inadequate to meet demand by 1988.

72. The proposed solution is the extension of the already existing installation at Boali and the construction of a dam on the M'Bali River. The dam will be designed to store up to 400 million cubic metres of water which will also serve to supplement the volume of the river during the low-water season. The dam and the extension of the existing plants at Boali I and II will increase the installed capacity from 18.75 to 37 megawatts.

73. The French development finance institution, Caisse Centrale de Coopération Economique (CCCE), will provide \$1,175,000 for the preparation of the feasibility study and a detailed plan for the execution of the M'Bali dam project. In an initial assessment, the total cost of the project was estimated at around \$42 million. The Government will look into the possibility of joint financing for the execution of this vital project.

2. Construction of the road on the fourth parallel, Mbaïki-Yamando

74. This road will open up the forest region of Lobaye and Sangha prefectures and thus facilitate the transportation of timber westwards to the port of Douala in the Republic of Cameroon. The road which will link the Central African Republic with Cameroon and the Congo is part of the fourth-parallel highway which is planned to link the countries of central Africa. The length of the road in the Central African Republic is approximately 215 kilometers, and its construction will include several long bridges. A paramount consideration is the economic potential of the road, which will facilitate exploitation of the country's extensive forest resources and significantly lower the transportation costs of timber exports. Private companies already operating in the region are prepared to increase the level of the country's timber exports if the road infrastructure is adequately developed.

75. A feasibility study is being prepared and financed by the French Fund for Aid and Co-operation (FAC). The total cost is estimated at approximately \$200 million.

3. Reinforcement of the central runway of Bangui Airport

76. Boeing 747 aircraft can now land at Bangui Airport and an increase in cargo traffic is already noticeable. A forecast study prepared by the joint French/African Civil Aviation Agency (ASECNA) indicates that prospects are quite favourable for an appreciable development of cargo and passenger traffic at this airport. However, this would be jeopardized if the present deterioration of the central runway is allowed to continue unchecked. In January 1983 a physical study carried out by ASECNA emphasized the need for urgent action in reinforcing the central runway. The cost of the project is estimated at \$11 million.

4. Reintroduction and extension of kenaf cultivation

77. In the past, kenaf was produced in the Central African Republic and transformed locally into bags. Difficulties encountered by the local manufacturing plant resulted in a curtailment of kenaf cultivation and the country is at present meeting its requirements by imports. The Government is anxious to reintroduce cultivation of this crop for industrial purposes in order to meet the demand for bags (coffee and cotton) and, in due course, for export to neighbouring countries. Cameroon, which uses large quantities of these bags, has already indicated its willingness to import them from the Central African Republic. It should be noted that ecological conditions are very favourable for the cultivation of kenaf in the Ombella-M'Poko region of the country.

78. A feasibility study has been financed by the African Development Bank (ADB) at a cost of \$60,000, and the report will be made available to interested donors. According to the Ministry of Planning, the expected output could be about 1,200 tons of kenaf fibre annually. As production of the crop could be undertaken by about 200 farming families, reactivating its cultivation would also provide job opportunities in the areas selected for cultivation.

5. Improvement of sanitation facilities for the city of Bangui and provision of drinking water for rural areas

(a) Improvement of sanitation facilities for the city of Bangui

79. The population of Bangui is estimated at about 600,000 and its rapid increase has posed a problem for the physical development of the city. In various poor neighbourhoods flooding is frequent during the rainy season and the overflowing of sewage waters at that time constitutes a major health hazard. As mentioned earlier, water-borne diseases are common in the rural areas as well as in Bangui. It should also be noted that the water-treatment plant of the Bangui hospital is no longer functioning and that the waste waters of the hospital are rejected directly, without treatment, into the open sewage system.

80. In 1976, a feasibility study for the construction of a sewage system estimated the cost at \$25 million. In the early 1980s, the African Development Bank made available 1.3 billion CFA francs for the first phase of the project, which has been

partially completed with the construction of 7 km of sewage system. It is envisaged that the second phase, for which financing of \$4.5 million is being sought, would include the following: (a) preparation of the necessary feasibility studies, including preparation of a technical and financial plan; (b) completion of the work started under the first phase; (c) rehabilitation of the water-treatment plant of the hospital; and (d) execution of some urgent work in the poor neighbourhoods where water-sanitation problems are most acute. The cost of the studies is estimated at \$300,000.

(b) Provision of drinking water for rural areas

81. An essential component of the Government's development strategy for the rural areas of the country is the provision of water for the population. The authorities believe that access to good drinking water for the rural population is one of the most efficient ways of improving health conditions in the country, since many diseases are transmitted through polluted water at present, amongst which bilharziasis, amebiasis, gastro-enteritis and typhoid are common. The mortality rate is especially high among children of 0-5 years of age.

82. A programme similar to the one financed by UNICEF (reviewed in the preceding section under the project entitled "H-4 Provision of drinking-water supply in rural areas", see paras. 51-53) will be presented at the proposed donors' co-financing conference in October 1984. The selection of the provinces to be provided with boreholes and hand-pumps was still under consideration by the Government. No cost estimates are available at this stage.

6. Construction of a cement plant

83. The Central African Republic must meet its requirements for cement by imports, which, by the time of arrival in Bangui, often after considerable delay, are found to have trebled from their original purchase price because of transportation costs. The increasing domestic demand for cement adequately justifies the economic viability of the proposed cement plant. In addition, the proposed dam construction (see project 1 above) would significantly increase demand. Geological studies have been carried out and limestone deposits identified in the proximity of Bangui. These deposits are however plagued by periodic flooding and studies are being undertaken to identify a more suitable site. The result of these studies will be considered by the Government and a decision taken as to whether to develop a new site or to undertake further studies with a view to alleviating the flooding conditions in the site already identified. An exhaustive study will need to be carried out for this purpose. Such a study will cost approximately \$500,000. The time factor for the implementation of the cement plant project is of paramount importance, since cement production should be available in good time for the construction of the M'Bali dam and the proposed road on the fourth parallel.

D. New projects

84. In addition to the selected high-priority projects, several other projects that are being considered for inclusion in the 1986-1990 national development plan were brought to the attention of the mission by the Government. Feasibility studies had been completed for only a few of these projects. Since the Government proposes to submit the projects to the donors' round-table scheduled for 1985, proposals are being refined and terms of reference are being prepared for the feasibility studies which are to be commissioned.

1. Agriculture

AA-1 Strengthening of agricultural statistics services

85. Since a reliable statistical base is essential for the preparation of sound agricultural policies and programmes, and since preparations are under way for the next five-year national development plan, the Government intends to strengthen the agricultural statistics services located within the Ministry of Rural Development. The project proposal has been prepared with FAO's assistance and is estimated at \$1.5 million covering a period of three years.

AA-2 Establishment of palm-tree plantations at the village level

86. Since 1975, the Central African Republic has been engaged in the creation of an agro-industrial complex for the exploitation of palm-trees. The first phase of this programme was financed by the African Development Fund, and 1,000 hectares of industrial plantation have been developed. The second phase, which is ongoing, will permit the extension of the plantations to 1,500 hectares and the installation of an industrial plant with a yearly productive capacity of 7,500 tons of palm oil.

87. In order to further integrate the industrial plantation system into the socio-economic development of the country, the Government requires a feasibility study to be undertaken on the improvement of existing village plantations. The study would also cover the marketing arrangements for the oil palm products, as well as make recommendations on policies that the Government could adopt in relation to these products.

88. The terms of reference for the feasibility study have been prepared by the Ministry of Rural Development and require the services of a team of three consultants, namely an agronomist, a socio-economist and a pedologist. The cost is estimated at \$60,000.

AA-3 Establishment of a revolving fund for fishing and farming

89. This project is complementary to an ongoing programme for the extension of fish cultivation techniques and the establishment of five "multiplication" stations being supported by UNICEF, UNDP, EEC and USAID, as well as several non-governmental and volunteer organizations. The proposed project will provide credit to the farmers who have undertaken a combination of poultry rearing and fish

farming. The production objective of the project is to increase the output by 45 to 50 tons of fish and 7 to 8 tons of chickens annually.

90. Assistance required is estimated at \$100,000, which is intended to cover the cost of six scooters, a six-ton truck and the salary of a locally recruited accountant, and to establish a revolving fund to provide credit to individual farmers.

2. Other important feasibility studies

(a) Development of the plain of Bangui

91. The Government has commissioned the preparation of a feasibility study for the development of the plain of Bangui for vegetable farming to be undertaken by organizations of small farmers. The study is being financed through bilateral assistance from France. No cost estimates have been provided.

(b) Commercialization of livestock

92. The Government has requested assistance in the preparation of a feasibility study for the establishment of an organization for the marketing of livestock. No cost estimate is available.

3. Industry

II-1 Establishment of a small-scale foundry and forge

93. A feasibility study prepared by the United Nations Industrial Development Organization (UNIDO) shows that there is an internal market for 3,000 tons of foundry products, 600 tons of cast steel and 100 tons of bronze annually. The proposed foundry and forge are intended to produce a series of small-scale products, including agricultural machinery, ploughs and carts. Local production would be based on the processing of scrap metal around Bangui. It is proposed that a second-phase development might include exports to the countries of the Customs and Economic Union of Central Africa (UDEAC) that do not possess their own facilities. The project is part of the national rehabilitation plan for 1982-85 and the Government has accorded it high priority.

94. The cost of the foundry was estimated at \$3 million and the forge at \$400,000. However, a further study is urgently required to evaluate the quantity of scrap metal available locally.

II-2 Establishment of a plant for milk pasteurization

95. The Central African Republic imports an average of about 800 tons of milk products per year, in spite of the fact that in the proximity of Bangui (a radius of only 150 km) there are more than 100,000 cows. The daily domestic production of

milk is estimated to be around 7,300 litres and the farmers' consumption about 5,800 litres. It is estimated therefore that about 1,500 litres could be made available daily for commercial purposes. However, very little of this milk is being sold due to the lack of a marketing organization.

96. The proposed project would include the organization of the collection of milk as well as the construction of treatment and pasteurization facilities. It will be implemented under the aegis of the Ministry of Agriculture with the participation of the association of livestock owners. The project will provide additional income for cattle owners and will have far-reaching social and economic implications for low-income groups in Bangui who cannot afford to buy imported milk.

97. The services of specialized personnel are available and the Ministry of Agriculture proposes to provide two engineers trained in industrial milk production.

98. The cost of the pasteurization plant is estimated at \$190,000, to which should be added another \$60,000 for the procurement of the vehicles required for milk collection. The amount needed for the revolving fund proposed has not yet been estimated. A feasibility study to be undertaken initially is estimated at about \$20,000.

II-3 Feasibility study for the establishment of an agro-industrial complex for processing of manioc

99. Cassava, which forms the basic diet of the population and constitutes more than 50 per cent of the average daily calorie intake, can be consumed directly or transformed into a flour which can be stored for subsequent use. The transformation into flour is traditionally done by women and requires a considerable amount of time.

100. In view of the projected increase in the production of cassava as a result of the implementation of various large-scale integrated rural development projects, the Government intends to commission a study on the possibility of establishing an industrial plant for the processing of cassava to flour. A feasibility study is needed for which the detailed terms of reference have been prepared by the Ministry of Agriculture.

4. Health

HH-1 Production of solutions for intravenous injections

101. The various solutions used for intravenous injections are essential for the daily operation of a hospital. About 150,000 to 200,000 units of these solutions are used annually in the Central African Republic. They are either purchased or received as grants, but shortages occur frequently. A recent study shows that the real need of the country is around 700,000 to 800,000 units annually.

102. Since neighbouring countries such as the Congo and Gabon also import their solution requirements, it would be possible for a plant in the Central African

Republic to find an export market in these countries. It is estimated that half of the consumption of these markets, i.e. 400,000 units, could be manufactured by the proposed plant.

103. It is believed that the locally produced solutions for intravenous injections could be sold at competitive prices, based on an assumed yearly plant production of 900,000 units. Use would be made of PVC packets, which are now widely used for marketing of this product.

104. The cost of the equipment required is estimated at \$382,000 and actual construction costs at \$425,000, making a total of \$807,000. In view of the economic potential of the product, the Government would welcome participation of private industrialists in a joint venture.

HH-2 Production of salts for oral rehydration

105. In the Central African Republic diarrhoea is the main cause of infant mortality amongst children 0-5 years of age. It can be combatted by rehydration treatment. An estimated 546,000 units of salts for oral rehydration were made available to the infant and maternal health-care centres in 1983.

106. A feasibility study undertaken by UNIDO on the establishment of a plant for the local production of the salts has justified the economic viability of the project, on the basis of a plant designed to meet production for both local requirements and for export to the neighbouring UDEAC countries.

107. The total cost of the plant is estimated at \$450,000, of which \$200,000 is for the buildings, \$170,000 for equipment and the remainder for technical assistance, legal costs and the establishment of a revolving fund. However, a further feasibility study should be undertaken to examine the possibility of combining the project for the manufacture of salts for oral rehydration with the project for the production of solution for intravenous injections (see HH-1 above).

MM-1 Establishment of a mineral and geological research facility

108. Despite the fact that mining is the second most important source of the country's foreign exchange, there is at present no national organization capable of conducting systematic evaluation studies and of providing the Government with advice concerning negotiations that are frequently undertaken with transnational mining companies.

109. The objective of this project, for which a feasibility study has been financed by the Federal Republic of Germany, is to establish an office that will assist the Government in formulating the requirements of an evaluation programme for already known resources such as gold and diamonds, as well as for other mineral resources that have been identified. The proposed institute would be served by a laboratory and would also provide specialized legal services to assist the Government in its negotiations. The total estimated cost is \$2.1 million.

5. Education

EE-1 Rehabilitation and modernization of the production unit for teaching materials

110. The present education system is ill-adapted to the needs of the country. On the basis of a study carried out by the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Government has opted for a reform of the education system that puts strong emphasis on technical studies. The use of Sango, the national language, for alphabetization, is an important aspect of the reform.

111. The successful implementation of the proposed measures for reform is in part dependent upon the introduction of new teaching materials. The manuals used for teaching must be written and published, and all basic materials and equipment will need to be produced locally. A production unit within the National Institute for Education (INEF) is in charge of producing this material and equipment. Its resources are insufficient, however, especially for the printing and reproduction of books. The proposed project would equip this unit and increase its productive capacity. The cost of the project is estimated at \$187,000.

EE-2 Rehabilitation of ten vocational training centres

112. The reform of the education system places great emphasis on an education programme adapted to the needs of the country and in this context vocational training is a major component. The Government has therefore requested international assistance to rehabilitate the existing training centres and to provide them with necessary materials at an estimated cost of \$5,837,000.

E. Summary

113. There follows a summary of the projects proposed for the 1984 special programme of economic assistance. The total cost of the projects is estimated at over \$280 million.

Table 7

Summary of proposed special programme of economic assistance
(Thousands of dollars)

| Project | | Estimated cost |
|--|--|-----------------------|
| I. <u>Projects from 1982 special programme of economic assistance</u> | | |
| A-10 | Rehabilitation of agricultural colleges | 1 500 |
| A-12 | Integrated development for Birao, Vakaga province | 7 750 |
| H-3 | Rehabilitation of district hospitals | 2 500 |
| H-5 | Control of tropical diseases | 900 |
| S-1 | Assistance for community development | 910 |
| S-2 | Centre for the handicapped | 375 |
| Subtotal | | <u>14 135</u> |
| II. <u>Selected high-priority projects a/</u> | | |
| 1. | M'Bali River dam/Boali power plants | 42 000 |
| 2. | Mbaïki-Yamando road | 200 000 |
| 3. | Bangui Airport: runway | 11 000 |
| 4. | Kenaf cultivation | n.a. |
| 5. | Bangui sanitation facilities/rural water supply b/ | 4 500 |
| 6. | Cement plant | n.a. |
| Subtotal | | <u>257 500</u> |
| III. <u>New projects</u> | | |
| AA-1 | Strengthening of agricultural statistical services | 1 500 |
| AA-2 | Palm-tree plantations (feasibility study) | 60 |
| AA-3 | Fishing/farming credit | 100 |
| II-1 | Small-scale foundry and forge | 3 400 (40) c/ |
| II-2 | Milk-pasteurization plant | 250 (20) c/ |
| II-3 | Manioc agro-industrial complex | n.a. |
| HH-1 | Production of solutions for intravenous injections | 807 |
| HH-2 | Production of salts for oral rehydration | 450 |
| MM-1 | Mineral and geological research facility | 2 100 |
| EE-1 | Production unit for teaching material | 187 |
| EE-2 | Rehabilitation of vocational training centres | 5 837 |
| Subtotal | | <u>14 691</u> |
| Total | | <u><u>286 126</u></u> |

a/ To be submitted to donors' meeting in October 1984.

b/ Cost of rural water-supply project not available.

c/ Cost of additional feasibility studies required.

IV. EXTERNAL ASSISTANCE

114. The mission met with representatives of the donor community on 15 June 1984 in Bangui, under the chairmanship of the Resident Co-ordinator of the United Nations system's operational activities for development. At that meeting, the mission was briefed on the support being provided by the donor community with regard to the Government's strategies and policies in the formulation of the country's development plan and performances. Specific development projects for which external assistance was being provided were also discussed.

115. Of particular interest to the donor community were the six projects of high priority which will be submitted for their consideration at the forthcoming co-financing donors' conference scheduled to be held in Bangui in October 1984. It was apparent from the discussions at the meeting that there was general support among the donor community for the priority rating accorded to the projects selected by the Government and that there was reasonable expectation that some external assistance will be pledged for the selected projects during the co-financing conference. Such assistance is expected to take the form of joint financing arrangements among the donors, in view of the magnitude of costs involved. No doubt additional resources will still be required to cover the total amount required for the execution of those projects for which financial or other types of assistance cannot be fully mobilized at the proposed co-financing donors' conference in October 1984.

116. Table 8 below provides a summary of the distribution of external assistance to the Central African Republic, according to donor and development sectors in which such assistance is concentrated. Details of the amounts received have not been made available.

Table 8

Distribution of external assistance by sector and by donor, 1982-1983

| Donor | Capital development programme | | Technical assistance | Type of funding |
|--|---|---|--|-------------------|
| | Major concentration | Lesser concentration | | |
| 1. United Nations | | | | |
| United Nations Development Programme (UNDP) and specialized agencies | Rural development; transport and telecommunications | | All sectors | Emergency |
| International Bank for Reconstruction and Development (IBRD) | Rural development; transport infrastructure | | | |
| 2. Intergovernmental organizations | | | | |
| African Development Bank (ADB) | Rural development; industry; transport infrastructure | | | |
| Development Bank for Central African States (BDEAC) | Transport and rural development | | | |
| European Economic Community (EEC) | Rural development; transport infrastructure; industry | Health; education; water; sanitation; mines | Fellowship; rural development; energy industry | Emergency; Stabex |
| Organization of Petroleum Exporting Countries (OPEC) | Transport infrastructure | | | |
| 3. National | | | | |
| China | Transport and communication | | | |
| France: | | | | |
| Caisse Centrale de Coopération Economique (CCEE) | Rural development; transport infrastructure | Energy; sanitation; industry | | |

Table 8 (continued)

| Donor | Capital development programme | | | Type of funding |
|-------------------------------------|--|----------------------|--------------------------------------|-----------------|
| | Major concentration | Lesser concentration | Technical assistance | |
| Fund for Aid and Co-operation (PAC) | Transport infra-structure, rural development | Education; health | Education + all sectors; fellow-ship | Budget support |
| Germany, Federal Republic of | Transport infra-structure | Health | Rural development | |
| Japan | Transport infra-structure | | | |
| United States | | | Health; education; rural development | |

APPENDIX

