

Peacebuilding Commission
Country-Specific Configuration on Central African Republic

**National initiatives and support by the International Community
to the establishment of development hubs**

Context

1. The succession of various political regimes in the Central African Republic has led the country to an extremely fragile socio-economic situation. The current Government is facing a situation of high indebtedness, a limited treasury, in an unstable security situation. Consequently the population, which is unequally spread throughout the territory, is confronted to very specific problems related to poverty, security and governance.

2. Poverty in the CAR is marked by the absence of economic opportunities, compounded by the absence of state services, including basic social services. Agriculture and small-scale cattle-farming, the main activities and sources of revenue in the whole country, are hampered by unpredictable harvests, tensions due to transhumance, poor quality and lack of inputs (seeds and fertilizers), as well as the absence of opportunities to trade. Other economic activities are very marginal. A number of regions suffer from the absence or malfunctioning of infrastructures, inadequate maintenance and rehabilitation of main and secondary roads and waterway infrastructures, and energy sources.

3. With respect to basic social services, the analysis of access to health and education facilities shows geographical imbalance, with a quasi absence of services outside of the capital. The activities of religious institutions and some international NGOs remain limited when compared to the actual needs. In the past years, primary education has been marred by poor management of the teachers' body (salary arrears and limited budget). Health care centres are largely not operational, some even abandoned, for the same reasons of chronic lack of resources and equipment. Access to drinking water remains problematic despite the country's natural resources, for infrastructural and distribution reasons.

4. In addition the country faces an ever increasing number of internally displaced who live in extremely precarious conditions, as a result of rebel violence and atrocities committed by the *zaraguinas (coupeurs de route)*. The combination of these different elements has resulted in a continuous degradation of social indicators, directly impacting the country's ranking in the UN Human Development Index. The quality and condition of basic socio-economic infrastructure are such that some 70 percent of the population lives below the poverty line. The Central African Republic is therefore ranked 171 out of 175 countries and social indicators are continuously decreasing.

5. The response to the geographical imbalance of poverty in the CAR lies in the development hubs project, to which the Government, and the international community, including the European Commission, have largely subscribed to, in the context of the strategy for the implementation of the country's *Document Stratégique de Réduction de la Pauvreté* (PRSP), and through the alignment of their country strategies respectively.

Key challenges to the implementation of the development hubs project

6. **Security and development:** the security situation in the country is both a trigger and an aggravating factor of poverty in and vulnerability of populations. On the other hand, investing in development has a positive effect on the level of insecurity. The level of insecurity varies in different geographical parts of the country, therefore requiring a zoned approach. Given the clear link between development and security, the implementation of the development hubs project requires a minimum of political stability in the region of focus. This stability is heavily conditioned by progress on the political front, in particular the good will of all parties participating in the Inclusive Political Dialogue and in the Security Sector Reform (SSR).

7. **Governance and development:** the State authority throughout the territory of the CAR remains very fragile – when it is present at all – and is closely linked to progress in the ongoing political dialogue. The heavy and historical centralization of the Central African administration and its inefficient current functioning are slowing down local development. Despite the Government’s strong engagement in favor of local democracy and administration, progress on the deconcentration and decentralization remains limited. The development hubs approach allows to better anchor this vision in concrete activities in preparation of decentralization and regionalization. Furthermore, decentralization can only be effective if parallel measures are taken at the central level. It is therefore crucial to continue the strengthening of state capacities in Bangui, and to promote good governance and rule of law, while preparing the future local administration and restoring the dialogue between the state and civil society. With regards to the private sector, opportunities to deliver services throughout the territory exist. However, interventions are difficult due to an unfavorable business climate (CAR ranks 180 out of 181 in the “*Doing Business*” report) and the absence of rule of law.

8. **Capacity and development:** the current weakness of local partners and local and territorial collectivities is evident. The implementation of the development hubs project requires a participatory approach which would reinstate the dialogue between the state and civil society and which could contribute to strengthening the capacity of local actors in conflict resolution and management of local development. Difficulties at the field level are related to the low level of participation of populations, linked to the lack of organization of civil society, the lack of confidence between civil society and the state, and the absence of communication and information sharing. At the level of the decentralized administration, the low qualification of staff in management and accounting positions, and the lack of coordination represent a challenge for the elaboration and implementation of local development plans. Finally, the development hubs project will create the necessary conducive environment to reinvigorate the private sector, notably in the areas of telecommunications, banking and transportation.

Efforts by the Government and international partners

9. The Government, in its PRSP monitoring and implementation mechanism, created sectorial committees and regional committees. At the sectorial level, each committee has a responsibility to contribute to the elaboration of the special report on the implementation of the development hubs project. Regional committees are tasked with ensuring the participation of grass roots communities in the implementation of the activities of the PRSP and of the development hubs project. Thus, efforts are being made to coordinate the implementation of

development hubs project. At the central level, the Government is about to designate a focal point for the monitoring and dynamism of the project.

10. The European Commission developed a project supporting the development hubs initiative, which envisages reinstating state authority and reinvigorating local economies. This project, valued at € 40 million (in two disbursements) will be implemented in the 11 development hubs (1st phase) starting in January 2009. The hubs were identified based on poverty level data collected at the last census, in conjunction with four additional key criteria: level of poverty, concentration of population, sustainable economic potential, and, sufficient security for minimal activities. Additional support from the European Commission, for the 2008 to 2013 period, is also articulated around the development hubs.

11. The European Commission focuses its support to development hubs as follows:

- Socio-economic development: local economic development including trade and transportation services, rural activities (agriculture, cattle-farming, fisheries, environment), health (hospitals and health centers), education (schools, high-schools, libraries) and social, including sports and culture;
- Infrastructure: roads, communication, public buildings, energy, water and sanitation, civil administration (*état civil*) and local governance, including an environment conducive for economic activity;
- Security systems / justice / police will be handled simultaneously but on specific European Development Fund (EDF) funding.

12. The World Bank and the African Development Bank will provide support in 2009 to the vulnerable populations through local development projects in rural areas. These activities will be implemented by the deconcentrated services of the Ministry of Social Affairs. However, these interventions will not be implemented in areas where security needs to be improved (in the North and the East).

13. Through its project supporting governance and decentralization (PCGD), UNDP will provide support to strengthen capacities of local and administrative authorities.

14. While other partners have expressed their wish to support the development hubs project in the Eastern part of the country – which the Government is eagerly seeking given the geopolitical importance of the region – none of them has concretely come forward yet. The support provided by the European Commission in the North-East of the country is limited to ad hoc emergency support without long term perspective of engagement given the specific context and the need for a more calibrated approach.

Needs assessment and possible contributions from the Peacebuilding Commission

15. The gaps in the implementation of the development hubs project are located in the Eastern part of the country (i.e. green dots) which the European Commission is not in a position to take over given the lack of resources at the time this document was drafted. However, regional geopolitical aspects are such, that an engagement in the entirety of the CAR territory is crucial to avoid neglecting already abandoned regions and improving the prospects of peace consolidation.

16. The regions in the Eastern part of the country (Birao, Ndélé, Bria and Obo) have fallen victim to various tensions and to chronic instability, due to various reasons. As concerns Birao and Bria, tensions are ethnic in nature and have the potential to be used, at any time, to spark a new rebellion. The Ndélé region suffers from problems related to transhumance and poaching. Finally, as regards Obo, the LRA, the Ugandan rebel movement, conducts increasingly violent annual incursions, increasing fears that they might consider establishing rear bases and training camps, not to mention conflicts related to the use of space between sedentary and nomadic populations.

17. It is therefore crucial to set the stage for sustainable peace through the development of those regions. In this context, the mandate and expertise of the Peacebuilding Commission is crucial and could justify an intervention in that part of the territory, in support of the four development hubs identified in the second phase of the project, thus complementing the support provided by other partners.